स्वातंत्र्याचा अमृत महोत्सव

MAHAGENCO

Maharashtra State Power Generation Co. Ltd.

Generating for Generations

ANNUAL REPORT 2020-2021

MAHAGENCO

Maharashtra State Power Generation Co. Ltd.

MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED

ANNUAL REPORT
2020-2021

ANNUAL REPORT 2020-2021

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Maharashtra State Power Generation Co. Ltd.

Board of Directors (from 01.04.2020 upto AGM Date 20.09.2021)

Chairman & Managing Director	:	Shri Sanjay Khandare (w.e.f. 10.08.2020 till date)
		Smt. Shaila A. (w.e.f. 17.01.2020to 10.08.2020)
Director (O)	:	Shri C. S. Thotwe (w.e.f. 16.03.2021 till date)
		Raju Burde (Addl. Charge w.e.f. 31.08.2020 to 16.03.2021)
Director (F)	:	Shri BalasahebThite (w.e.f. 15.09.2020 till date)
		Shri S. K. Labde (Addl. Charge w.e.f. 10.08.2020 to 15.09.2020)
		Shri S. J. Amberkar (w.e.f. 11.08.2017 to 10.08.2020)
Director (Mining)	:	Shri P. V. Jadhav (w.e.f. 01.06.2019 till date)
Director (P)	:	Shri V. Thangapandian (w.e.f. 10.04.2019 till date)
Director	:	Shri D.T. Waghmare (w.e.f 29.01.2021 till date)
		Shri Aseem Gupta (w.e.f.17.01.2020 to 29.01.2021)
Director	:	Smt. JueleeWagh (w.e.f. 15.06.2018 to 06.07.2020)
Director	:	Smt. Swati Vyavahare (w.e.f 22.01.2021 till date)

DIRECTORS' REPORT

Dear Members

Your Directors are pleased to present the 16th Annual Report and the audited annual accounts for the year ended 31st March 2021.

Financial Results (Stand alone)

(₹ in crores)

Particulars	2020-21	2019-20 Restated*
Income		
Revenue from Sale of Power(net)	23575	24656
Other Income	50	80
Gross Income	**23625**	**24736**
Expenditure		
Cost of Material consumed	13492	14398
Employee Cost	1429	1828
Finance Cost	3637	3579
Depreciation/ amortization	2738	2779
Other Expenses	1904	1928
Profit before Tax	**425**	**224**
Tax (net) (Current tax including of deferred tax expense)	149	64
Net Profit after tax	**275**	**160**
Items that will not be reclassified to Profit & Loss (Other comprehensive income)	0.56	(123)
Remeasurements of the defined benefit plans		
Tax expense on OCI items		
Total Comprehensive Income for the period, net of tax	**276**	**37**

*As per Ind As if any entry pertaining to previous years is made in current year, then figures of previous year are restated for presentation purpose of P&L and Balance sheet

Financial Performance

During the year under review, the income from sale of power and other operating revenues decreased by 4.38 % from ₹ 24656 crores to ₹ 23575 crores. This reduction in revenue is largely due to adverse effect of emergence of Covid-19 on industrial activities in the first part of FY 2020-21 thereby impacting requirement of power. Surcharge bill was also reduced by ₹ 30 crs due to reduction in interest rate. Other income during this period is decreased to ₹ 50 crores. Thus, the total income has decreased by 4.49 % as compared to previous year. The cost of material consumed decreased by 6.28 % from ₹ 14398 crores to ₹ 13492 crores as result of reduction in coal consumption due to lesser generation of power. The employees cost has come down to ₹ 1429 Crs from ₹ 1828 Crs in previous year. In the previous year employee cost was high due to provision of pay revision and leave encashment. The Finance cost for the current year was ₹ 3637 Crs as compared to ₹ 3579 in previous year. This increase was due to increase in interest on working capital. Depreciation /amortization has decreased by 1.48 % due to reduction in Depreciation since old assets have reached maximum depreciable value.

Consequently, there is a profit before tax ₹ 425 Crs as against the ₹ 224 Crs (restated) previous year. After Provision of Income tax and adjustment for other comprehensive Income (net) overall net profit was ₹ 276 crores as against net profit of ₹ 37 Crs (Restated) previous year.

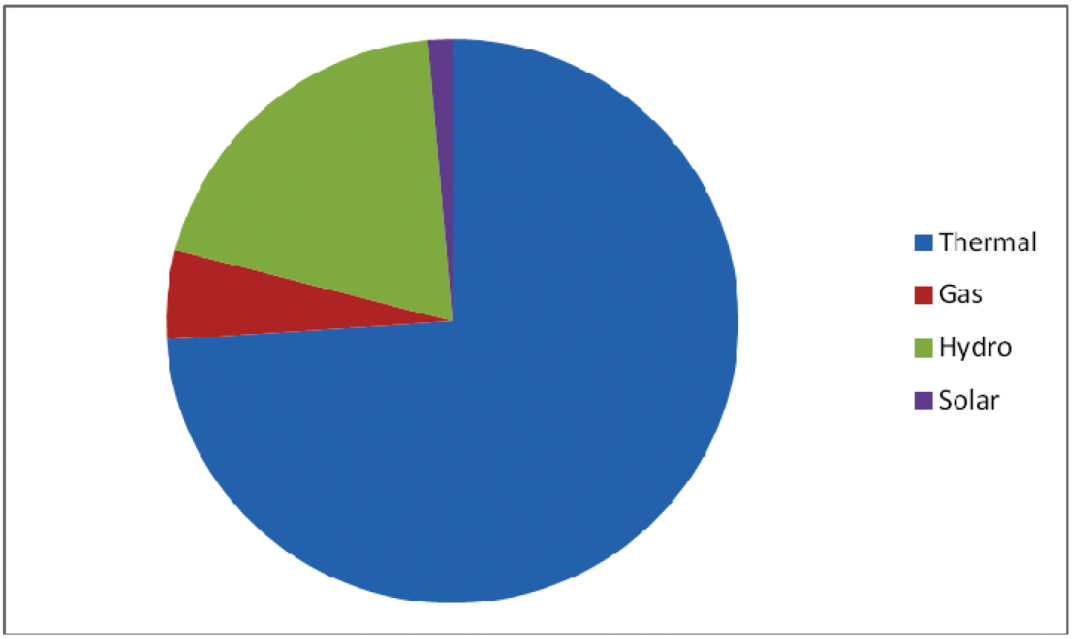
Efforts for reduction in cost of finance

MSPGCL has taken vigorous efforts for reducing interest rates on project, capex and working capital loans. The efforts includes negotiation with existing lenders for reduction in interest rate, pre-payment& repayment of high cost loans, swapping of high cost loans with low cost interest rate loans, availment of new loans from cheap sources, publishing Expression of Interest for loan refinancing etc. As result net savings in interest cost in FY2020-21 ₹.337 Crs.

Adoption of new tax scheme under section 115BAA of Income Tax act - As per income tax provisions MSPGCL had to pay Minimum Alternate tax (MAT) on book profits under section 115 JB of Income tax Act. In Sept 2019, Taxation Law(Amendment) bill 2019 was introduced. As per newly inserted section 115 BAA of the Income Tax act provided amendment in rates of corporate tax on domestic companies. The company opting to be taxed under section 115BAA, had to forgo certain existing benefits available under Income tax act and they will be taxed at concessional rate of income tax @ 22% tax in place of 30%. Apart from this section 115 BAA exempts company to pay income tax under MAT also. MSPGCL adopted the provisions of section 115BAA and there was a saving of ₹ 97.41 Crs of payment of tax under MAT for FY 2020-21.

Operational Performance

The Total Installed capacity of Mahagenco as on 31st March 2021 was 13182 MW. This included Thermal Coal Based Capacity 9750 MW Gas based installed capacity 672 MW Hydro Power capacity 2580 MW and Solar Power plants capacity was 180 MW.



The plant load factor for FY 2020-21 was 51.38% as against 53.29% of last year. For gas based plants, average availability for FY 2020-21 was 49.49% and PLF was 34.11% due to gas shortages at Uran units. The Realization of Coal for FY 2020-21 was 70.04% as against 61.61% of previous year. Specific coal consumption for FY 2020-21 was 0.800 Kg/ kWh as against 0.785 Kg/ kWh of last year. Specific coal consumption increased as the coal quality has deteriorated compared to last year. The average gross calorific value of coal fired for FY 2020-21 was 3081 Kcal/Kg as against 3111 kcal/kg of last year. The Boiler tube leakage (%) increased for FY 2020-21 to 2.65 % from 2.02% last year. Specific oil consumption for FY 2020-21 was 1.09 ml/Kwh as against 2.13 ml/Kwh of last year. The auxiliary consumption for FY 2020-21 was 8.27% as against 8.52% of last year due to more number of units start up and withdrawal due to RSD of units, partial loading of units on account of LD backing down, coal shortage and PCQ.

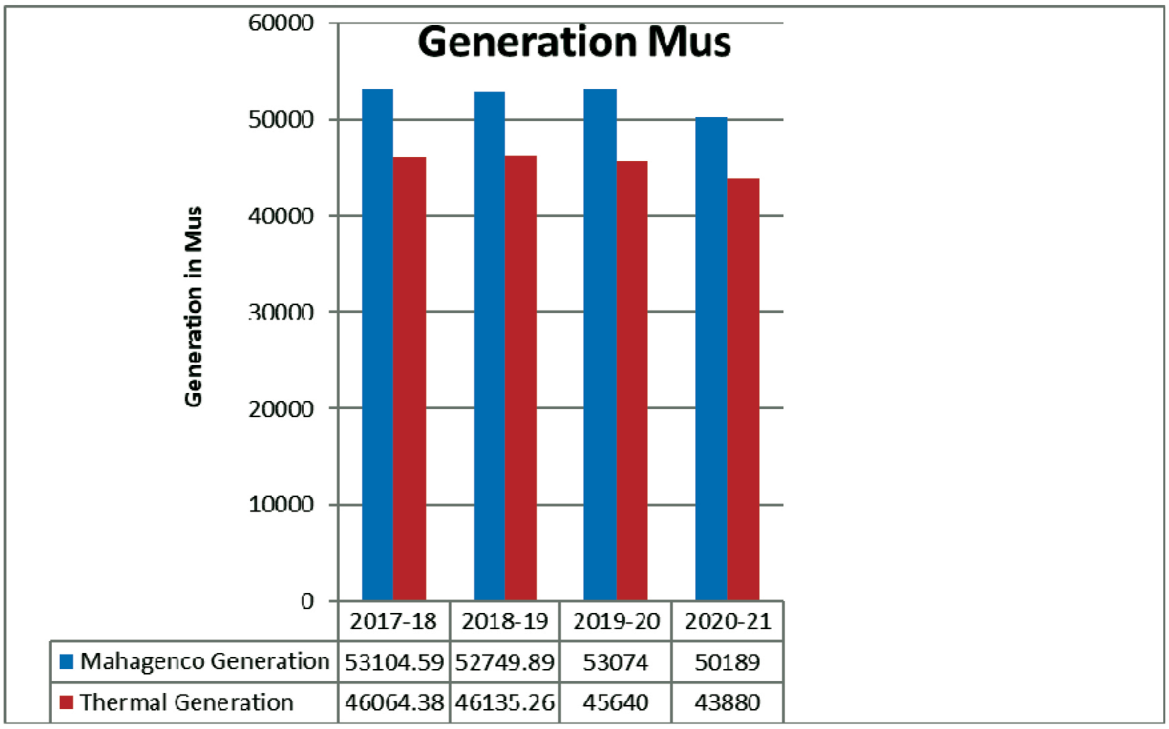
Mahagenco installed capacity and Generation (MUs) for FY 2020-21 and FY 2019-20:

Power Generation	Installed Capacity in MW	2020-21 Generation in MUs	2019-20 Generation in MUs
Thermal	9750	43880	45640
Gas	672	2008	2598
Hydro	2580	4033	4569
Solar	180	268	266
TOTAL	**13182**	**50189**	**53074**

MERC Performance Parameters:

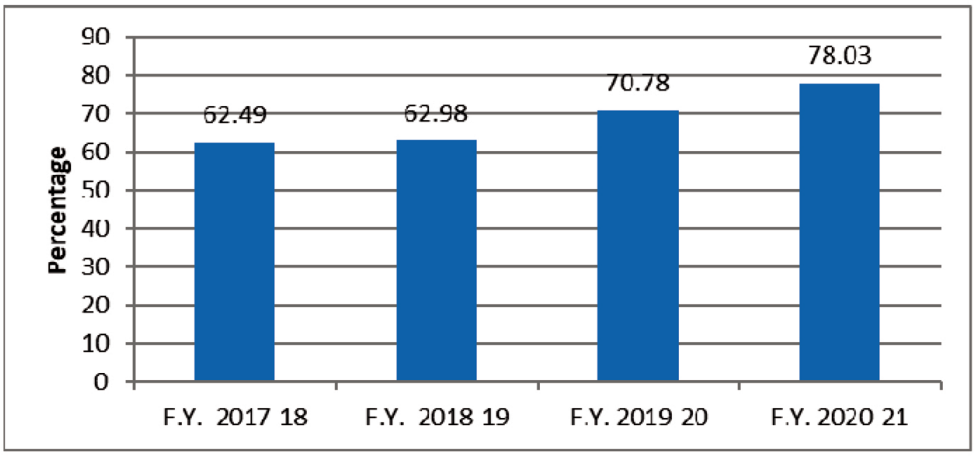
Sr. No.	Parameters	2020-21		2019-20	
		Norms	Actual	Norms	Actual
1.	Availability Factor AVF (%)	83.02	78.03	83.02	70.78
2.	Heat Rate (Kcal/kWh)	2468	2475	2468	2463
3.	Auxiliary Consumption (%)	7.72	8.27	7.72	8.52
4.	Specific Oil Consumption (ml/kWh)	1.10	1.09	1.10	2.13
5.	Transit Loss Coal (%)	0.80	0.74	0.80	0.71

Total Power Generation



MERC Availability:

Thermal Units %



Dividend

In view of huge capital expenditure plans of the company and consequent requirement of equity funds for the same your Directors have decided to plough back the cash surplus generated, if any, into the ongoing expansion and future capital expenditure schemes. Hence your directors have not recommended dividend for the year under review.

Capacity Enhancement Program:

1. Thermal Power Projects:

In line with MSPGCL mission to diversify energy portfolio & responsible power generator to meet future energy needs of the Maharashtra state, Mahagenco has undertaken/proposed installation of following Coal based power projects based on efficient super critical technology which also replace old capacities of Mahagenco. Also environmental friendly coal pipe conveyor projects are implemented for transportation of coal from nearby mines of power stations.

A. Ongoing Thermal Projects (660 MW) –

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

The salient features of the project & progress is as follows;

- This is replacement unit for Bhusawal Unit-2 &3, Nashik Unit-3 (3x210 MW).Project start date "Zero date" is 31.12.2018 and scheduled date of commissioning is 30.05.2022. Contract is awarded to M/s. BHEL to implement project and the work in progress.

II. **Environment safeguard and new technology adoption -Other Ongoing Projects:**

In view of environment protection and reduction in pollution due to surface transport of coal, Mahagenco is implementing pipe conveyor technology in challenging environment.

1. **Installation of Pipe Conveyor for coal transportation:**

Mahagenco has taken up the projects of installation of pipe conveyor for transportation of coal from nearby coal mines to Chandrapur & Koradi-Khaperkheda TPS.

The salient features of project & progress :

- Reduction in pollution due to coal dust and fleet of heavy trucks, saving in transit loss of coal, assured quality and quantity of coal.
- Mahagenco has undertaken the pipe conveyor scheme for coal transportation from Bhatadi Coal mine to Padmapur existing Wagon Loading station for Chandrapur STPS. The system is commissioned and handed over for operation to O&M wing.
- Pipe conveyor from Gondegaon, Bhanegaon & Singori coal mines to Khaparkheda & Koradi TPS. The pipe conveyor work is in progress, 76% of the civil part of the system & 62% of the electrical & mechanical part is completed. The system is expected to be commissioned by July-2022.

2. Ozonisation scheme at Koradi & Parli TPS:

To comply with directives of MPCB regarding adoption of Ozonisation treatment in water and waste water instead of chlorination system, Mahagenco has taken up the work of installation of Ozonisation system at 3x660MW Koradi TPS & at Parli TPS (1x250MW). Commissioning work of Ozonisation system at Koradi TPS is in progress. Material supply for Ozonisation system at Parli TPS is 80% completed. Further activities are in progress.

3. Utilisation of treated sewer water for Koradi and Khaperkheda TPS:

The 190 MLD tertiary treatment plant development through PPP mode for supplying treated water to Koradi and Khaperkheda plants has been commissioned and treated water is being used. The intake of clean water from PENCH is accordingly reduced.

4. Treated water for CSTPS:

Agreement has been signed to supply 50 MLD tertiary treated water from Chandrapur Sewer treatment plants on PPP mode.

Thus, the water saved utilizing sewer water will reduce the consumption of clean water from Erai dam and the same will be made available for future drinking water requirement of Chandrapur.

B. Proposed projects :

FGD Installation for 660MW/500MW/250MW/210MW Units:-

In view to comply with new environmental norms, Mahagenco is going to install FGD system to its coal based thermal installation.

1. FGD installation at 660 MW TPS Units. - Tender for installation of FGD system at Koradi Unit-8, 9 &10 on EPC basis published on 04.11.2020 at estimate cost ₹ 805 Crs. Techno-commercial & price Bid opening completed. Further activity is in process.

2. FGD installation at 500 MW TPS Units. - Tender for installation of FGD system at 8 nos. of 500 MW units, Chandrapur (Unit-5,6,7,8 & 9), Bhusawal (Unit-4 & 5), Khaperkheda Unit-5 published on 20.11.2020. Board has approved for cancellation of previous tender No RFx3000013845 and floating of new tender with revised estimate.

3. FGD installation at 250 MW TPS Units. - For Paras Unit- 3&4 -Techno commercial and price bid opened. Reverse auction is to be carried out. For Parli Unit- 6,7 & 8 - Techno commercial bid opened in a single qualified bidder, it was decided to cancel and refloat the tender for Parli : 3 x 250 MM Units.

4. FGD installation at 210 MW units. -Installation of FGD system at 7 thermal units of 210MW, Khaperkheda (Unit-1,2,3 &4), Koradi Unit-6 and Chandrapur (Unit-3 & 4)-- Techno commercial bid opened. Evaluation completed. Further activities are in process.

5. FGD installation at Nashik 210 MW Units.-Tender for FGD installation at Nashik 210 MW Unit-3&4 is published on 02.09.2021. Further activities are in process.

6. ESP Retrofitting. -To meet the emission level as per norms, Mahagenco has proposed for ESP retrofitting work of at Khaperkheda U 1 & 2 (210 MW) and Chandrapur U- 5 & 6 (500 MW).Techno-commercial bid opened. Evaluation under process.

C. Thermal Projects Under planning (1980 MW) –

1) Koradi Thermal Power Project (2x 660 MW):

- Mahagenco has proposed 2 x 660 MW coal based ultra-supercritical technology power project along with FGD & SCR system against retiring old units of Koradi Unit-5, Nasik Unit-4 &5, Parli unit-4&5 and Chandrapur Unit-3. The coal source is from the Garepalma own mines. Treated sewage water from Nagpur city will be utilized for cooling purpose. GoM has accorded in-principle approval. MERC vide order dtd. 04.09.2019 accorded its in-principle approval.

- On back drop of Covid-19, GoM issued some guidelines vide order dated 04.05.2020.

  Further GoM Energy Department letter dated 17.06.2020 conveyed MSPGCL to submit the proposal regarding implementation of Koradi 2x660 MW project with due consideration of RPO, prioritized electricity supply to farmers during daytime and preference to renewable energy. It was also mentioned that policy regarding not undertaking any thermal power project in next five years shall also be submitted.

- Meanwhile, ToR for the project received from MoEF & CC vide letter no. dated 26.06.2020. As per this TOR, MSPGCL has to carry out EIA study and assessment of pollution load and impact prediction due to implementation of this project & to submit the same to MoEF & CC for EAC

- As such, presently activities related to statutory clearances & submission of proposal to Hon. Cabinet, GoM are in process. After completion of EIA study and receipt of clearance from MoEF&CC, project activities shall be resumed accordingly.

2) Chandrapur Thermal Power Project (1 X 660 MW):

- Board of Directors has accorded approval for carrying out feasibility study for 1x660 MW Chandrapur Project.
- Mahagenco has appointed M/s. Steag as consultant for carrying out the feasibility study. M/s. Steag has carried out the feasibility study and submitted the feasibility report.
- As per the Energy Dept., GoM letter dated 17.06.2020, it is conveyed that no thermal power plant shall be proposed in next five years. In view of GoM directives as above, this project was not to be proposed at this stage.
- However, as per recent analysis of future peak demand (FY 2026 onwards) feasibility report for the said project is being explored.

D. Uran GTPS retrofitting / replacement project:

- GTPS Uran installed capacity is 672 MW. Gas Turbines 4x108MW capacity. Units are commissioned in the year 1985-1986 and the Waste Heat Recovery (WHR) Units of 2x120MW capacity commissioned in the year 1994.
- MSPGCL has planned repowering of GTPS Uran by enhancing the existing capacity of 672 MW to @1600MW. Details of the repowering program are as below:
- **Phase-1 Program:**
- Replacement of existing units with 'State of Art Technology' two no. of new units; having total capacity of @800 MW subjected to availability of gas.
- Expected date of completion is 32 months from date of LoA.
- **Phase-2 Program:**
- Installation of 'State of Art Technology' two no. of new units; having total capacity of @800 MW (subject to allocation of additional gas requirement), at existing land available in GTPS Uran premises.
- To meet additional requirement of gas for the above program, Government of Maharashtra has taken up the matter with MoP&NG, GoI.
- Mahagenco has appointed M/s. Steag as consultant for Feasibility Study for selection of viable option, DPR, technical specification etc.
- Draft feasibility report submitted for phase-1 program for replacement of existing units with new State of Art Technology by 2 units with total capacity of 800 MW.

SOLAR POWER GENERATION

1. Solar Power Projects:

1) MSPGCL is diversifying its energy portfolio with National Solar Power Mission.

2) The Renewable Purchase Obligation (RPO) of Discom for procurement of solar energy for the 4th control period from the year 2020-21 to 2024-25 is 5.18% to 13.5%. It reflects in considerable demand for renewable solar energy in coming years.

3) MahaGenco is contributing towards Greening Maharashtra. Till date 207 MW solar projects are commissioned & working satisfactory. In line with GoI & GoM directives & targets, further capacity addition is under implementation. As on today solar projects of total capacity of 2795 MW are under various stages of implementation.

Sr. No	Solar project scheme	Capacity (MW)	Schedule of Solar project Commissioning in MW				
			FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
1	Chief Minister Solar Agriculture Scheme	588	16	78	429	65	
2	EPC mode	570		30	157	383	
3	Solar Park at Dondaicha, Dhule	250			250		
4	UMREPP under JV with NTPC	1250				625	625
5	Floating Solar at Erai Dam	105				105	
	Total (MW) – 2795MW		**16**	**108**	**836**	**1178**	**625**

a. Ongoing Projects:

1. EPC Projects:

1.1 50MW Kaudgaon Solar Project:

- Project cost: 245.79 Crs. (i.e. including Land, consultancy and evacuation).
- Letter of Award (LoA) CE/SPGD-P/50MW Kaudgaon/LoA BHEL/4194 dt.22.04.2020 has been issued to M/s BHEL for ₹ 212.5 Crores.
- PPA signed with MSEDCL on dated 21.11.2019 at a tariff of ₹ 2.92 / KWh.
- Work of 33kV evacuation line (25 km) awarded to MSEDCL on depository basis and in progress subject to court case of row issue.

1.2 25MW Sakri-I:

- Project Cost: 93.12 Crs (i.e. including Land, consultancy and evacuation).
- Letter of Award (LoA) CE/SPGD-P/25 MW Sakri/LoA Godrej & Boyce/No.5952 dated 17.12.2020 has been issued to M/s Godrej & Boyce Mfg. Co. Ltd. for ₹ 87.44 Crores.
- PPA is available with MSEDCL for 350 MW capacity at the tariff of ₹2.90/kWh.PPA signing is in process from MSEDCL.

1.3 60MW Latur:

- Project Cost: 233.69 Crs (i.e. including Land, consultancy and evacuation).
- Letter of Award (LoA): CE (SPGD-P)/EPC/Latur-60MW/Gr-IV/5980 Date 18.12.2020 has been issued to M/s Godrej & Boyce Mfg. Co. Ltd. for ₹ 209.99 Crores.
- PPA is available with MSEDCL for 350 MW capacity at the tariff of ₹2.90/kWh.PPA signing is in process from MSEDCL.

1.4 52MW TPS Lands:

- Project Cost: 183.6 Crs (i.e. including Land, consultancy and evacuation).
- Letter of Award (LoA) CE/SPGD-P/52MW TPS land/LOA/No.05966 Dtd.18.12.2020 has been issued to M/s. Refex Energy Ltd. Mumbai for ₹ 181.48 Crs
- PPA is available with MSEDCL for 350 MW capacity at the tariff of ₹2.90/kWh.PPA signing is in process from MSEDCL.

2. Projects under Mukhyamantri : Sour Krishi Vahini : Yojna (MMSKVY) Scheme.

2.1 MMSKVY project 184MW:

- Letter of Award (LoA) dated 18.01.2020 issued on M/s. Waaree Energies Ltd.
- Mahagenco is implementing agency in CM AG feeder Scheme. No financial benefits to Mahagenco.
- These projects are distributed in Vidarbha (34 MW), Marathwada (50 MW), Western Maharashtra (50 MW), North Maharashtra (50MW)
- Project Cost: The project is based on PPP (Public Private Partnership) basis. Mahagenco will acquire land on lease of ₹ 1/- from GoM and provide it to SPD.
- Civil infrastructure development is in the scope of Mahagenco.
- PPA signed with M/s. Waaree from Nov-20 to June-21.
- PSA signed with MSEDCL on 18.08.2021.

2.2 MMSKVY feeder project 179 MW:

- Letter of Award (LoA) dated 02.09.2020 has been issued to M/s. Energy Efficiency Services Ltd. (EESL).
- For this project, LoA being awarded through open tender by MSEDCL trading margin of ₹ 0.19/kWh is available to Mahagenco, which is also approved by MERC.
- Project Cost: The project is based on PPP (Public Private Partnership) basis. Mahagenco will acquire land on lease of ₹ 1/- from GoM and provide it to SPD
- Civil infrastructure development and evacuation arrangement is in the scope of the developer.
- PPA signed with M/s. EESL on 18.09.2020 at tariff rate of ₹ 3.11/Kwh.
- PSA signed with MSEDCL on 30.09.2020 at tariff rate of ₹ 3.30/Kwh.

2.3 MMSKVY project 100 MW:

- Letter of Award (LoA) dated 10.08.2020 has been issued to M/s. Energy Efficiency Services Ltd. (EESL).
- Mahagenco is implementing agency in CM AG feeder Scheme. No financial benefits to Mahagenco. Includes various districts of Western Maharashtra (A) and North Maharashtra.
- Project Cost: The project is based on PPP (Public Private Partnership) basis. Mahagenco will acquire land on lease of ₹ 1/- from GoM and provide it to SPD
- Civil infrastructure development and evacuation arrangement is in the scope of the developer.
- PSA signed on 10.08.2020 with MSEDCL and PPA signed on 03.09.2021

2.4 MMSKVY project 109 MW:

- No financial benefits (trading margin) to Mahagenco.
- This 109 MW capacity was awarded through EOI on following developers:

1. 100 MW on M/s. Karnataka Resco Rooftop Co. Pvt. Ltd.
2. 7 MW on M/s. Gro Solar Energy Pvt. Ltd.
3. 2MW on M/s. Shri Shri Shetkari Urja Nirmiti Co. Op. Soc. Ltd.

- Cost of Land Acquisition, Civil infrastructure development, evacuation arrangement and all other associated works is in the scope of the respective developer.
- PPA with all the developers sr. no. 1 & 2 are signed on 31.10.2019 & 13.01.2020.
- PSA: 9 MW-20.11.2019 & 100 MW-14.01.2020 at a tariff of 2 MW- ₹2.93/kwh, 7 MW - ₹3.10/kwh & 100 MW-3.10/kwh.
- 7 MW by M/s. Gro-solar project at Degaon, Dist. Dhule is fully commissioned on 25.06.2021.

a. Projects under Pipeline:

b. Projects under Pipeline:

1. EPC Projects:

390MW EPC Based Solar Projects:

- The project has been approved by GOM vide GR- सौरप्र–२०२०/प्र.क्र. १३०/ऊर्जा–७ दिनांक २९.०९.२०२१.
- 390 MW projects to be developed through new KfW loan with ROI @ 0.05% with innovative aspects.
- PPR is uploaded on DEA portal and it is endorsed by State Nodal Officer on 27.10.2021 onward submitted to concerned line ministry for approval. Mahageco has submitted reply for NILL Aayog commnets dated 10.12.2021 on submitted PPR.
- Out of this capacity, 25MW Sakri-II tender on revenue share basis is floated and live. Further for 188 MW projects, tender is under approval stage.

2. Solar Park:

Dondaicha Solar Park for 250 MW

- 250MW Dondaicha Solar Park is proposed on 504.71 Hect land acquired by Mahagenco
- Mahagenco issued conditional Letter of Intent to M/s TP Saurya Ltd. on dtd. 17.09.2021. LoA issued to M/s TP Saurya on 17.12.2021
- MERC approved the tariff rate of Rs. 2.51/kwh keeping Rs.0.07/kwh as trading margin for MSPGCL.

3. PPP on revenue share basis:

25 MW Sakri-II

- Project Cost: Tentative Estimate ₹ 85 Crs (i.e. including Land, consultancy and evacuation).
- PPA is available with MSEDCL for 350 MW capacity at the tariff of ₹2.90/kWh.
- Tender is floated.

4. **Floating Solar:**

105 MW Floating Solar Project at ERAI DAM:

- This project is being implemented under Solar Park Mode, UMREPP scheme.
- Draft DPR received and is under review, final DPR will be ready shortly.
- Proposal of forwarding this project to MNRE for inclusion in MNRE scheme is under scrutiny at Energy Department, GoM.
- Consent from MSEDCL for tariff is in process.

5. Under JV with NTPC (UMREPP):

Ultra-Mega Renewable Energy Power Park (UMREPP)

- MNRE notified Office Memorandum on dtd. 15th June, 2020 for implementing Ultra Mega Renewable Energy Power Park (UMREPP), as mode - 8 under existing Solar Park Scheme.
- Memorandum of Understanding (MoU) signed between Mahagenco & NTPC on 20.02.2020 at Mumbai with a target to establish 2500 MW Renewable Energy projects in Maharashtra.
- Approval from GoM for this JV is awaited.

Fuel Management

A. Fuel Supply Agreement:

Mahagenco has signed FSA's with coal companies. The TPS wise, coal company wise linkage for FY 2020-21 is as follows:

Qty in MMTPA

TPS	WCL	MCL	SECL	SCCL	FSA Qty
Chandrapur (U-3 to 7)	9.756	0	0.747	0	10.503
Koradi (U-6 to 7)	0.339	0.745	1.254	0	2.338
Khaperkheda (U-1 to 5)	1.432	3.879	2.001	0	7.312
Nasik (U-3 to 5)	2.354	0	0.724	0	3.078
Bhusawal (U-3 to 5)	3.213	0	2.312	0	5.525
Parli (U-4 to 7)	2.848	0	0	0	2.848
Paras (U-3 to 4)	2.503	0	0	0	2.503
Total	**22.445**	**4.624**	**7.038**	**0.000**	**34.107**

B. Bridge Linkage MoU:

Bridge linkage for FY 2020-21 with WCL and with SCCL is as below:

Power station	WCL (G8-G10) in MMT	SCCL (G-9) in MMT	Total Qty
Koradi 3x660MW (80% from WCL & 20% from SCCL)	5.202	1.3	6.502
Chandrapur 2x500MW	3.47	0	3.47
Parli 1x250MW	0	0.865	0.865
Total	**8.672**	**2.165**	**10.837**

C. Coal supplies to Mahagenco During FY 2020-21:

The coal company wise linkage, receipt & % materialisation is as follows:

Qty in ThMT

Coal company	FY 2020-21		
	Program	Receipt	% Mat
WCL	37510	23913	63.75
MCL	2102	4517	214.96
SECL	4388	1538	35.05
SCCL	3141	3050	97.07
TOTAL	**47140**	**33017**	**70.04**

D. Imported Coal:

To mitigate the shortfall in domestic coal, Mahagenco had published the tender for supply of 2.0 Million MT non-coking steam coal of foreign origin to Koradi, Khaperkheda, Chandrapur, Bhusawal and Nashik TPS of Mahagenco. Techno-commercial bids of said tender was opened on 25.02.2020. Techno commercial scrutiny of bids by working level committee and apex committee was completed. Thereafter, in the backdrop of import reduction policy of Govt. of India and assurance from CIL & MoC for supply of domestic coal for substitution of imported coal, Mahagenco has cancelled the said tender.

Further, in view of acute coal shortage in FY 2021-22 and as per guidelines of CEA, MoP, GoI, Mahagenco is planning to procure 2.0 Million MT non-coking steam coal of foreign origin to Khaperkheda, Chandrapur, Bhusawal and Nashik TPS of Mahagenco. The tender for same has been floated.

E. Gas supply for GTPS Uran:-

Mahagenco has total installed capacity of 672MW. The total fuel requirement for the plant is 3.5MMSCMD. Due to less production levels of APM gas, the present allocation of APM gas from M/s GAIL is considerably lower as compared to DCQ of 3.5 MMSCMD. During the year 2020-21 Mahagenco has received 1.34 MMSCMD gas from M/s GAIL for GTPS, Uran. Due to less receipt of APM gas Mahagenco has started procuring non APM gas to bridge the demand supply gap. Further, considering lower domestic gas availability, Mahagenco explored the possibility of sourcing gas from alternative source and accordingly entered into a Spot Gas Sale Agreement (SGSA) dated 18.01.2017 with M/s GAIL for purchase of Spot gas (Natural Gas/ Re-gasified Liquefied Natural Gas - RLNG) for GTPS, Uran. This SGSA will enable Mahagenco to procure Spot gas (RLNG) in case of shortfall in domestic gas supply to optimize generation after ascertaining technical &financial feasibility.

F. Measures taken to improve Coal stock Position and to generate cheapest power.

- The Secretary (Coal), MoC, GoI has directed on 21.09.2017 to start the measures for building coal stock by road mode or road cum rail (RcR) mode. CEA has also given allocation of surplus coal to TPS located within a radius of 60 Km from mines. Accordingly, Mahagenco has started the work of transportation of coal by road to maximize the coal receipt & placed various orders for the transportation of coal by road mode up to 60 Km. Average daily receipt of coal transported by road for Koardi, Khaperkheda and Chandrapur TPS from different mines was 11712 during FY 2020-21.
- Koradi 3x660 MW units are designed for 3620 GCV. However, Koradi TPS was receiving poor quality coal . To get additional good quality coal for Koradi TPS, an order is placed for raw coal transportation by Road cum Rail (RcR) mode from Kusmunda mine of SECL to Koradi TPS. By this arrangement, Koradi TPS received additional good quality two coal rakes per day which has improved Average Monthly Generation & reduced disallowance due to less availability of Koradi TPS.
- Mahagenco has signed MoU with SCCL for supply of 5 MMT coal to Chandrapur, Koradi & Parli TPS for period of one year with price rebate of ₹ 125 Crores over notified price from February 2021 onwards..
- **Wash coal:**

  In order to get good quality coal, increase plant availability & to reduce disallowances due to non-availability, Mahagenco has entered into the agreement with MSMC on 10.12.2020 for Beneficiation of RoM/ Raw coal from WCL, SECL and MCL and delivery of Beneficiated coal to TPS of Mahagenco. The supply of beneficiated/ washed coal to Koradi, Khaperkheda & Chandrapur STPS is started from 8 March 2021.
- **Mine specific coal supply:**

  Mahagenco accepted coal supply from Mine Specific Sources of WCL at add-on price of ₹ 450 per tonne w.e.f. 01.01.2021. Mahagenco accepted to settle outstanding dues on account of coal supply of Mine Specific Prices for period 02.11.2019 to 31.12.2020 with adjustment against Mahagenco's claims viz short delivery, Grade slippage, Surface Moisture, Stone claims etc and to pay differential amount (if any) by Mahagenco which is mutually agreed after reconciliation within three months.

Environment & Safety

- **One Day Conference on "Technical Feasibility of Flue Gas Desulphurization (FGD) and Selective Catalytic Reduction (SCR) in Indian Coal based Thermal Power Plants"**

  One Day Conference on "Technical Feasibility of Flue Gas Desulphurization (FGD) and Selective Catalytic Reduction (SCR) in Indian Coal based Thermal Power Plants" was organized by CSIR NEERI and MAHAGENCO on Jan 24, 2020, at Hotel ORCHID, Mumbai. Padma Bhushan, Dr. Kirit Parekh, Former Member, Planning Commission, Chairman (IRADe), New Delhi was invited as Guest of Honour for the conference. The prime agenda was to brainstorm FGD, SCR, SNCR along with other technologies to control emissions in power generation and their policy implications vis a vis cost and benefits and way forward.

  Various speakers from CPCB, MoEF& CC, CEA, MAHAGENCO, BHEL Adani Power, Mitsubishi, HINDALCO, ADB, CREA, Academic Institutes and some private Equipment Manufacturers and Financial Institutions delivered lectures under one platform to discuss and deliberate the urgent actions which may be

required to be taken for the smooth implementation of the New Emission Norms.

- 1x660 MW Super Critical Thermal Power Project at Bhusawal, Jalgaon:

- Extension of validity of Environment clearance dated 27.11.2012 (was valid up to 26.11.2019) granted for further period of 3 years (w.e.f 27.11.2019 till 26.11.2022) subjected to additional conditions vide letter dated 14.01.2020.

- Amendment in EC dated 27.11.2012 granted vide letter dated 11.09.2020 for,

  i. Change in coal source from Machakata Mines to WCL/SECL/MCL mines, Coal requirement reduced to 3.18 MTPA.

  ii. Change in flue gas exit velocity subject to certain additional conditions.

- Validation of Consent to Establish obtained dated 10.06.2020, granted up to commissioning of unit or 5 years period whichever is earlier.

- **Gare Palma Sector II Coal Mine Project at Raigarh, Chhattisgarh:**

  The proposal for obtaining Environment Clearance for Gare Palma Sector II Coal Mine Project was considered in 2nd EAC meeting (Coal Mine Projects) held on 28-29 September 2020. The EAC after deliberations found the response given by Project Proponent satisfactory and recommended the proposal for grant of Environment Clearance subject to compliance of certain terms & conditions/specific conditions (mentioned in MoM, dt:14/10/2020). The letter in this regard is yet to be issued by Ministry.

- **2x660 MW Super Critical Thermal Power Project at Koradi, Nagpur:**

- The proposal for obtaining Terms of Reference (ToR) was considered by EAC committee (Thermal Projects) in meeting held on dtd. 28/05/2019, 23/08/2019, 04/12/2019 and lastly on 10/04/2020.

- Now, Ministry hereby granted the Specific ToR in addition to the standard ToR for Koradi 2x660 MW Project for preparation of EIA/EMP report vide letter no. J-13012/11/2019/-IA.I (T), dtd: 26/06/2020.

Extract of Annual Return

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

No of Board Meetings

During the year 2020-21, 5 Board meetings were held by the Company.

Policy on Appointment of Directors

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

Particular of Loan, Guarantee and Investment u/s 186

As the Company is engaged in business of providing infrastructural facilities, the provisions of section 186 of Companies Act 2013 related to loans made, guarantees given or securities provided are not applicable to the company. The company has provided loans to subsidiaries for operational requirements. Particulars of investment made are provided in Notes 3 in standalone financial statements.

Particular of Contract with related party

The Company sells almost whole of power generated by it to its sole customer M/s. Maharashtra State Electricity Dist. Co. Ltd. one of the subsidiary of MSEB Holding Co. Ltd. The rates of electricity sale is determined by Electricity Regulator i.e. Maharashtra Electricity Regulatory Commission as per the provisions of Electricity Act, 2003. Similarly, the company raises bills of reactive energy charges on M/s Maharashtra State Electricity Transmission co Ltd. The rates of such electricity sale is determined by Electricity Regulator i.e. Maharashtra Electricity Regulatory Commission as per the provisions of Electricity Act, 2003

Material Changes and commitments, if any, affecting the financial position of company occurred between end of the financial year and date of report.

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

Industrial Relations

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

Changes in Directorship

During the year Shri Sanjay Khandare IAS was appointed as CMD, MSGCL w.e.f 10.8.2020 in place of Smt. Shaila A. Smt. Swati Vyavahare was appointed as Director w.e.f. 22.1.2021. Shri D.T.Waghmare Pr. Secretary (E), GoM was appointed as Director in place of Shri Aseem Gupta w.e.f. 29.1.2021. Shri C.S.Thotwe Director was appointed Director (Op) in place of Shri Raju Burde who ceased to be Director w.e.f 16.3.2021. Shri Balasaheb B Thite has taken over as Director (F) w.e.f. 15.9.2020. Smt. Juelee Wagh and Shri S.J. Amberkar ceased to be Director w.e.f. 06.07.2020 and 10.08.2020 respectively.

Audit Committee

Mandatory Constitution of audit committee and nomination and remuneration committee is not required by virtue of exemption given under notification GSR 880(E) dated 13.07.2017 issued by Ministry of Corporate Affairs Govt of India.

Corporate Social Responsibility committee

The company has constituted Committee. The members of the committee (as on 31.3.2021) are Shri Sanjay Khandare, Chairman, Shri C.S. Thotwe, Member, Shri V.Thangapandian, Member, Shri. Balasaheb Thite, Member and Shri Purushottam Jadhav, Member. The company has CSR Policy approved by CSR Committee and Board. The policy covers following Aims and Objectives:

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

As per provisions of Companies Act the liability to under CSR work for FY 2019-20 was NIL as there was average loss during previous 3 Financial years.

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

DIRECTORS RESPONSIBILITY STATEMENT

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

1. That the applicable accounting standards had been followed along with proper explanation relating to material departures; if any
2. That the selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31.3.21
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and

for preventing and detecting frauds and other irregularities.

4. That the annual accounts were prepared on a 'going concern basis.
5. The directors had devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

Conservation of Energy, Technology Absorption and foreign exchange earnings and outgo

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

Replies to observations /comments of statutory Auditors

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

Fixed Deposits

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

Cost Auditors

The Company has appointed M/s M.R.Pandit & Co, Cost Accountants as Cost Auditors for the year ending 31.3.2021 subject to approval of Ministry of Corporate Affairs, Govt. of India.

Statutory Auditors

The Statutory Auditors of the Company are appointed by the Comptroller and Auditor General of India. M/s K S Aiyar & Co, Mumbai and M/s R S V A & Co., Mumbai were appointed as Joint Statutory Auditors for the Financial Year 2020-21.

Secretarial Auditors

The Board has appointed M/s A.Y.Sathe & Co, Companies Secretaries C/202 Kohinoor Apartments 2nd Floor NC Kelkar Road Near Kabutar Khana Dadar W Mumbai 400028 as Secretarial Auditor of the Company for the Financial Year 2020-21. The Secretarial Audit Report is enclosed in **Annexure-V.**

Reply to the observations in Secretarial Audit Report.

Observation regarding the appointment of women Director between 10.8.2020 to 22.01.2021, the power of appointment of Directors on the Board of Directors of the Company rest with MSEB Holding Co Ltd as per article 75 and 77 of articles of association of the Company. Smt. Swati Vyavahare has been appointed as women Director on the Board w.e.f. 22.01.2021 as per approval accorded by MSEBHCL. Observation regarding the non filing of MGT 14 for AGM resolutions, necessary steps will be taken for filing requisite forms. Being a Govt Company, MSPGCL has to obtain comments of CAG on its annual accounts after statutory audit, In view of same Accounts have been adopted after receipt of CAG comments on the same on 19.3.2021.

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

Chairman & Managing Director

Date: 04.03.2022
Place: Mumbai

ANNEXURE – I TO THE DIRECTOR'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2021

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:-	U40100MH2005SGC153648
ii)	Registration Date	31.05.2005
iii)	Name of the Company	Maharashtra State Power Generation Co. Ltd.
iv)	Category / Sub-Category of the Company	Govt. Company
v)	Address of the Registered office and contact details	Prakashgad, Prof Anantkanekar Marg, Bandra (East), Mumbai - 400051
vi)	Whether listed company Yes / No	NO
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Power Generation	NA	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	MSEB Holding Co Ltd	U40100MH2005SGC153649	Holding	100	2(87)
2	Mahaguj Collieries Ltd.	U10102MH2006SGC165327	Subsidiary	60	2(87)
3	Dhopave Coastal Power Co. Ltd.	U40108MH2007SGC168836	Subsidiary	100	2(87)
4	Mahagenco Ash Management Services Ltd.	U40105MH2007SGC173433	Subsidiary	100	2(87)

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

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	De-mat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	
b) Central Govt	0	0	0	0	0	0	0	0	
c) State Govt (s)	0	0	0	0	0	0	0	0	
d) Bodies Corp.	0	25343946226	25343946226	100	0	25407946226	25407946226	100	
e) Banks / FI	0	0	0	0	0	0	0	0	

f) Any Other….	0	0	0	0	0	0	0	0	
Sub-total (A) (1):-	**0**	**25343946226**	**25343946226**	**100**	**0**	**25407946226**	**25407946226**	**100**	**0.25**
(2) Foreign									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	
b) Other–Individuals	0	0	0	0	0	0	0	0	
c) Bodies Corp.	0	0	0	0	0	0	0	0	
d) Banks / FI	0	0	0	0	0	0	0	0	
e) Any Other….	0	0	0	0	0	0	0	0	
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**0**	**25343946226**	**25343946226**	**100**	**0**	**25407946226**	**25407946226**	**100**	**0.25**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	NA
b) Banks / FI	0	0	0	0	0	0	0	0	
c) Central Govt	0	0	0	0	0	0	0	0	
d) State Govt(s)	0	0	0	0	0	0	0	0	
e) Venture Capital Funds	0	0	0	0	0	0	0	0	
f) Insurance Companies	0	0	0	0	0	0	0	0	
g) FIIs	0	0	0	0	0	0	0	0	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	
i) Others (specify)	0	0	0	0	0	0	0	0	
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	
2. Non-Institutions	0	0	0	0	0	0	0	0	
a) Bodies Corp.	0	0	0	0	0	0	0	0	
i) Indian	0	0	0	0	0	0	0	0	
ii) Overseas	0	0	0	0	0	0	0	0	
b) Individuals	0	0	0	0	0	0	0	0	
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	
c) Others (specify)	0	0	0	0	0	0	0	0	
Sub-total (B)(2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**NA**
Grand Total (A+B+C)	**0**	**25343946226**	**25343946226**	**100**	**0**	**25407946226**	**25407946226**	**100**	**0.25**

(ii) Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encum-bered to total shares	% change in share holding during the year
1	MSEB Hold-ing Co. Ltd. (State Govt. Co.)	25343946226	100	0	25407946226	100	0	0.25
	Total	25343946226	100	0	25407946226	100	0	0.25

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

Partiulars	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	MSEBHCL	25343946226	100		
Allotment of shares during year	MSEBHCL	64000000	0.25	25407946226	0.25
At the End of the year	MSEBHCL	25407946226	100	25407946226	100

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

For Each of the Top 10 Shareholders	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	MSEB Holding Co Ltd	25343946226	100		
Allotment of shares (07.08.2020)	MSEBHCL	64000000	0.23	25407946226	0.25
At the End of the year (or on the date of separation, if sepa-rated during the year)	MSEB Holding Co Ltd	25407946226	100	25407946226	100

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	Shri Shaila A	10	0.000000039	10	0.000000039
	Shri S. J.Amberkar	10	0.000000039	10	0.000000039
	Shri C.S.Thotwe	10	0.000000039	10	0.000000039
	ShriV Thangapandian	10	0.000000039	10	0.000000039
	Shri Aseem Gupta (As Nominees of MSEBHCL)	10	0.000000039	10	0.000000039

Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		NIL	NIL	NIL	NIL
At the End of the year	Shri Sanjay Khandare Shri Balasaheb Thite Shri C.S.Thotwe Shri VThangapandian Shri D T Waghmare (As Nominees of MSEBHCL)	10 10 10 10 10	0.000000039 0.000000039 0.000000039 0.000000039 0.000000039	10 10 10 10 10	0.000000039 0.000000039 0.000000039 0.000000039 0.000000039

(V) INDEBTEDNESS

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

(Amt. in ₹ Crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtness At the beginning of the Financial Year (1/4/2019)				
i) Principal Amount	31031.45713	2949.977375	0.00	33981.4345
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	217.07993	7.313143	0.00	224.39308
Total (i+ii+iii)	**31248.53706**	**2957.290518**	**0.00**	**34205.82758**
Change in indebtness during the Financial year				
* Addition in Principal	6426.630132	108.03573	0.00	6534.665862
* Reduction Principal	3231.04779	534.2018109	0.00	3765.249601
Net Changes	3195.582342	-426.1660809	0.00	2769.416261
Indebtness At the end of the Financial Year				
i) Principal Amount	34227.03947	2523.811294	0.00	36750.85076
ii) Interest due but not paid	0.3536819	0.00	0.00	0.3536819
iii) Interest accrued but not due	221.9594058	7.6482311	0.00	229.6076369
Total (i+ii+iii)	**34449.35256**	**2531.459525**	**0.00**	**36980.81208**

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No	Particulars of Remuneration	Name of MD/WTD/ Manager							Total Amount
		Shaila Abu (CMD)	Sanjay Khandare (CMD)	S. J. Amberkar (Director Finance)	Balasaheb Thite (Director Finance)	V. Thanga pandian (Director Projects)	C. S. Thotwe (Director Operations)	P.V. Jadhav (Director Mining)	
1	Gross salary	913818	2027580	1940343	1205837	3548165	14020632	1919990	25576365
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL	473245	1710085	226331	2409661
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify…	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (A)	**913818**	**2027580**	**1940343**	**1205837**	**4021410**	**15730717**	**2146321**	**27986026**
	Ceiling as per the Act	NA	NA	NA	NA	NA	NA	NA	NA

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Raju Burde	ShrikantLabde	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1851478	291470	1858106
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	240162	38504	241718
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission - as % of profit - others, specify…	NIL	NIL	NIL

5	Others, please specify	NIL	NIL	NIL
	Total (A)	**2091640**	**329974**	**242614**
	Ceiling as per the Act	NA	NA	NA

B. REMUNERATION TO OTHER DIRECTORS:

Sr. No.	Particulars of Remuneration	Name of Director(s)		Total Amount
1	Independent Director(s) • Fee for attending board/ committee meetings • Commission • Others, please specify	NIL NIL NIL	NA	NA NIL NIL
	Total (1)	**NIL**		**NIL**
2	Other Non-Executive Director(s) • Fee for attending board/ committee meetings • Commission • Others, please specify	Smt. Swati Vyavahare 5000	NA	5000
	Total (2)	**NIL**	**NIL**	**NIL**
	Total (B)=(1+2)	**5000**	**NIL**	**5000**
	Total Managerial Remuneration	5000	NIL	5000
	Overall Ceiling as per the Act	NA	NA	NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Company Secretary	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	3010082 389393 NIL	3010082 389393 NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify…	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	**3399475**	**3399475**

(VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

(VIII) OTHER OFFICERS IN DEFAULT

Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

On Behalf of the Board of Directors

Chairman & Managing Director

Date : 04.03.2022
Place : Mumbai

ANNEXURE -II
THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

1. Brief outline on CSR Policy of the Company.- MSPGCL aims to actively contribute to sustainable socio-economic development of the local community and society at large,

2. Composition of CSR Committe

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year*	Number of meetings of CSR Committee attended during the year*
1	Shri Sanjay Khandare	Chairman& MD	-	-
2	Shri Balasaheb Thite	Director (F)	-	-
3	Shri C.S.Thotwe	Director (Op)	-	-
4	Shri V Thangapandian	Director (P)	-	-
5	Shri P V Jadhav	Director (M)	-	-

* There was no CSR committee meeting during FY2020-21

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.- https://www.mahagenco.in/uploads/CSR/MSPGCL%20New%20CSR%20policy.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibilityPolicy) Rules, 2014, if applicable (attach the report). Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off from financial years (in Rs)
1	2020-21	NIL	NIL

6. Average net profit of the company as per section 135(5). (Rs234.51/3=78.17 Crs) Loss

7. (a) Two percent of average net profit of the company as per section 135(5) – Not applicable

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.- Not applicable

   (c) Amount required to be set off for the financial year,if any- Not applicable

   (d) Total CSR obligation for the financial year (7a+7b-7c). NIL

8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).**		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
278307986	NIL	NIL	NIL	NIL	NIL

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.	Project duration.	Amount allocated for the project (in₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
					State.	District.				Name	CSR Registration number.
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	TOTAL										

(C) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency	
				State.	District.			Name	CSR registration number.
1.	Contribution toward Covid-19 Relief Fund	i	Yes	Chattisgarh	Raigarh	100000	Yes	NA	NA
2.	Construction of Concrete Road(75M) Goutiyapar	x	Yes	Chattisgarh	Raigarh	277344	Yes	NA	NA
3.	Constrcuction of CC Road (100M) Sarasmal	x	Yes	Chattisgarh	Raigarh	371386	Yes	NA	NA
4	Constrcuction of CC Road(75 M)Saraitola	x	Yes	Chattisgarh	Raigarh	277344	Yes	NA	NA
5	Constrcuction of CC Road (100M) Sarasmal	x	Yes	Chattisgarh	Raigarh	375137	Yes	NA	NA
6	Constrcuction of CC Road at Dholenara	x	Yes	Chattisgarh	Raigarh	297097	Yes	NA	NA
7	Constn of C.C. road at chitwahi	x	Yes	Chattisgarh	Raigarh	176516	Yes	NA	NA
8	Constrction of water tank near Santosh Behara	i	Yes	Chattisgarh	Raigarh	64466	Yes	NA	NA
9	Construction of drain at Jhikabahal Undr	i	Yes	Chattisgarh	Raigarh	138872	Yes	NA	NA
10	Borewell Repair & Compound wall painting	i	Yes	Chattisgarh	Raigarh	568397	Yes	NA	NA
11	Pond deepaning work at Chitwahi	i	Yes	Chattisgarh	Raigarh	264000	Yes	NA	NA

12	Pond deepening work, Tihalirampur	i	Yes	Chattisgarh	Raigarh	496758	Yes	NA	NA
13	Earthwork excavation for pond deepening	i	Yes	Chattisgarh	Raigarh	297344	Yes	NA	NA
14	Pond deepening & beautification Rodopali	x	Yes	Chattisgarh	Raigarh	11074	Yes	NA	NA
15	Pond deepening of Bhanawar at Mudagaon	x	Yes	Chattisgarh	Raigarh	8605	Yes	NA	NA
16	Constrcuction of Shed at Muktidham	x	Yes	Chattisgarh	Raigarh	90000	Yes	NA	NA
17	Construction of stage at School	x	Yes	Chattisgarh	Raigarh	70001	Yes	NA	NA
18	Reair & Paintng Of School Bldg & Toilet	x	Yes	Chattisgarh	Raigarh	461311	Yes	NA	NA
19	Providing medical van with doctors	i	Yes	Chattisgarh	Raigarh	2845216	Yes	NA	NA
20	Led Spgs Aio Solar Light Assembly 15Watt	i	Yes	Chattisgarh	Raigarh	2295956	Yes	NA	NA
21	Erection and installation of lamps	x	Yes	Chattisgarh	Raigarh	1105808	Yes	NA	NA
22	Development and beautification of Pond 3 Near Koradi Pumphouse at Koradi & Conservation of Koardi Lake under National Plan for Conservation of Acquatic Eco-systems	i & iv	Yes	Maharashtra	Nagpur	267715354	Yes	NA	NA
	TOTAL					**278307986**			

(d) Amount spent in Administrative Overheads- NA

(e) Amount spent on Impact Assessment, if applicable- NA

(f) Total amount spent for the Financial Year - 278307986 (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL (being loss)
(ii)	Total amount spent for the Financial Year	278307986
(iii)	Excess amount spent for the financial year [(ii)-(i)]	278307986
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	278307986

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in Rs).	Date of transfer	
1.	2019-20	NA	NA	NA	NA	NA	NA
2.	2018-19	NA	NA	NA	NA	NA	NA
3.	2017-18	NA	NA	NA	NA	NA	NA
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
1.	NA	NA	NA	NA	NA	NA	NA	NA
2.	NA	NA	NA	NA	NA	NA	NA	NA
3.	NA	NA	NA	NA	NA	NA	NA	NA
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year NA (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary underwhose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).
Not applicable as the company does not have average profits during preceding three financial years.

Chairman& Managing Director

Chairman of CSR Committee

Date : 04.03.2022

Place : Mumbai

ANNEXURE – III TO THE DIRECTOR'S REPORT PARTICULARS REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

A. ENERGY CONSERVATION:

Following are the Energy saving activities carried out during year 2020-21

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

AUXILLIARY POWER CONSUMPTION:

- Accurate assessment of Auxiliary consumption by using 0.2 class Energy meters.
- Maximum use of day light.
- Avoiding idle running of equipment / machine.
- Modification of lighting system using energy efficient lamps.
- Arresting leakages in compressed air, steam piping, cooling water system and electrical systems.
- DM water flow meters are installed
- Natural cooling arrangement for GT Units at Uran.
- Condition monitoring & timely preventive maintenance schedule of auxiliaries.
- Installation of VFDs for pumps, compressors & fans in different area of power stations.
- CEP impeller stage reduction in Khaperkheda 210 MW unit.

LIGHTING

- Replacement of HPMV lamps with LED lighting.
- 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.

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, Khaperkheda, Chandrapur TPS.
- Firefighting water headers brought to ground level from underground to attend leakages.

B. TECHNOLOGY ABSORTION ADAPTATION AND INNOVATION

a) Efforts made in technology absorption

- Use of treated municipal waste water from Nagpur city for Koradi 660 MW units.
- Koradi Unit-6 Energy Efficient Renovation & Modernisation (EE R&M) carried out.
- Implementation of 'E' tendering concept for material procurement at Mahagenco H.O. & Power Stations.
- DVR System installed in Khaperkheda Unit-2
- Low NOx burners are installed in Koradi 660 and Khaperkheda 500 MW units.

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(b) Total foreign exchange used and earned

Sr. No.	Total Foreign Exchange used /earned	₹
1.	Foreign Exchange Outgo	Nil
2.	Foreign Exchange earned	Nil

ANNEXURE – IV TO THE DIRECTOR'S REPORT

Replies to Statutory Auditors Observations:

Sr. No.	Major Observations	Company replies
1	*The Company has continued to recognize Revenue on account of interest by way of Delayed Payment Surcharge (DPS) to be billed to Maharashtra State Electricity Distribution Company Limited (MSEDCL), for the current financial year, amounting to ₹ 2511.51 Crores. (Accumulated ₹ 14862.10 Crores up to 31st March, 2021) as per the past consistent practice and methodology adopted by the Company for working out of the DPS amount in terms of Power Purchase Agreement and relevant Multi Year Tariff Regulation. The DPS amount as billed till 31st March, 2021 may not be fully realizable and is doubtful of recovery as MSEDCL has disputed the same and has not been accepted and paid by them. MSEDCL, as communicated to the Company, has adopted a different methodology, unilaterally, for working out of the said DPS amount and as per MSEDCL it works out to ₹ 4112.27 Crores only. As a result there is a huge difference of ₹ 10749.83 Crores in DPS amount as billed by Mahagenco and what is worked out by MSEDCL per their methodology. Pending final outcome of the dispute and final settlement and resolution of the continuing dispute with MSEDCL for appropriate DPS amount, no provision has been made for any expected credit loss against this doubtful recoverable DPS amount, which is still to be crystallized and be acceptable to both MSEDCL and the Company. (Refer Note No.43B to FS)*	As per prevalent practice, Company continues to issue surcharge bills to MSEDCL as is being done since FY 2009-10, by adopting a methodology of appropriation of funds received from MSEDCL, first towards interest and balance money towards principal arrears. MSEDCL had no objection to above methodology till F.Y 2017-18 and accounted for these charges in its financial statements of FY 2017-18. However, during FY 2018-19, MSEDCL unilaterally adopted different methodology wherein they considered appropriation of payments towards principal first and balance towards interest on delayed payment. As a result as on 31-03-2021 MSEDCL has reduced their surcharge liability to ₹ 4112.27 Crores in their books of Accounts. The company has not agreed for the change in methodology of surcharge amount calculations and thus continued the method adopted by it since the beginning.
	Attention is invited, in particular, to (a) balance recoverable from Maharashtra State Electricity Distribution Company Limited (MSEDCL) for electricity supplied as per Power Purchase Agreement, of ₹27040.48 Crores (inclusive of unbilled revenue of ₹2511.51 of current financial year) as at the year-end against which MSEDCL has confirmed the balance of ₹15957.24 Crores as payable to Mahagenco. A joint reconciliation between these two balances has been prepared jointly by both the companies for disputed items. We are informed that final corrective accounting and adjustment will be done when these disputed items, amounts and issues are resolved. (b) Balance recoverable from Maharashtra State Electricity Transmission Company Limited (MSETCL) of ₹ 143.52 Crores is subject to confirmation and reconciliation. However, we are informed that the Company has sent letter and reminders asking for confirmation but reply has not been received by the Company. In the absence of sufficient and appropriate audit evidence, we are unable to opine on the consequential impact, if any, of a & b above, on the status of these balances and on the profit for the year of the Company.	Company has carried out reconciliation and balance confirmation with MSEDCL during the year. Company is in the process of addressing the disputed issues as brought out in the reconciliation. Similarly, Company has issued balance confirmation letter to State Load Despatch Centre of MSETCL in respect of Reactive Energy Charges and the confirmation from them is awaited.
	The balances of Coal Companies are subject to confirmation from respective coal companies and reconciliation. In our opinion, the company does not have a reconciliation based on General Ledger balances. In absence of the same we are unable to comment on consequential impact on the financial statements of the Company. The details of Coal Company-wise outstanding balances are as under:	Reconciliation with Coal Companies on bill to bill basis is continues process and is generally carried out on every quarter of financial year. However, due to disputed issues, there has been certain time lag in the current year. In the ensuing year, the company would carry out reconciliation of book balances.

(₹ in Crores)

Name ofSupplier	*Balance as per MSPGCL books as at 31st March, 2021*
Singareni Collieries Co Ltd	*124.84 Credit*
South Eastern Coalfield Ltd (SECL)	*252.17 Debit*
Western Coalfields Limited – WCL	*2013.44 Credit*
Mahanadi Coalfields Limited	*120.16 Credit*
Total	*2006.27 Credit*

Pending such confirmation and completion of reconciliation, no provision has been made for the performance incentive bills / short lifting of coal as claimed by Coal Companies. Company has also lodged certain counter claims on the Coal Companies like short delivery, grade slippages etc. As these are disputed claims and counter claims, impact of all of these is unascertained. In view of the same, we are unable to comment on consequential impact on the financial statements of the Company.

The balances of Railway companies are subject to confirmation and reconciliation. Majority of the balance pertains to old outstanding unadjusted balances since past few years, which is highlighted as under:

(₹ in Crores)

Name ofSupplier	*Balance as per MSPGCL books as at 31st March, 2021*
South Central Railways (Account 30000)	*6.86 Debit*
South East Central Railways (Account 30001)	*43.66 Debit*
Central Railways (Account 43000)	*31.15 Debit*
Total	*81.68 Debit*

Pending such confirmation and completion of reconciliation, the consequential adjustments in financial books could not be made. In view of the same, we are unable to comment on the consequential impact on Financial Statements of the Company.

The balances of trade receivables, loans and advances, deposits and trade payables are subject to confirmation from respective parties and/ or reconciliation as the case may be. Pending such confirmation and reconciliation, the consequential adjustments are not made. However, we are informed that the Company has sent letters asking for confirmation to its vendors and wherever such confirmations are received the same is getting reconciled and we are informed that such reconciliation is a continuous and an on-going process for the Company. In the absence of sufficient and appropriate audit evidence, we are unable to opine on the consequential impact, if any, on the status of these balances and the profit for the year of the Company.

Company has carried out review of the Railway balance and certain amount of clearance has taken place during the year in comparison with previous year. Company endeavours to clear the balance amount in the ensuing year & necessary accounting entries will be posted thereof.

Apart from power generation from existing plants, Company has also been installing and commissioning new power plants in thermal and solar based categories. As such, Company keeps entering into different kind of transactions with various customers / vendors. As per prevalent practice, the Company issues balance confirmation letters to various vendors / customers / lenders etc.

In addition to this, Company also undertakes reconciliation with the vendors which is an continuous process. However, owing to various kind of reasons not attributable to company alone viz., late submission of invoice by vendors, lack of response against the balance confirmation requests, incorrect details provided by vendor, claims / counter claims etc, reconciliation or adjustment takes more time in case of few vendors. Company also makes necessary provisions against the vendor balances as and when required.

2	*According to the information and explanations given to us and on the basis of our examination of the records, the Company is in the process to obtain title deeds for all immovable properties to determine whether they are held in the name of the company. To the extent information available following title deeds of immovable properties are not held in the name of Company:-* *(i) freehold land relating to 4 accounting units having carrying value of ₹ 45.62 Crores as at year end and lease hold land of 1 accounting unit having carrying value of ₹6/- as at year end are still held in the name of erstwhile "Maharashtra State Electricity Board." We are informed that these are transferred to the Company in terms of the government of Maharashtra Order and as per the Transfer Scheme.* *(ii) free hold land relating to 2 accounting units having carrying value of ₹ 396.89 Crores, held in the name of "Mahanirmiti" and "Mahagenco Thermal Power Station" which is not the name of the Company as per Memorandum of Association of the Company and is not as per the name allotted and as registered with the Registrar of Companies, Mumbai.*	In case of, certain title deeds, the same are in the name of erstwhile Maharashtra State Electricity Board or Mahanirmiti (Marathi version of MAHAGENCO) etc., Company have already undertaken the exercise of transfer of all title deeds in respect of immovable properties, in the registered name of company. At TPS Chandrapur, TPS Koradi and TPS Paras the work of registering title deeds in the registered name of the Company is about to be completed and at TPS Nashik, TPS Khaperkheda, TPS Bhusawal and TPS Parli the task of change in name is in process.
3	*According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2021 wherein the internal controls were not operating effectively.* *(1) The Company's internal financial control over timely adjustments of advances to suppliers and provision for liabilities made there against;* *(2) The Company has initiated the process to establish internal financial control/policy over timely finalization and levying of liquidated damages;* *(3) The Company's internal financial control over maintenance of subsidiary records pertaining to employees and correlating of HR module data of SAP generated payroll which is integrated with Finance Module data of SAP but could not be viewed and reconciled.*	Claims lodged with Coal suppliers in respect of claims for grade slippage, short delivery etc. and counter claims of deemed delivery / performance incentive and interest on claims etc. are yet to be fully settled. Consequently, company recognizes disputed payables to coal companies as contingent liability. On the similar lines, Company has also disclosed the Contingent Assets as well. As regards control over timely booking of data / adjusting of advances and liabilities, the clearance of outstanding unadjusted advances in the books of Accounts of the Company would further be expedited in the ensuing year. Upon establishment that the delay in work execution has been attributable to contractor and quantum of such delay, the liquidated damages in respect of the said contractor get finalized. Delay Analysis of large projects is a time taking exercise as it requires to study the reasons of delay which are attributable to the subject contractor, another contractor or the owner. Consequently, though the assets are accounted for in the books of accounts of the company when such assets get commissioned, however the effect of liquidated damage is accounted for only upon its finalization. Further, Company has initiated the process to establish internal financial control/policy over timely finalization and levying of liquidated damages. Centralised salary processing has been already commenced by the Company. Company uses relevant SAP module for employee related transactions. However, Company proposes to set up a reporting system which presents reconciliation of transactions in HR module with that of Finance Module in the ensuing year.

ANNEXURE - V TO THE DIRECTOR'S REPORT
Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

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

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

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us, the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

The verification/ examination of documents, books, papers, minute books, forms, returns is on the basis of documents/ information/ declarations given in e-mail as physical verification was not possible due to situation arising out of COVID 19 pandemic.

As sent in email, I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (not applicable as the Company is Public Unlisted Company);

(iii) The Depositories Act, 1996 and the Regulations and by - laws framed thereunder; (not applicable as Company's shares are in physical form);

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (not applicable to the Company during the audit period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable during the audit period as the Company is Unlisted Public Company: -

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

  (e) The Securities and Exchange Board of India [Employee Stock Option Scheme and Employee Stock Purchase Scheme)

Guidelines, 1999] which is now The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & The Securities and Exchange Board of India Securities and Exchange Board of India (Share Based Employee Benefits) (Amendment) Regulations, 2015;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

(vi) In respect of other laws specifically applicable to the Company, the below-mentioned other law is specifically applicable to the Company:

Electricity Act, 2003

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (applicable with effect from 1st July, 2015 and 1st October, 2017).

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (not applicable to the Company during Audit Period, being Public Unlisted Company).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Under Companies Act, 2013:

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

1. The Company did not have women director during the period 10.08.2020 till 22.01.2021.
2. MGT – 14 for filing of resolutions passed at the Annual General Meeting held on 23rd November, 2020 and Adjourned Annual General Meeting held on 19th March, 2021, conducted through Video Conferencing is not filed.
3. The Company adopted the Audited Financial Statements, the Report of Directors & Auditors thereon alongwith the comments of Comptroller & Auditor General of India for the financial year ended 31st March, 2020 at the adjourned Annual General Meeting (AGM) held on 19th March, 2021.

I further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors s**ubject to above-mentioned observations**. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

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

Date of Allotment	Number of Equity Shares	Consideration	Govt. GR Number
07.08.2020	6,40,00,000	64,00,00,000	Nidhivi-2019/Pra.Kra82(BSL)/Urja-3 dt 09.10.19
			Nidhivi-2019/Pra.Kra4(1) /Urja-3 dt 27.3.20

I further report that during the audit period the Company has passed Special Resolutions at the Extra Ordinary General Meeting of the Company held on 22nd January, 2021, in pursuance to Section 14 of the Companies Act, 2013 for Alteration of Articles of Association of the Company.

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

i) Public / Preferential issue of shares / debentures / sweat equity, etc.

ii) Redemption / buy-back of securities;

iii) Merger / amalgamation / reconstruction, etc.

iv) Foreign technical collaborations.

For A. Y. Sathe & Co.
Company Secretaries

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

UDIN : F002899C002794811

Place: Mumbai
Date: 04.03.2022

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

Annexure - I To Secretarial Audit Report

To,

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

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

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

For A. Y. Sathe & Co.
Company Secretaries

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

UDIN : F002899C002794811

Place : Mumbai
Date : 04.03.2022

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIALS STATEMENTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of **Maharashtra State Power Generation Company Limited** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act, are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **23 November 2021.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Maharashtra State Power Generation Company Limited for the year ended 31 March 2021** under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

A) COMMENTS ON PROFITABILITY

Statement of Profit and Loss

Expenses

Other Expenses (Note 28) : ₹ 1903.60 Crore

1. This does not include ₹5.98 crore being expenses in connection with renewal of SAP HANA Enterprise Cloud (HEC) services for running SAP- ERP System for the period April 2020 to January 2021 which should have been adjusted against payment (September 2020) (₹ 7.17 crore for the period February 2020 to January 2021) shown as advance payment.

   The advance remained unadjusted despite completion of service in January 2021.

   This resulted in understatement of Other Expenses and overstatement of Profit for the year by ₹5.98 crore, understatement of Prior period expenses and overstatement of Retained Earnings by ₹ 1.19 crore (for the period 01/02/2020 to 31/03/2020) and overstatement of Other Current Assets (Advances for O&M Supplier/Works) by ₹7.17 Crore.

2. This does not include ₹3.31 crore being insurance charges for the year for Bhusawal Thermal Power Station.

   Non accounting resulted in understatement of other expenses and liability and overstatement of profit by ₹3.31 crore.

B) COMMENTS ON FINANCIAL POSITION

Balance Sheet

Assets

Non-Current Assets : ₹42713.14 Crore

Right To use Assets (Note 1A) : ₹3928.69 Crore

3. Reference is invited to point no. 19(i) of significant accounting policy read with note no. 42B of Notes to Accounts wherein threshold limit for recognition of right to use assets and lease liabilities is adopted at ₹1 crore.

   However, the company continued to recognize the right to use assets and lease liabilities for assets valuing less than the adopted threshold limit of ₹1 crore during the year which was not in line with note 42B.

   This resulted in overstatement of Assets and Liabilities by ₹ 0.55 crore.

Current Assets : **₹ 29219.42 Crore**

Other Assets (Note 10) : **₹ 648.49 Crore**

Advance for O&M suppliers/works : **₹ 3397.70 Crore**

4 (A) This includes ₹ 30.40 Crore (₹ 0.24 Crore to vendors for oil and materials, ₹ 28.93 crore to O & M supplier and ₹ 1.23 crore to vendors during the previous accouting period) being advances paid to vendors lying with them for more than 3 years. Invoices for material have been received from these vendors. However, these advances had not been adjusted/nullified against bills received during the respective year resulting in overstatement of advances and overstatement of liabilities by ₹30.40 crore.

Advances for fuel supplies/ Others : **₹417.25 Crore**

4 (B) This includes ₹43.24 crore being advance freight payment to Eastern Central (EC) Railway in March 21 against which coal was received in the same month. These advances should have been adjusted against invoice received from Railway for the year which was not done.

This resulted in overstatement of Current Assets-Other Assets (Note 10) and overstatement of liabilities to the extent of ₹43.24 crore.

LIABILITIES Current Liabilities : **₹25329.18 crore**

Borrowings (Note No.17) : **₹10473.55 crore**

5. This includes borrowings in respect of Covid Loans of ₹305.45 crore availed for a term of 2 years repayable in 18 equal monthly instalments after moratorium period of 6 months.

However, in terms of Ind AS 1: Presentation of financial statements, borrowings having tenure of more than 1 year should be classified as Long-Term.

This resulted in overstatement of short-term borrowings and understatement of Longterm borrowings by ₹305.45 crores.

Other Financial Liabilities (Note 19) : **₹11218.54 crore**

Retentions and Payable : **₹4725.88 crore**

6. This includes ₹36.34 crore being Security Deposits and Earnest Money Deposits from various contractors lying with the company for more than 3 years (2005 to 2018). The same needs to be reviewed on case to case basis and appropriate action as applicable needs to be taken.

The same is brought to the notice for rectification.

This includes ₹3.64 crore being commission charges payable for liaisoning work pertaining to 2015-16 which were paid in 2019-20 by debiting Expenses instead of adjusting against existing liability. This resulted in overstatement of Provision and understatement of Retained Earnings by ₹3.64 crore.

C) COMMENT ON DISCLOSURE

Notes to Financial Statements Contingent Liabilities (Note no 42)

8. This does not include ₹1 crore toward contingent liability to Irrigation Department being outstanding disputed amount along with penalty pending for long. Thus, Note 42 is deficient to that extent.

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

Date: 28.03.2022
Place: Nagpur

(R. Thiruppathi Venkatasamy)
Accountant General (Audit)-II Maharashtra

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDERSECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHARASHTRA STATE POWERGENERATION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of consolidated financial statements of **Maharashtra State Power Generation Company Limited, Mumbai** for the year ended **31 March 2021** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 23 November 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Maharashtra State Power Generation Company Limited** for the year ended **31 March 2021** under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of **Maharashtra State Power Generation Company Limited**, but did not conduct supplementary audit of the financial statements of **Mahaguj Collieries Limited, Mahagenco Ash Management Services Ltd.** and **Dhopave Coastal Power Limited** (subsidiaries of the Company) and **M/s UCM Coal Company Ltd.** and **Chhattisgarh Katghoara Dongargarh Railway Limited** (associates of the Company) for the year ended on that date. 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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

(R. Thiruppathi Venkatasamy)
Accountant General (Audit)-II

Date: 14.03.2022
Place: Nagpur

Replies to Final Comments issued by Government Audit Office, Mumbai.

Sr. No.	Audit Query	Replies	Statutory Auditor's Remarks
1	**Statement of Profit & Loss Expenses** **Other Expenses (Note 28):** **₹1903.44 Crore** This does not include ₹5.98 crore being expenses in connection with renewal of SAP Hana Enterprise Cloud (HEC) services for running SAP-ERP System for the period April 2020 to January 2021 which should have been adjusted against payment (September 2020) (₹ 7.17 crore for the period February 2020 to January 2021) Shown as advance payment. The advance remained unadjusted despite completion of service in January 2021. This has resulted in Understatement of Other Expenses and over statement of profit for the year by ₹5.98 crs., understatement of prior period expenses and overstatement of retained earnings by ₹1.19 Crs. (for the period 01/02/2020 to 31/03/2020) and overstatement of other current assets(Advances for O&M Supplier/ Works)by ₹7.17 Crore.	Vide PO No.4500108877, order was placed on M/s. SAP India Ltd. for renewal of SAP HANA Enterprises Cloud (HEL) Services with EMS for the period from 01.02.2020 to 31.01.2021'. Advance payment of ₹ 7,16,76,840/- was released in favour of M/s. SAP India Ltd. on 14.09.2020. The period of service against said PO expired on 31.01.2021. Ideally, the Service Entry Sheet and booking of expense should have been done on or before 31.03.2021. However, staggered working due to pandemic situation and delayed receipt of communications the effect of above transaction was taken place in SAP on 01.07.2021. Accordingly, the rectification entry will be done by booking expense under the Prior Period Expense head in the ensuing year.	We concur with the reply of Management.
2	This does not include ₹3.31 crores being insurance charges for the year 2020-21 towards Bhusawal Thermal Power Station. Non-accounting resulted in understatement of other expenses and liability and overstatement of profit by ₹3.31 crores.	The Fire and other Perils Policy of BTPS was renewed for the period '14.05.2020 to 13.05.2021'. Hence, expense against above insurance should have been proportionately accounted in FY 2020-21 (₹2.93Crs.) and balance ₹0.39 Crs. as prepaid. However, due to Office closure from end of March 20 till first week of June 20 due to Covid induced lockdown and owing to very limited access to official documents, inadvertently, the expenses remained to be accounted for in FY 2020-21 and Vendor balance remained uncleared. Consequently, necessary rectification entries will be accounted for in the ensuing year.	We concur with the reply of Management.

3	**II. COMMENTS ON FINANCIAL POSITION Balance Sheet** **Asset** **Non-Current Assets : ₹42713.14** **Right to use Assets (Note 1A):** **₹3928.69 Crore** Reference is invited to point no. 19 (i) of significant accounting policies read with note no. 42B of Notes to Accounts wherein threshold limit for recognition of right to use assets and lease liabilities is adopted at ₹1 crore. However, the Company continued to recognize the right to use assets and lease liabilities for assets valuing less than the adopted threshold limit of ₹1 crore during the year which was not in line with note 42B. This resulted in overstatement of Assets and Liabilities by ₹0.55 crore.	Considering the size and nature of business of the Company, the various threshold limits have been set by the Company in order to reduce the compliance burden in respect of immaterial items which is like enabling provision and matter of convenience. There were certain flats in Mumbai which were taken on lease by the Company and were forming part of Lease Assets and corresponding lease liabilities whose lease asset value has been less than one crore. However, during the first year of implementation of Ind AS 116, Company applied the same even to the flats taken on lease though the lease assets were below ₹1 crore. Even otherwise, in the present case residual value of lease flats to be depreciated as on 31-03-2021, is ₹0.09 Crs. which itself is again not of material nature and will not remain in the Books in the ensuing year.	We concur with the reply of Management.
4.a	**Current Assets : ₹ 29219.42 Crs.** **Other Assets (Note 10) : ₹ 648.49 Crs.** **Advance for O&M suppliers /Works :** **₹397.70 Crs** This includes an amount of ₹30.40crore (₹0.24 Crs to vendors for oil and materials, ₹28.93 Crs. to O&M supplilers and ₹1.23 Crs. to vendors during the previous accounting period) being advances paid to vendors lying with them for more than three years. Invoices for material have been received from these vendors. However, this advance has not been adjusted/ nullified against bills received during that respective year, resulting in overstatement of advances and overstatement of liabilities by ₹30.40crore.	Clearing of advance and liabilities is a continuous process and Company carries out such clearance periodically. Out of ₹30.40 Crs., the advance of ₹ 30.16crs as mentioned in the audit query, has already been cleared in various tranches in FY 2021-22 and in the ensuing year, Company will effect necessary accounting entries for balance amount of ₹0.24 Crs..	We concur with the reply of Management.
4.b	**Advances for fuel supplies/ Others :** **₹417.25 Crore** This includes ₹43.24 crore being advance freight payment to Eastern Central (EC) Railway in March 21 against which coal was received in the same month. These advances should have been adjusted against invoice received from Railway for the year which was not done. This resulted in overstatement of Current Assets-Other Assets (Note 10) and overstatement of liabilities to the extent of ₹43.24 crore.	Company pays advance freight to Railways. Upon arrival of rake and receipt of Railway Receipt, the liability gets created for the Railway vendor. The said advance and liability gets cleared subsequently. Such clearance is continuous process. In present case the advance has already been cleared in FY 2021-22 as a part of regular clearing exercise vide document no. 1010842.	We concur with the reply of Management.

5	**LIABILITIES** **Current Liabilities : ₹25330.63 crore** **Current Borrowings (Note No.17): ₹10473.55 crores** This includes borrowings in respect of Covid Loans of ₹305.45 croresavailed for a term of 2 years repayable in 18 equal monthly instalments after moratorium period of 6 months. However, in terms of Ind AS 1: Presentation of financial statements, borrowings having tenure of more than 1 year should be classified as Long-Term. This resulted in overstatement of short-term borrowings and understatement of Long-term borrowings by ₹305.45 crores	Covid time and lockdown like situations affected the realization of receivables and led to issues in liquidity across the business sectors in the country. In order to overcome the liquidity crisis the concept of Covid Loans was introduced by the Banks. Long Term Loans are generally availed for funding of capital expenditure schemes or projects from which the Company is expected to receive the revenue over a period of time and service the debts. Whereas working capital loans are issued by Banks to bridge the gap between realization of receivables and discharge the payables. Considering the business cycle of one year such loans are normally issued for a period of around one year. However, in Covid situation normal business cycle was affected hence, a longer tenure of two years or so was approved by Banks. Hence, though the period of loan has been more than one year (i.e. two years in instant case), the substance of loan is working capital in nature and the same has been brought out by the Bank in their sanction letter(s) also. Even, the Banks have also termed it as Short Term despite a term of 2 years (Refer Bank of Maharashtra sanction letter.) Copy of the same enclosed. Accordingly, it has to be classified in the category of short term and presented in the Financial Statement.	We concur with the reply of Management.
6	**Other Current Financial Liabilities** **(Note 19): ₹11219.97 crore** **Retentions and Payable: ₹4725.88 crore** This includes ₹.6.34 crore being Security Deposits and Earnest Money Deposit from various contractors lying with the Company for more than 3 years (2005 to 2018). The same needs to be reviewed on case to case basis and appropriate action needs to be taken. The same is brought to the notice for rectification.	The EMD and SD which are more than three years old have already been written back vide document no. 1249543 and 1249544 dated 31.03.2021. Rest of the EMDs and SDs will be reviewed and those eligible for write back will be accounted for accordingly in the ensuing year unless refunded.	We concur with the reply of Management.
7	This includes ₹3.64 crorebeing commission charges payable for Lisaoning pertaining to 2015-16 which were paid in 2019-20 by debiting expenses instead of adjusting against the existing liability. This resulted in overstatement of Provision understatement of Retained Earnings by ₹3.64 crore.	Company, normally creates provision towards expenditure and upon payment such provision gets cleared. However, in present case, the provision of ₹ 3.64 Crores towards commission charges remained to be cleared as on 31-03-2021. In the ensuing year necessary rectification Entry has been passed vide doc. No. 1167345 Dt.01.12.2021.	We concur with the reply of Management.

8	**III COMMENTS ON DISCLOSURE** **Notes to Financial Statements** **Contingent Liabilities (Note no 41)** This does not include an amount of ₹1 Crore toward contingent liability to Irrigation Department being outstanding disputed amount along with penalty pending for long. Thus Note 42 is deficient to that extent.	At the time of finalization of accounts for FY 2020-21, on the basis of then available information, an amount of ₹2.03 Crores was outstanding and disputed. Consequently, the same has already been covered in the disclosure of contingent liabilities.	We concur with the reply of Management.

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

(R. Thiruppathi Venkatasamy)
Accountant General (Audit)-II

Date: 28.03.2022
Place: Nagpur

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Financial Statements for the year ended on 31st March, 2021.

Qualified Opinion

We have audited the accompanying standalone financial statements of **MAHARASHTRA STATE POWER GENERATION CO. LTD ('MSPGCL"/"MAHAGENCO"/"the Company"),** which comprise the balance sheet as at 31st March, 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects/possible effects of the matters described in the 'Basis for Qualified opinion' section of our report,* the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit for the year (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

1. *The Company has continued to recognize Revenue on account of interest by way of Delayed Payment Surcharge (DPS) to be billed to Maharashtra State Electricity Distribution Company Limited (MSEDCL), for the current financial year, amounting to ₹ 2511.51 Crores. (Accumulated ₹ 14862.10 Crores up to 31st March, 2021) as per the past consistent practice and methodology adopted by the Company for working out of the DPS amount in terms of Power Purchase Agreement and relevant Multi Year Tariff Regulation. The DPS amount as billed till 31st March, 2021 may not be fully realizable and is doubtful of recovery as MSEDCL has disputed the same and has not been accepted and paid by them. MSEDCL, as communicated to the Company, has adopted a different methodology, unilaterally, for working out of the said DPS amount and as per MSEDCL it works out to ₹ 4112.27 Crores only. As a result there is a huge difference of ₹ 10749.83 Crores in DPS amount as billed by Mahagenco and what is worked out by MSEDCL per their methodology. Pending final outcome of the dispute and final settlement and resolution of the continuing dispute with MSEDCL for appropriate DPS amount, no provision has been made for any expected credit loss against this doubtful recoverable DPS amount, which is still to be crystallized and be acceptable to both MSEDCL and the Company. (Refer Note No.43B to FS)*

2. *Attention is invited, in particular, to (a) balance recoverable from Maharashtra State Electricity Distribution Company Limited (MSEDCL) for electricity supplied as per Power Purchase Agreement, of ₹27040.48 Crores (inclusive of unbilled revenue of ₹2511.51 of current financial year) as at the year-end against which MSEDCL has confirmed the balance of ₹15957.24 Crores as payable to Mahagenco. A joint reconciliation between these two balances has been prepared jointly by both the companies for disputed items. We are informed that final corrective accounting and adjustment will be done when these disputed items, amounts and issues are resolved. (b) Balance recoverable from Maharashtra State Electricity Transmission Company Limited (MSETCL) of ₹ 143.52 Crores is subject to confirmation and reconciliation. However, we are informed that the Company has sent letter and reminders asking for confirmation but reply has not been received by the Company. In the absence of sufficient and appropriate audit evidence, we are unable to opine on the consequential impact, if any, of a & b above, on the status of these balances and on the profit for the year of the Company.*

3. *The balances of Coal Companies are subject to confirmation from respective coal companies and reconciliation. In our opinion, the company does not have a reconciliation based on General Ledger balances. In absence of the same we are unable to comment on consequential impact on the financial statements of the Company. The details of Coal Company-wise outstanding balances are as under:*

(₹ in Crores)

Name of Supplier	*Balance as per MSPGCL books as at 31st March, 2021*
Singareni Collieries Co Ltd	*124.84 Credit*
South Eastern Coalfield Ltd (SECL)	*252.17 Debit*
Western Coalfields Limited – WCL	*2013.44 Credit*
Mahanadi Coalfields Limited	*120.16 Credit*
Total	*2006.27 Credit*

Pending such confirmation and completion of reconciliation, no provision has been made for the performance incentive bills / short lifting of coal

as claimed by Coal Companies. Company has also lodged certain counter claims on the Coal Companies like short delivery, grade slippages etc. As these are disputed claims and counter claims,impact of all of these is unascertained. In view of the same, we are unable to comment on consequential impact on the financial statements of the Company.

4. *The balances of Railway companies are subject to confirmation and reconciliation. Majority of the balance pertains to old outstanding unadjusted balances since past few years, which is highlighted as under:*

(₹ in Crores)

Name of Supplier	*Balance as per MSPGCL as at 31st March, 2021*
South Central Railways (Account 30000)	*6.86 Debit*
South East Central Railways (Account 30001)	*43.66 Debit*
Central Railways (Account 43000)	*31.15 Debit*
Total	*81.68 Debit*

Pending such confirmation and completion of reconciliation, the consequential adjustments in financial books could not be made. In view of the same, we are unable to comment on the consequential impact on Financial Statements of the Company.

5. *The balances of trade receivables, loans and advances, deposits and trade payables are subject to confirmation from respective parties and/or reconciliation as the case may be. Pending such confirmation and reconciliation, the consequential adjustments are not made. However, we are informed that the Company has sent letters asking for confirmation to its vendors and wherever such confirmations are received the same is getting reconciled and we are informed that such reconciliation is a continuous and an on-going process for the Company. In the absence of sufficient and appropriate audit evidence, we are unable to opine on the consequential impact, if any, on the status of these balances and the profit for the year of the Company.*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

1. Attention is invited to Note No. 45(A-a) regarding lease agreements with the Government of Maharashtra, in respect of various hydro power generation facilities, that are yet to be executed.

2. Attention is invited to Note No. 43 (E) regarding a Supreme Court ruling on the coverage of certain allowances paid to employees to be considered as a part of earnings eligible for making contribution towards provident fund. As the Company management's view is not crystallized in this regard, impact thereof is not ascertained.

Our opinion is not qualified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.We have determined the following matters as Key Audit Matter/s for the year.

Contingent Liability/ Contingent Assets

There are a number of litigations pending before various forums against the Company and the management's judgment is required for estimating the amount to be disclosed as contingent liability. Coal companies have made various claims on the Company and management has made counter claims on these coal companies based on its perception.

We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgment in interpreting the cases and it may be subject to management bias. These said claims and counter claims require management estimates and interpretation of various matters, issues involved and are subjective in nature.

(Refer Note No. 42 to the Standalone Financial Statements, read with the Accounting Policy No. 21)

We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and contingent assets and adopted the following audit procedures:

- understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases;
- discussed with the management any material developments and latest status of legal matters;
- read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions, if any, obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities and contingent assets;
- examined management's judgments and assessments whether provisions are required;
- reviewed the adequacy and completeness of disclosures;

Based on the above procedures performed, the estimation and disclosures of contingent liabilities and contingent assets are considered to be adequate and reasonable.

Other Matters:

1. We could visit physically some of the plants or locations of the Company for carrying out audit process for the year under report due to lock down imposed by the Government in order to restrict the spread of Covid 19. The statutory audit work process for the plants and locations not visited by us, for the year under report was carried out as a 'Work From Home" exercise i.e. from locations other than plants and offices of the Company based on financial data/information/records/ supporting made available by management through digital medium by providing SAP access through Dash Board via VPN link.
2. Internal audit reports of the Company, which is being conducted through the external firms of Chartered Accountants, were made available to us only in respect of first two quarter of the current financial year. For third and fourth quarter such reports for some of the plants and locations could not be made available to us since internal audit work is still in progress in view of the Covid 19 related lock downs.

Our audit opinion is not qualified in respect of the above two matters.

"Information Other than the Standalone Financial Statements and Auditor's Report Thereon"

The Company's Board of Directors is responsible for the other information. The other information for the Company comprise the information included in the Directors' Report and Annexures thereto but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We are informed that the Directors' Report and related annexuresfor the year ended on 31st March, 2021 will get finalized and adopted in the subsequent Board meeting and therefore the same could not be commented upon by us as on today.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records,

relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required under section 143(5) of the Companies Act, 2013, we give in Annexure I, Statement on the Directions issued by

the Comptroller and Auditor General of India after complying with the suggested methodology of Audit, the action taken thereon and its impact on the accounts and standalone financial statements of the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure II, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanationswhich to the best of our knowledge and belief were necessary for the purposes of our audit, *except for the third parties balance confirmations, reconciliation and adjustments that may be required as described in the 'Basis for Qualified Opinion' paragraph above. The consequential effect of which, if any, on financial statements is unascertained.*

(b) *In our opinion, except for the effects/possible effects of the mattersas described in the 'Basis for Qualified Opinion' paragraph above,* proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) *Subject to the effects/possible effects of the matters described in the 'Basis for Qualified Opinion' paragraph above,* in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant applicable Rules.

(e) Being a Government Company, pursuant to the notification number GSR 463(E) dated 5th June, 2015 issued by the Government of India, the provisions of Section 164(2) regarding disqualification of a director, of the Companies Act, 2013 are not applicable to the Company.

(f) Our observations made on the matters stated in the 'Basis for Qualified Opinion' paragraph above do have a significant effect so as to adversely affect the functioning of the company;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure III".

(h) Being a Government Company, pursuant to the notification number GSR 463(E) dated 5th June, 2015 issued by the Government of India, the provisions of section 197of the Act are not applicable to the Company.

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;

iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For K.S. Aiyar & Co.
Chartered Accountants
FRN: 100186W
UDIN:21038526AAAAEH5344

CA Rajesh Joshi
Partner
ICAI M No. 038526

For RSVA & Co
Chartered Accountants
FRN: 110504W
UDIN:21039555AAAAIT2650

CA B.N.Rao
Partner
ICAI M No. 039555

Place: Mumbai
Date: 23rd November, 2021

ANNEXURE I – AS REFERRED TO IN THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2021.

Directions under sub-section (5) of section 143 of the Companies Act, 2013

1) **Whether the Company has system in place to process all the accounting transactions through IT system? If yes, implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.**

   Yes, the Company has implemented SAP ERP system to process all the accounting transactions through it. To the best of our knowledge and information, the Company has not processed any accounting transaction outside its IT system.

2) **Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender of the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company).**

   To the best of our knowledge and information and as shown by the books of account, there was no restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender of the Company due to Company's inability to repay the loan.

3) **Whether funds (grants/subsidy etc.) received/receivable for the specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.**

   To the best of our knowledge and information and as shown by the books of account funds (grants/subsidy etc.) received/ receivable for the specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its terms and conditions.

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

   During the course of audit and as per information and explanations given to us, there were no cases/instances of waiver/write-off of any loans/debts/interest etc., by the company during F.Y.2020-21.

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

   The Company sends its inventories / materials to third parties only for maintenance operations or fabrication activities. As informed to us, the section stores and security maintains proper control and records for such inventories through section notes and returnable/non-returnable gate passes and a report of the same can also be viewed in the material module of SAP. We have been informed that there are no assets received as gift from the Government or other authorities during the year.

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

   Company discloses pending legal/arbitration cases as Contingent Liabilities as identified by the company. The age wise analysis of 385 pending legal/arbitration cases given below:

Particulars	No. of Cases
Less than one year	18
1 to 2 years	98
2 to 3 years	85
3 to 5 years	91
More than 5 years	93
Total	**385**

   We are informed that the reasons for pendency of the above cases differ from case to case. We are informed that the expenditure on legal cases is as per the approved fee structure of the advocate/ counsel engaged for the above cases. Due to unavailability of relevant information from the Company, we are not able to comment upon the reasons for pendency and the effectiveness of the existing mechanism for expenditure on all legal cases.

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

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

Comments on sector specific sub-directions

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

The company has a system for reconciliation of bills raised by the Coal Companies and Bills received by MSPGCL. However, in respect of the quantity/quality of coal ordered and received, the current process of reconciliation needs to be strengthened. Company has appointed a recognized coal Analyst Company i.e. Central Institute of Mining and Fuel Research (CIMFR). CIMFR does technical analysis of Coal Grade from the loading points of the coal Company. On the basis of the analysis report submitted by CIMFR, Company's coal office, Nagpur reconciles grade mentioned in invoice with grade mentioned in said report and raises grade slippage claims to coal companies.

The coal suppliers have claimed an amount of ₹3160.45 Crores (P.Y. ₹ 3045.16 Crores) from the Company for short lifting of material, performance incentive and interest which are disputed by MSPGCL. Due to non-availability of proper documentary evidence, it is difficult to reach a conclusion on correctness of claims by either party. The Company has disclosed these claims by coal suppliers as 'contingent liability' as at 31st March, 2021.

Claims of MSPGCL against coal suppliers, on account of grade slippages, short delivery claims, moisture claims, under-loading claims and interest claims as per terms of agreement amounted to ₹7790.35 Crores (P.Y. ₹ 6764.34 Crores) as at 31st March, 2021. These are not accounted for by MSPGCL as the same are in dispute with coal companies. These are disclosed as 'contingent assets' as at 31st March, 2021.

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

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

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

Scrap and obsolete material are identified by the Company, however the same are not accounted at the time of their identification. Scrap is not valued in the Books of Accounts and its realization is accounted for as and when the auction takes place. Obsolete materials are valued at historical cost and simultaneously 100% provision for obsolescence is made in the Books of Accounts. The provision so created is adjusted upon the auction of the said obsolete item. The Company identifies inventory items as obsolete based on the technological evaluation. Based on the audit procedures conducted by us, the Company has appropriate system of classification of inventory.

11) Whether profit/loss mentioned in Audit Report is as per Profit & Loss Statements of the Company?

The Audit Report as prescribed under the Companies Act, 2013, does not require stating the figure of profit / loss for the year. However, we state that the Profit for the year before Tax Expenses and before OCI reported by the Company is ₹424.60 Crores, on which we have issued our Qualified Audit Report dated 23rd November, 2021.

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

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

13) Examine whether the provisions of the Companies Act were followed w.r.t. reporting and disclosure of CSR activities.

As per the provisions of Companies Act, Average net loss of the Company for last three financial years is ₹78.17 Crores (P.Y. ₹ 422.83 Crores). Therefore, prescribed CSR expenditure which is 2% of the said average profit is NIL as there is no profit.

For K.S. Aiyar & Co.
Chartered Accountants
FRN: 100186W
UDIN:21038526AAAAEH5344

CA Rajesh Joshi
Partner
ICAI M No. 038526

For RSVA & Co
Chartered Accountants
FRN: 110504W
UDIN:21039555AAAAIT2650

CA B.N.Rao
Partner
ICAI M No. 039555

Place: Mumbai
Date: 23rd November, 2021

ANNEXURE II - AS REFERRED TO IN THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2021.

i. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset.

b) As informed to us, the Company has a policy of conducting physical verification of fixed assets once in three years. Company has conducted physical verification of fixed assets in the financial year 2019-20 through external firms of Chartered Accountants appointed by the management for all plants and locations of the Company except for Head Office at Mumbai and hence no such physical verification of fixed assets is done during the current financial year.

c) According to the information and explanations given to us and on the basis of our examination of the records, the Company is in the process to obtain title deeds for all immovable properties to determine whether they are held in the name of the company. To the extent information available following title deeds of immovable properties are not held in the name of Company:-

(i) freehold land relating to 4 accounting units having carrying value of ₹ 45.62 Crores as at year end and lease hold land of 1 accounting unit having carrying value of ₹46.72 Crores as at year end are still held in the name of erstwhile "Maharashtra State Electricity Board." We are informed that these are transferred to the Company in terms of the government of Maharashtra Order and as per the Transfer Scheme.

(ii) free hold land relating to 2 accounting units having carrying value of ₹ 396.89 Crores, held in the name of "Mahanirmiti" and "Mahagenco Thermal Power Station" which is not the name of the Company as per Memorandum of Association of the Company and is not as per the name allotted and as registered with the Registrar of Companies, Mumbai.

ii. In respect of its inventories:

a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year. The physical verification of inventory was carried out by external firms of Chartered Accountants during the year appointed by the management.

b) In our opinion and on the basis of our examination of records of inventory, the company has maintained proper records of inventory. The discrepancies noticed on such physical verification of inventories as compared to book records were not material and were adjusted appropriately in the books of account.

iii. As per the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained section 189 of the Companies Act, 2013 during the year. Consequently, the provisions of Clause (iii)(a), Clause (iii)(b) and Clause (iii)(c) of paragraph 3 of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments and guarantees.

v. According to the information and explanations given to us, the company has not accepted deposit from the public within the meaning of the provisions of section 73 to 76 of the Companies Act, 2013 and rules there under.

vi. The Central Government has prescribed maintenance of cost records u/s 148(1) of the Companies Act, 2013. We have broadly reviewed such relevant records of the Company and in our opinion and according to the information and explanation given to us prima facie the Company has made and maintained the prescribed records. We have, however not made an examination of the cost records required to be maintained under Companies (Cost Accounting Records) Rules 2014 with a view to determine whether these are accurate or complete.

vii. In respect of statutory dues:

(a) According to the information & explanation given to us and according to the books & records, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax (GST) and cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no

undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, GST and cess, were outstanding, as at 31stMarch,2021 for a period of more than six months from the date of becoming payable.

(b) According to the information and explanation given to us, there are no dues of income-tax, wealth-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, GST and cess which have not been deposited on account of any dispute *except the following:* -

(₹ In Crores)

Name of the Statue	Nature of the dues	Amount payable (₹ In Crores)	Period to which amount relates	Forum at which dispute is pending
Income Tax Act	TDS on Service Tax	0.09	2006-07 & 2007-08	ITAT Pune Bench
Income Tax Act	Penalty (Disputed Amount ₹ 13.36 C₹) U/s 143(3)	13.36	AY 2014-15	CIT(A) Mumbai
Income Tax Act	Demand appearing on TRACE (TDS)	1.58	AY 2008-09 to 2020-21	AO Mumbai
Income Tax Act	Penalty (Disputed Amount ₹ 39648/-* U/s 143(3)	0.00*	AY 2013-14	CIT(A) Mumbai
Income Tax Act	Penalty (Disputed Amount ₹35450/-*) U/s 143(3)	0.00*	AY 2012-13	CIT(A) Mumbai
Income Tax Act	Income Tax Demand u/s 143(3) order, appealed against by the Company	0.82	AY 2018-19	CIT(A)
Central Excise Act	Penalty levied for fabrication work of large diameter M.S. Pipes at Chandrapur site by a contractor C.D.Sheth on re-opening of the case.	0.02	3/1989 to 3/1990	Commissioner of Central Excise, Nagpur
Central Service Tax	Service Tax on Water Royalty Charges -Kolhapur	5.60	AY 2016-17	Commissioner of Service Tax (Appeals) Mumbai
	Total	**21.48**		

viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loan or borrowings to banks, financial institutions and Government. The Company has not borrowed any sum through debentures.

ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Term loans raised during the year have been applied for the purpose for which they were raised.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us, the provision of Section 197 to the Act regarding Managerial Remuneration is not applicable to the Company, being a Government Company vide notification no. GSR 463E dated 05th June 2015.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause xii of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the Sections 177 and 188 of the Companies Act, 2013. Details of transactions with the related parties have been disclosed in the standalone financial statements as required by applicable Accounting Standard.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause xiv of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them as per section 192 of Companies Act, 2013. Accordingly, clause xv of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For K.S. Aiyar & Co.
Chartered Accountants
FRN: 100186W
UDIN:21038526AAAAEH5344

CA Rajesh Joshi
Partner
ICAI M No. 038526

For RSVA & Co
Chartered Accountants
FRN: 110504W
UDIN:21039555AAAAIT2650

CA B.N.Rao
Partner
ICAI M No. 039555

Place: Mumbai
Date: 23rd November, 2021

ANNEXURE III - AS REFERRED TO IN THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2021.

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

We were engaged to audit the internal financial controls over financial reporting of Maharashtra State Power Generation Company Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that

the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2021 wherein the internal controls were not operating effectively.

(1) The Company's internal financial control over timely adjustments of advances to suppliers and provision for liabilities made there against;

(2) The Company has initiated the process to establish internal financial control/policy over timely finalization and levying of liquidated damages;

(3) The Company's internal financial control over maintenance of subsidiary records pertaining to employees and correlating of HR module data of SAP generated payroll which is integrated with Finance Module data of SAP but could not be viewed and reconciled.

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

Qualified Opinion:

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

Except for the effects/possible effects of the material weakness stated at paragraph (1) on "Basis for Qualified Opinion" above on the achievement of the objectives of the control criteria, in our opinion, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2021.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 standalone financial statements of the Company.

The material weakness stated at paragraph (1)on 'Basis for qualified opinion' above with respect to timely adjustments of advances to suppliers and provision for liabilities made there against has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion in our main audit report. The other material weaknesses stated in the paragraph (2 and 3) of the "Basis for qualified opinion" above, do not affect our opinion on the standalone financial statements of the Company.

Other Matter:

We could visit physically some of the plants or locations of the Company for carrying out audit process for the year under report due to lock down imposed by the Government in order to restrict the spread of Covid 19. The statutory audit work process for the plants and locations not visited by us, for the year under report was carried out as a 'Work From Home" exercise i.e. from locations other than plants and offices of the Company based on financial data/information/records/supporting made available by management through digital medium by providing SAP access through Dash Board via VPN link.

For K.S. Aiyar & Co.
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ICAI M No. 039555

Place: Mumbai
Date: 23rd November, 2021

BALANCE SHEET AS ON 31ST MARCH 2021 (STANDALONE)

(₹ Crores)

Particulars	Notes	31.03.2021	31.03.2020 Restated	01.04.2019
ASSETS				
Non-Current Assets				
Property, plant & equipment	1	34,286.35	36,275.49	38,289.46
Capital work in progress	2	3,676.69	2,119.63	1,009.15
Right To Use Assets	1A	3,928.69	4,182.73	
Intangible Assets	1B	2.63	4.30	7.12
Intangible assets under development	2	239.68	133.93	133.76
Financial Assets				
Investment in Subsidiaries and Associates	3	2.11	2.10	2.03
Other non-current assets	4	576.99	587.10	1,374.49
Total Non Current Assets		**42,713.14**	**43,305.29**	**40,816.00**
Current Assets				
Inventories	5	930.09	1,763.03	1,417.89
Financial Assets				
Trade receivables	6	24,518.18	17,803.68	13,551.35
Cash and cash equivalents	7	57.51	4.93	0.07
Loans	8	5.77	7.65	10.64
Other financial assets	9	3,059.38	2,784.75	2,906.79
Other current assets	10	648.49	1,082.53	1,284.53
Total Current Assets		**29,219.42**	**23,446.56**	**19,171.26**
Other asset				
Assets classified as held for sale / disposal	1C	222.61	225.83	200.84
Total Other Assets		222.61	225.83	200.84
TOTAL ASSETS		**72,155.17**	**66,977.68**	**60,188.11**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	25,407.95	25,343.95	25,284.13
Other equity	12	(6,360.26)	(6,614.95)	(6,715.93)
Total Equity		**19,047.69**	**18,729.00**	**18,568.20**
Liabilities				
Non Current Liabilities				
Financial liabilities				
Borrowings	13	22,452.20	22,727.01	23,012.11
Provisions	14	1,062.66	1,055.77	827.92
Deferred tax liabilities (Net)	15	1,032.16	836.18	860.46
Other non-current liabilities	16	3,231.28	3,384.73	-
Total Non Current Liabilities		**27,778.30**	**28,003.69**	**24,700.49**

Particulars	Notes	31.03.2021	31.03.2020 Restated	01.04.2019
Current Liabilities				
Financial liabilities				
Borrowings	17	10,473.55	8,101.79	8,060.62
Trade payables - MSME	18	-	0.03	0.12
Trade payables - Other than MSME	18	3,281.57	2,251.89	1,328.20
Other financial liabilities	19	11,218.54	9,521.08	7,236.11
Other current liabilities	20	107.42	82.89	59.19
Provisions	21	248.10	287.30	235.18
Total Current Liabilities		**25,329.18**	**20,244.99**	**16,919.42**
TOTAL EQUITY AND LIABILITIES		**72,155.17**	**66,977.68**	**60,188.11**

As per our report attached

For K. S. Aiyar & Co.
Chartered Accountants
(FRN - 100186W)

(CA Rajesh Joshi)
Partner (ICAI M No. 38526)

For RSVA & Co.
Chartered Accountants
(FRN - 110504W)

(CA B N Rao)
Partner (ICAI M No. 039555)
Mumbai, 23rd November, 2021

For Maharashtra State Power Generation Co. Ltd.

Balasaheb Thite
Director (Finance) & CFO
DIN No.08923676

Sanjay Khandare
Chairman & Managing Director
DIN No.02244985

Pankaj Sharma
Chief General Manager (A/c)

Rahul Dubey
Company Secretary
M No. A14213

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021 (STANDALONE)

(₹ Crores)

Particulars	Notes	2020-2021	2019-2020 Restated
Revenue			
Revenue from operations			
Sale of power	22	20,891.58	21,963.98
Other operating revenues	23	2,683.88	2,692.33
Other income	24	49.53	80.06
Total Revenue		**23,624.99**	**24736.37**
Expenses			
Cost of materials consumed	25	13,492.98	14,398.27
Employee benefits expense	26	1,428.99	1,828.42
Finance costs	27	3,637.04	3,578.79
Depreciation & amortization expense	1&1A	2,737.79	2,778.73
Other expenses	28	1,903.60	1,928.32
Total Expenses		**23,200.39**	**24,512.53**
Profit/(loss) Before Tax		**424.60**	**223.84**
Tax expense:			
Current tax on P&L Items		(46.83)	46.83
Current tax on OCI Items		(0.19)	41.36
Deferred tax Expense/(Gain)	15	195.98	(24.28)
Total Tax Expenses		148.97	63.90
Profit/(loss) for the period		**275.63**	**159.94**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans	26A	0.75	(164.32)
Current Tax expense on OCI items Gain/(Expense)		(0.19)	41.36
Other Comprehensive Income for the period (net of tax)		0.56	(122.96)
Total Comprehensive Income for the period, net of tax		**276.19**	**36.98**
Earning per share [Basic]		0.11	0.06
Earning per share [Diluted]		**0.11**	**0.06**

As per our report attached

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STATEMENT OF CHANGES IN EQUITY (STANDALONE)

I. Equity Share Capital

Particulars	Amount (₹ Crores)
As on 01.04.2019	**25,284.13**
Changes in Equity share capital	59.82
As at 31.03.2020	**25,343.95**
Changes in Equity share capital	64.00
As at 31.03.2021	**25,407.95**

II. Other Equity

(₹ in Crores)

Particulars	Share Application Money Pending Allotment	Retained earnings	Other Comprehensive Income	Total Other Equity
As on 01.04.2019	**0.00**	**(6,618.47)**	**(97.46)**	**(6,715.93)**
Profit or Loss for the year		159.94		159.94
Other Comprehensive income for the year			(122.96)	(122.96)
Addition to share application money	123.82			123.82
Shares Allotted during the year	(59.82)			(59.82)
As at 31.03.2020	**64.00**	**(6,458.53)**	**(220.42)**	**(6,614.95)**
Profit or Loss for the year		275.63		275.63
Other Comprehensive income for the year			0.56	0.56
Addition to share application money	42.50			42.50
Shares Allotted during the year	(64.00)			(64.00)
As at 31.03.2021	**42.50**	**(6,182.90)**	**(219.86)**	**(6,360.26)**

As per our report attached

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
A. Cash Flow From Operating Activities		
Profit/(Loss) after Tax	276.19	36.98
Adjustments to reconcile profit before tax to net cash used in operating activities:		
Depreciation/ impairment on property, plant and equipment & Intangible Assets	2,737.79	2,778.73
Interest income from Preference Shares		
(Gain)/loss on sale of property, plant and equipment		
Remeasurement of Defined benefit plans Gain / (Loss)		
Amortisation of Foreign Currency Monetary Item Translation Difference		
Spares Written off		
Impairment in Value of Investments		
Fair value gain on Current Investments carried at FVTPL		
(Profit)/Loss on Sale of Current Investment		
Finance Costs	3,637.04	3,578.79
Un realised Exchange Rate Difference	(10.65)	10.83
Allowance for ECL	74.20	134.71
Bad Debts written off		
Interest Income	(0.59)	(0.31)
Provision for obsolescence of inventory	(19.79)	(86.29)
Operating Profit before Changes in Working Capital {Sub Total - (i)}	**6,694.20**	**6,453.43**
Movements in working capital		
(Increase) / Decrease in Trade Receivables	(6,788.70)	(4,387.04)
(Increase) / Decrease in Loans and Advances and Other Assets	174.60	1,089.44
(Increase) /Decrease in Inventories	852.74	(258.85)
Increase / (Decrease) in Liabilites and Other Payables	1,348.36	5,239.11
Sub Total - (ii)	**(4,412.99)**	**1,682.66**
Cash Generated from Operations (i) + (ii)	**2,281.20**	**8,136.09**
Less : Direct Taxes / FBT refund / (paid) - Net		
Net Cash from Operating Activities (A)	**2,281.20**	**8,136.09**
B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment (incl. Capital Work in Progress /excluding sale of property, Plant & Equipment))	(2,155.75)	(6,055.33)
Sale of Property, Plant & Equipment		
Purchase of Investments (Including share application money pending allotment/ Advance towards Equity)		
Investment in Subsidiary	(0.00)	(0.07)
Sale Proceeds of current investments		
Loan Given to Subsidiary		
Interest received	0.59	0.31
Dividend Received		
Net Cash Flow generated from / (used in) Investing Activities (B)	**(2,155.17)**	**(6,055.09)**

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
C. Cash Flow From Financing Activities		
Proceeds from Long Term Borrowings	3,756.65	3,078.14
Long term Loans repaid	(3,373.49)	(2,489.63)
Proceeds from issue of shares	42.50	123.82
Short term Loans raised / (repaid)	2,373.70	51.94
Capital Grant Received	33.46	0.22
Finance Cost paid	(3,417.92)	(3,354.92)
Lease Rent	513.58	525.06
Net Cash Flow generated from / (used in) Financing Activities (C)	**(71.51)**	**(2,065.38)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	**54.53**	**15.63**
Cash and cash equivalents at the beginning of the year	**4.93**	**0.07**
Cash and cash equivalents at the end of the year	**59.46**	**15.70**
Details of cash and cash equivalents at the end of the year:		
Cash and cash equivalents as on		
Balances with Banks:		
- on current accounts	-	4.92
Cash Equivalents	57.49	-
Overdraft	1.95	10.77
Cash on hand	0.02	0.02
Cash and cash equivalents at the end of the year	**59.46**	**15.70**

As per our report attached

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021.

Company Overview and significant accounting policies

A. Corporate Information

Maharashtra State Power Generation Company Limited ("the Company") is a Public Limited Company incorporated under the Companies Act, 1956 and domiciled in India. The Company is not a listed Company and its shares are 100% held by MSEB Holding Company Limited.

The Company is engaged in electricity generation through Thermal, Hydel, Gas based plants across Maharashtra and supplies it principally to Maharashtra State Electricity Distribution Company Limited (MSEDCL a fellow subsidiary) at tariff rate determined by the regulator i.e. Maharashtra Electricity Regulatory Commission. Similarly, the Company is also engaged in electricity generation through Solar based power plants in Maharashtra and supplies the power to consumers including MSEDCL.

Significant Accounting Policies

Following are the significant accounting policies adopted in the preparation and presentation of these Ind As – Separate financial statements (also called standalone financial statements. These accounting policies have been consistently followed by the Company.

B. **Basis of preparation of Ind As – Separate financial statements**

1. Statement of Compliance with Ind AS

The standalone financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (herein after referred to as Ind AS) as notified under Section 133 of the Companies Act, 2013(The Act), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and in accordance withthe relevant provisions of the Companies Act, 2013.

The Company's presentation currency and functional currency is Indian Rupees (₹). All figures appearing in the Financial Statements are rounded to the nearest Crore (₹ Crores), except where otherwise indicated.

These financial statements were approved for issue in accordance with the Resolution of the Board of Directors on 23.11.2021

2. Classification of Current / Non-Current Assets and liabilities

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

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

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

3. Note on Historical cost convention

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

(a) Certain financial instruments

(b) Employees defined benefit plans and,

(c) Assets held for sale are measured at lower of its carrying amount and fair value less cost to sale which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

4. Use of Judgment and Estimates

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

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

- Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;
- Impairment of non-financial assets;
- Fair value measurements of Financial instruments;
- Measurement of Defined Benefit Obligation, key actuarial assumptions;
- Provisions and Contingencies;
- Evaluation of recoverability of deferred tax assets;

Revisions to accounting estimates are recognized prospectively in the Financial Statements in the period in which the estimates are revised and in any future periods affected unless they are required to be treated retrospectively under relevant Accounting Standards.

5. Property, Plant and Equipment

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

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

The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost (after deducting the proceeds from selling any items produced during the trial run period) and other operating expenses such as freight, installation charges etc. net of other income during the construction period. The projects under construction are carried at costs comprising of direct costs, related pre-operational incidental expenses and attributable interest.

Subsequent expenditures are included in assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

iii. Capital Expenditure incurred by the Company, resulting in creation of Property Plant and Equipment for which Company does not have ownership rights and control over it, is reflected as a part of capital work in progress till the assets are under construction and an equivalent amount is provided for by way of debiting obsolescence of assets expense which is charged off to the Statement of Profit and Loss in the year in which it is incurred. Upon completion of construction the aforesaid capital expenditure will be capitalized and adjusted against the provision created for assets not owned by the company.Contribution towards the cost of assets not owned by the company and corporate social responsibility activities are charged off to Statement of Profit and Loss when incurred.

iv. Enabling Asset Policy (CASE TO CASE BASIS) - Items of property, plant and equipment acquired by the Company, (although not directly increasing the future economic benefits from such assets), may be necessary for the Company to obtain the future economic benefits from its other assets. Such items of property, plant and equipment qualify for recognition as assets because they enable the Company to derive future economic

benefits from related assets in excess of what could be derived had those items not been acquired. However, capitalization of assets is done by the Company only after verifying the nature of assets on case to case basis.

v. In case of Capital Work in Progress where the final settlement of bills with the contractor is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

vi. Claims for price variation in case of capital contracts are accounted for, on acceptance thereof by the Company.

vii. An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognized and disposed off.

viii. As regards additional capital expenditure in respect of newly commissioned projects, Company adopts following policy which is in line with MERC MYT Regulations, 2019.

Company capitalizes the cost of additional mandatory spares/ Critical Spares /Initial spares upto four percent of the capital cost of the project, which are either procured alongwith the commissioning of original plant or procured subsequently after commissioning within a period of three years or as may be permitted by MERC.

ix. Spare parts which are meeting the requirement of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.

x. Written Down Value of obsolete Machinery Spares is charged to the Statement of Profit and Loss in the year in which such spares are replaced and the old relevant spares are found to be of no further use. However, if the old relevant spares can be repaired and reused, then both are continued to be depreciated over the remaining useful life of the relevant asset. The repair charges of the old relevant spares are charged to Statement of Profit and Loss.

xi. In case of replacement of part of asset / replacement of capital spare where Written Down value of such original part of asset / capital spare is not known, the cost/ net book value of the new part of asset / new capital spare shall be written off and charged to Statement of Profit & Loss.

xii. The Company had chosen the carrying value of Property, Plant and Equipment existing as per previous GAAP as on date of transition to Ind AS as deemed cost.

6. Intangible Assets

Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Intangible assets (other than software) are amortised on straight line basis over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Software are amortised as per the rate prescribed by MERC. The amortisation expense on intangible assetsand impairment loss is recognised in the statement of Profit & Loss.

The Company has chosen the carrying value of Intangible Assets existing as per previous GAAP as on date of transition to Ind AS as deemed cost.

7. Capital Work-in-progress

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

Further, the expenditure in respect of new projects / capacity expansion would commence getting capitalized upon approval of the Board of Directors of the Company to implement the respective project upon completion of exploration and technical and financial feasibility studies of the project. The expenditure incurred in relation to exploration activities and project feasibility studies are charged to Statement of Profit and Loss as and when incurred.

a) The expenditure on the salaries directly attributable to project will form the part of the project cost till completuion of Boiler-Turbine-Generator related activities and Balance Of Plants related activities.

b) Admin & General expenditure that are directly attributable to construction of the project will be capitalised as

a part of project cost upto one year after commissioning of the said project in view of completion of balance project related activities and subsequently it will be charged to Statement of Profit and Loss.

c) None of the expenditure of Generation Construction Office Koradi& Head Office will be allocated to small capital scheme. The small capital scheme are the schemes which entails less than twelve months time for its construction.

d) In the event, the company is executing more than one project,/ capital scheme (other than small schemes) the common cost incurred at Generation Construction Office Koradi& Head Office will be to allocated on the basis of the addition to the relevant work-in-progress during the year.

8. The Liquidated Damages are adjusted to the Cost of Property Plant and Equipment during the year it is crystallized.

9. Borrowing Cost

Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset till the month in which the asset is ready for intended use.Company also capitalizes actual interest incurred on the general borrowings which are attributable to Qualifying Assets until the directly attributable long term borrowing funds are received. Further, Company amortises the Commitment Charges incurred in respect of borrowings attributable to Qualifying Assets over the period of balance tenure of the said borrowings.

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.

10. Impairment of Non-Financial Assets

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

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

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

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

11. Depreciation /Amortization

A. Leasehold land is amortized at the rate of 3.34% p.a. on straight line basis as prescribed under MERC Regulation.

B. <u>Property, Plant and Equipment</u>

i. The Company being rate regulated entity has followed the depreciation rates and methodology and life of assets as prescribed by Maharashtra Electricity Regulatory Commission. Accordingly, the Company provides depreciation on straight line method to the extent of 90% of the cost of asset.

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

iii. In case of Assets (other than assets mentioned in (iv) below) whose depreciation has not been charged upto 70% of the asset value after its commissioning, company charges the depreciation at rates as prescribed below, on the Gross Cost of assets for calculating depreciation till the end of such year in which the accumulated

depreciation reaches upto 70% of the asset value in respect of such asset. After attainment of 70% depreciation, the company charges depreciation on the basis of balance useful life upto 90% of the value of asset,in terms of the estimated useful life forThermal, Gas and Solar based power generating Stations as 25 years and in case of Hydro Generating Stations as 35 years as prescribed by MERC.

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

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

Type of asset	Depreciation (%)
Furniture, Fixtures and Office Equipment	6.33%
Vehicles	9.50%
IT Equipment	15.00%

v. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition. Cost of all Mobile Phones is capitalized and depreciated at 100% during the year of purchase irrespective of thresh hold limit.

C. Intangible Assets:

Expenses capitalized on account of purchase of new application software, implementation of the said software by external third party consultants and purchase of licenses are amortized as prescribed by MERC at the rate mentioned below

Type of asset	Depreciation (%)
Software	30%

12. Non-currents assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met, only when the sale is highly probable and the asset is available for immediate sale in its present condition. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

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

13. Inventories

Materials and other items held for generation of electricity are not written down below cost since the sale of electricity will be sold at or above the cost of generation. Cost comprises of cost of purchase (net of inputtax credit receivable) and other costs incurred in bringing them to their present location and condition. Stock of materials including stores, spare parts is valued at lower of cost and net realizable value, and cost is determined on weighted average cost method. Losses towards unserviceable and obsolete stores and spares identified on review are provided in the accounts.

14. Revenue Recognition

i. Revenue from Sale of electricity is accounted for based on predefined tariff rates at the beginning of the year as approved by the Maharashtra Electricity Regulatory Commission (MERC), inclusive of Fuel Adjustment Charges and includes unbilled revenues accrued up to the end of the accounting period which is subject to true up process by MERC in the subsequent years.

ii. In terms of Power Purchase Agreement with MSEDCL, Company recognizes Delayed Payment Surcharge @ State Bank of India Marginal Cost of Funds-based Lending Rate (MCLR) plus 350 basis points, per month

towards delay in receipt of energy bills beyond the credit period, on accrual basis.

iii. Interest income is recognised taking into account the principal/outstanding and the applicable interest rate.

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

v. Other income is recognized on accrual basis. Sale of scrap, reject coal etc. is accounted for when such scrap is actually lifted by the buyer from Company's premises and company prepares invoice towards the said sale transaction. Recoveries on account of Liquidated Damages are adjusted against the cost of project when they are directly identifiable with the project and for mitigating the additional cost of the projectin the year it is crystallized. Interest on advance to contractors for projects are adjusted to cost of projectas and when crystallized and accrued. In all other cases, liquidated damages are credited to Other Income when crystallized.

vi. Company recognizes the value of unsold Energy Saving Certificates as at the end of the financial year by crediting to revenue on accrual basis. Upon sale of the said certificates, the adjustment between the accrued value and actual sale value is effected to Profit and Loss Statement in the year of their actual sale.

15. Accounting/ classification of expenditure and income

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

Insurance claims are accounted on acceptance basis.

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

16. Investments in subsidiaries, Associates and Joint Ventures

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

The Company hadelected to recognise its investments in Subsidiaries, associates and joint ventures at the carrying value existing as per previous GAAP as on date of transition to Ind AS as deemed cost.

17. Foreign Currency transactions

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

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

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

18. Employee Benefits

Short Term Employee Benefits

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

Ex-gratia

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

Long Term Employee Benefits

Defined Benefit Plans

(a) 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 MSEB group companies. The funds are then invested in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the Statement of Profit and Loss

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

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

(c) **Other long-term employee benefits**

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

19. Leases

For contracts entered into, or changed, on or after 1 April 2019, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset.

For contracts entered into before 1 April 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfillment of the arrangement was dependent on the use of a specific asset or assets; and

- the arrangement had conveyed a right to use the asset.

i.) Company as a lessee

The right-of-use asset is depreciated using the straight-line method up to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is measured at amortised cost.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense.

ii.) Company as a lessor

The leases where the Company is a lessor are accounted for as per the method prescribed under Ind AS 116.

20. Government Grant

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

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

In terms of Ind AS 20 Amendment Rules dated 20th September, 2018 issued by Government of India, Government grants related to assets, shall be presented in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Consequently, in FY 2020-21, the Company has elected to adopt the approach of deducting the grant from the asset value.

21. Provisions, Contingent Liabilities and Contingent Assets

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

If the effect of the time value of money is material, provisions are discounted using an appropriate discount rate. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

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

Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit as set out in Note No.42B.

Contingent assets are not recognised but disclosed if they are above threshold limit in the financial statements when an inflow of economic benefits is probable.

22. Fair value measurement

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

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

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

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

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

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

23. Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.The Company's financial asset comprise the following

i) Current Financial assets mainly consisting of trade receivables, cash and bank balances, short term deposits

ii) Non-Current financial assets mainly consisting of equity investment in subsidiaries, loans and advances to subsidiaries, long term receivables etc.

Financial Assets

A. Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the Statement of Profit or loss.

B. Subsequent measurement

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

The Company classifies financial assets as under;

(a) subsequently measured at amortised cost;

(b) A financial asset is measured

i) fair value through other comprehensive income; or

ii) fair value through profit or loss

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

Amortized cost

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

The asset is held within a business model whose objective is

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

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

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

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

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

Equity investments

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

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

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

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

Impairment of financial assets

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

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. Based on the assessment of the risk as on the reporting date in comparison with the risk assessment on initial recognition date, Company recognises an impairment loss or gain in expected credit loss provision in the Profit & Loss statement.

Derecognition of financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets)is primarily derecognised (i.e. removed from the Company's financial statements) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed anobligation to pay the received cash flows in full without material delay to a third party under a'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards ofthe asset, but has transferred control of the asset

On Derecognition of a financial asset, the difference between the carrying amount and theconsideration received is recognised in the Statement of Profit and Loss.

Financial Liabilities

Financial liabilities and equity instruments

Classification as debt or equity

An instruments issued by a company are classified as either financial liabilities or as equity inaccordance with the substance of the contractual arrangements and the definitions of a financialliability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entityafter deducting all of its liabilities. Equity instruments issued by the Company are recognised at theproceeds received.

Financial liabilities

The Company's current financial liabilities mainly comprise (a) Borrowings, (b) trade payables,(c) liability for capital expenditure, (d) security deposit and (e) other payables.

Initial recognition and measurement

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

Subsequent measurement

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

(i) Borrowings

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

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

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

not to demand payment as a consequence of the breach.

(ii) Trade and other payables

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

Derecognition

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

Offsetting of financial instruments

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

24. Cash and Cash equivalents

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

25. Cash flow statement

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

26. Earning Per Share

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

For the purpose of calculating EarningPer Share, the share application money pending allotment, in terms of the commitment from Government of Maharashtra through the Holding company, has been considered as confirmed allotment.

27. Taxation

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

(a) Current Tax

Current tax is determined as per the provisions of the Income Tax Act, 1961 in respect of Taxable Income for the year, after considering permissible tax exemption, deduction / disallowance. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the time of reporting. With effect from Financial Year 2019-20, the Company has elected to opt for the concessional rate of tax under new tax regime as per section 115BAA of Income Tax Act, 1961.

(b) Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

28. Trade Receivable–

Company classified Trade Receivable as the financial instruments at amortised cost. Trade receivables are carried at original invoice amount less provisions for Expected Credit Loss. For recognition of impairment loss on these financial assets, the Company assesses whether there has been a significant increase in the credit risk since initial recognition.

Note No. 1: PROPERTY, PLANT AND EQUIPMENT

TANGIBLE ASSETS

Cost	ASSET															₹ Crores
	Land (including development)		Buildings		Hydraulic Works	Other Civil Works		Plant, Machinery & Equip-ments	Lines & Cable Networks	Vehicles	Furniture & Fixtures	Office Equip-ments	Capital Expenditure resulting in Assets not belonging to the Company	Total Tangible Assets	Less:- Depreciation Capitalised	Depreciation charged to Statement of Profit & Loss
	Freehold	Leasehold	Factory Buildings	Others		Railway Sidings	Roads and Others									
As on 01.04.2019	**1,638.20**	**106.11**	**890.53**	**1,092.22**	**2,527.86**	**1,475.79**	**442.40**	**37,323.58**	**490.45**	**19.06**	**28.77**	**45.20**	**57.49**	**46137.67**		
Addition	16.10	-	1.13	20.43	33.32	3.85	149.12	352.41	0.03	3.77	3.07	8.50	-	591.73		
Deduction	-	-	7.89	6.25	78.01	(0.56)	4.71	701.81	1.22	0.47	0.94	2.15	-	802.90		
As at 31.03.2020	**1,654.30**	**106.11**	**883.78**	**1,106.40**	**2,483.17**	**1,480.20**	**586.81**	**36,974.18**	**489.26**	**22.36**	**30.89**	**51.55**	**57.49**	**45926.50**		
Addition	2.27	-	0.77	57.98	27.05	106.05	104.24	178.97	-	6.47	3.10	6.38	-	493.28		
Deduction	-	-	-	-	-	-	-	0.04	-	0.21	-	0.95	-	1.20		
As at 31.03.2021	**1,656.56**	**106.11**	**884.55**	**1,164.38**	**2,510.22**	**1,586.25**	**691.05**	**37,153.12**	**489.26**	**28.62**	**34.00**	**56.98**	**57.49**	**46418.58**		
Accumulated Depreciation and impairment																
As on 01.04.2019	**-**	**17.50**	**61.66**	**242.10**	**563.10**	**207.40**	**87.86**	**6,516.78**	**111.45**	**1.42**	**6.54**	**15.07**	**17.32**	**7848.21**		
Addition	-	4.38	36.72	83.50	132.63	67.92	20.31	2,136.97	23.82	2.13	2.88	5.04	4.54	2520.83	0.11	2520.72
Deduction/ Adjustments	-	-	7.10	5.83	70.14	(0.34)	4.24	626.81	1.10	0.42	0.84	1.90	-	718.04		
As at 31.03.2020	**-**	**21.88**	**91.28**	**319.76**	**625.60**	**275.65**	**103.93**	**8026.94**	**134.17**	**3.13**	**8.59**	**18.21**	**21.86**	**9651.00**		
Addition	-	4.38	36.68	75.19	137.59	62.52	25.52	2,100.78	23.92	2.51	2.99	5.74	4.54	2482.36	0.29	2482.07
Deduction/ Adjustments	-	-	-	-	-	-	-	0.03	-	0.19	-	0.91	-	1.13		
As at 31.03.2021	**-**	**26.26**	**127.96**	**394.95**	**763.19**	**338.18**	**129.45**	**10,127.69**	**158.09**	**5.45**	**11.58**	**23.03**	**26.40**	**12,132.23**		
Net Carrying Amount																
As on 01.04.2019	**1,638.20**	**88.60**	**828.87**	**850.13**	**1964.75**	**1268.39**	**354.54**	**30806.80**	**379.00**	**17.64**	**22.23**	**30.13**	**40.16**	**38289.46**		
As at 31.03.2020	**1,654.30**	**84.23**	**792.50**	**786.64**	**1,857.57**	**1,204.55**	**482.87**	**28,947.25**	**355.08**	**19.23**	**22.31**	**33.35**	**35.63**	**36,275.49**		
As at 31.03.2021	**1,656.56**	**79.85**	**756.59**	**769.44**	**1,747.03**	**1,248.07**	**561.60**	**27,025.43**	**331.16**	**23.16**	**22.42**	**33.95**	**31.09**	**34,286.35**		

Note No. - 1A Right to Use Assets **(₹ in Crores)**

Cost	Amount
Gross Amount	
As on 01.04.2019	**-**
Addition	4,436.67
Deduction	-
As at 31.03.2020	**4,436.67**
Addition	-
Deduction	(3.52)
As at 31.03.2021	**4,440.20**
Accumulated Amortisation	
As on 01.04.2019	**-**
Addition	253.94
Deduction	-
As at 31.03.2020	**253.94**
Addition	254.04
Deduction/Adjustments	(3.52)
As at 31.03.2021	**511.51**
Net Carrying Amount	
As on 01.04.2019	**-**
As at 31.03.2020	**4,182.73**
As at 31.03.2021	**3,928.69**

Note No. - 1B Intangible Assets **(₹ in Crores)**

Cost	Software Licences
Gross Amount	
As on 01.04.2019	**32.88**
Addition	1.25
Deduction	0.21
As at 31.03.2020	**33.93**
Addition	0.42
Deduction	0.21
As at 31.03.2021	**34.14**
Accumulated Amortisation	
As on 01.04.2019	**25.76**
Addition	4.07
Deduction	0.21
As at 31.03.2020	**29.62**
Addition	2.03
Deduction/Adjustments	0.14
As at 31.03.2021	**31.51**
Net Carrying Amount	
As on 01.04.2019	**7.12**
As at 31.03.2020	**4.30**
As at 31.03.2021	**2.63**

Note No. 1C Assets classifies as held for sale

(₹ in Crores)

Non-current assets held for sale	31.03.2021	31.03.2020 Restated	As on 01.04.2019
Plant & Machinery	196.67	196.68	188.23
Factory Buildings & Others	6.63	6.63	9.53
Hydraulic Works	13.77	13.77	8.51
Railway Sidings, Roads & Others	26.26	26.26	26.25
Lines & Cable Networks	1.83	1.83	8.84
Vehicles	0.35	0.34	0.35
Furniture & Fixtures	0.45	0.45	0.37
Office Equipments	1.01	0.99	0.78
Other Miscellaneous Assets	0.07	0.07	0.07
Less : Provision for obsolescence	24.41	21.17	42.09
Total	**222.61**	**225.83**	**200.84**

Note: Operations of the power generating unit no. 5 at Koradi TPS & unit no. 4 and 5 at Parali TPS Chandrapur 1 & 2 , Bhusawal unit no. 2 have been discontinued. The company is in the process of disposing of these assets. The Company has reclassified the said assets as assets held for sale. No further impairment loss has been recognised on reclassification as the Company expects that the fair value (estimated based on the recent market prices of similar properties) less costs to sell is higher than it's carrying amount as on 31st March, 2021.

Note NO. 2 Capital Work in Progress

(₹ in Crores)

	TOTAL Tangible CWIP	Freehold Land	Leasehold Land	Factory Buildings	Other Buildings	Hydraulic works	Railway Sidings	Roads & Others	Plant & Machinary	Line cabels & network	Vehicles	Furniture & Fixtures	Office equipment	Intangible Assets
As on 01.04.2019	**1,034.89**	**14.49**	**-**	**529.38**	**2.96**	**0.45**	**1.98**	**71.84**	**412.84**	**-**	**0.00**	**0.00**	**0.95**	**133.76**
Addition	1,350.53	-		580.92	18.31	13.46		46.89	689.21		0.00	1.18	0.56	0.17
Deletion	233.94	13.46		96.95	2.35	0.23		9.81	110.58		0.00	-	0.56	-
As at 31.03.2020	**2,151.48**	**1.03**	**-**	**1,013.36**	**18.92**	**13.68**	**1.98**	**108.92**	**991.47**	**-**	**0.00**	**1.18**	**0.95**	**133.93**
Addition	1,596.66	-		344.62	10.04	4.05		28.09	1,206.16		-	0.40	3.32	105.75
Deletion	16.10	-		85.21	1.53	3.64		93.14	-169.49		-	1.17	0.89	-
As at 31.03.2021	**3,732.05**	**1.03**	**-**	**1,272.76**	**27.42**	**14.09**	**1.98**	**43.87**	**2,367.12**	**-**	**0.00**	**0.40**	**3.38**	**239.68**
Net Capital Work in Progess														
Less:- Provision for obsloescence	25.74								25.74					
As on 01.04.2019	**1,009.15**	**14.49**	**-**	**529.38**	**2.96**	**0.45**	**1.98**	**71.84**	**387.10**	**-**	**0.00**	**0.00**	**0.95**	**133.76**
Less:- Provision for obsloescence	31.85								31.85					
As at 31.03.2020	**2,119.63**	**1.03**	**-**	**1,013.36**	**18.92**	**13.68**	**1.98**	**108.92**	**959.62**	**-**	**0.00**	**1.18**	**0.95**	**133.93**
Less:- Provision for obsloescence	55.36								55.36					
As at 31.03.2021	**3,676.69**	**1.03**	**-**	**1,272.76**	**27.42**	**14.09**	**1.98**	**43.87**	**2,311.76**	**-**	**0.00**	**0.40**	**3.38**	**239.68**

Note:- Capital Work In Progress in respect of Intangible Assets comprise of licence aquired for development of Gare-Palma Mine.

Note 3 : Non-Current, Long Term, Investment in Subsidiaries, Joint Ventures and Associates

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Investments in equity instruments at cost less impairment			
Un - Quoted			
MAHAGENCO ash management services limited (formerly Dhule power limited)			
50,000 (P.Y. 50,000) Equity shares of Rs 10 each fully paid up	0.05	0.05	0.05
Dhopave coastal power company limited			
50,000 (P.Y. 50,000) Equity shares of Rs 10 each fully paid up	0.05	0.05	0.05
UCM coal company limited			
30,000 (P.Y. 30,000) Equity shares of Rs 10 each fully paid up	0.03	0.03	0.03
Mahaguj colliery limited			
30,000 (P.Y. 30,000) Equity shares of Rs 10 each fully paid up	0.03	0.03	0.03
Chhattisgarh Katghoara Dongargarh Railway Limited			
5,20,000 Equity shares of Rs 10 each fully paid up	0.52	0.52	0.52
Quasi Equity investment in subsidiaries (In the nature of advances)	51.79	50.59	49.36
Total	52.47	51.27	50.04
Less : Allowance for Expected Credit Loss & impairment in the value of investment	(50.36)	(49.17)	(48.01)
Total	**2.11**	**2.10**	**2.03**

Note 4 : Other Non-Current Assets

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Advances for O&M Supplies/ recoverables	254.06	254.06	252.28
Less:- Allowance for Expected Credit Loss	(254.06)	(254.06)	(252.28)
	0.00	0.00	0.00
Advance to Irrigation Department Government of Maharashtra	76.21	76.21	76.21
Less:- Allowance for Expected Credit Loss	(76.21)	(76.21)	(76.21)
	0.00	0.00	0.00
Income Tax Refundable (net of provisions)	326.62	267.24	313.99
Staff Advance	0.88	0.88	1.95
Expenditure to be amortised	1.16	0.00	0.00
Capital advances	248.33	318.98	307.39
Deferred Lease Rent (Hydro Plants)	0.00	0.00	751.16
Total	**576.99**	**587.10**	**1374.49**

Note 5 : Current Assets-Inventories

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Raw materials (Coal)	312.30	998.38	665.36
Fuel Oil, LDO etc	182.48	230.82	218.67
Stock-in-transit (Coal & Oil)	43.05	78.12	36.09

Stores and spares	877.36	924.30	887.41
Less : Provision for Obsolescence of stores and spares	(456.68)	(436.89)	(350.60)
Less : Provision for material shortage pending investigation	(28.42)	(31.71)	(39.05)
Total	**930.09**	**1763.03**	**1417.89**

Note 6 : Current Assets - Trade Receivables

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Unsecured considered good;	24518.18	17803.68	13551.35
Doubtful	167.15	167.15	40.16
Less: Allowance for Expected Credit Loss	(167.15)	(167.15)	(40.16)
Total	**24518.18**	**17803.68**	**13551.35**

Note 7 : Current Assets-Cash and Cash Equivalents

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Balances with Scheduled Banks:			
- on Current Accounts	0.00	4.92	0.00
Cash Equivalents	57.49	0.00	
Cash on Hand	0.02	0.02	0.07
Total	**57.51**	**4.93**	**0.07**

Note 8 : Current Assets-Current Loans

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Unsecured, considered good			
Employee loans and advances	5.77	7.65	10.64
Total	**5.77**	**7.65**	**10.64**

Note 9 : Other Current Financial Assets

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Unsecured, considered good			
Recoverables from Employees	31.52	5.31	4.38
Unbilled Receivables	2706.55	2516.94	2617.19
Tax claims including MVAT set-off	78.33	96.67	114.30
Rent Receivable	0.45	0.12	0.13
Claims receivable	109.91	124.10	123.07
Deposit paid by Mahagenco to Related Party	15.81	4.94	4.28
Stock of Energy Saving Certificates	1.96	0.00	0.00
Recoverable from Contractors, Deposits paid by Mahagenco	114.85	36.66	43.43
Total	**3059.38**	**2784.75**	**2906.79**

Note 10 : Current Assets-Other Assets

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Prepaid Expenses	37.14	48.87	38.09
Advances for O & M supplies / works	397.70	440.37	589.62
Advances for fuel supplies/Others	417.25	724.04	787.57
Less:- Allowance for Expected Credit Loss	(203.60)	(130.75)	(130.75)
Total	**648.49**	**1082.53**	**1284.53**

Note No. 11

SHARE CAPITAL							
i) Authorised Capital							
Class of Share	Par value ₹	As at 31.03.2021		As at 31.03.2020		As at 01-04-2019	
		No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)
Equity Shares	10	40,000,000,000	40,000.00	40,000,000,000	40,000.00	25,000,000,000	25,000.00
ii) Issued,Subscribed and paid up Capital (Fully Paid-up)							
Class of Share	Par value ₹	As at 31.03.2021		As at 31.03.2020		As at 01-04-2019	
		No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)
Equity Shares	10	25,407,946,226	25,407.95	25,343,946,226	25,343.95	25,284,126,226	25,284.13
iii) Reconciliation of Number of Shares Outstanding							
Class of Share		As at 31.03.2021		As at 31.03.2020		As at 01-04-2019	
		Equity Shares		Equity Shares		Equity Shares	
		No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)
Outstanding at the beginning of the year		25,343,946,226	25,343.95	25,284,126,226	25,284.13	25,247,126,126	25,247.13
Addition during the period		64,000,000	64.00	59,820,000	59.82	37,000,100	37.00
Outstanding at the end of the year		25,407,946,226	25,407.95	25,343,946,226	25,343.95	25,284,126,226	25,284.13

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

(1) The Company is having only one class of shares i.e Equity carrying a nominal value of ₹ 10/- per share.

(2) Company is 100% subsidiary of MSEB Holding Company Ltd.. which is entitled to 100% vote. The dividend, proposed by Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

(3) Shareholders of the Company have a right to receive dividend whenever such dividend is approved.

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

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

Name of Shareholder	As at 31.03.2021	As at 31.03.2020	As at 01-04-2019
	Equity Shares	Equity Shares	Equity Shares
MSEB Holding Company Ltd. (Nos.)	25,407,946,226	25,343,946,226	25,284,126,226
MSEB Holding Company Ltd. (Amount in ₹ Crores)	25,407.95	25,343.95	25,284.13

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

Name of Shareholder	As at 31.03.2021		As at 31.03.2020		As at 01-04-2019	
	Equity Shares	% of Shares	Equity Shares	% of Shares	Equity Shares	% of Shares
MSEB Holding Company Ltd.	25,407,946,226	100.00	25,343,946,226	100.00	25,284,126,226	100.00

Note 12 : Other Equity- (a): Reserves and Surplus

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Retained Earnings			
As per last Balance Sheet	(6,678.95)	(6,715.93)	(6,403.05)
Add : Profit/(loss) for the year	276.19	36.98	(312.88)
	(6,402.76)	(6,678.95)	(6,715.93)
Other Equity-(b): Other Reserves			
Share Application Money Pending Allotment	42.50	64.00	0.00
Total	**(6360.26)**	**(6614.95)**	**(6715.93)**

Note 13 : Non Current Borrowings

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Term loans			
Secured			
Term Loan From Financial Institutions	20567.14	20524.27	20547.10
Term Loan From Banks	1248.54	1436.43	1625.82
Un - secured			
Term Loan From Financial Institutions	0.00	0.00	0.00
Loan from World Bank	254.42	276.82	266.62
Loan from CSSEPL (Baramati Project)	174.19	182.79	191.39
Loan from KFW	207.91	306.70	381.18
Total	**22452.20**	**22727.01**	**23012.11**

Note 14 : Non Current Provisions

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Provision for Gratuity	518.22	528.37	425.41
Provision for Leave Encashment	544.44	527.40	402.52
Total	**1062.66**	**1055.77**	**827.92**

Note 15 : Deferred Tax Liabilities

a) Tax Expense recognised in profit and loss

(₹ in Crores)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax expence		
Current year	(0.19)	41.36
Changes in stimates relating to prior years	-	-
	(0.19)	41.36
Deferred tax expence		
Origination and reversal of temporary differences	195.98	(24.28)
Change in tax rate	-	-
Changes in stimates relating to prior years	-	-
	195.98	**(24.28)**
Tax expense recognised in the income statement	**195.80**	**17.08**

(b) Tax expense recognised in other comprehensive income

(₹ in Crores)

Particulars	For the year ended March 31, 2021		
Current tax expence	Before tax	Tax expense/ (benefit)	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	0.75	(0.19)	0.56
Total	**0.75**	**(0.19)**	**0.56**
	For the year ended March 31, 2020		
	Before tax	Tax expense/ (benefit)	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(164.32)	41.36	(122.96)
Total	**(164.32)**	**41.36**	**(122.96)**

C) Reconciliation of effective tax rate

(₹ in Crores)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	**424.60**	**223.84**
Applicable tax rate	**25.17%**	**25.17%**
Tax using the Company's domestic tax rate	**106.86**	**56.34**
Change in tax rate	-	-
Tax effect of:		
Non-deductible expenses	4.58	3.24
Timing Difference on account of		
-For Depreciation and other items	69.46	(334.97)
- Impairment of financial assets	0.00	(0.29)

- Expenditure allowable on actual payment basis	(30.31)	(26.56)
- Amortisation of lease liabilities	38.02	(1,131.25)
Deferrred Tax adjustment for earlier years	(0.34)	1,408.34
CSR Expenditure not deductible	7.72	0.87
OCI Items	(0.19)	41.36
Tax expense	**195.80**	**17.08**
Effective tax rate	**46.11%**	**7.63%**

D) Movement in deferred tax balances

(₹ in Crores)

Particulars				March 31, 2021		
	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(4,001.70)	(163.20)	-	(4,164.90)	-	(4,164.90)
Investments	12.68	(0.00)	-	12.68	12.68	-
Inventories	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-
Lease Liabilities	890.53	(38.02)		852.51	852.51	
Provisions	338.02	(8.25)	(0.19)	329.59	329.59	-
Unabsorbed Depreciation	1,766.20	(4.66)	-	1,761.54	1,761.54	-
Loans and Advances	158.10	18.33	-	176.43	176.43	-
Tax assets (Liabilities)	**(836.18)**	**(195.80)**	**(0.19)**	**(1,032.16)**	**3,132.74**	**(4,164.90)**
Particulars				**March 31, 2020**		
	Net balance April 1, 2019	**Recognised in profit or loss**	**Recognised in OCI**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax asset						
Property, plant and equipment	(5,535.14)	1,533.44	-	(4,001.70)	-	(4,001.70)
Investments	16.78	(4.10)	-	12.68	12.68	-
Inventories	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-
Lease Liabilities		890.53	-	890.53	890.53	
Provisions	371.49	(74.82)	41.36	338.02	338.02	-
Unabsorbed Depreciation	4,374.40	(2,608.20)	-	1,766.20	1,766.20	-
Loans and Advances	(87.97)	246.07	-	158.10	158.10	-
Tax assets (Liabilities)	**(860.45)**	**(17.08)**	**41.36**	**(836.18)**	**3,165.53**	**(4,001.70)**

Note 16 : Other Non-Current Liabilities

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Lease Liability-Ind AS 116	3231.28	3384.73	
Total	**3231.28**	**3384.73**	**0.00**

Note 17 : Current Borrowings

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Loans repayable on demand			-
Secured			-
from banks			-
Cash Credit	8,623.90	5,851.79	4,960.62
Unsecured			-
from banks			-
Working Capital	1,249.65	1,500.00	2,350.00
Other Short Term Loans	600.00	750.00	750.00
Total	**10,473.55**	**8,101.79**	**8,060.62**

Note 18 : Current Trade Payables

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Micro, Small and Medium Enterprises (MSME)	0.00	0.03	0.12
Other than MSME	3,281.59	2,251.91	1,328.22
Total	**3,281.57**	**2,251.93**	**1,328.32**

Note 19 : Other Current Financial Liabilities

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Current maturities of Long Term Borrowings	3998.43	3340.45	2466.85
Retentions & Payables	4725.88	3907.60	3114.80
Other Deposits	146.68	140.53	106.85
Interest accrued but not due	229.96	224.53	228.97
Lease Liability-Ind AS 116	156.02	153.61	0.00
Payables for Capital goods	92.28	68.94	79.29
Related Party Payables	783.64	770.65	716.80
Others	778.73	611.91	445.29
Payable to employees	306.93	302.85	77.26
Total	**11218.54**	**9521.08**	**7236.11**

Note 20 : Other Current Liabilities

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Capital Grant	30.00	5.99	6.49
Statutory Dues			
Income tax deducted at source	37.79	32.61	23.41
Income tax collected at source	5.13	0.05	0.01
Service Tax liability & Electricity Duty Payable	0.06	0.08	0.05

GST Liabilities	34.35	44.09	29.13
Professional Tax Liability	0.09	0.08	0.11
Total	**107.42**	**82.89**	**59.19**

Note 21 : Current Provisions

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Provision for Gratuity	109.61	132.72	111.29
Provision for Leave Encashment	138.49	154.59	123.89
Total	**248.10**	**287.30**	**235.18**

Note 22 : Sale of Products

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Sale of Power	20891.58	21963.98
Total	**20891.58**	**21963.98**

Note 23 : Other Operating Revenues

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Delayed payment surcharge	2511.51	2545.45
Miscellaneous Operating Income	7.56	69.18
IPP Sale of Coal	164.81	77.70
Sale of Fly Ash	28.34	35.85
Less:- Transferred to Fly Ash Liability	(28.34)	(35.85)
Total	**2683.88**	**2692.33**

Note 24 : Other Income

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Interest Income on Financial Assets carried at amortized cost:		
Interest income	0.59	0.31
	0.59	**0.31**
Income from rent, hire charges etc.	3.84	6.89
Profit on sale of assets/stores/scrap	15.45	21.78
Sale of tender forms	1.75	0.14
Sundry Credit balance write Back	5.23	16.33
Other receipts	22.66	34.60
	48.94	**79.74**
Total Other Income	**49.53**	**80.06**

Note 25 : Cost of Materials Consumed

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Coal	12132.44	12981.04
IPP Purchase of coal	165.15	77.23
IPP Purchase of Power	427.77	171.62
Gas	302.78	613.94
Oil	202.65	425.70
Water	262.17	128.74
Total	**13492.98**	**14398.27**

Note 26 : Employee Benefits Expense

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Salaries, Wages, Bonus, etc.	1079.91	1187.19
Contribution to Provident Fund	113.29	106.53
Gratuity, Leave Encashment and Other Employee Benefits	157.55	475.93
Employee Welfare Expenses	78.24	58.76
Total	**1428.99**	**1828.42**

Note 26 A : Employee Benefits Expense under OCI

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Remeasurements of the defined benefit plans	**(0.75)**	**164.32**

Note 27 : Finance costs

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Interest	3,765.01	3,603.39
Exchange difference regarded as an adjustment to borrowing cost	12.91	47.71
Other borrowing costs	7.95	3.09
Less:- Interest Capitalised	(148.82)	(75.40)
Total	**3,637.04**	**3,578.79**

Note 28 : Other Expenses

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Rent	2.11	0.06
Hydro Lease rent	462.55	88.66
Repairs and Maintenance on:-		
Plant & machinery & Building	998.31	1,228.53
Repair & Maintenance - Others	0.58	0.72
Insurance charges	26.01	22.41
Rates and taxes	22.40	24.63
Others		

Lubricants, consumables & stores	2.70	11.51
Obsolescence of Stores	19.79	86.29
Domestic Water	0.02	0.04
Legal and professional charges	13.88	13.59
Commission to agents	-	5.05
Other Bank Charges	0.70	1.96
Contribution towards assets not owned by Company / CSR expenditure	30.67	3.47
Provision for doubtful advances	74.20	134.71
Other general expenses	244.14	285.24
Loss on obsolescence of Fixed Assets	4.52	10.05
Loss on foreign exchange variance (Net)	-	10.83
Payments to the auditors for:		
- Audit Fees	0.82	0.43
- other Services	-	0.02
- Reimbursement of expenses	0.03	0.02
- Reimbursement of tax	0.15	0.08
Total	**1,903.60**	**1,928.32**

Note 28 A : Deferred Tax Expenses

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Non OCI Defered Tax gain /(Expenditure)	195.79	17.07
OCI Items Defered Tax gain /(Expenditure)	0.19	(41.36)
Total	**195.98**	**(24.28)**

Note No. 29

Notes to the financial statements

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

Defined Benefit Plans

(i) Provident Fund:

The Company's contribution to the Provident Fund is remitted to a separate trust established for all the Group companies based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Gratuity & Leave encashment:

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

GRATUITY

A. Movement in net defined benefit (asset) liability

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

(₹ in Crores)

Particulars	Defined benefit obligation	
	31st March, 2021	31st March, 2020
Opening balance	661.08	536.70
Interest Cost Included in profit or loss	45.42	41.65
Current service cost	32.22	24.45
Past service cost	-	-
Interest cost (income)		
	738.72	**602.80**
Included in OCI		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Demographic assumptions		
Financial assumptions	1.97	33.38
Experience adjustment	(2.72)	130.94
Return on plan assets excluding interest income		
	(0.75)	**164.32**
Other		
Contributions paid by the employer		
Benefits paid	(110.14)	(106.03)
Closing balance	627.82	661.08
Represented by		
Net defined benefit asset		
Net defined benefit liability	627.82	661.08
	627.82	**661.08**

B. Defined benefit obligations

i. Actuarial assumptions

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

(₹ in Crores)

Particulars	31st March, 2021	31st March, 2020
Discount rate	6.82%	6.87%
Salary escalation rate	5.00%	5.00%
Mortality rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

ii. Sensitivity analysis

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

(₹ in Crores)

Particulars	31st March, 2021		31st March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(19.14)	20.52	(18.75)	20.08
Future salary growth (1% movement)	20.78	(19.54)	20.35	(19.16)
Employee Turnover (1% movement)	2.87	(3.04)	2.82	(2.99)

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

iii. Maturity Analysis of Defined Benefit Obligation

Defined Benefits Payable in Future Years From the Date of Reporting

(₹ in Crores)

	31st March, 2021	31st March, 2020
1st Following Year	109.61	132.72
2nd Following Year	58.64	57.91
3rd Following Year	70.60	80.62
4th Following Year	61.16	67.90
5th Following Year	55.12	58.65
Sum of Years 6 To 10	219.58	224.51
Sum of Years 11 and above	533.15	511.82

LEAVE ENCASHMENT

A. Movement in net defined benefit (asset) liability

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

(₹ in Crores)

Particulars	Defined benefit obligation	
	31st March, 2021	31st March, 2020
Opening balance	681.99	526.41
Included in profit or loss (Interest Cost)	46.85	40.85
Current service cost	15.66	12.54
Past service cost		
Interest cost (income)		
	744.50	**579.79**
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Demographic assumptions		
Financial assumptions	2.42	37.80
Experience adjustment	16.19	153.11

Return on plan assets excluding interest income		
	18.61	190.91
Other		
Contributions paid by the employer		
Benefits paid	(80.18)	(88.71)
Closing balance	682.93	681.99
Represented by		
Net defined benefit asset		
Net defined benefit liability	682.93	681.99
	682.93	**681.99**

B. Defined benefit obligations

i. Actuarial assumptions

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

Particulars	31st March, 2021	31st March, 2020
Discount rate	6.82%	6.87%
Salary escalation rate	5.00%	5.00%
Mortality rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

B) The provident fund plan of the Company is operated by the "MSEB Contributory Provident Fund Trust" (the "Trust"). Eligible employees receive benefits from the said Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plans equal to a specified percentage of the covered employee's salary. The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. During the year, since the market value of investment is more than subscription liability of the Trust, the liability arising on this account recognised in Profit & Loss account is ₹ Nil (P.Y. Liability ₹ 1.21 Crs).

Description of Plan Assets

(₹ in Crores)

Particulars	31st March, 2021	31st March, 2020
Category -I (a)- GOI	7.11%	8.19%
Category -I (a)-SDL	31.03%	28.98%
Category - I(b)	6.47%	6.99%
Category - II(a)	29.97%	27.64%
Category - II(b)	1.98%	2.12%
Category - IV(c)	2.49%	2.37%
Special Deposit Scheme	20.95%	23.70%

Note NO. 30

(₹ in Crores)

Capital / Government grants	
As on 31.03.2019	**6.49**
Received during FY 2019-20	0.22
Less: Grant returned / adjusted against Asset & Expenditure	0.50
Less: Government Grant amortised during FY 2019-2020	
As on 31.03.2020	**6.21**
Received during FY 2020-21	33.46
Less: Grant returned / adjusted against Asset & Expenditure	9.67
Less: Government Grant amortised during FY 2020-21	
As at 31.03.2021	**30.00**

Particulars	As at 31.03.2021	As at 31.03.2020
Current	30.00	6.21
Non-current	-	-
Total	**30.00**	**6.21**

Note No. 31

Intangible assets under development

(₹ in Crores)

Particulars	As at 31.03.2021	As at 31.03.2020
Opening balance	133.93	133.76
Additions for the year	105.75	0.17
Specify the nature of exp		
Capitalised during the year	-	
Impairment reversal/(charge)		
Foreign exchange difference		
Closing balance	239.68	133.93

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

Note No. 32

Investment in Related Party:

(₹ in Crores)

Details of Transactions	MAHAGUJ	DHOPAVE	MAHAGAMS	UCM	Aurangabad	CKDRL
As on 31.03.2019						
- Equity investement	0.03	0.05	0.05	0.03		0.52
-Quasi Equity investment	36.40	6.18	1.46	0.46	4.85	
Quasi Equity investment during the year	**1.15**	**0.00**	**0.07**	**-**	**-**	**-**
As at 31.03.2020						
- Equity investement	0.03	0.05	0.05	0.03		0.52
-Quasi Equity investment	37.55	6.19	1.53	0.46	4.85	
Equity investment during the year	-	-	-	-	-	-

Quasi Equity investment during the year	1.19	0.00	0.00	-	-	-
As at 31.03.2021						
- Equity investement	0.03	0.05	0.05	0.03		0.52
-Quasi Equity investment	38.75	6.19	1.54	0.46	4.85	

Note No. 33

Assets hypothecated / pledged as security

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

(₹ in Crores)

Particulars	As at 31.03.2021	As at 31.03.2020
Security created in respect of Non-current Borrowings Property, plant and equipment excluding leasehold land	**33,020.24**	**35,192.87**
Security created in respect of Current Borrowings		
i) Inventories	930.09	1,763.03
ii) Trade receivables	24,518.18	17,803.68
Total assets as security	**25,448.26**	**19,566.71**

Note No. 34

During the current financial year 2020-21, Revenue Subsidy towards Solar power sales from Central Government amounting to ₹ NIL Crores (2019-20: ₹ 0.92 Crores) has been accounted.

Note No. 35

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

Note No. 36

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

(₹ in Crores)

Sr. No.	Particulars	2020-21	2019-20
1	Amounts payable to "suppliers" under MSMED Act, as on 31/03/21		
	- Principal	-	0.03
	- Interest	0.50	0.00
2	Amounts paid to "suppliers" under MSMED Act, beyond appointed day during Current year (irrespective of whether it pertains to current year or earlier years) –		
	- Principal		-
	- Interest	0.004	-
3	Amount of interest due / payable on delayed principal which has already been paid/ adjusted during the current year (without interest or with part interest)	-	1.55
4	Amount accrued and remaining unpaid at the end of Accounting Year	0.07	0.43
5	Amount of interest which is due and payable, which is carried forward from last year	0.43	0.35

Note No. 37

Related Party Disclosure:

A. Names of and Relationship with Related Parties

1. Holding Entity

i. M/s MSEB Holding Company Limited

2. Associate entities

i. M/s. UCM Coal Company Limited

ii. M/s. Chhattisgarh Katghora Dongargarh Railway Limited

3. Subsidiaries:

i. M/s. Dhopave Coastal Power Limited

ii. M/s. Mahagenco Ash Management Services Limited

iii. M/s. Mahaguj Collieries Limited

4. Fellow subsidiaries:

i. M/s Maharashtra State Electricity Distribution Company Ltd.

ii. M/s Maharashtra State Electricity Transmission Company Ltd.

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

1. Associate entities

i. M/s. UCM Coal Company Limited

ii. M/s. Chhattisgarh Katghora Dongargarh Railway Limited

2. Subsidiaries:

i. M/s. Dhopave Coastal Power Limited

ii. M/s. Mahagenco Ash Management Services Limited

iii. M/s. Mahaguj Collieries Limited

3. Fellow subsidiaries:

i. M/s Maharashtra State Electricity Distribution Company Ltd.

ii. M/s Maharashtra State Electricity Transmission Company Ltd.

4. Key Management Personnel

Sr No	Designation	Key Management Personnel Name	With effect from
1	Chairman & Managing Director	Ms. Shaila A.	01.04.2020 to 10.08.2020
2	Chairman & Managing Director	Shri. Sajay J. Khandare	11.08.2020 to 31.03.2021
3	Director (Mining)	Shri. P.V.Jadhav	01.06.2019
4	Director (O)	Shri. Chandrakant Thotwe	19.09.2016 to 31.08.2020 and 16.03.2021
5	Director (F)	Shri. S. J. Amberkar	11.08.2017 to 10.08.2020
6	Director (F)	Shri. Balasaheb B. Tithe	11.08.2020
7	Director (P)	Shri. V. Thangapandian	10.04.2019
8	Company Secretary	Shri Rahul Dubey	17-01-2006

4. Non Executive Directors in Mahagenco

Sr No	Designation	Key Management Personnel Name	With effect from
1	Director	Smt. Swati Vyavahare	22.01.2021

C. Remuneration paid to Key Management Personnel (₹ in Crores)

Sr. No	Name of Related Party	Nature of Relationship	2020-21	2019-20
1	Shri. Bipin Shrimali	Chairman & Managing Director	-	0.16
2	Ms. Shaila A	Chairman & Managing Director	0.18	0.07
3	Shri. Sajay J. Khandare	Chairman & Managing Director	0.31	
4	Shri. Chandrakant Thotwe	Director (Operation)	1.53	0.51
5	Shri. Vaithilinganadar Thangapandian	Director (Projects)	0.50	0.34
6	Shri. Vikas Jaideo	Director (Projects)	-	0.19
7	Shri. P. V. Jadhav	Director (Mining)	0.34	0.20
8	Shri. Santosh Amberkar	Director (Finance)	0.37	0.50
9	Shri. Balasaheb B. Tithe	Director (Finance)	0.21	
Remuneration to Key Managerial Persons				
1	Shri. Vinod Bondre	Executive Director(HR)	-	0.12
2	Shri. B.Y. Manta	Executive Director(HR)	0.43	0.18
3	Shri. Raju Burde	Executive Director	-	0.16
4	Shri. Kailash Chirutkar	Executive Director	0.47	0.33
5	Shri. Satish Chaware	Executive Director	-	
6	Shri. Nitin Chandurkar	Executive Director	0.44	0.32
7	Shri. Sanjay Marudkar	Executive Director	0.46	0.25
8	Shri. Abhay A. Harne	Executive Director	0.44	
9	Shri. Rahul Dubey	Company Secretary	0.41	0.29

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

D. Sitting Fee paid to Non-Executive Directors: (₹ in Crores)

Details of Meeting	Smt. Swati Vyavahare
Board	0.0005
Audit Committee	-
Total Sitting Fees Paid	**0.0005**

Note No. : 38

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

Particulars	Country of In Company	Nature of Investments	Percentage of ownership interest as on	
			As at 31.03.21	As at 31.03.20
M/s. Mahaguj Collieries Ltd	India	Subsidiary	60.00%	60.00%

M/s. Dhopave Coastal Power Ltd	India	Subsidiary	100.00%	100.00%
M/s. Mahagenco Ash Management Services Ltd	India	Subsidiary	100.00%	100.00%
M/s. UCM Coal Company Ltd	India	Associates	18.75%	18.75%
M/s. Chhattisgarh Katghora Dongargarh Railway Limited	India	Associates	26.00%	26.00%

Note No. : 39

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

Particulars	Investment including advance	Provision for Impairment
M/s. Mahaguj Collieries Limited	38.78	38.78
M/s. UCM Coal Company Limited	0.49	0.49
M/s. Dhopave Coastal Power Limited	6.24	6.24

Note No. : 40

Outstanding balances other than Trade Receivable of fellow subsidiaries at the end of financial year.

Particulars	As at 31.03.21	As at 31.03.20
Payable to MSEDCL	545.21	544.22
Receivable from MSETCL	15.34	2.28

Note No. : 40A

Trade Receivable from Related Party

Particulars	As at 31.03.21	As at 31.03.20
MSEDCL	24,532.33	17,820.49
MSETCL	143.52	128.83

Note No. : - 41

Corporate Social Responsibilities

During the year, Company has spent ₹ 30.67 Crores (PY: ₹ 3.47 Crores) towards Corporate Social Responsibility (CSR).

(₹ in Crores)

Sr No	Head of Expenses	2020-21	2019-20
1	Contribution toward Covid -19 Relief Fund	0.01	-
2	Community development and welfare expenses	0.69	0.54
3	Death Compensation & Stipend to security guards	2.84	2.78
4	Construction / repair of road, compound wall, RCC drain, etc	0.25	-
5	"Work of Conversation, detailed soil investigation for excavation, construction, development & beautification of Koradi Mahagenco's Pond No.3"	26.88	-
6	Donation for Chakradhar Samaroh 2018 at Raigarh, Chattisgarh.	-	0.01
7	Honorarium payment for teacher csr(gare palma)	-	0.15
	Total	**30.67**	**3.47**

Note No. : 42

Contingent Liabilities & Commitments

(₹ in Crores)

I	Contingent Liabilities	As at 31.03.21	As at 31.03.20
1	MSPGCL may be contingently liable for interest claim of SECL,WCL,Singaraeni and MCL amounting to Rs 1309.89 Crs (P.Y. interest claim of SECL,WCL and MCL Rs 965.26 Crs).plus performance incentive ₹ 837.60 Crores (P.Y. ₹704.22 Crores) and short lifting ₹ 983.34 Crores (P.Y. ₹ 983.34 crs.) plus Penalty claim of WCL ₹ 29.62 crores & Mine Spercific for WCL ₹ Nil. (P.Y. Penalty claim of WCL ₹ 29.62 & Mine Spercific for WCL for PY ₹ 362.72 Crores). Total Contingent Liability ₹ 3160.45 Crs. (P.Y. ₹ 3045.16 crs.)	3,160.45	3,045.16
2	Arbitration between M/s Sunil Hitech Engineers Ltd, Nagpur & MSPGCL regarding various disputes of Contract for Civil, Supply, Erection, Testing & Commissioning of Balance of Plant packages for Parli Unit-8 Project amounting ₹ 953.86 Crores (P. Y. 953.86 Crs).	953.86	953.86
3	Contingent liability for demand from Irrigation Department for excess water charges and establishment charges amounted to ₹2,83,56,40,832 /- (P.Y. ₹ 2,77,64,66,799/-)(Excess water charges bill ₹ 99,11,40,832 + Establishment Charges ₹ 1,84,45,00,000/)	283.56	277.65
4	Contingent liability of approximately estimated to 293.01 Crores plus 45 crores interest total ₹ 338.01 Crs (PY ₹ 248.31 Crores/-plus 45 Crores interest total 293.01 Crs). This is related to work of construction of RCC lower Mun Barrage with associated works including manufacturing, providing, erection, testing and commissioning of radial gates , stoplog gates, goliath crane and rope drum hoist etc. claimed by M/s Mahalaxmi Infra Project Ltd., Kolhapur. Agency has been requested to submit claim amount based on which the members in arbitration tribunal would be decided, as provided in tender conditions. Arbitration award is declared on 20-11-2014. The sole Arbitrator Shri. S.P. Kurdukar, Mumbai directed to pay ₹ 56 crores. Award is challenged at High Court on vide OSARBP/466/2015. The claimants have filed petition vide no. 5260/2015. New advocate Shri. S.R. Nargolkar is appointed to represent MSPGCL in this matter. Bombay High Court appointment Shri Thakkar as Sole Arbitrator for further proceedings. As per H.C Bombay Order DT.16.10.2020, MSPGCL has deposited ₹57 Crs. And BG amounting to ₹48,49,28,628/-is submitted	232.51	293.01
5	Arbitation between M/s. TATA Projects Ltd., and MAHAGENCO for Bhusawal 2x500 MW project. M/s. TATA claimed for prolongation cost, Bank Guarantee charges for BG submitted, payment against performance Guarantee tests & extra BG charges incurred towards furnished BG, wrongful recoveries made by MAHAGENCO from contractual payments, additional work and return of contract performance Bank Guarantee: Total Bank Guarantee to be returned - ₹ 189,00,00,000/- Total Amount claimed - ₹ 118,12,08,976/- Total Interest claimed - ₹ 79,33,54,185/- (118,12,08,976 + 79,33,54,185 = ₹ 197,45,63,161)	197.46	197.46

	Contingent Liabilities	As at 31.03.21	As at 31.03.20
6	Arbitration before Justice Shri. V. G. Palshikar Mumbai. ABN/C/No.63/2014 – Sole Arbitrator - Adv. Rathod – Asian Natural Resources Ltd(erstwhile M/s. Bhatia International Ltd. Indore) vs Mahagenco Major pending issue is change in railway freight and 16 refree sample and subsequent other claims on various accounts for contract of import coal for the year 2010-11. M/s. Asian Natural Resources Ltd. has invoked the arbitration clause with respect to the pending disputes and delayed payment on various accounts for the contracts for supply of non-cooking (Steam) coal of foreign origin for year 2010-11 to Nasik, Bhusawal, Khaperkheda and Chandrapur TPS. Sole Arbitrator justice V.G. Palahikar (Retd). Appointed with mutual consent on 17.04.2014. Claim and counterclaim filed. Hearing is in process. The claim amount is ₹ 127.45 crores (P.Y. ₹ 127.45 crores)(FMC)	127.45	127.45
7	Contingent liabilities of approx ₹ 103.20 Crores (P.Y. 103.20 crores) demand of Irrigation Dept.for water supplied at Shiral Pump House and given to Ratnagiri Power & Gas Ltd.	103.21	103.20
8	MSPGCL may be contingently liable for Counter claims lodged by Washery Operator Amounting Rs 59.44 crores (P. Y. ₹ 129.02 crores)	59.44	129.02
9	Other miscellaneous claims lodged against the company but not acknowledged as debt	295.20	251.94
10	The company has been contingently laible for non payment (Building & other Construction workers welfare cess act) 1% BOCW cess on the civil construction of new projctes i.e.on Koradi 3x6060 MW project, CSTPS 2x500MW project & Parli 1x250 MW project.	Being ascertain	Being ascertain
	Total Claims	**5,413.13**	**5,378.74**
	Tax Demands Outstanding and disputed by the company	21.48	152.40
	Guarantees extended by the company	977.56	1,425.92
	Total Contingent Liabilities	**6,412.18**	**6,957.06**

Capital Commitments			
A	Estimated amount of contracts remaining to be executed on Capital Account not provided for	734.64	831.08

III. Other Significant Commitments

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

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

(c) Coal linkage (including Bridge Linkage and MOU) of 52.537 Million MT has been allocated to company, consequently company is committed to purchase coal from allocated coal companies at the relevant market price.

(d) Company has gas purchase and transportation agreement with Gas Authority of India Ltd. towards 3.5 MMSCMD upto 06.07.2026.

IV **Contingent Assets**

1. In pursance to Power Purchase Agreement, MSPGCL levied delayed payment Surcharge on MSEDCL. Such Surcharge Income of ₹ 3725 crores was treated as Non-tariff income by MERC and accordingly reduced from the Annual Revenue Requirement of MSPGCL for the period FY 2010-11 to FY 2015-16. The company filed appeal against this methodology in the Appellate Tribunal for Electricity. The Tribunal, however, rejected the appeal of the company. The matter is now pending with Supreme court.

   Recently in the similar case of another Transmission Licensee, the Tribunal decided that the Delayed payment surcharge are not to be considered as Non-tariff Income and thus will not be deducted from Annual Revenue Requirement.

   The said judgement has significantly increased the chances of favourable decision in case of MSPGCL seeking restoration of ₹3725 crores in the revenue. If the favourable decision is received, the company will be able to increase its earnings to the tune of ₹3725 crores.

2 Mahagenco has lodged counter claims with coal companies and washery operators which that companies has not considered as debt. The details of the same is as follows:

Sr. No	Particulars	Amount ₹ Crs.
1	Stone Claims	29.41
2	SRN claims	100.81
3	Interest claims	1,846.04
4	GCWL	2,663.17
5	Moisture Claims	152.56
6	Short Delivery	2,841.43
	Total	**7,633.42**

3 Mahagenco has filed compensation application amounting to ₹ 409.95 crores against the three liasioning contractors M/s. Nair (₹ 200.74 Crs), M/s. Karam Chand Thapar r (₹ 156.64 Crs) & M/s. Naresh Kumar (₹ 52.60 Crs) at NCLAT New Delhi, Advocate K. K. Sharma case no. AT 02/2018

4 Mahagenco has lodged counter claims Asian Natural Resources Ltd(erstwhile M/s. Bhatia International Ltd. Indore) which has not considered as debt. The details of the same is as follows:

Details	Amount ₹ Crs.
AFC disallowance due to short supply	47.26
Loss due to increase in Heat Rate	23.03
Loss due to Auxiliary power consumption	28.55
Demmrrage charges	3.065
Total	**101.91**

5 Mahagenco has lodged counter claims against M/s Sunil Hitech Engineers Ltd, Nagpur & MSPGCL regarding various disputes of Contract for Civil, Supply, Erection, Testing & Commissioning of Balance of Plant packages for Parli Unit-8 Project as follows:

Details	Amount ₹ Crs.
Recoveries due from SHEL	224.29
Losses incurred by Respondent	812.40
Carrying cost on unrecovered amount	70.56
Additional loss incurred by Respondent	423.80
Total	**1,531.05**

6 Amount recoverable ₹ 4.07 Crs from South Eastern Railway for excess freight payment (Claim amount of Sardega siding (MSFJ Colliery), MCL

7 Excess Freight Claims (Claims for Empty wagons . Excess TORO. Less Rebate, Excess DPC. WL , FRT RATE DIFF/ CALC DIFF.,EXCESS O/L, Excess FAUC. Excess PCLA. Excess ENHC). ₹ 3.15 Crs

Note No. : - 42A

Segment reporting

Generation and supply of Electricity is the principle busines activity of the company. The Company is having a single geographical segment as all the activities of the company are domestic in India. Segment information as required under Ind as 108 "Operatigng segment" is given in the consolidated financial statement of the company.

Note No. : - 42B

Threshold limits adopted in respect of financial statements is given below:

Threshold item		Unit of measurement	Threshold limits
Capitalization of spare parts meeting the definition of property plant and equipment.	Individualy	₹ Crores	10.00
Total Income / expenditure pertaining to prior year (s)	Cumulative	₹ Crores	50.00
Disclosure of contingent liabilities	Individualy	₹ Crores	1.00
Disclosure of capital commitments	Individualy	₹ Crores	1.00
Deprecation at 100% in the year of acqusition in respect assets amounting up to ₹ 5000 & all mobile phones			
Loans and advances & cost of raising finance	Individual Loan	₹ Crores	1.00
For Recognition of Right to use assets and Lease Liabilities			
A) Annual Lease Rent and	in each case	₹ Crores	1.00
B) Value of underlying assets	in each case	₹ Crores	10.00

Note No.: - 43(A)

Company raises energy sale bill, Fuel Adjustment Charges Bill, Surcharge bill etc to MSEDCL. The funds received from MSEDCL are appropriated on First In First Out Basis. While doing so, the receipts are appropriated firstly towards interest on delayed receipts and subsequently towards the principal amount due from MSEDCL.

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

Note No.: - 43(B)

The Company, in terms of Power Purchase Agreement with the Maharashtra State Electricity Distribution Company Limited (MSEDCL) has recognized Revenue on account of interest on delayed payments as a Surcharge i.e. Delayed Payment Surcharge (DPS) of ₹ 2511.51 Crores for the year and cumulative from FY 2009-10 to FY 2020-21 it is ₹ 14862.10 Crores. These are contractual receivables and Multi Year Tariff Regulations provide for recognition of surcharge over and above regular tariff.

As on 31.03.2018, both the companies viz., MSPGCL and MSEDCL were showing same amount of Delayed Payment Surcharge of ₹7485.61 Crores in their respective books of accounts. As on 31-03-2019, the accumulated DPS outstanding was of ₹ 9806.30 Crs. However, in F.Y. 2018-19, MSEDCL revised the amount of DPS in its books by unilaterally changing the order of appropriation of payments wherein payments are first adjusted towards Principal Dues instead of DPS. The change was made applicable retrospectively. Consequently, MSEDCL has reduced the surcharge amount by ₹ 4843.23 Crs. unilaterally as communicated vide their letter dated 28-08-2019. Further, for the year 2020-21, Company has recognised unbilled surcharge receivable of ₹ 2511.51 Crs. as per the past consistent practice.

MSPGCL has been consistently working out and issuing DPS billing on the basis of apportioning and adjusting payments first to DPS and subsequently to principal amount of arrears. The management of the company is of the opinion that the methodology adopted by it is more appropriate considering the commercial nature of transactions and to be at arms length.

Note No.: - 43(C)

Impact of COVID 19 –

In India and also at the global level, the outbreak of COVID-19 has created adverse impact on economic environment in general. Company's business has been to generate power and sell the same to Electricity Distribution Company in state of Maharashtra. Maintaining the availability of plants to generate power in order to meet the demand of power consumers is crucial aspect for the Company. Therefore, Company has continued to generate the power as per demand requirements even in the lockdown period.

Further, the moratorium facility introduced by Reserve Bank of India has also been a relief measure to address the liquidity issues in the ensuing year. Considering power supply being an essential service, management believes that there is not much of an impact likely due to this pandemic on the business of the Company and consequently, Company would be able to honor its financial obligations whenever due.

Note No.: - 43(D)

MSPGCL has been supporting the State Grid by supplying reactive energy since F.Y. 2013-2014 and the company has raised invoices for the same amounting to Rs 143.52 crs to the MSETCL till the F.Y. 2020-21. However MERC in it's tarrif order has stated that the mechanism for settlement of the reactive energy has not been implemented in the past and as the true up of the previous years has already been carried out including FY 2017-18 and FY 2018-19,Comission has not allowed any recovery of reactive energy charges for the past period (i.e. upto FY 2018-19). Company has made provisions for bad debts amounting to Rs .126.98 crs (equivallent to Reactive engery charges upto FY 2018-19) in the FY 2019-20. However, the decision passed as per this order is in dispute and thus the company has filed an appeal against the order of MERC to the Appellate Tribunal for Electicity.

Note No.: - 43(E)

In view of the Supreme Court of India ruling in case of Regional Provident Fund Vs Vivekananda Vidyamandir And Others dated 28th February 2019, regarding the coverage of certain allowances for making of Provident Fund contributions, the Company is still in the process of evaluating the said ruling. Depending upon the outcome, Company may be contingently liable to contribute employer's share of provident fund to CPF Trust of the MSEB group Companies, the amount for which is yet to be ascertained. The same will be accounted for once the matter is crystallized. Management does not expect the impact to be significant.

Note . 44

Classification of Financial Assets and Financial Liabilities:

The following table shows the carrying amount.

(₹ in Crores)

Particulars	31.03.2021			31.03.2020 Restated		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
(i) Trade Receivables			24,518.18			17,803.68
(ii) Cash and Cash Equivalents			57.51			4.93
(iii) Bank Balances other than (ii) above						
(iv) Loans			5.77			7.65
(v) Other Financial Assets			3,059.38			2,784.75
Total		-	**27,640.84**	-	-	**20,601.00**
Financial liabilities						
(i) Borrowings			32,925.75			30,828.80
(ii) Trade Payables			3,281.57			2,251.93
(iii) Other Financial Liabilities			11,218.54			9,521.08
Total	-	-	**47,425.87**	-	-	**42,601.81**

Financial risk management

Risk management framework

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

44 A. Regulatory risk

The company submits the annual revenue requirement to Maharashtra Electricity Regulatory Commission, based on these approved tariffs the company raises monthly energy bills to its customers. The tariff so determined by MERC are based on

the MERC (Mutly Year Tariff) regulations which get revised periodically. These tariff are determined based on normative parameters as set out in the said regulations. Any change in the normative parameters or guiding regulatory provisions will have impact on the income from sale of the power of the company.

44 B. Company has identified financial risk and categorised them in three parts Viz. (i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk .

Details regarding sources of risk in each such category and how Company manages the risk is explained in following notes:

44 B.1. Credit risk ;

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customer and investment securities

The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

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

Trade receivables

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

(₹ in Crores)

Particulars	31.03.2021		31.03.2020 Restated	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Past due 0-90 days	24,518.18		17,803.68	
Past due 91–360 days				
More than 360 days	167.15	167.15	167.15	167.15
Total	**24,685.32**	**167.15**	**17,970.82**	**167.15**

Note : The above excludes Unbilled revenue.

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

As on 31.03.2019	**167.15**
Add : Expected Credit loss recognised	-
Less : Amounts written off	
As at 31.03.2020	**167.15**
Add : Expected Credit loss recognised	
Less : Amounts written off	
As at 31.03.2021	**167.15**

Cash and cash equivalents:

	As at 31.03.2021	As at 31.03.2020
Cash and cash equivalents	57.51	4.93

44 B.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Company has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. The Company

has adequate borrowing limits in place duly approved by its shareholders and board. Company sources of liquidity includes operating cash flows, cash and cash equivalents, fund and non-fund based lines from banks. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

(i) Financing arrangements

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

(ii) Maturities of financial liabilities

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

(₹ in Crores)

Particulars	Contractual cash flows					
	31.03.2021			31.03.2020 Restated		
	Upto 1 year	1-3 years	more than 3 years	Upto 1 year	1-3 years	more than 3 years
Non-derivative financial liabilities						
Long Term Borrowings	3,998.43	6,110.76	16,341.44	3,340.45	6,162.50	16,564.51
Borrowings for working capital	10,473.55			8,101.79		
Trade payables	3,281.57			2,251.93		
Other financial liabilities	11,218.54			9,521.08		
Total	**28,972.09**	**6,110.76**	**16,341.44**	**23,215.25**	**6,162.50**	**16,564.51**

44C. Market Risk - Market Risk is further

44C.1. Currency risk:

The Company is exposed to currency risk mainly on account of its borrowings from KfW Germany and IBRD (World Bank) in foreign currency. Our exposures are 4.92 Crores Euro and 3.86 Crores U.S. dollars. However, Company operates in rate regulatory environment. Consequently, any variation in the foreign exchange rate is allowed to be recovered from consumers at actuals. Hence, company doesn't have significant risk on account of variation in foreign currencies.

44C.2. Interest rate risk

Interest rate risk exposure:

Particulars	Carrying amount in ₹ in crores	
	31.03.2021	31.03.2020 Restated
Fixed-rate instruments		
Financial assets	-	-
Financial liabilities	405.96	408.94
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	36,518.23	33,760.32

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or

loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement.

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

Particulars	Profit or loss			
	25 bp decrease	25 bp increase	25 bp decrease	25 bp increase
	31.03.2021		31.03.2020 Restated	
Floating rate borrowings	91.30	(91.30)	84.40	(84.40)
Interest rate swaps (notional principal amount)	-	-	-	-
Cash flow sensitivity (net)	**91.30**	**(91.30)**	**84.40**	**(84.40)**

44 C.3. Commodity Risk

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

Note No. : 45

Leases

A. Leases as lessee

a) The Company enters into cancellable/non-cancellable operating lease arrangements for Hydro Plants, land, office premises, staff quarters and others. As mandated under Ind AS 116, Company has recognised Right To Use Assets and corresponding Lease Liability in the Balance Sheet. Consequently, Depreciation on Lease Assets and Interest on Lease Liabilities have been recognised in statement of Profit and Loss.

The undiscounted cash outflows towards lease payments of non-cancellable leases are as under:

A) Movement in Lease Liabilities

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Balance as on 1st April, 2020	**3,538.18**	**-**
Additions		3685.51
Finance cost accrued during the period	362.69	377.72
Payment of lease liabilities	513.58	525.06
Balance as on 31st March, 2021	**3387.29**	**3538.18**

B) Maturity Analysis of Lease Liabilities

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Maturity Analysis - Contractual undiscounted Cash Flows		
Less than one year	471.05	480.78
One to five years	1796.59	2267.64
More than five years	4695.54	4695.54
Total Undiscounted Lease Liabilities	**6963.18**	**7443.96**

C) Amount Recognized in the Statement of Profit & Loss

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Interest on Lease Liabilities	362.69	377.72
Depreciation on Lease Asset	254.04	253.94

Ascertainment of Lease in the Power Purchase Arrangement:

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

Note 46 : Earnings per share (EPS)

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

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

For the purpose of calculating Earning Per Share, the share application money pending allotment, in terms of the commitment from Government of Maharashtra through the Holding company, has been considered being as confirmed allotment.

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated
Profit attributable to equity holders for basic earnings per share (Rupees)	275.63	159.94
Profit attributable to equity holders for diluted earnings per share (Rupees)	275.63	159.94
Weighted average number of ordinary shares		

Weighted average number as ordinary shares.

Particulars	31.03.2021	31.03.2020 Restated
Number of Equity shares as at	25,410,096,911	25,417,381,048
Weighted average number of shares for basic and diluted earnings per shares	25,410,096,911	25,417,381,048
Basic and Diluted earnings per share (Rupees)	0.11	0.06

Note 47 : Capital management

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

The Company monitors capital using debt equity ratio. The Company's debt to equity ratio at March 31, 2021 is as follows.

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated
Long term borrowings	22,452.20	22,727.01
Equity share Capital	25,407.95	25,343.95
Debt to Equity ratio	0.88	0.90

Note 48 : Dividends

The Company has not decleared dividend so far.

Note 49 :

Previous year figures have been regrouped wherever necessary.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHARASHTRA STATE POWER GENERATION CO. LTD

Report on the ConsolidatedFinancial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **MAHARASHTRA STATE POWER GENERATION CO. LTD** (hereinafter referred to as "the Holding Company"/MSPGCL/Mahagenco) and its 3 subsidiaries (the holding company and its subsidiaries together referred to as "the Group") and its 2 associate companies which comprise the consolidated Balance Sheet as at 31 March 2021, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects/possible effects of the matters described in the 'Basis for Qualified opinion' section of our report*, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, of the consolidated profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Qualified Opinion:

1. *The Holding Company has continued to recognize Revenue on account of interest by way of Delayed Payment Surcharge (DPS) to be billed to Maharashtra State Electricity Distribution Company Limited (MSEDCL), for the current financial year, amounting to ₹ 2511.51 Crores. (Accumulated ₹ 14862.10 Crores up to 31st March, 2021) as per the past consistent practice and methodology adopted by the Holding Company for working out of the DPS amount in terms of Power Purchase Agreement and relevant Multi Year Tariff Regulation. The DPS amount as billed till 31st March, 2021 may not be fully realizable and is doubtful of recovery as MSEDCL has disputed the same and has not been accepted and paid by them. MSEDCL, as communicated to the Holding Company, has adopted a different methodology, unilaterally, for working out of the said DPS amount and as per MSEDCL it works out to ₹ 4112.27 Crores only. As a result there is a huge difference of ₹ 10749.83 Crores in DPS amount as billed by Mahagenco and what is worked out by MSEDCL per their methodology. Pending final outcome of the dispute and final settlement and resolution of the continuing dispute with MSEDCL for appropriate DPS amount, no provision has been made for any expected credit loss against this doubtful recoverable DPS amount, which is still to be crystallized and be acceptable to both MSEDCL and the Company. (Refer Note No.43B to consolidated Financial Statement)*

2. *Attention is invited, in particular, to (a) balance recoverable from Maharashtra State Electricity Distribution Company Limited (MSEDCL) for electricity supplied as per Power Purchase Agreement, of ₹27040.48 Crores (inclusive of unbilled revenue of ₹2511.51 of current financial year) as at the year-end against which MSEDCL has confirmed the balance of ₹15957.24 Crores as payable to Mahagenco. A joint reconciliation between these two balances has been prepared jointly by both the companies for disputed items. We are informed that final corrective accounting and adjustment will be done when these disputed items, amounts and issues are resolved. (b) Balance recoverable from Maharashtra State Electricity Transmission Company Limited (MSETCL) of ₹ 143.52 Crores is subject to confirmation and reconciliation. However, we are informed that the Company has sent letter and reminders asking for confirmation but reply has not been received by the Company. In the absence of sufficient and appropriate audit evidence, we are unable to opine on the consequential impact, if any, of a & b above, on the status of these balances and on the profit for the year of the Company.*

3. *The balances of Coal Companies are subject to confirmation from respective coal companies and reconciliation. In our opinion, the company does not have a reconciliation based on General Ledger balances. In absence of the same we are unable to comment on consequential impact on the financial statements of the Company. The details of Coal Company-wise outstanding balances are as under:*

(₹ in Crores)

Name of Supplier	*Balance as per MSPGCL books as at 31st March, 2021*
Singareni Collieries Co Ltd	*124.84 Credit*
South Eastern Coalfield Ltd (SECL)	*252.17 Debit*
Western Coalfields Limited – WCL	*2013.44 Credit*
Mahanadi Coalfields Limited	*120.16 Credit*
Total	*2006.27 Credit*

Pending such confirmation and completion of reconciliation, no provision has been made for the performance incentive bills / short lifting of coal as claimed by Coal Companies. Company has also lodged certain counter claims on the Coal Companies like short delivery, grade slippages etc. As these are disputed claims and counter claims, impact of all of these is unascertained. In view of the same, we are unable to comment on consequential impact on the financial statements of the Company.

4. *The balances of Railway companies are subject to confirmation and reconciliation. Majority of the balance pertains to old outstanding unadjusted balances since past few years, which is highlighted as under:*

(₹ in Crores)

Name of Supplier	*Balance as per MSPGCL as at 31st March, 2021*
South Central Railways (Account 30000)	*6.86 Debit*
South East Central Railways (Account 30001)	*43.66 Debit*
Central Railways (Account 43000)	*31.15 Debit*
Total	*81.68 Debit*

Pending such confirmation and completion of reconciliation, the consequential adjustments in financial books could not be made. In view of the same, we are unable to comment on the consequential impact on Financial Statements of the Company.

5. *The balances of trade receivables, loans and advances, deposits and trade payables are subject to confirmation from respective parties and/or reconciliation as the case may be. Pending such confirmation and reconciliation, the consequential adjustments are not made. However, we are informed that the Company has sent letters asking for confirmation to its vendors and wherever such confirmations are received the same is getting reconciled and we are informed that such reconciliation is a continuous and an on-going process for the Company. In the absence of sufficient and appropriate audit evidence, we are unable to opine on the consequential impact, if any, on the status of these balances and the profit for the year of the Company.*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statementssection of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters:

We draw attention to following notes:

Holding Company: Maharashtra State Power Generation Company Limited.

Note no. 45A(a) regarding lease agreements with the government of Maharashtra in respect of various hydro power generation facilities that are yet to be executed.

Note No. 43(E) regarding a Supreme Court ruling on the coverage of certain allowances paid to employees to be considered as a part of earnings eligible for making contribution towards provident fund. As the Company management's view is not crystallized in this regard, impact thereof is not ascertained.

Our audit opinion is not qualified in respect of these matters.

Subsidiary Company: Mahaguj Collieries Limited

a) Note No 41(A) forming part of the consolidated financial statements regarding non provision for the expenses amounting to ₹ 54,40,70,111/- incurred in previous financial years for various operative expenses for development of Machhakata-Mahanadi Coal Block, which had been cancelled by Hon'ble Supreme Court in 2014 and the reimbursement of which has not been allotted to any new allottee as on date. The management is of the opinion that the adjustment / provision will be made in books of accounts only after finalization of valuation process and on allotment of the above coal block to the new allottee is approved by Ministry of Coal, Government of India.

b) Note No.1.1 of Significant Accounting Policies in Notes to Accounts of the said subsidiary company indicates that the Company has accumulated losses and its net worth excluding borrowings from its parent companies has been fully eroded,

the Company has incurred net loss of ₹ 3,27,56,393/- during the current year and in previous years and the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in Note 1.1 of Significant Accounting Policies forming part of financial statements.

However this does not have any impact on Consolidated Financial Statements as 'Line by Line Consolidation' is done by the Holding Company.

c) Note No 41(I)(11) to the consolidated financial statements which describes the uncertainty related to the outcome of the lawsuit filed against the Company by M/s Adani Enterprises Limited and the outcome of the on-going arbitration process.

Our audit opinion is not qualified in respect of these matters.

Key Audit Matters

Holding Company: Maharashtra State Power Generation Company Limited.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. **In case of Holding Company**, we have determined the following matters as Key Audit Matter/s for the year.

Contingent Liability/ Contingent Assets

There are a number of litigations pending before various forums against the Company and the management's judgment is required for estimating the amount to be disclosed as contingent liability. Coal companies have made various claims on the Company and management has made counter claims on these coal companies based on its perception.

We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgment in interpreting the cases and it may be subject to management bias. These said claims and counter claims require management estimates and interpretation of various matters, issues involved and are subjective in nature.

(Refer Note No. 41(I) and 41(IV) to the Consolidated Financial Statements, read with the Accounting Policy No. 21)

We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and contingent assets and adopted the following audit procedures:

- understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases;
- discussed with the management any material developments and latest status of legal matters;
- read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions, if any, obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities and contingent assets;
- examined management's judgments and assessments whether provisions are required;
- reviewed the adequacy and completeness of disclosures;

Based on the above procedures performed, the estimation and disclosures of contingent liabilities and contingent assets are considered to be adequate and reasonable.

Subsidiary Company: Dhopave Coastal Power Limited:

1. **Material Uncertainty Related To Going Concern:**

   The accounts of the company are not prepared on Going Concern Basis as the Management has decided to close down the Company. (Refer Note 2.1 of Notes Forming Parts of Financial Statements the said subsidiary.)

2. **Impact Of Covid 19 On The Business Model:**

   The Company is a Dormant Company and the Financial Statements are not prepared on Going Concern basis, hence there is no impact of Covid 19 on the Business Model.

3. **Work in Progress stated at ₹8.23 Crore has Net Realizable Value of Nil:**

The work in progress reflecting in Non-Current Assets is at cost of ₹ 8.23 Crore does not have any Net Realizable Value as the Project for which these expenses were incurred has been abandoned.

However, this does not have any impact on Consolidated Financial Statements as 'Line by Line Consolidation' is done by the Holding Company.

Subsidiary Company: Mahagenco Ash Management Services Limited:

Company has incurred a loss of ₹ 5,054/- and has accumulated losses of ₹ 1,47,02,986/- as on 31-3-2021. It has resulted in erosion of Company's Net Worth. Company's going concern aspect is thus affected. We have reviewed & held discussions with management to understand the technicals. Management perceives to operate various jobs & project in coming time & looking to its holding Company's Business and position, the Company has done its accounts on going concern concept basis.

Complexities arising from COVID 19

The opinion expressed in the present report is based mainly on the information, facts and input data made available to us through electronic means by the management. Hence, as regards audit we relied on information provided to us digitally for conduct of audit procedures. Besides, as per the management estimates, the commencement of operations / implementation of the project could be further delayed on account of the imposed lockdown by the GOI and the pandemic caused globally.

We draw your attention to Note No.15 of the notes to accounts of the said subsidiary company, which describe the Management's assessment of the impact of COVID-19 pandemic and the resultant lockdowns on the significant uncertainties involved in developing some of the estimates involved in preparation of the financial statements including but not limited to its assessment of liquidity and going concern, recoverable value of its assets and the net realisable value of other assets. Based on information available as of the date, Management believes that no further adjustments are required to the financial results. Our opinion is not qualified in respect of the above matters.

However, this does not have any impact on Consolidated Financial Statements as 'Line by Line Consolidation' is done by the Holding Company.

"Information Other than the Consolidated Financial Statements and Auditor's Report Thereon"

The Holding company's Board of Directors is responsible for the other information. The other information for the Company comprise the information included in the Directors' Report and Annexures thereto but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We are informed that the Directors' Report and related annexures for the year ended on 31st March, 2021 of the Holding Company will get finalized and adopted in the subsequent Board meeting and therefore the same could not be commented upon by us as on today.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and

are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate companies are responsible for assessing the ability of the Group and of its associate companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate companies is responsible for overseeing the financial reporting process of the Group and of its associate companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

Holding Company: Maharashtra State Power Generation Company Limited.

1. We could visit physically some of the plants or locations of the Company for carrying out audit process for the year under report due to lock down imposed by the Government in order to restrict the spread of Covid 19. The statutory audit work process for the plants and locations not visited by us, for the year under report was carried out as a 'Work From Home" exercise i.e. from locations other than plants and offices of the Company based on financial data/information/records/supporting made available by management through digital medium by providing SAP access through Dash Board via VPN link.

2. Internal audit reports of the Company, which is being conducted through the external firms of Chartered Accountants, were made available to us only in respect of first two quarter of the current financial year. For third and fourth quarter such reports for some of the plants and locations could not be made available to us since internal audit work is still in progress in view of the Covid 19 related lock downs.

3. We did not audit the financial statements / financial information of 3 subsidiaries whose financial statements / financial information reflect total assets of ₹ 62.84 Crores as at 31st March, 2021, total revenues of ₹ 70148/-(*) and net cash in-flows amounting to ₹ 2056/-(*) for the year ended on that date, as considered in the consolidated financial statements.

4. The consolidated financial statements also include the Group's share of net loss of ₹ 0.05 Crores for the year ended 31st March, 2021 based on the unaudited financial statements/ unaudited financial information received by management of the Company.

5. We state that the financial statements / financial information of three subsidiaries have not been audited by us. These financial statements / financial information of subsidiarieshave been audited by other auditors whose reports have been furnished to us by the management which are considered by us in this report. In respect of two associate companies the financial statements/ financial information is based on the unaudited provisional financial statements / financial information as received the management of the Company.

6. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate companies, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

(i) As required under Section 143(5) of the Companies Act, 2013, we give in the "Annexure I", Statement on the Directions issued by the Comptroller and Auditor General of India after complying the suggested methodology of Audit, the action taken thereon and its impact on the accounts and consolidated financial statements of the Group.

(ii) As required by the section 143 (3) of the Act, based on our audit and on the consideration of the report of other auditors as referred to in 'Other Matters' paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements *except for the third parties balance confirmations, in case of the Holding Company, as stated at Paragraph 5, the consequential effect of which, if any, on consolidated financial statements is unascertained;*

(b) In our opinion, *except for the effect of the matters described in the Basis for Qualified Opinion paragraph above,* proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) In our opinion, the aforesaid The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) *Subject to our observations in Para on* ***"Basis for Qualified Opinion"*** above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant applicable Rules.

(e) Being a Government Company, pursuant to the notification number GSR 463(E) dated 5th June, 2015 issued by the Government of India, the provisions of Section 164(2) regarding disqualification of a director, of the Companies Act, 2013 are not applicable to the Company;

(f) Our observations made on the matters stated in the 'Basis for Qualified Opinion' paragraph above do have a significant effect so as to adversely affect the functioning of the Holding Company;

(g) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure II.

(h) Being a Government Company, pursuant to the notification number GSR 463(E) dated 5th June, 2015 issued by the Government of India, the provisions of section 197 of the Act are not applicable to the Company.

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates– Refer Note 41 to the consolidated financial statements.

ii. The Holding Company, its subsidiaries and its associate companies did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;

iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its associate companies during the year.

For K.S. Aiyar & Co.
Chartered Accountants
FRN: 100186W
UDIN:21038526AAAAEI7399

CA Rajesh Joshi
Partner
ICAI M No. 038526

For RSVA & Co
Chartered Accountants
FRN: 110504W
UDIN:21039555AAAAIU7162

CA B.N.Rao
Partner
ICAI M No. 039555

Place : Mumbai
Date : 23rd November, 2021

ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2021.

In case of Holding Company:

Directions under sub-section (5) of section 143 of the Companies Act, 2013

1) **Whether the Company has system in place to process all the accounting transactions through IT system? If yes, implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.**

   Yes, the Company has implemented SAP ERP system to process all the accounting transactions through it. To the best of our knowledge and information, the Company has not processed any accounting transaction outside its IT system.

2) **Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender of the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company).**

   To the best of our knowledge and information and as shown by the books of account, there was no restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender of the Company due to Company's inability to repay the loan.

3) **Whether funds (grants/subsidy etc.) received/receivable for the specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.**

   To the best of our knowledge and information and as shown by the books of account funds (grants/subsidy etc.) received/ receivable for the specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its terms and conditions.

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

   During the course of audit and as per information and explanations given to us, there were no cases/instances of waiver/ write-off of any loans/debts/interest etc., by the company during F.Y.2020-21.

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

   The Company sends its inventories / materials to third parties only for maintenance operations or fabrication activities. As informed to us, the section stores and security maintains proper control and records for such inventories through section notes and returnable/non-returnable gate passes and a report of the same can also be viewed in the material module of SAP. We have been informed that there are no assets received as gift from the Government or other authorities during the year.

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

   Company discloses pending legal/arbitration cases as Contingent Liabilities as identified by the company. The age wise analysis of 385 pending legal/arbitration cases given below:

Particulars	No. of Cases
Less than one year	18
1 to 2 years	98
2 to 3 years	85
3 to 5 years	91
More than 5 years	93
Total	**385**

We are informed that the reasons for pendency of the above cases differ from case to case. We are informed that the expenditure on legal cases is as per the approved fee structure of the advocate/ counsel engaged for the above cases. Due to unavailability of relevant information from the Company, we are not able to comment upon the reasons for pendency and the effectiveness of the existing mechanism for expenditure on all legal cases.

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

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

Comments on sector specific sub-directions

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

The company has a system for reconciliation of bills raised by the Coal Companies and Bills received by MSPGCL. However, in respect of the quantity/quality of coal ordered and received, the current process of reconciliation needs to be strengthened. Company has appointed a recognized coal Analyst Company i.e. Central Institute of Mining and Fuel Research (CIMFR). CIMFR does technical analysis of Coal Grade from the loading points of the coal Company. On the basis of the analysis report submitted by CIMFR, Company's coal office, Nagpur reconciles grade mentioned in invoice with grade mentioned in said report and raises grade slippage claims to coal companies.

The coal suppliers have claimed an amount of ₹3160.45 Crores (P.Y. ₹ 3045.16 Crores) from the Company for short lifting of material, performance incentive and interest which are disputed by MSPGCL. Due to non-availability of proper documentary evidence, it is difficult to reach a conclusion on correctness of claims by either party. The Company has disclosed these claims by coal suppliers as 'contingent liability' as at 31st March, 2021.

Claims of MSPGCL against coal suppliers, on account of grade slippages, short delivery claims, moisture claims, under-loading claims and interest claims as per terms of agreement amounted to ₹7790.35 Crores (P.Y. ₹ 6764.34 Crores) as at 31st March, 2021. These are not accounted for by MSPGCL as the same are in dispute with coal companies. These are disclosed as 'contingent assets' as at 31st March, 2021.

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

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

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

Scrap and obsolete material are identified by the Company, however the same are not accounted at the time of their identification. Scrap is not valued in the Books of Accounts and its realization is accounted for as and when the auction takes place. Obsolete materials are valued at historical cost and simultaneously 100% provision for obsolescence is made in the Books of Accounts. The provision so created is adjusted upon the auction of the said obsolete item. The Company identifies inventory items as obsolete based on the technological evaluation. Based on the audit procedures conducted by us, the Company has appropriate system of classification of inventory.

11) Whether profit/loss mentioned in Audit Report is as per Profit & Loss Statements of the Company?

The Audit Report as prescribed under the Companies Act, 2013, does not require stating the figure of profit / loss for the year. However, we state that the Profit for the year before Tax Expenses and before OCI reported by the Company is ₹ 421.27 Crores, on which we have issued our Qualified Audit Report dated 23rd November, 2021.

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

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

13) Examine whether the provisions of the Companies Act were followed w.r.t. reporting and disclosure of CSR activities.

As per the provisions of Companies Act, Average net loss of the Company for last three financial years is ₹ 78.17 Crores (P.Y. ₹ 422.83 Crores). Therefore, prescribed CSR expenditure which is 2% of the said average profit is NIL as there is no profit.

In case of Subsidiary Companies:

(A) Mahaguj Collieries Limited:

1. As per the information and explanations given to us and as per our verification of books of accounts for financial year 2020-21, there were no cases of waiver / write off of debts / loans / interest etc.; during the year under audit.

2. There is no inventory lying with third parties. As per the information and explanations given to us and as per our verification of books of accounts for financial year 2020-21, that there are no assets received as gifts from the Government or other Authorities during the year.

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

The Company discloses all its pending litigations / arbitration cases as Contingent Liabilities as identified by the Company. The age-wise analysis of 4 pending litigations / arbitration cases is given below.

Age of cases	No. of cases
1 to 5 years	2
More than 5 years	2
Total	**4**

According to information and explanation given to us, the details of pending litigations and reasons of its pendency are as follows:

Serial No.	Case No., Date & Particulars	Petitioner	Reasons of pendency
1	WP(C) NO. 14924/2012 dated. 14th Aug, 2012 in Orissa High Court Against the process of land acquisition for Machhakata Coal Block	Shri. Nabin Pradhan & Others, Vs. Union of India including Mahaguj Collieries Limited	After cancellation of Coal Block allocation by Hon'ble Supreme Court vide order dated 24.09.2014, the Company is no more a necessary party to the said Writ Petitions filed against the process of land acquisition. Further, we were informed that, as per Coal Mines (Special Provisions) Act, 2015 the State Government is required to continue the land acquisition process.
2	WP(C) NO. 22392/2012 dated. 23rd Nov, 2012 in Orissa High Court against the process of land acquisition for Machhakata Coal Block	Madhaba Sahu & Others Vs. Government of India & Others including Mahaguj Collieries Limited	
3	MDO M/s Adani Enterprises Limited (AEL) has invoked the Arbitration Proceeding for their claims of ₹399.79 Crores on 26.11.2016 before the Arbitral Tribunal due to cancellation of Coal Block. The Arbitration between the Company & M/s. AEL under the Coal Mining Services Agreement dated 06.05.2010	Claimant- M/s AEL Vs. Mahaguj Collieries Limited	We were informed that the recording of evidences (cross examination) of witnesses of both parties is completed before the Tribunal and Oral Arguments is in progress.

4	Commercial Arbitration Petition (L) No. 461 of 2018 dated 21.04.2018 in the Bombay High Court. Application u/s 34 challenging the First Interim Award dated 01.02.2018 directing the Company to pay ₹32.80 Crores to M/s. AEL	Mahaguj Collieries Limited Vs. MDO M/s Adani Enterprises Limited	As per information and explanation given to us, Notice of Motion has been filed by the Company in the Bombay High Court on 21.04.2018, Commercial Division Notice of motion (L) No. 1021 of 2018 and the same is pending for final hearing.

As per information and explanations provided to us and on our verification of other records, the company has incurred expenses amounting to ₹ 2,81,85,217/- on legal and professional fees in financial year 2020-21, for which the company has obtained the approval of the higher management by way of a signed office note before incurring each such expenditure, such approval acts as a monitoring mechanism for expenditure on all legal cases going on against the company.

4. As per information and explanation given to us, the Company has not been selected for disinvestment purposes. Hence, the information sought is not applicable to the Company.

Report on sub-directions issued by Comptroller and Auditor General of India under Section 143(5) of Companies Act, 2013.

1. The Loss mentioned in Audit Report is as per Profit and Loss Statement of the Company for the year ended March 31, 2021.
2. The Hon'ble Supreme Court had cancelled the coal block allocations to the Company in August 2014, and since the Company does not have any coal block as on March 31, 2021, the Company has not accounted for the effect of Rehabilitation Activity and Mine Closure Plan in its financial statements as on March 31, 2021
3. The Company is not holding any Coal Block as on March 31, 2021, hence the requisite statutory compliances which are required under mining and environmental rules and regulations were not obtained by the Company.
4. The Company does not have disbanded and discontinued mines as on March 31, 2021 as the Hon'ble Supreme Court had cancelled the Coal block allocations to the Company in August, 2014; hence there is no payment of corresponding dead rent there against by the Company as on March 31, 2021.
5. As the Company has incurred huge losses during the last 3 years, therefore, the company is not required to undertake CSR activities as per the provisions of Companies Act, 2013.

(B) Dhopave Coastal Power Limited

<u>Directions U/s 143(5) of Companies Act, 2013</u>

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

During the course of audit and as per information and explanations given to us, there were no cases of any cases of waiver/ write off of debts/loans/interest etc. by the company during FY 2020-2021.

2. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities

Not Applicable.

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

Not Applicable.

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

   No, The Company has not been selected for disinvestment.

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

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

   Yes

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

   Not Applicable as the Company is not in operation.

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

   Yes

(C) MAHAGENCO ASH MANAGEMENT SERVICES LIMITED

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

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

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

   Not Applicable. There is No Inventory.

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

   `Not Applicable.

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

   No, Company has not been selected for disinvestment.

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

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

   Yes, it has only Interest from Fixed Deposits as its Revenue.

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

   Not Applicable

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

   Yes

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

   Not Applicable, as no coal is either ordered, or received

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

   Not Applicable

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

    Not Applicable

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

    Not Applicable

For K.S. Aiyar & Co.
Chartered Accountants
FRN: 100186W
UDIN:21038526AAAAEI7399

CA Rajesh Joshi
Partner
ICAI M No. 038526

For RSVA & Co
Chartered Accountants
FRN: 110504W
UDIN:21039555AAAAIU7162

CA B.N.Rao
Partner
ICAI M No. 039555

Place: Mumbai
Date: 23rd November, 2021

ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2021.

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting of MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED (hereinafter referred to as "the Holding Company") and its three subsidiary companies and two associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions anddispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified, in case of holding company, as at March 31, 2021 wherein the internal controls were not operating effectively.

(1) The Company's internal financial control over timely adjustments of advances to suppliers and provision for liabilities made there against;

(2) The Company has initiated the process to establish internal financial control/policy over timely finalization and levying of liquidated damages;

(3) The Company's internal financial control over maintenance of subsidiary records pertaining to employees and correlating of HR module data of SAP generated payroll which is integrated with Finance Module data of SAP but could not be viewed and reconciled.

In case of a subsidiary company i.e. Mahaguj Collieries Limited, not audited by us, the other auditors have reported as under:

"Disclaimer of Opinion

According to information and explanation given to us, the Company has not established internal financial controls over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2021.

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

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

Qualified Opinion:

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

Except for the effects/possible effects of the material weakness stated at paragraph (1) on "Basis for Qualified Opinion" above on the achievement of the objectives of the control criteria, in our opinion, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2021.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021consolidated financial statements of the Company..

The material weakness stated at paragraph (1) on 'Basis for qualified opinion' above with respect to timely adjustments of advances

to suppliers and provision for liabilities made there against has affected our opinion on the consolidated financial statements of the Company and we have issued a qualified opinion in our main audit report.

The other material weaknesses stated in the paragraph (2 and 3) of the "Basis for qualified opinion" above, do not affect our opinion on the consolidated financial statements of the Company.

Other Matters

We could visit physically some of the plants or locations of the Holding Company for carrying out audit process on Internal Finance Control of the Company for the year under report due to lock down imposed by the Government in order to restrict the spread of Covid 19. The IFC related audit work process for the plants and locations not visited by us, for the year under report, was carried out as a 'Work From Home" exercise i.e. from locations other than plants and offices of the Company based on financial data/information/records/supporting made available by management through digital medium by providing SAP access through Dash Board via VPN link.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. We state that such reports have not been received from two associates of the Company.

Our opinion is not qualifiedin respect of the above matters.

For K.S. Aiyar & Co.
Chartered Accountants
FRN: 100186W
UDIN:21038526AAAAEI7399

CA Rajesh Joshi
Partner
ICAI M No. 038526

For RSVA & Co
Chartered Accountants
FRN: 110504W
UDIN:21039555AAAAIU7162

CA B.N.Rao
Partner
ICAI M No. 039555

Place : Mumbai
Date : 23rd November, 2021

BALANCE SHEET AS ON 31st MARCH 2021 (CONSOLIDATED)

(₹ in Crores)

Particulars	Notes	31.03.2021	31.03.2020 Restated	01.04.2019
ASSETS				
Non-Current Assets				
Property, plant &equipment	1	34,286.36	36,275.51	38,289.47
Capital work in progress	2	3,676.69	2,119.63	1,009.15
Right To Use Assets	1A	3,928.69	4,182.73	-
Intangible Assets	1B	2.63	4.30	7.12
Intangible assets under development	2	239.68	133.93	133.76
Financial Assets				
Investment in Subsidiaries and Associates	3	(44.97)	(43.72)	(42.61)
Other non-current assets	4	631.40	641.51	1,428.90
Total Non Current Assets		**42,720.48**	**43,313.89**	**40,825.78**
Current Assets				
Inventories	5	930.09	1,763.03	1,417.89
Financial Assets				
Trade receivables	6	24,518.18	17,803.68	13,551.35
Cash and cash equivalents	7	57.54	4.96	0.32
Loans	8	5.77	7.65	10.64
Other financial assets	9	3,059.50	2,784.86	2,906.89
Other current assets	10	648.50	1,082.53	1,284.53
Total Current Assets		**29,219.57**	**23,446.70**	**19,171.62**
Other asset				
Assets classified as held for sale / disposal	1C	222.61	225.83	200.84
Total Other Assets		**222.61**	**225.83**	**200.84**
Total Assets		**72,162.66**	**66,986.41**	**60,198.24**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	25,407.97	25,343.97	25,284.15
Other equity	12	(6,375.66)	(6,628.33)	(6,727.89)
Total Equity attributable to MSPGCL		**19,032.31**	**18,715.64**	**18,556.26**
Controlling interest other than MSPGCL		21.42	21.53	21.71
Total Equity		**19,053.73**	**18,737.17**	**18,577.97**
Liabilities				
Non Current Liabilities				
Financial liabilities				
Borrowings	13	22,452.20	22,727.01	23,012.11
Provisions	14	1,062.66	1,055.77	827.92
Deferred tax liabilities (Net)	15	1,032.16	836.18	860.46
Other non-current liabilities	16	3,231.28	3,384.73	-
Total Non Current Liabilities		**27,778.30**	**28,003.69**	**24,700.49**
Current Liabilities				

Particulars	Notes	31.03.2021	31.03.2020 Restated	01.04.2019
Financial liabilities				
Borrowings	17	10,473.55	8,101.79	8,060.62
Trade payables - MSME	18	-	0.03	0.12
Trade payables - Other than MSME	18	3,281.59	2,251.91	1,328.22
Other financial liabilities	19	11,219.97	9,521.63	7,236.45
Other current liabilities	20	107.42	82.89	59.19
Provisions	21	248.10	287.30	235.18
Total Current Liabilities		25,330.63	20,245.56	16,919.78
TOTAL EQUITY AND LIABILITIES		**72,162.66**	**66,986.41**	**60,198.24**

As per our report attached

For K. S. Aiyar & Co.
Chartered Accountants
(FRN - 100186W)

(CA Rajesh Joshi)
Partner (ICAI M No. 38526)

For Maharashtra State Power Generation Company Limited

Balasaheb Thite
Director (Finance) & CFO
DIN No.08923676

Sanjay Khandare
Chairman & Managing Director
DIN No.02244985

For RSVA & Co.
Chartered Accountants
(FRN - 110504W)

(C.A. B. N. Rao)
Partner (ICAI M No. 039555)

Pankaj Sharma
Chief General Manager (A/c)

Rahul Dubey
Company Secretary
M No. A14213

Mumbai, 23rd November, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021 (CONSOLIDATED)

(₹ in Crores)

Particulars	Notes	2020-2021	2019-2020 Restated
Revenue			
Revenue from operations			
Sale of power	22	20,891.58	21,963.98
Other operating revenues	23	2,683.88	2,692.33
Other income	**24**	**49.53**	**80.07**
Total Revenue		**23,625.00**	**24,736.38**
Expenses			
Cost of materials consumed	25	13,492.98	14,398.27
Employee benefits expense	26	1,429.42	1,828.97
Finance costs	27	3,637.04	3,578.79
Depreciation & amortization expense	1&1A	2,737.80	2,778.74
Other expenses	28	1,906.44	1,930.17
Total Expenses		**23,203.68**	**24,514.94**
Profit before share of profit of associates, exceptional item and tax		421.32	221.45
Share of profit in associates	24A	(0.05)	0.04
Profit Before Tax		**421.27**	**221.49**
Tax expense:			
Current tax on P&L Items		(46.83)	46.83
Current tax on OCI Items		(0.19)	41.36
Deferred tax	15	195.98	(24.28)
Total Tax Expenses		**148.97**	**63.90**
Profit/(loss) for the period		**272.30**	**157.59**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
I) Remeasurements of the defined benefit plans;		0.75	(164.32)
Tax expense on OCI items		(0.19)	41.36
Other Comprehensive Income for the period (net of tax)		**0.56**	**(122.96)**
Total Comprehensive Income for the period, net of tax		**272.86**	**34.63**
Attributable to:			
Owners of the Company		273.61	158.52
Non-controlling interests		(1.31)	(0.93)
Profit for the year		272.30	157.59
Other comprehensive income Attributable to:			
Owners of the Company		0.56	(122.96)
Non-controlling interests		-	-
Other comprehensive income		**0.56**	**(122.96)**
Total comprehensive income Attributable to:			
Owners of the Company		274.18	35.56

Particulars	Notes	2020-2021	2019-2020 Restated
Non-controlling interests		(1.31)	(0.93)
Total comprehensive income		**272.86**	**34.63**
Earning per share [Basic]	44	0.11	0.06
Earning per share [Diluted]		0.11	0.06

As per our report attached

For K. S. Aiyar & Co.
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(FRN - 100186W)

(CA Rajesh Joshi)
Partner (ICAI M No. 38526)

For Maharashtra State Power Generation Company Limited

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Pankaj Sharma
Chief General Manager (A/c)

Rahul Dubey
Company Secretary
M No. A14213

Mumbai, 23rd November, 2021

STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

I. Equity Share Capital

Particulars	Amount (₹ Crores)
As on 01.04.2019	**25,284.15**
Changes in Equity share capital	59.82
As at 31.03.2020	**25,343.97**
Changes in Equity share capital	64.00
As at 31.03.2021	**25,407.97**

II. Other Equity

(₹ in Crores)

Particulars	Share Application Money Pending Allotment	Retained earnings	Other Compre-hensive Income	Other equity	Total Other Equity	Total Attributable to Owners of the Company	Attributable to Non-controlling Interest	Total Other Equity
As on 01.04.2019	**0.00**	**(6,635.08)**	**(97.45)**	**26.35**	**(6,706.18)**	**(6,727.89)**	**21.71**	**(6,706.18)**
Profit or Loss for the year		-	-	-	-	-	-	-
Other Comprehensive income for the year		157.59	-	-	157.59	158.52	(0.93)	157.59
		-	(122.96)	-	(122.96)	(122.96)	-	(122.96)
Addition to share application money	123.82	-	-	0.74	124.56	123.82	0.74	124.56
Shares Alotted during the year	(59.82)	-	-	-	(59.82)	(59.82)	-	(59.82)
As at 31.03.2020	**64.00**	**(6,477.48)**	**(220.41)**	**27.09**	**(6,606.80)**	**(6,628.33)**	**21.52**	**(6,606.80)**
Profit or Loss for the year		272.30			272.30	273.61	(1.31)	272.30
Other Comprehensive income for the year			0.56		0.56	0.56	-	0.56
Addition to share application money	42.50			1.20	43.70	42.50	1.20	43.70
Shares Alotted during the year	(64.00)				(64.00)	(64.00)	-	(64.00)
As at 31.03.2021	**42.50**	**(6,205.19)**	**(219.85)**	**28.30**	**(6,354.24)**	**(6,375.66)**	**21.42**	**6,354.24)**

As per our report attached

For K. S. Aiyar & Co.
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Mumbai, 23rd November, 2021

For Maharashtra State Power Generation Company Limited

Balasaheb Thite
Director (Finance) & CFO
DIN No.08923676

Sanjay Khandare
Chairman & Managing Director
DIN No.02244985

Pankaj Sharma
Chief General Manager (A/c)

Rahul Dubey
Company Secretary
M No. A14213

Consolidated Cash Flow Statement For The Year Ended 31st March, 2021

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
A. Cash Flow From Operating Activities		
Profit/(Loss) after Tax	272.86	34.63
Adjustments to reconcile profit before tax to net cash used in operating activities:		
Depreciation/ impairment on property, plant and equipment & Intangible Assets	2,737.80	2,778.74
Interest income from Preference Shares	-	-
(Gain)/loss on sale of property, plant and equipment	-	-
Remeasurement of Defined benefit plans Gain / (Loss)	-	-
Amortisation of Foreign Currency Monetary Item Translation Difference	-	-
Spares Written off	-	-
Impairment in Value of Investments	-	-
Fair value gain on Current Investments carried at FVTPL	-	-
(Profit)/Loss on Sale of Current Investment	-	-
Finance Costs	3,637.04	3,578.79
Un realised Exchange Rate Difference	(10.65)	10.83
Allowance for ECL	74.20	134.71
Bad Debts written off	-	-
Interest Income	(0.59)	(0.31)
Provision for obsolescence of inventory	(19.79)	(86.29)
Operating Profit before Changes in Working Capital {Sub Total - (i)}	**6,690.87**	**6,451.09**
Movements in working capital	-	-
(Increase) / Decrease in Trade Receivables	(6,788.70)	(4,387.04)
(Increase) / Decrease in Loans and Advances and Other Assets	174.60	1,089.43
(Increase) /Decrease in Inventories	852.74	(258.85)
Increase / (Decrease) in Liabilites and Other Payables	1,349.24	5,239.32
Sub Total - (ii)	**(4,412.13)**	**1,682.87**
Cash Generated from Operations (i) + (ii)	**2,278.75**	**8,133.95**
Less : Direct Taxes / FBT refund / (paid) - Net	**-**	**-**
Net Cash from Operating Activities (A)	2,278.75	8,133.95
B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment (incl. Capital Work in Progress /excluding interest capitalised)	(2,155.75)	(6,055.35)
Sale of Property, Plant & Equipment	-	-
Purchase of Investments (Including share application money pending allotment/Advance towards Equity)	-	-
Investment in Subsidiary	0.05	(0.12)
Sale Proceeds of current investments	-	-
Loan Given to Subsidiary	-	-
Interest received	0.59	0.31
Dividend Received	-	-
Net Cash Flow generated from / (used in) Investing Activities (B)	**(2,155.12)**	**(6,055.15)**

Particulars	2020-2021	2019-2020 Restated
C. Cash Flow From Financing Activities		
Proceeds from Long Term Borrowings	3,759.05	3,080.11
Long term Loans repaid	(3,373.48)	(2,489.63)
Proceeds from issue of shares	42.50	123.82
Short term Loans raised / (repaid)	2,373.70	51.94
Capital Grant Received	33.46	0.22
Finance Cost paid	(3,417.92)	(3,354.92)
Lease Rent	513.58	525.06
Net Cash Flow generated from / (used in) Financing Activities (C)	**(69.11)**	**(2,063.40)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	54.53	15.41
Cash and cash equivalents at the beginning of the year	4.96	0.32
Cash and cash equivalents at the end of the year	59.49	15.72
Details of cash and cash equivalents at the end of the year:		
Cash and cash equivalents as on		
Balances with Banks:		
- on current accounts	0.03	4.94
Cash Equivalents	57.49	-
Overdraft	1.95	10.77
Cash on hand	0.02	0.02
Cash and cash equivalents at the end of the year	**59.49**	**15.72**

As per our report attached

For K. S. Aiyar & Co.
Chartered Accountants
(FRN - 100186W)

(CA Rajesh Joshi)
Partner (ICAI M No. 38526)

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Mumbai, 23rd November, 2021

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Pankaj Sharma
Chief General Manager (A/c)

Rahul Dubey
Company Secretary
M No. A14213

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

Company Overview and significant accounting policies

A. Corporate Information

Maharashtra State Power Generation Company Limited ("the Holding Company") is a Public Limited Company incorporated under the Companies Act, 1956 and domiciled in India. The Holding Company and its subsidiariesare not listed Companies and its shares are 100% held by MSEB Holding Company Limited.

The Holding Company is engaged in electricity generation through Thermal, Hydel, Gas based across Maharashtra and supplies it principally to Maharashtra State Electricity Distribution Company Limited (MSEDCL a fellow subsidiary) at tariff rate determined by the regulator i.e. Maharashtra Electricity Regulatory Commission.Similarly, the Company is also engaged in electricity generation through Solar based power plants in Maharashtra and supplies the power to consumers including MSEDCL.

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in its joint ventures.

Companies included in consolidation

Name	Country of Incorporation	Nature	Proportion of ownership interest As on 31.03.2019
1) Dhopave Costal Power Limited	India	Subsidiary	100%
2) Mahagenco Ash Management Service Limited	India	Subsidiary	100%
3) Mahaguj Collieries limited	India	Subsidiary	60%
4) UCM	India	Associates	18.75%
5) Chhattisgarh Katghoara Dongargarh Railway Limited	India	Associates	26%

Significant Accounting Policies

B. Following are the significant accounting policies adopted in the preparation and presentation of these Consolidated financial statements. . These accounting policies have been consistently followed by the Company.

Basis of preparation of financial statements

1. Statement of Compliance with Ind AS

The consolidated financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (herein after referred to as Ind AS) as notified under Section 133 of the Companies Act, 2013(The Act), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and in accordance withthe relevant provisions of the Companies Act, 2013.

The Group Company's presentation currency and functional currency is Indian Rupees (₹). All figures appearing in the consolidated Financial Statements are rounded to the nearest Crore (₹ Crores), except where otherwise indicated.

These consolidated financial statements were approved for issue in accordance with the Resolution of the Board of Directors on 23.11.2021.

Principles of Consolidation:

Subsidiaries

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the Company and its subsidiaries and a jointly controlled entity have been consolidated using uniform accounting

policies for like transactions and other events in similar circumstances as mentioned in those policies. The consolidated financial statements of the Group companies are consolidated on a line-by-line basis.

Associate / Joint ventures (equity accounted investees)

A joint venture is an arrangement in which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in jointly controlled entity is accounted for using the equity method (equity accounted investees) and are initially recognized at cost. The Company does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investments in such entities are accounted by the equity method of accounting.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2. Classification of Current / Non-Current Assets and liabilities

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

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

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

3. Note on Historical cost convention

The consolidated financial statements have been prepared as a going concern under the historical cost convention and on accrual basis except:

(a) certain financial instruments which are on fair value basis

(b) employees defined benefit plans which are on fair value basis

(c) Assets held for sale are measured at lower of its carrying amount and fair value less cost to sale which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

In case of M/s. Mahaguj, The Hon'ble Supreme Court had vide its order dated 25.08.2014 read with Order dated 24.09.2014 cancelled the allocation of all the coal block made by Ministry of Coal, Govt. of India between the period 1993 to 2010 which includes the Machhakata-Mahanadi coal blocks allotted to the Promoters of the Company. The Govt. of India had issued The Coal Mines (Special Provision) Act, 2015 (no. 11 of 2015) with retrospective effect from 21.10.2014 for reallocation process of cancelled coal blocks. Accordingly, after the reallocation of the said blocks to new allottee by the Ministry of Coal, Govt. of India, the process for transfer of documents and rights namely the Geological Report, Mining Plan, Mine Closure Plan etc. shall be undertaken as per directives of the Ministry of Coal, Govt. of India. In view of the above, the financial statements of the Company, are continued to be prepared on a going concern basis.

In case of M/s. DCPL, the accounts have not been prepared on a Going Concern basis as holding company Board

accorded approval for closure of subsidiary company namely Dhopave Coastal Power Ltd (DCPL) and approached Govt. of Maharashtra (GOM) for approval of closure of DCPL.

Use of Judgment and Estimates

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

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

- Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;
- Impairment of non-financial assets;
- Fair value measurements of Financial instruments;
- Measurement of Defined Benefit Obligation, key actuarial assumptions;
- Provisions and Contingencies;
- Evaluation of recoverability of deferred tax assets;

Revisions to accounting estimates are recognized prospectively in the consolidated Financial Statements in the period in which the estimates are revised and in any future periods affected unless they are required to be treated retrospectively under relevant Accounting Standards.

4. Property, Plant and Equipment

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

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

The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost (after deducting the proceeds from selling any items produced during the trial run period)and other operating expenses such as freight, installation charges etc. net of other income during the construction period. The projects under construction are carried at costs comprising of direct costs, related pre-operational incidental expenses and attributable interest.

Subsequent expenditures are included in assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

iii. Capital Expenditure incurred by the Company, resulting in creation of Property Plant and Equipment for which Company does not have ownership rights and control over it, is reflected as a part of capital work in progress till the assets are under construction and an equivalent amount is provided for by way of debiting obsolescence of assets expense which is charged off to the Statement of Profit and Loss in the year in which it is incurred. Upon completion of construction the aforesaid capital expenditure will be capitalized and adjusted against the provision created for assets not owned by the company.Contribution towards the cost of assets not owned by the company and corporate social responsibility activities are charged off to Statement of Profit and Loss when incurred.

iv. Enabling Asset Policy (CASE TO CASE BASIS) - Items of property, plant and equipment acquired by the Company, (although not directly increasing the future economic benefits from such assets), may be necessary

for the Company to obtain the future economic benefits from its other assets. Such items of property, plant and equipment qualify for recognition as assets because they enable the Company to derive future economic benefits from related assets in excess of what could be derived had those items not been acquired. However, capitalization of assets is done by the Company only after verifying the nature of assets on case to case basis.

v. In case of Capital Work in Progress where the final settlement of bills with the contractor is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

vi. Claims for price variation in case of capital contracts are accounted for, on acceptance thereof by the Company.

vii. An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognized and disposed off.

viii. As regards additional capital expenditure in respect of newly commissioned projects, Company adopts following policy which is in line with MERC MYT Regulations, 2019.

Company capitalizes the cost of additional mandatory spares/ Critical Spares / Initial spares upto four percent of the capital cost of the project, which are either procured along with the commissioning of original plant or procured subsequently after commissioning within a period of three years or as may be permitted by MERC.

ix. Spare parts which are meeting the requirement of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.

x. Written Down Value of old Machinery Spares is charged to the Statement of Profit and Loss in the year in which such spares are replaced and the old relevant spares are found to be of no further use. However, if the old relevant spares can be repaired and reused, then both are continued to be depreciated over the remaining useful life of the relevant asset. The repair charges of the old relevant spares are charged to Statement of Profit and Loss.

xi. In case of replacement of part of asset / replacement of capital spare where Written Down value of such original part of asset / capital spare is not known, the cost/ net book value of the new part of asset / new capital spare shall be written off and charged to Statement of Profit & Loss.

xii. The Company had chosen the carrying value of Property, Plant and Equipment existing as per previous GAAP as on date of transition to Ind AS as deemed cost.

5. Intangible Assets

Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Intangible assets (other than software) are amortised on straight line basis over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Software are amortised as per the rate prescribed by MERC. The amortisation expense on intangible assets and impairment loss is recognised in the statement of Profit & Loss.

The Company has chosen the carrying value of Intangible Assets existing as per previous GAAP as on date of transition to Ind AS as deemed cost.

6. Capital Work-in-progress

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

Further, the expenditure in respect of new projects / capacity expansion would commence getting capitalized upon approval of the Board of Directors of the Company to implement the respective project upon completion of exploration and technical and financial feasibility studies of the project. The expenditure incurred in relation to exploration activities and project feasibility studies are charged to Statement of Profit and Loss as and when incurred.

a) The expenditure on the salaries directly attributable to project will form the part of the project cost till

completion of Boiler-Turbine-Generator related activities and Balance Of Plants related activities.

b) Admin & General expenditure that are directly attributable to construction of the project will be capitalised as a part of project cost upto one year after commissioning of the said project in view of completion of balance project related activities and subsequently it will be charged to Statement of Profit and Loss.

c) None of the expenditure of Generation Construction Office Koradi & Head Office will be allocated to small capital scheme. The small capital scheme are the schemes which entails less than twelve months time for its construction.

d) In the event, the company is executing more than one project,/ capital scheme (other than small schemes) the common cost incurred at Generation Construction Office Koradi & Head Office will be to allocated on the basis of the addition to the relevant work-in-progress during the year.

7. The Liquidated Damages are adjusted to the Cost of Property Plant and Equipment during the year it is crystallized.

8. Borrowing Cost

Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset till the month in which the asset is ready for intended use. . Company also capitalizes actual interest incurred on the general borrowings which are attributable to Qualifying Assets until the directly attributable long term borrowing funds are received. Further, Company amortises the Commitment Charges incurred in respect of borrowings attributable to Qualifying Assets over the period of balance tenure of the said borrowings.

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.

9. Impairment of Non-Financial Assets

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

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

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

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

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

Thereafter, the Ministry of Coal had invited details of valuation from prior allottee of Coal Block and subsequently, the valuation details were also required to be submitted on affidavit. The said information regarding the development of the Coal Block was submitted on affidavit. This information was sought by the MOC as there is mechanism to transfer of documents & rights namely the Geological Report, Mining Plan, Mine Closure Plan etc. from the prior allottee to successful bidder. The Ministry of Coal has undertaken the process of valuation of the expenditure incurred by prior allottee in those cases where the Ministry of Coal has reallocated Coal Block through Competitive Bidding since March, 2015.

The Machhakata - Mahanadi Coal Block has not been re-allotted to any bidder as on 31st March, 2019 and the Company has not received any communication from the Ministry of Coal regarding the valuation of expenditure incurred by the Company. In view of this, the management is of the opinion that none of the Company's Assets are to be impaired.

The expenses incurred up to F.Y. 2014-15 amounting to ₹ 54,40,70,111/-were shown under other non-current assets in the Balance Sheet. These expenses mainly comprises of Company formation expenses, payment to CMPDIL for purchase of Geological Report, Washability test report, consultancy, Legal & professional charges and various operative expenses incurred for development of the Coal Mine. The Company is of the view that expenses incurred for purchase of Geological report in previous years can be construed as Mine Infrastructure expenses which has been claimed with Ministry of Coal. Government of India.

After cancellation of Coal Block allocation by Hon'ble Supreme Court, MoC had initiated the valuation of the compensation to the prior allottees as per the Coal Mines (Special Provision) Ordinance, 2014. In reply, MGCL informed the expenditure incurred by the Company. Further, MoC has started the valuation process of expenditure of prior allottees wherein re-allocation/vesting order has been issued to the successful bidders. As the Machhakata Coal Block is not yet allocated to any bidder, the MoC has not considered the same for valuation.

The reimbursement of expenditure to the Company may be on the merits as per valuation process and provisions in the Coal Mines (Special Provisions) Ordinance, 2014. Presently, no provision is made in the account for the expenditure which will not be considered by MoC for reimbursement. However, after finalization of valuation process by MoC, the necessary adjustment/provision will be made in the accounts.

10. Depreciation /Amortization

A. Leasehold land is amortized at the rate of 3.34% p.a. on straight line basis as prescribed under MERC Regulation.

B. Property, Plant and Equipment

i. The Hoding Company being rate regulated entity has followed the depreciation rates and methodology and life of assets as prescribed by Maharashtra Electricity Regulatory Commission. Accordingly, the Company provides depreciation on straight line method to the extent of 90% of the cost of asset.

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

iii. In case of Assets (other than assets mentioned in (iv) below) whose depreciation has not been charged upto 70% of the asset value after its commissioning, company charges the depreciation at rates as prescribed below, on the Gross Cost of assets for calculating depreciation till the end of such year in which the accumulated depreciation reaches upto 70% of the asset value in respect of such asset. After attainment of 70% depreciation, the company charges depreciation on the basis of balance useful life upto 90% of the value of asset,in terms of the estimated useful life for Thermal, Gas and Solar based power generating Stations as 25 years and in case of Hydro Generating Stations as 35 years as prescribed by MERC.

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

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

Type of asset	Depreciation (%)
Furniture, Fixtures and Office Equipment	6.33%
Vehicles	9.50%
IT Equipment	15.00%

v. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition. Cost of all Mobile Phones/Tablet is capitalized and depreciated at 100% during the year of purchase irrespective of threshold limit.

C. Intangible Assets:

Expenses capitalized on account of purchase of new application software, implementation of the said software by external third party consultants and purchase of licenses are amortized as prescribed by MERC at the rate mentioned below -

Type of asset	Depreciation (%)
Software	30%

Depreciation on the assets of subsidiaries is charged on straight line method following the useful life specified in Schedule II of the Companies Act, 2013

11. Non-currents assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met, only when the sale is highly probable and the asset is available for immediate sale in its present condition. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

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

12. Inventories

Materials and other items held for generation of electricity are not written down below cost since the sale of electricity will be sold at or above the cost of generation. Cost comprises of cost of purchase (net of input tax credit receivable) and other costs incurred in bringing them to their present location and condition. Stock of materials including stores, spare parts is valued at lower of cost and net realizable value, and cost is determined on weighted average cost method. Losses towards unserviceable and obsolete stores and spares identified on review are provided in the accounts.

13. Revenue Recognition

i. Revenue from Sale of electricity is accounted for based on predefined tariff rates at the beginning of the year as approved by the Maharashtra Electricity Regulatory Commission (MERC), inclusive of Fuel Adjustment Charges and includes unbilled revenues accrued up to the end of the accounting period which is subject to true up process by MERC in the subsequent years.

ii. In terms of Power Purchase Agreement with MSEDCL, Company recognizes Delayed Payment Surcharge @ State Bank of India Marginal Cost of Funds-based Lending Rate (MCLR) plus 350 basis points, per month towards delay in receipt of energy bills beyond the credit period, on accrual basis.

iii. Interest income is recognised taking into account the amount outstanding and the applicable interest rate.

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

v. Other income is recognized on accrual basis. Sale of scrap, reject coal etc. is accounted for when such scrap is actually lifted by the buyer from Company's premises and company prepares invoice towards the said sale transaction. Recoveries on account of Liquidated Damages are adjusted against the cost of project when they are directly identifiable with the project and for mitigating the additional cost of the projectin the year

it is crystallized. Interest on advance to contractors for projects are adjusted to cost of projects and when crystallized and accrued. In all other cases, liquidated damages are credited to Other Income.

vi. Company recognizes the value of unsold Energy Saving Certificates as at the end of the financial year by crediting to revenue on accrual basis. Upon sale of the said certificates, the adjustment between the accrued value and actual sale value is effected to Profit and Loss Statement in the year of their actual sale.

14. Accounting/ classification of expenditure and income

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

Insurance claims are accounted on acceptance basis.

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

15. Investments in subsidiaries, Associates and Joint Ventures

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

The Group had elected to recognise its investments in Subsidiaries, associates and joint ventures at the carrying value existing as per previous GAAP as on date of transition to Ind AS as deemed cost.

16. Foreign Currency transactions

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

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

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

17. Employee Benefits

Short Term Employee Benefits

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

Ex-gratia

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

Long Term Employee Benefits

a) Defined Benefit Plans

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

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

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

(c) Other long-term employee benefits

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

18. Leases

For contracts entered into, or changed, on or after 1 April 2019, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

For contracts entered into before 1 April 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset.

i.) Company as a lessee

The right-of-use asset is depreciated using the straight-line method up to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is measured at amortised cost.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense.

ii.) Company as a lessor

The leases where the Company is a lessor are accounted for as per the method prescribed under Ind AS 116.

19. Government Grant

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

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

In terms of Ind AS 20 Amendment Rules dated 20th September, 2018 issued by Government of India, Government grants related to assets, shall be presented in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Consequently, in FY 2020-21, the Company has elected to adopt the approach of deducting the grant from the asset value.

20. Provisions, Contingent Liabilities and Contingent Assets

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

If the effect of the time value of money is material, provisions are discounted using an appropriate discount rate. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

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

Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit as set out in Note No.42B.

Contingent assets are not recognised but disclosed if they are above threshold limit in the financial statements when an inflow of economic benefits is probable.

21. Fair value measurement

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

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

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

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

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

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

22. Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.The Groups's financial asset comprise the following

i) Current Financial assets mainly consisting of trade receivables, cash and bank balances, short term deposits

ii) Non-Current financial assets mainly consisting of equity investment in subsidiaries, loans and advances to subsidiaries, long term receivables etc.

Financial Assets

A. Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the Statement of Profit or loss.

B. Subsequent measurement

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

The Company classifies financial assets as under;

(a) subsequently measured at amortised cost;

(b) A financial asset is measured

(c) fair value through other comprehensive income; or

(d) fair value through profit or loss

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

Amortized cost

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

The asset is held within a business model whose objective is

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

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

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

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

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

Equity investments

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

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

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

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

Impairment of financial assets

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

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. Based on the assessment of the risk as on the reporting date in comparison with the risk assessment on initial recognition date, Company recognises an impairment loss or gain in expected credit loss provision in the Profit & Loss statement.

Derecognition of financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets)is primarily derecognised (i.e. removed from the Company's financial statements) when:

l. The rights to receive cash flows from the asset have expired, or

2. The Company has transferred its rights to receive cash flows from the asset or has assumed anobligation to pay the received cash flows in full without material delay to a third party under a'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards ofthe asset, but has transferred control of the asset

On Derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

Financial Liabilities

b) Financial liabilities and equity instruments

Classification as debt or equity

An instruments issued by a company are classified as either financial liabilities or as equity inaccordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at theproceeds received.

Financial liabilities

The Company's current financial liabilities mainly comprise (a) Borrowings, (b) trade payables,(c) liability for capital expenditure, (d) security deposit and (e) other payables

Initial recognition and measurement

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

Subsequent measurement

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

(i) Borrowings

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

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

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

(ii) Trade and other payables

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When

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

Offsetting of financial instruments

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

23. Cash and Cash equivalents

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

24. Cash flow statement

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

25. Earning Per Share

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

For the purpose of calculating Earning Per Share, the share application money pending allotment, in terms of the commitment from Government of Maharashtra through the Holding company, has been considered as confirmed allotment.

26. Taxation

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

(a) Current Tax

Current tax is determined as per the provisions of the Income Tax Act, 1961 in respect of Taxable Income for the year, after considering permissible tax exemption, deduction / disallowance. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the time of reporting. With effect from Financial Year 2019-20, the Company has elected to opt for the concessional rate of tax under new tax regime as per section 115BAA of Income Tax Act, 1961.

(b) Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

credits and unused tax losses can be utilised.

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

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

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

27. Trade Receivable–

Company classified Trade Receivable as the financial instruments at amortised cost. Trade receivables are carried at original invoice amount less provisions for Expected Credit Loss. For recognition of impairment loss on these financial assets, the Company assesses whether there has been a significant increase in the credit risk since initial recognition.

Note No. 1: PROPERTY, PLANT AND EQUIPMENT- Consolidated

TANGIBLE ASSETS

Cost	ASSET															₹ in Crores
	Land (including development)		Buildings		Hydraulic Works	Other Civil Works		Plant, Machinery & Equipments	Lines & Cable Networks	Vehicles	Furniture & Fixtures	Office Equipments	Capital Expenditure resulting in Assets not belonging to the Company	Total Tangible Assets	Less:- Depreciation Capitalised	Depreciation charged to Statement of Profit & Loss
	Freehold	Leasehold	Factory Buildings	Others		Railway Sidings	Roads and Others									
As on 01.04.2019	**1,638.20**	**106.11**	**890.53**	**1,092.22**	**2,527.86**	**1,475.79**	**442.40**	**37,323.58**	**490.45**	**19.12**	**28.77**	**45.26**	**57.49**	**46,137.79**		
Addition	16.10	-	1.13	20.43	33.32	3.85	149.12	352.41	0.03	3.77	3.07	8.52	-	591.74		
Deduction	-	-	7.89	6.25	78.01	(0.56)	4.71	701.81	1.22	0.47	0.94	2.15	-	802.90		
As at 31.03.2020	**1,654.30**	**106.11**	**883.78**	**1,106.40**	**2,483.17**	**1,480.20**	**586.81**	**36,974.18**	**489.26**	**22.42**	**30.90**	**51.63**	**57.49**	**45,926.63**		
Addition	2.27	-	0.77	57.98	27.05	106.05	104.24	178.97	-	6.47	3.10	6.38	-	493.28		
Deduction	-	-	-	-	-	-	-	0.04	-	0.21	-	0.95	-	1.20		
As at 31.03.2021	**1,656.56**	**106.11**	**884.55**	**1,164.38**	**2,510.22**	**1,586.25**	**691.05**	**37,153.12**	**489.26**	**28.68**	**34.00**	**57.06**	**57.49**	**46,418.72**		
Accumulated Depreciation and impairment	-	-	-	-	-	-	-	-	-	-	-	-	-			
As on 01.04.2019	**-**	**17.50**	**61.66**	**242.10**	**563.10**	**207.40**	**87.86**	**6,516.78**	**111.45**	**1.48**	**6.54**	**15.12**	**17.32**	**7,848.32**		
Addition	-	4.38	36.72	83.50	132.63	67.92	20.31	2,136.97	23.82	2.13	2.88	5.04	4.54	2,520.84	0.11	2,520.73
Deduction	-	-	7.10	5.83	70.14	(0.34)	4.24	626.81	1.10	0.42	0.84	1.90	-	718.04		
As at 31.03.2020	**-**	**21.88**	**91.28**	**319.76**	**625.60**	**275.65**	**103.93**	**8,026.94**	**134.17**	**3.19**	**8.59**	**18.26**	**21.86**	**9,651.12**		
2	-	4.38	36.68	75.19	137.59	62.52	25.52	2,100.78	23.92	2.51	2.99	5.74	4.54	2,482.37	0.29	2,482.07
Deduction/ Adjustments	-	-	-	-	-	-	-	0.03	-	0.19	-	0.91	-	1.13		
As at 31.03.2021	**-**	**26.26**	**127.96**	**394.95**	**763.19**	**338.18**	**129.45**	**10,127.69**	**158.09**	**5.51**	**11.58**	**23.10**	**26.40**	**12,132.36**		
As on 01.04.2019	**1,638.20**	**88.60**	**828.87**	**850.13**	**1,964.75**	**1,268.39**	**354.54**	**30,806.80**	**379.00**	**17.64**	**22.23**	**30.14**	**40.16**	**38,289.47**		
As at 31.03.2020	**1,654.30**	**84.23**	**792.50**	**786.64**	**1,857.57**	**1,204.55**	**482.87**	**28,947.25**	**355.08**	**19.23**	**22.31**	**33.36**	**35.63**	**36,275.51**		
As at 31.03.2021	**1,656.56**	**79.85**	**756.59**	**769.44**	**1,747.03**	**1,248.07**	**561.60**	**27,025.43**	**331.16**	**23.17**	**22.42**	**33.96**	**31.09**	**34,286.36**		

Note No. - 1A Right to Use Assets - Consolidated

(₹ in Crores)

Cost	Amount
Gross Amount	
As on 01.04.2019	**-**
Addition	4,436.67
Deduction	-
As at 31.03.2020	**4,436.67**
Addition	-
Deduction	(3.52)
As at 31.03.2021	**4,440.20**
Accumulated Amortisation	
As on 01.04.2019	**-**
Addition	253.94
Deduction	-
As at 31.03.2020	**253.94**
Addition	254.04
Deduction/Adjustments	(3.52)
As at 31.03.2021	**511.51**
Net Carrying Amount	
As on 01.04.2019	**-**
As at 31.03.2020	**4,182.73**
As at 31.03.2021	**3,928.69**

Note No. - 1B Intangible Assets - Consolidated

(₹ in Crores)

Cost	Software Licences
Gross Amount	
As on 01.04.2019	**32.88**
Addition	1.25
Deduction	0.21
As at 31.03.2020	**33.93**
Addition	0.42
Deduction	0.21
As at 31.03.2021	**34.14**
Accumulated Amortisation	
As on 01.04.2019	**25.76**
Addition	4.07
Deduction	0.21
As at 31.03.2020	**29.62**
Addition	2.03
Deduction/Adjustments	0.14
As at 31.03.2021	**31.51**
Net Carrying Amount	
As on 01.04.2019	**7.12**
As at 31.03.2020	**4.30**
As at 31.03.2021	**2.63**

Note No. 1C Assets classifies as held for sale - Consolidated

(₹ in Crores)

Non-current assets held for sale	31.03.2021	31.03.2020 Restated	As on 01.04.2019
Plant & Machinery	196.67	196.68	188.23
Factory Buildings & Others	6.63	6.63	9.53
Hydraulic Works	13.77	13.77	8.51
Railway Sidings, Roads & Others	26.26	26.26	26.25
Lines & Cable Networks	1.83	1.83	8.84
Vehicles	0.35	0.34	0.35
Furniture & Fixtures	0.45	0.45	0.37
Office Equipments	1.01	0.99	0.78
Other Miscellaneous Assets	0.07	0.07	0.07
Less : Provision for obsolescence	24.41	21.17	42.09
Total	**222.61**	**225.83**	**200.84**

Note: Operations of the power generating unit no. 5 at Koradi TPS & unit no. 4 & 5 at Parali TPS Chandrapur 1 & 2 , Bhusawal unit no. 2 have been discontinued. The company is in the process of disposing of these assets. The Company has reclassified the said assets as assets held for sale. No further impairment loss has been recognised on reclassification as the Company expects that the fair value (estimated based on the recent market prices of similar properties) less costs to sell is higher than it's carrying amount as on 31st March, 2021.

Note NO. 2 Consolidated Capital Work in Progress

(₹ in Crores)

	TOTAL Tangible CWIP	Freehold Land	Leasehold Land	Factory Buildings	Other Buildings	Hydraulic works	Railway Sidings	Roads & Others	Plant & Machinary	Line cabels & network	Vehicles	Furniture & Fixtures	Office equipment	Intangible Assets
As on 01.04.2019	**1043.12**	**14.49**	**-**	**529.38**	**2.96**	**0.45**	**1.98**	**71.84**	**421.08**	**-**	**0.00**	**0.00**	**0.95**	**133.76**
Addition	1,350.53	-		580.92	18.31	13.46		46.89	689.21		0.00	1.18	0.56	0.17
Deletion	233.94	13.46		96.95	2.35	0.23		9.81	110.58		0.00	-	0.56	-
As at 31.03.2020	**2159.72**	**1.03**	**-**	**1,013.36**	**18.92**	**13.68**	**1.98**	**108.92**	**999.71**	**-**	**0.00**	**1.18**	**0.95**	**133.93**
Addition	1,596.66	-		344.62	10.04	4.05		28.09	1,206.16		-	0.40	3.32	105.75
Deletion	16.10	-		85.21	1.53	3.64		93.14	-169.49		-	1.17	0.89	-
As at 31.03.2021	**3740.29**	**1.03**	**-**	**1,272.76**	**27.42**	**14.09**	**1.98**	**43.87**	**2,375.35**	**-**	**0.00**	**0.40**	**3.38**	**239.68**
Net Capital Work in Progess														
Less:- Provision for obsloescence	33.98								33.98					
As on 31.03.2019	**1,009.15**	**14.49**	**-**	**529.38**	**2.96**	**0.45**	**1.98**	**71.84**	**387.10**	**-**	**0.00**	**0.00**	**0.95**	**133.76**
Less:- Provision for obsloescence	40.09								40.09					
As at 31.03.2020	**2,119.63**	**1.03**	**-**	**1,013.36**	**18.92**	**13.68**	**1.98**	**108.92**	**959.62**	**-**	**0.00**	**1.18**	**0.95**	**133.93**
Less:- Provision for obsloescence	55.36								63.59					
As at 31.03.2021	**3,676.69**	**1.03**	**-**	**1,272.76**	**27.42**	**14.09**	**1.98**	**43.87**	**2,311.76**	**-**	**0.00**	**0.40**	**3.38**	**239.68**

Note:- Capital Work In Progress in respect of Intangible Assets comprise of licence aquired for development of Gare-Palma Mine.

Note 3 : Non-Current, Long Term, Investment in Subsidiaries, Joint Ventures and Associates - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Investments in equity instruments at cost less impairment			
UCM coal company limited 30,000 (P.Y. 30,000) Equity shares of Rs 10 each fully paid up	(0.44)	(0.39)	(0.43)
Chhattisgarh Katghoara Dongargarh Railway Limited 520000 Equity shares of Rs 10 each fully paid up	0.52	0.52	0.52
Quasi Equity investment in subsidiaries (In the nature of advances)	5.32	5.32	5.32
Total	**5.39**	**5.44**	**5.40**
Less : Allowance for Expected Credit Loss & impairment in the value of investment	(50.36)	(49.17)	(48.01)
Total	**(44.97)**	**(43.72)**	**(42.61)**

Note 4 : Other Non-Current Assets - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Advances for O&M Supplies/ recoverables	254.11	254.11	252.34
Less:- Allowance for Expected Credit Loss	(254.11)	(254.11)	(252.34)
	-	-	-
Advance to Irrigation Department Government of Maharashtra	76.21	76.21	76.21
Less:- Allowance for Expected Credit Loss	(76.21)	(76.21)	(76.21)
	-	**-**	**-**
Income Tax Refundable (net of provisions)	326.62	267.24	313.99
Staff Advance	0.88	0.88	1.95
Expenditure to be amortised	1.16	-	-
Capital advances	248.33	318.98	307.39
Deferred Lease Rent (Hydro Plants)	-	-	751.16
Tax claims	**54.41**	**54.41**	**54.41**
Total	**631.40**	**641.51**	**1,428.90**

Note 5 : Current Assets-Inventories - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Raw materials (Coal)	312.30	998.38	665.36
Fuel Oil, LDO etc	182.48	230.82	218.67
Stock-in-transit (Coal & Oil)	43.05	78.12	36.09
Stores and spares	877.36	924.30	887.41
Less : Provision for Obsolescence of stores and spares	(456.68)	(436.89)	(350.60)
Less : Provision for material shortage pending investigation	(28.42)	(31.71)	(39.05)
Total	**930.09**	**1763.03**	**1417.89**

Note 6 : Current Assets - Trade Receivables - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Unsecured considered good;	**24,518.18**	**17,803.68**	**13,551.35**
Doubtful	167.15	167.15	40.16
Less: Allowance for Expected Credit Loss	(167.15)	(167.15)	(40.16)
Total	**24,518.18**	**17,803.68**	**13,551.35**

Note 7 : Current Assets-Cash and Cash Equivalents - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Balances with Scheduled Banks:			
- on Current Accounts	0.03	4.94	0.24
Cash Equivalents	57.49	-	-
Cash on Hand	0.02	0.02	0.07
Total	**57.54**	**4.96**	**0.32**

Note 8 : Current Assets-Current Loans - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Unsecured, considered good			
Employee loans and advances	5.77	7.65	10.64
Total	**5.77**	**7.65**	**10.64**

Note 9 : Other Current Financial Assets - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Unsecured, considered good			
Recoverables from Employees	31.64	5.42	4.48
Unbilled Receivables	2,706.55	2,516.94	2,617.19
Tax claims including MVAT set-off	78.33	96.67	114.30
Rent Receivable	0.45	0.12	0.13
Claims receivable	109.91	124.10	123.07
Deposit paid by Mahagenco to Related Party	15.81	4.94	4.28
Stock of Energy Saving Certificates	1.96	-	-
Recoverable from Contractors, Deposits paid by Mahagenco	114.85	36.66	43.43
Total	**3,059.50**	**2,784.86**	**2,906.89**

Note 10 : Current Assets-Other Assets - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Prepaid Expenses	37.14	48.87	38.09
Advances for O & M supplies / works	397.70	440.37	589.62
	0.01	0.00	0.00
Advances for fuel supplies/Others	417.25	724.04	787.57
Less:- Allowance for Expected Credit Loss	(203.60)	(130.75)	(130.75)
Total	**648.50**	**1,082.53**	**1,284.53**

Note No. 11

SHARE CAPITAL - - CONSOLIDATED

i) Authorised Capital

Class of Share	Par value ₹	As at 31.03.2021		As at 31.03.2020		As at 01-04-2019	
		No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)
Equity Shares	10	40,000,000,000	40,000.00	40,000,000,000	40,000.00	25,000,000,000	25,000.00

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

Class of Share	Par value ₹	As at 31.03.2021		As at 31.03.2020		As at 01-04-2019	
		No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)
Equity Shares	10	25,407,946,226	25,407.95	25,343,946,226	25,343.95	25,284,126,226	25,284.13

iii) Reconciliation of Number of Shares Outstanding

Class of Share	As at 31.03.2021		As at 31.03.2020		As at 01-04-2019	
	Equity Shares		Equity Shares		Equity Shares	
	No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)
Outstanding at the beginning of the year	25,343,946,226	25,343.95	25,284,126,226	25,284.13	25,247,126,126	25,247.13
Addition during the period	64,000,000	64.00	59,820,000	59.82	37,000,100	37.00
Outstanding at the end of the year	25,407,946,226	25,407.95	25,343,946,226	25,343.95	25,284,126,226	25,284.13

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

1) The Company is having only one class of shares i.e Equity carrying a nominal value of ₹ 10/- per share.

(2) Company is 100% subsidiary of MSEB Holding Company Ltd.. which is entitled to 100% vote. The dividend, proposed by Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

(3) Shareholders of the Company have a right to receive dividend whenever such dividend is approved.

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

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

Name of Shareholder	As at 31.03.2021	As at 31.03.2020	As at 01-04-2019
	Equity Shares	Equity Shares	Equity Shares
MSEB Holding Company Ltd. (Nos.)	25,407,946,226	25,343,946,226	25,284,126,226
MSEB Holding Company Ltd. (Amount in ₹ Crores)	25,407.95	25,343.95	25,284.13

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

Name of Shareholder	As at 31.03.2021		As at 31.03.2020		As at 01-04-2019	
	Equity Shares	% of Shares	Equity Shares	% of Shares	Equity Shares	% of Shares
MSEB Holding Company Ltd.	25,407,946,226	100.00	25,343,946,226	100.00	25,284,126,226	100.00

Note 12 : Other Equity- (a): Reserves and Surplus - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Retained Earnings			
As per last Balance Sheet	(6,694.40)	(6,729.95)	(6,414.81)
As per last Balance Sheet attributable to Non-controlling Interest	(3.50)	(2.57)	(1.50)
Add : Profit/(loss) for the year attributable to Parent owner	274.17	35.56	(315.15)
Add : Profit/(loss) for the year attributable to Non-controlling Interest	(1.31)	(0.93)	(1.08)
	(6,425.04)	**(6,697.90)**	**(6,732.53)**
Other Equity-(b): Other Reserves			
	-	-	
Other Equity Attributable to Parent Owner	44.57	66.07	2.07
Other Equity Attributable to Non-controlling Interest	26.23	25.03	24.28
Grand Total	(6,354.24)	(6,606.80)	(6,706.18)

Note 13 : Non Current Borrowings

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Term loans			
Secured			
Term Loan From Financial Institutions	20,567.14	20,524.27	20,547.10
Term Loan From Banks	1,248.54	1,436.43	1,625.82
Un - secured			-
Term Loan From Financial Institutions			-
Loan from World Bank	254.42	276.82	266.62
Loan from CSSEPL (Baramati Project)	174.19	182.79	191.39
Loan from KFW	207.91	306.70	381.18
Total	**22,452.20**	**22,727.01**	**23,012.11**

Note 14 : Non Current Provisions - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Provision for Gratuity	518.22	528.37	425.41
Provision for Leave Encashment	544.44	527.40	402.52
Total	**1,062.66**	**1,055.77**	**827.92**

Note 15 : Deferred Tax Liabilities - Consolidated

a) Tax Expense recognised in profit and loss

(₹ in Crores)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax expence		
Current year	(0.19)	41.36
Changes in estimats relating to prior years	(0.19)	41.36
Deferred tax expence		
Origination and reversal of temporary differences	195.98	(24.28)
Change in tax rate	-	-
Changes in stimates relating to prior years	-	-
	195.98	**(24.28)**
Tax expense recognised in the income statement	**195.80**	**17.08**

(b) Tax expense recognised in other comprehensive income

(₹ in Crores)

Particulars	For the year ended March 31, 2021		
Current tax expence	Before tax	Tax expense/ (benefit)	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	0.75	(0.19)	0.56
	0.75	**(0.19)**	**0.56**
	For the year ended March 31, 2021		
	Before tax	Tax expense/ (benefit)	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(164.32)	41.36	(122.96)
	(164.32)	**41.36**	**(122.96)**

C) Reconciliation of effective tax rate

(₹ in Crores)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	**424.60**	**223.84**
Applicable tax rate	**25.17%**	**25.17%**
Tax using the Company's domestic tax rate	**106.86**	**56.34**

Change in tax rate	-	-
Tax effect of:		
Non-deductible expenses	4.58	3.24
Timing Difference on account of		
-For Depreciation and other items	69.46	(334.97)
- Impairment of financial assets	0.00	(0.29)
- Expenditure allowable on actual payment basis	(30.31)	(26.56)
- Amortisation of lease liabilities	38.02	(1,131.25)
Deferrred Tax adjustment for earlier years	(0.34)	1,408.34
CSR Expenditure not deductible	7.72	0.87
OCI Items	(0.19)	41.36
Tax expense	**195.80**	**17.08**
Effective tax rate	**46.11%**	**7.63%**

D) Movement in deferred tax balances

(₹ in Crores)

Particulars				March 31, 2021		
	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(4,001.70)	(163.20)	-	(4,164.90)	-	(4,164.90)
Investments	12.68	(0.00)	-	12.68	12.68	-
Inventories	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-
Lease Liabilities	890.53	(38.02)		852.51	852.51	
Provisions	338.02	(8.25)	(0.19)	329.59	329.59	-
Unabsorbed Depreciation	1,766.20	(4.66)	-	1,761.54	1,761.54	-
Loans and Advances	158.10	18.33	-	176.43	176.43	-
Tax assets (Liabilities)	**(836.18)**	**(195.80)**	**(0.19)**	**(1,032.16)**	**3,132.74**	**(4,164.90)**
Particulars	March 31, 2020			March 31, 2020		
	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(5,535.14)	1,533.44	-	(4,001.70)	-	(4,001.70)
Investments	16.78	(4.10)	-	12.68	12.68	-
Inventories	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-
Lease Liabilities		890.53	-	890.53	890.53	
Provisions	371.49	(74.82)	41.36	338.02	338.02	-
Unabsorbed Depreciation	4,374.40	(2,608.20)	-	1,766.20	1,766.20	-
Loans and Advances	(87.97)	246.07	-	158.10	158.10	-
Tax assets (Liabilities)	**(860.45)**	**(17.08)**	**41.36**	**(836.18)**	**3,165.53**	**(4,001.70)**

Note 16 : Other Non-Current Liabilities - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Lease Liability-Ind AS 116	3,231.28	3,384.73	-
March 31, 2020	**3,231.28**	**3,384.73**	**-**

Note 17 : Current Borrowings - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Loans repayable on demand			-
Secured			**-**
from banks			**-**
Cash Credit	8,623.90	5,851.79	4,960.62
Unsecured			**-**
from banks			**-**
Working Capital	1,249.65	1,500.00	2,350.00
Other Short Term Loans	600.00	750.00	750.00
Total	**10,473.55**	**8,101.79**	**8,060.62**

Note 18 : Current Trade Payables - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Micro, Small and Medium Enterprises (MSME)	-	0.03	0.12
Other than MSME	3,281.59	2,251.91	1,328.22
Total	**3,281.59**	**2,251.94**	**1,328.34**

Note 19 : Other Current Financial Liabilities - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Current maturities of Long Term Borrowings	3,998.43	3,340.45	2,466.85
Retentions & Payables	4,725.88	3,907.60	3,114.80
Other Deposits	146.68	140.53	106.85
Interest accrued but not due	229.96	224.53	228.97
Lease Liability-Ind AS 116	156.02	153.61	-
Payables for Capital goods	92.28	68.94	79.29
Related Party Payables	783.64	770.65	716.80
Others	778.73	611.92	445.29
Payable to employees	308.36	303.40	77.60
Total	**11,219.97**	**9,521.63**	**7,236.45**

Note 20 : Other Current Liabilities - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Capital Grant	30.00	5.99	6.49
Statutory Dues			
Income tax deducted at source	37.79	32.61	23.41
Income tax collected at source	5.13	0.05	0.01
Service Tax liability & Electricity Duty Payable	0.06	0.08	0.05
GST Liabilities	34.35	44.09	29.13
Professional Tax Liability	0.09	0.08	0.11
Total	**107.42**	**82.89**	**59.19**

Note 21 : Current Provisions - Consolidated

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated	01.04.2019
Provision for Gratuity	109.61	132.72	111.29
Provision for Leave Encashment	138.49	154.59	123.89
Total	**248.10**	**287.30**	**235.18**

Note 22 : Sale of Products - Consolidated

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Sale of Power	20,891.58	21,963.98
Total	**20,891.58**	**21,963.98**

Note 23 : Other Operating Revenues - Consolidated

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Delayed payment surcharge	2,511.51	2,545.45
Miscellaneous Operating Income	7.56	69.18
IPP Sale of Coal	164.81	77.70
Sale of Fly Ash	28.34	35.85
Less:- Transferred to Fly Ash Liability	(28.34)	(35.85)
Total	**2,683.88**	**2,692.33**

Note 24 : Other Income - Consolidated

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Interest Income on Financial Assets carried at amortized cost:		
Interest income	0.59	0.31
	0.59	0.31
Income from rent, hire charges etc.	3.84	6.89

Profit on sale of assets/stores/scrap	15.45	21.78
Sale of tender forms	1.75	0.14
Sundry Credit balance write Back	5.23	16.33
Other receipts	22.67	34.61
	48.95	79.75
Total Other Income	**49.53**	**80.07**

Note 24 A - Consolidated

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Share of Profit in Associates & joint Ventures	0.05	0.04

Note 25 : Cost of Materials Consumed - Consolidated

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Coal	12,132.44	12,981.04
IPP Purchase of coal	165.15	77.23
IPP Purchase of Power	427.77	171.62
Gas	302.78	613.94
Oil	202.65	425.70
Water	262.17	128.74
Total	**13,492.98**	**14,398.27**

Note 26 : Employee Benefits Expense - Consolidated

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Salaries, Wages, Bonus, etc.	1,080.32	1,187.71
Contribution to Provident Fund	113.31	106.57
Gratuity, Leave Encashment and Other Employee Benefits	157.55	475.93
Employee Welfare Expenses	78.24	58.76
	1,429.42	**1,828.97**

Note 26 A : Employee Benefits Expense under OCI - Consolidated

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Remeasurements of the defined benefit plans	**(0.75)**	**164.32**

Note 27 : Finance costs - Consolidated

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Interest	3,765.01	3,603.39
Exchange difference regarded as an adjustment to borrowing cost	12.91	47.71
Other borrowing costs	7.95	3.09
Less:- Interest Capitalised	(148.82)	(75.40)
Total	**3,637.04**	**3,578.79**

Note 28 : Other Expenses - Consolidated

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Rent	2.11	0.06
Hydro Lease rent	462.55	88.66
Repairs and Maintenance on:-		
Plant & machinery & Building	998.31	1,228.53
Repair & Maintenance - Others	0.58	0.72
Insurance charges	26.01	22.41
Rates and taxes	22.40	24.63
Others	-	-
Lubricants, consumables & stores	2.70	11.51
Obsolescence of Stores	19.79	86.29
Domestic Water	0.02	0.04
Legal and professional charges	16.70	15.28
Commission to agents	-	5.05
Other Bank Charges	0.70	1.96
Contribution towards assets not owned by Company / CSR expenditure	30.67	3.47
Provision for doubtful advances	74.20	134.71
Other general expenses	244.15	285.39
Loss on obsolescence of Fixed Assets	4.52	10.05
Loss on foreign exchange variance (Net)	-	10.83
	-	-
Payments to the auditors for:	-	-
- Audit Fees	0.83	0.44
- other Services	-	0.02
- Reimbursement of expenses	0.03	0.02
- Reimbursement of tax	0.15	0.08
Total	**1,906.44**	**1,930.17**

28 A : Deferred Tax Expenses - Consolidated

(₹ in Crores)

Particulars	2020-2021	2019-2020 Restated
Non OCI Defered Tax gain /(Expenditure)	195.79	17.07
OCI Items Defered Tax gain /(Expenditure)	0.19	(41.36)
Total	**195.98**	**(24.28)**

Note No. 29 - Consolidated

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

Defined Benefit Plans

(i) Provident Fund:

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

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

(ii) Gratuity & Leave encashment:

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

GRATUITY

A. Movement in net defined benefit (asset) liability

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

(₹ in Crores)

Particulars	Defined benefit obligation	
	31st March, 2021	31st March, 2020
Opening balance	**661.08**	**536.70**
Interest Cost Included in profit or loss	45.42	41.65
Current service cost	32.22	24.45
Past service cost	-	-
Interest cost (income)		
	738.72	602.80
Included in OCI		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Demographic assumptions		
Financial assumptions	1.97	33.38
Experience adjustment	(2.72)	130.94
Return on plan assets excluding interest income		
	(0.75)	**164.32**
Other		
Contributions paid by the employer		
Benefits paid	(110.14)	(106.03)
Closing balance	627.82	661.08
Represented by		
Net defined benefit asset		
Net defined benefit liability	627.82	661.08
	627.82	**661.08**

B. Defined benefit obligations

i. Actuarial assumptions

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

(₹ in Crores)

Particulars	31st March, 2021	31st March, 2020
Discount rate	6.82%	6.87%
Salary escalation rate	5.00%	5.00%
Mortality rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

ii. Sensitivity analysis

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

(₹ in Crores)

Particulars	31st March, 2021		31st March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(19.14)	20.52	(18.75)	20.08
Future salary growth (1% movement)	20.78	(19.54)	20.35	(19.16)
Employee Turnover (1% movement)	2.87	(3.04)	2.82	(2.99)

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

iii. Maturity Analysis of Defined Benefit Obligation

Defined Benefits Payable in Future Years From the Date of Reporting

(₹ in Crores)

Particulars	31st March, 2021	31st March, 2020
1st Following Year	109.61	132.72
2nd Following Year	58.64	57.91
3rd Following Year	70.60	80.62
4th Following Year	61.16	67.90
5th Following Year	55.12	58.65
Sum of Years 6 To 10	219.58	224.51
Sum of Years 11 and above	533.15	511.82

LEAVE ENCASHMENT

A. Movement in net defined benefit (asset) liability

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

(₹ in Crores)

Particulars	Defined benefit obligation	
	31st March, 2021	31st March, 2020
Opening balance	681.99	526.41
Included in profit or loss (Interest Cost)	46.85	40.85
Current service cost	15.66	12.54

Past service cost		
Interest cost (income)		
	744.50	**579.79**
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Demographic assumptions		
Financial assumptions	2.42	37.80
Experience adjustment	16.19	153.11
Return on plan assets excluding interest income		
	18.61	190.91
Other		
Contributions paid by the employer		
Benefits paid	(80.18)	(88.71)
Closing balance	682.93	681.99
Represented by		
Net defined benefit asset		
Net defined benefit liability	682.93	681.99
	682.93	**681.99**

B. Defined benefit obligations

i. Actuarial assumptions

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

Particulars	31st March, 2021	31st March, 2020
Discount rate	6.82%	6.87%
Salary escalation rate	5.00%	5.00%
Mortality rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

B) The provident fund plan of the Company is operated by the "MSEB Contributory Provident Fund Trust" (the "Trust"). Eligible employees receive benefits from the said Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plans equal to a specified percentage of the covered employee's salary. The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. During the year, since the market value of investment is more than subscription liability of the Trust, the liability arising on this account recognised in Profit & Loss account is ₹Nil (P.Y. Liability ₹ 1.21 Crs).

Description of Plan Assets

(₹ in Crores)

Particulars	31st March, 2021	31st March, 2020
Category -I (a)- GOI	7.11%	8.19%
Category -I (a)-SDL	31.03%	28.98%
Category - I(b)	6.47%	6.99%
Category - II(a)	29.97%	27.64%
Category - II(b)	1.98%	2.12%
Category - IV(c)	2.49%	2.37%
Special Deposit Scheme	20.95%	23.70%

Note 30 : Capital / Government Grants - Consolidated

(₹ in Crores)

Particulars	As at 31.03.2019
As on 01.04.2019	**6.49**
Received during FY 2019-20	0.22
Less: Grant returned / adjusted against Asset & Expenditure	0.50
Less: Government Grant amortised during FY 2019-2020	0.00
As at 31.03.2020	**6.21**
Received during FY 2020-21	33.46
Less: Grant returned / adjusted against Asset & Expenditure	9.67
Less: Government Grant amortised during FY 2020-21	0.00
As at 31.03.2021	**30.00**

Particulars	As at 31.03.2021	As at 31.03.2020
Current	30.00	6.21
Non-current	-	-
Total	**30.00**	**6.21**

Note 31 : Intangible assets under development - - Consolidated

(₹ in Crores)

Particulars	As at 31.03.2021	As at 31.03.2020
Opening balance	133.93	133.76
Additions for the year	105.75	0.17
Specify the nature of exp		
Capitalised during the year	-	
Impairment reversal/(charge)		
Foreign exchange difference		
Closing balance	**239.68**	**133.93**

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

Note 32 : Investment in Related Party - Consolidated

(₹ in Crores)

Details of Transactions	Aurangabad
As on 31.03.2019	
-Quasi Equity investment	4.85
Quasi Equity investment during the year	-
As at 31.03.2020	
-Quasi Equity investment	4.85
Quasi Equity investment during the year	0.00
As at 31.03.2021	
-Quasi Equity investment	4.85

Note 33 : Assets hypothecated / pledged as security - Consolidated

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

(₹ in Crores)

Particulars	As at 31.03.2021	As at 31.03.2020
Security created in respect of Non-current Borrowings		
Property, plant and equipment excluding leasehold land	**33,020.24**	**35,192.87**
Security created in respect of Current Borrowings		
i) Inventories	930.09	1,763.03
ii) Trade receivables	24,518.18	17,803.68
Total assets as security	**25,448.26**	**19,566.71**

Note : 34 - Consolidated

During the current financial year 2020-21, Revenue Subsidy towards Solar power sales from Central Government amounting to NIL (2019-20: ₹ 0.92 Crores) has been accounted.

Note : 35 - Consolidated

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

Note : 36 - Consolidated

Related Party Disclosure:

A. Names of and Relationship with Related Parties

1. Associate entities

i. M/s. UCM Coal Company Limited

ii. M/s. Chhattisgarh Katghora Dongargarh Railway Limited

2. Fellow subsidiaries:

i. M/s Maharashtra State Electricity Distribution Company Ltd.

ii. M/s Maharashtra State Electricity Transmission Company Ltd.

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

1. Associate entities

i. M/s. UCM Coal Company Limited

ii. M/s. Chhattisgarh Katghora Dongargarh Railway Limited

2. Fellow subsidiaries:

i. M/s Maharashtra State Electricity Distribution Company Ltd.

ii. M/s Maharashtra State Electricity Transmission Company Ltd.

3. Key Management Personnel

Sr No	Designation	Key Management Personnel Name	With effect from
1	Chairman & Managing Director	Ms. Shaila A.	01.04.2020 to 10.08.2020
2	Chairman & Managing Director	Shri. Sanjay J. Khandare	11.08.2020 to 31.03.2021
3	Director (Mining)	Shri. P.V. Jadhav	01.06.2019
4	Director (O)	Shri. Chandrakant Thotwe	19.09.2016 to 31.08.2020 and 16.03.2021
5	Director (F)	Shri. S. J. Amberkar	11.08.2017 to 10.08.2020
6	Director (F)	Shri. Balasaheb B. Tithe	11.08.2020
7	Director (P)	Shri. V. Thangapandian	10.04.2019
8	Director (M)	Shri.P.V. Jadhav	01.06.2019
9	Company Secretary	Shri Rahul Dubey	17-01-2006

4. Non Executive Directors in Mahagenco

Sr No	Designation	Key Management Personnel Name	With effect from
1	Director	Smt. Swati Vyavahare	22.01.2021

C. Remuneration paid to Key Management Personnel*

(₹ in Crores)

Sr. No	Name of Related Party	Nature of Relationship	2020-21	2019-20
1	Shri. Bipin Shrimali	Chairman & Managing Director	-	0.16
2	Ms. Shaila A	Chairman & Managing Director	0.18	0.07
3	Shri. Sanjay J. Khandare	Chairman & Managing Director	0.31	
3	Shri. Chandrakant Thotwe	Director (Operation)	1.53	0.51
4	Shri. Vaithilinganadar Thangapandian	Director (Projects)	0.50	0.34
5	Shri. Vikas Jaideo	Director (Projects)	-	0.19
6	Shri. P.V. Jadhav	Director (Mining)	0.34	0.20
7	Shri. Santosh Amberkar	Director (Finance)	0.37	0.50
8	Shri. Balasaheb B. Tithe	Director (Finance)	0.21	
Remuneration to Key Managerial Persons				
1	Shri. Vinod Bondre	Executive Director(HR)	-	0.12
2	Shri. B.Y Manta	Executive Director(HR)	0.43	0.18
3	Shri. Raju Burde	Executive Director	-	0.16
4	Shri. Kailash Chirutkar	Executive Director	0.47	0.33
5	Shri. Satish Chaware	Executive Director	-	
6	Shri. Nitin Chandurkar	Executive Director	0.44	0.32
7	Shri. Sanjay Marudkar	Executive Director	0.46	0.25
8	Shri. Abhay A. Harne	Executive Director	0.44	
9	Shri. Rahul Dubey	Company Secretary	0.41	0.29

D. Sitting Fee paid to Non-Executive Directors: (₹ in Crores)

Details of Meeting	Smt. Swati Vyavahare
Board	0.0005
Audit Committee	-
Total Sitting Fees Paid	**0.0005**

Note : 37 - Consolidated

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

Particulars	Country of In Company	Nature of Investments	Percentage of ownership interest as on	
			As at 31.03.21	As at 31.03.20
M/s. Mahaguj Collieries Ltd	India	Subsidiary	60.00%	60.00%
M/s. Dhopave Coastal Power Ltd	India	Subsidiary	100.00%	100.00%
M/s. Mahagenco Ash Management Services Ltd	India	Subsidiary	100.00%	100.00%
M/s. UCM Coal Company Ltd	India	Associates	18.75%	18.75%
M/s. Chhattisgarh Katghora Dongargarh Railway Limited	India	Associates	26.00%	26.00%

Note : 38 - Consolidated

Outstanding balances of fellow subsidiaries at the end of financial year. (₹ in Crores)

Particulars	As at 31.03.21	As at 31.03.20
Payable to MSEDCL	545.21	544.22
Receivable from MSETCL	15.34	2.28

Note : 39 - Consolidated

Trade Receivable from Related Party (₹ in Crores)

Particulars	As at 31.03.21	As at 31.03.20
MSEDCL	24,532.33	17,820.49
MSETCL	143.52	128.83

Note : 40 - Corporate Social Responsibilities - Consolidated

During the year, Company has spent ₹ 30.67 Crores (PY: ₹ 3.47 Crores) towards Corporate Social Responsibility (CSR).

(₹ in Crores)

Sr No	Head of Expenses	2020-21	2019-20
1	Contribution toward Covid -19 Relief Fund	0.01	-
2	Community development and welfare expenses	0.69	0.54
3	Death Compensation & Stipend to security guards	2.84	2.78
4	Construction / repair of road, compound wall, RCC drain, etc	0.25	-
5	"Work of Conversation, detailed soil investigation for excavation, construction, development & beautification of Koradi Mahagenco's Pond No.3"	26.88	-
6	Donation for Chakradhar Samaroh 2018 at Raigarh, Chattisgarh.	-	0.01
7	Honorarium payment for teacher csr(gare palma)	-	0.15
	Total	**30.67**	**3.47**

Note No. : 41 - Contingent Liabilities & Commitments - Consolidated

(₹ in Crores)

I	Contingent Liabilities	As at 31.03.21	As at 31.03.20
1	MSPGCL may be contingently liable for interest claim of SECL,WCL,Singaraeni and MCL amounting to Rs 1309.89 Crs (P.Y. interest claim of SECL,WCL and MCL Rs 965.26 Crs).plus performance incentive ₹ 837.60 Crores (P.Y. ₹704.22 Crores) and short lifting ₹ 983.34 Crores (P.Y. ₹ 983.34 crs.) plus Penalty claim of WCL ₹ 29.62 crores & Mine Spercific for WCL ₹ Nil. (P.Y. Penalty claim of WCL ₹ 29.62 & Mine Spercific for WCL for PY ₹ 362.72 Crores). Total Contingent Liability ₹ 3160.45 Crs. (P.Y. ₹3045.16 crs.)	3,160.45	3,045.16
2	Arbitration between M/s Sunil Hitech Engineers Ltd, Nagpur & MSPGCL regarding various disputes of Contract for Civil, Supply, Erection, Testing & Commissioning of Balance of Plant packages for Parli Unit-8 Project amounting ₹ 953.86 Crores (P. Y. 953.86 Crs).	953.86	953.86
3	Contingent liability for demand from Irrigation Department for excess water charges and establishment charges amounted to ₹2,83,56,40,832 /- (P.Y. ₹ 2,77,64,66,799/-)(Excess water charges bill ₹ 99,11,40,832 + Establishment Charges ₹ 1,84,45,00,000/-)	283.56	277.65
4	Contingent liability of approximately estimated to 293.01 Crores plus 45 crores int total ₹ 338.01 Crs (PY ₹248.31 Crores/-plus 45 Crores int total 293.01 Crs). This is related to work of construction of RCC lower Mun Barrage with associated works including manufacturing, providing, erection, testing and commissioning of radial gates , stoplog gates, goliath crane and rope drum hoist etc. claimed by M/s Mahalaxmi Infra Project Ltd., Kolhapur. Agency has been requested to submit claim amount based on which the members in arbitration tribunal would be decided, as provided in tender conditions. Arbitration award is declared on 20-11-2014. The sole Arbitrator Shri. S.P. Kurdukar, Mumbai directed to pay ₹ 56 crores. Award is challenged at High Court on vide OSARBP/466/2015. The claimants have filed petition vide no. 5260/2015. New advocate Shri. S.R. Nargolkar is appointed to represent MSPGCL in this matter. Bombay High Court appointment Shri Thakkar as Sole Arbitrator for further proceedings. As per H.C Bombay Order DT.16.10.2020, MSPGCL has deposited ₹57 Crs. And BG amounting to ₹48,49,28,628/-is submitted	232.51	293.01
5	Arbitation between M/s. TATA Projects Ltd., and MAHAGENCO for Bhusawal 2x500 MW project. M/s. TATA claimed for prolongation cost, Bank Guarantee charges for BG submitted, payment against performance Guarantee tests & extra BG charges incurred towards furnished BG, wrongful recoveries made by MAHAGENCO from contractual payments, additional work and return of contract performance Bank Guarantee: Total Bank Guarantee to be returned - ₹ 189,00,00,000/- Total Amount claimed - ₹ 118,12,08,976/- Total Interest claimed - ₹ 79,33,54,185/- (118,12,08,976 + 79,33,54,185 = ₹ 197,45,63,161)	197.46	197.46
6	Arbitration before Justice Shri. V. G. Palshikar Mumbai. ABN/C/No.63/2014 – Sole Arbitrator- Adv. Rathod – Asian Natural Resources Ltd(erstwhile M/s. Bhatia International Ltd. Indore) vs Mahagenco Major pending issue is change in railway freight and 16 refree sample and subsequent other claims on various accounts for contract of import coal for the year 2010-11. M/s. Asian Natural Resources Ltd. has invoked the arbitration clause with restpect to the pending disputes and delayed payment on various accounts for the contracts for supply of non-cooking (Steam) coal of foreign origin for year 2010-11 to Nasik, Bhusawal, Khaperkheda and Chandrapur TPS. Sole Arbitrator justice V.G. Palahikar (Retd). Appointed with mutual consent on 17.04.2014. Claim and counterclaim filed. Hearing is in process. The claim amount is ₹ 127.45 crores (P.Y. ₹ 127.45 crores)(FMC)	127.45	127.45

7	Contingent liabilities of approx ₹ 103.20 Crores (P.Y. 103.20 crores) demand of Irrigation Dept.for water supplied at Shiral Pump House and given to Ratnagiri Power & Gas Ltd.	103.21	103.20
8	MSPGCL may be contingently liable for Counter claims lodged by Washery Operator Amounting Rs 59.44 crores (P. Y. ₹ 129.02 crores)	59.44	129.02
9	Other miscellaneous claims lodged against the company but not acknowledged as debt	295.20	251.94
10	The company has been contingently laible for non payment (Building & other Construction workers welfare cess act) 1% BOCW cess on the civil construction of new projctes i.e.on Koradi 3x6060 MW project, CSTPS 2x500MW project & Parli 1x250 MW project.	Being ascertain	Being ascertain
11	M/s Adani Enterprises Limited has invoked an Arbitration process against Mahaguj Collieries Ltd. And MGCL has put a counter claim in the Bombay High Court which is pending for final hearing	399.42	399.42
	Total Claims	5,812.56	5,778.16
	Tax Demands Outstanding and disputed by the company	21.48	152.40
	Guarantees extended by the company	977.56	1,425.92
	Total Contingent Liabilities	6,811.60	7,356.48
	Total Contingent Liabilities	7,810.65	8,934.79
II	**Commitments**		
A	Estimated amount of contracts remaining to be executed on Capital Account not provided for	734.64	831.08

III Other Significant Commitments

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

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

(c) Coal linkage (including Bridge Linkage and MOU) of 52.537 Million MT has been allocated to company, consequently company is committed to purchase coal from allocated coal companies at the relevant market price..

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

IV **Contingent Assets**

1. In pursance to Power Purchase Agreement, MSPGCL levied delayed payment Surcharge on MSEDCL. Such Surcharge Income of ₹ 3725.29 crores was treated as Non-tariff income by MERC and accordingly reduced from the Annual Revenue Requirement of MSPGCL for the period FY 2010-11 to FY 2015-16. The company filed appeal against this methodology in the Appellate Tribunal for Electricity. The Tribunal, however, rejected the appeal of the company. The matter is now pending with Supreme court.

   Recently in the similar case of another Transmission Licensee, the Tribunal decided that the Delayed payment surcharge are not to be considered as Non-tariff Income and thus will not be deducted from Annual Revenue Requirement.

   The said judgement has significantly increased the chances of favourable decision in case of MSPGCL seeking restoration of ₹ 3725 crores in the revenue. If the favourable decision is received, the company will be able to increase its earnings to the tune of ₹ 3725.29 crores.

2 Mahagenco has lodged counter claims with coal companies and washery operators which that companies has not considered as debt. The details of the same is as follows:

Sr. No	Particulars	Amount ₹ Crs.
1	Stone Claims	29.41
2	SRN claims	100.81
3	Interest claims	1,846.04
4	GCWL	2,663.17
5	Moisture Claims	152.56
6	Short Delivery	2,841.43
	Total	**7,633.42**

3 Mahagenco has filed compensation application amounting to ₹ 409.95 crores against the three liasioning contractors M/s. Nair (₹ 200.74 Crs) , M/s. Karam Chand Thapar r (₹ 156.64 Crs) & M/s. Naresh Kumar (₹ 52.60 Crs) at NCLAT New Delhi, Advocate K. K. Sharma case no. AT 02/2018

4 Mahagenco has lodged counter claims Asian Natural Resources Ltd(erstwhile M/s. Bhatia International Ltd. Indore) which has not considered as debt. The details of the same is as follows:

Deatails	Amount ₹ Crs.
AFC disallowance due to short supply	47.26
Loss due to increase in Heat Rate	23.03
Loss due to Auxiliary power consumption	28.55
Demurrage charges	3.065
Total	**101.91**

5 Mahagenco has lodged counter claims against M/s Sunil Hitech Engineers Ltd, Nagpur & MSPGCL regarding various disputes of Contract for Civil, Supply, Erection, Testing & Commissioning of Balance of Plant packages for Parli Unit-8 Project as follows:

Deatails	Amount ₹ Crs.
Recoveries due from SHEL	224.29
Losses incurred by Respondent	812.40
Carrying cost on unrecovered amount	70.56
Additional loss incurred by Respondent	423.80
Total	**1,531.05**

6 Amount recoverable ₹ 4.07 Crs from South Eastern Railway for excess freight payment (Claim amount of Sardega siding (MSFJ Colliery), MCL

7 Excess Freight Claims (Claims forr Empty wagons . Excess TORO. Less Rebate, Excess DPC. WL , FRT RATE DIFF/ CALC DIFF., EXCESS O/L, Excess FAUC. Excess PCLA. Excess ENHC). ₹ 3.15 Crs.

Note No.: - 41(A) - Impairment of assets - Consolidated

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

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

Thereafter, the Ministry of Coal had invited details of valuation from prior allottee of Coal Block and subsequently, the valuation details were also required to be submitted on affidavit. The said information regarding the development of the Coal Block was submitted on affidavit. This information was sought by the MOC as there is mechanism to transfer of documents & rights namely the Geological Report, Mining Plan, Mine Closure Plan etc. from the prior allottee to successful bidder. The Ministry of Coal has undertaken the process of valuation of the expenditure incurred by prior allottee in those cases where the Ministry of Coal has reallocated Coal Block through Competitive Bidding since March, 2015.

The Machhakata - Mahanadi Coal Block has not been re-allotted to any bidder as on 31st March, 2020 and the Company has not received any communication from the Ministry of Coal regarding the valuation of expenditure incurred by the Company. In view of this, the management is of the opinion that none of the Company's Assets are to be impaired.

The expenses incurred up to F.Y. 2014-15 amounting to ₹ 54,40,70,111/-were shown under other non-current assets in the Balance Sheet. These expenses mainly comprise of Company formation expenses, payment to CMPDIL for purchase of Geological Report, Washability test report, consultancy, Legal & professional charges and various operative expenses incurred for development of the Coal Mine. The Company is of the view that expenses incurred for purchase of Geological report in previous years can be construed as Mine Infrastructure expenses which has been claimed with Ministry of Coal Government of India.

After cancellation of Coal Block allocation by Hon'ble Supreme Court, MoC had initiated the valuation of the compensation to the prior allottees as per the Coal Mines (Special Provision) Ordinance, 2014. In reply, MGCL informed the expenditure incurred by the Company. Further, MoC has started the valuation process of expenditure of prior allottees wherein re-allocation/vesting order has been issued to the successful bidders. As the Machhakata Coal Block is not yet allocated to any bidder, the MoC has not considered the same for valuation.

The reimbursement of expenditure to the Company may be on the merits as per valuation process and provisions in the Coal Mines (Special Provisions) Ordinance, 2014. Presently, no provision is made in the account for the expenditure which will not be considered by MoC for reimbursement. However, after finalization of valuation process by MoC, the necessary adjustment/provision will be made in the accounts.

Note No. : - 42A - Segment reporting - Consolidated

A. Geographic information

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

Geography	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue		
In India	23,392.49	24,656.31
Outside India	Nil	Nil
II. Information about major customers		
Consolidated Revenue - exceeding 10% from each single external customer India	23385.37	24472.15
Maharashter State Electricity Distribution Company Limited.		
Outside India	Nil	Nil

Note No. : - 42B Consolidated

Threshold limits adopted in respect of financial statements is given below:

Threshold item		Unit of measurement	Threshold limits
Capitalization of spare parts meeting the definition of property plant and equipment.	Individualy	₹ Crores	10.00
Total Income / expenditure pertaining to prior year (s)	Cumulative	₹ Crores	50.00

Disclosure of contingent liabilities	Individualy	₹ Crores	1.00
Disclosure of capital commitments	Individualy	₹ Crores	1.00
Deprecation at 100% in the year of acqusition in respect assets amounting up to ₹ 5000 & all mobile phones			
Loans and advances & cost of raising finance	Individual Loan	₹ Crores	1.00
For Recognition of Right to use assets and Lease Liabilities			
A) Annual Lease Rent and	in each case	₹ Crores	1.00
B) Value of underlying assets	in each case	₹ Crores	10.00

Note No.: - 43(A) - Consolidated

Company raises energy sale bill, Fuel Adjustment Charges Bill, Surcharge bill etc to MSEDCL. The funds received from MSEDCL are appropriated on First In First Out Basis. While doing so, the receipts are appropriated firstly towards interest on delayed receipts and subsequently towards the principal amount due from MSEDCL.

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

Note No.: - 43(B) - Consolidated

The Company, in terms of Power Purchase Agreement with the Maharashtra State Electricity Distribution Company Limited (MSEDCL) has recognized Revenue on account of interest on delayed payments as a Surcharge i.e. Delayed Payment Surcharge (DPS) of ₹ 2511.51 Crores for the year and cumulative from FY 2009-10 to FY 2020-21 it is ₹ 14862.10 Crores. These are contractual receivables and Multi Year Tariff Regulations provide for recognition of surcharge over and above regular tariff.

As on 31.03.2018, both the companies viz., MSPGCL and MSEDCL were showing same amount of Delayed Payment Surcharge of ₹7485.61 Crores in their respective books of accounts. As on 31-03-2019, the accumulated DPS outstanding was of ₹ 9806.30 Crs. However, in F.Y. 2018-19, MSEDCL revised the amount of DPS in its books by unilaterally changing the order of appropriation of payments wherein payments are first adjusted towards Principal Dues instead of DPS. The change was made applicable retrospectively. Consequently, MSEDCL has reduced the surcharge amount by ₹ 4843.23 Crs. unilaterally as communicated vide their letter dated 28-08-2019. Further, for the year 2020-21, Company has recognised unbilled surcharge receivable of ₹ 2511.51 Crs. as per the past consistent practice.

MSPGCL has been consistently working out and issuing DPS billing on the basis of apportioning and adjusting payments first to DPS and subsequently to principal amount of arrears. The management of the company is of the opinion that the methodology adopted by it is more appropriate considering the commercial nature of transactions and to be at arms length.

Note No.: - 43(C) - Consolidated

Impact of COVID 19 –

In India and also at the global level, the outbreak of COVID-19 has created adverse impact on economic environment in general. Company's business has been to generate power and sell the same to Electricity Distribution Company in state of Maharashtra. Maintaining the availability of plants to generate power in order to meet the demand of power consumers is crucial aspect for the Company. Therefore, Company has continued to generate the power as per demand requirements even in the lockdown period. Further, the moratorium facility introduced by Reserve Bank of India has also been a relief measure to address the liquidity issues in the ensuing year. Considering power supply being an essential service, management believes that there is not much of an impact likely due to this pandemic on the business of the Company and consequently, Company would be able to honor its financial obligations whenever due.

Note No.: - 43(D) - Consolidated

MSPGCL has been supporting the State Grid by supplying reactive energy since F.Y. 2013-2014 and the company has raised invoices for the same amounting to ₹ 143.52 crs to the MSETCL till the F.Y. 2020-21. However MERC in it's tarrif order has stated that the mechanism for settlement of the reactive energy has not been implemented in the past and as the true up of the previous years has already been carried out including FY 2017-18 and FY 2018-19,Comission has not allowed any recovery of reactive energy charges for the past period (i.e. upto FY 2018-19). Company has made provisions for bad debts amounting to ₹ 126.98 crs (equivallent to Reactive engery charges upto FY 2018-19) in the FY 2019-20. However, the decision passed as per this order is in dispute and thus the company has filed an appeal against the order of MERC to the Appellate Tribunal for Electicity.

Note No.: - 43(E) - Consolidated

In view of the Supreme Court of India ruling in case of Regional Provident Fund Vs Vivekananda Vidyamandir And Others dated 28th February 2019, regarding the coverage of certain allowances for making of Provident Fund contributions, the Company is still in the process of evaluating the said ruling. Depending upon the outcome, Company may be contingently liable to contribute employer's share of provident fund to CPF Trust of the MSEB group Companies, the amount for which is yet to be ascertained. The same will be accounted for once the matter is crystallized. Management does not expect the impact to be significant.

Note 44 : Classification of Financial Assets and Financial Liabilities - Consolidated

(₹ in Crores)

Particulars	31.03.2021			31.03.2020 Restated		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
(i) Trade Receivables			24,518.18			17,803.68
(ii) Cash and Cash Equivalents			57.54			4.96
(iii) Bank Balances other than (ii) above						
(iv) Loans			5.77			7.65
(v) Other Financial Assets			3,059.50			2,784.86
Total		**-**	**27,640.99**	**-**	**-**	**20,601.14**
Financial liabilities						
(i) Borrowings			32,925.75			30,828.80
(ii) Trade Payables			3,281.59			2,251.91
(iii) Other Financial Liabilities			11,219.97			9,521.63
Total	**-**	**-**	**47,427.31**	**-**	**-**	**42,602.34**

Financial risk management

Risk management framework

In its ordinary operations, the Company's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has its risk management process which has been carried out at regular interval. In case of Mahaguj Colieries Limited, Mahagams Limited & Dhopave coastal power Limited there are no borrowings from Banks/ Financial Institutions.

44A. Regulatory risk

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

44 B. Company has identified financial risk and categorised them in three parts Viz. (i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk. Details regarding sources of risk in each such category and how Company manages the risk is explained in following notes:

44B.1 - Credit risk ;

Mahagenco: Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The maximum exposure to credit risk in case of all the financial instuments covered below is resticted to their respective carrying amount.

Trade receivables

Mahagenco: The Company works out the expected credit losses of trade receivables (which are considered good) using the Government

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

(₹ in Crores)

Particulars	31.03.2021		31.03.2020 Restated	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Past due 0-90 days	24,518.18	-	17,803.68	-
Past due 91–360 days	-	-	-	-
More than 360 days	167.15	167.15	167.15	167.15
	24,685.32	**167.15**	**17,970.82**	**167.15**

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

As on 31.03.2019	**167.15**
Add : Expected Credit loss recognised	-
Less : Amounts written off	-
As at 31.03.2020	**167.15**
Add : Expected Credit loss recognised	-
Less : Amounts written off	-
As at 31.03.2021	**167.15**

Cash and cash equivalents:

	As at 31.03.2021	As at 31.03.2020
Cash and cash equivalents	57.54	4.96

Investment in debt securities

In case of Magaenco, the investments are in the subsidiary/Joint Venture companies.

44B.2. Liquidity risk

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

(i) Financing arrangements

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

(ii) Maturities of financial liabilities

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

(₹ in Crores)

Particulars	Contractual cash flows					
	31.03.2021			31.03.2020 Restated		
	Upto 1 year	1-3 years	more than 3 years	Upto 1 year	1-3 years	more than 3 years
Non-derivative financial liabilities						
Borrowings	3,998.43	6,110.76	16,341.44	3,340.45	6,162.50	16,564.51
Borrowings for working capital	10,473.55			8,101.79		
Trade payables	3,281.57			2,251.93		
Other financial liabilities	11,218.54			9,521.08		
Total	**28,972.09**	**6,110.76**	**16,341.44**	**23,215.25**	**6,162.50**	**16,564.51**

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

44C.1. Currency risk:

The Company is exposed to currency risk mainly on account of its borrowings from KfW Germany and IBRD (World Bank) in foreign currency. Our exposures are 4.92 Crores Euro and 3.86 Crores U.S. dollars. However, Company operates in rate regulatory environment. Consequently, any variation in the foreign exchange rate is allowed to be recovered from consumers at actuals. Hence, company doesn't have significant risk on account of variation in foreign currencies.

44C.2 Interest rate risk

Interest rate risk exposure:

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

Particulars	Carrying amount in ₹ crores	
	31.03.2021	31.03.2020 Restated
Fixed-rate instruments		
Financial assets	-	-
Financial liabilities	405.96	408.94
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	36,518.23	33,760.32

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss			
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2021		31.03.2020 Restated	
Floating rate borrowings	91.30	(91.30)	84.40	(84.40)
Interest rate swaps (notional principal amount)	-	-	-	-
Cash flow sensitivity (net)	91.30	(91.30)	84.40	(84.40)

44C.3. Commodity Risk

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

Note No. : 45 - Leases - Consolidated

A. Leases as lessee

a) The Company enters into cancellable/non-cancellable operating lease arrangements for Hydro Plants, land, office premises, staff quarters and others. As mandated under Ind AS 116, Company has recognised Right To Use Assets and corresponding Lease Liability in the Balance Sheet. Consequently, Depreciation on Lease Assets and Interest on Lease Liabilities have been recognised in statement of Profit and Loss.

The undiscounted cash outflows towards lease payments of non-cancellable leases are as under:

A) Movement in Lease Liabilities

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Balance as on 1st April, 2020	**3,538.18**	**0**
Additions	0	3685.51
Finance cost accrued during the period	362.69	377.72
Payment of lease liabilities	513.58	525.06
Balance as on 31st March, 2021	**3387.29**	**3538.18**

B) Maturity Analysis of Lease Liabilities

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Maturity Analysis-Contractual undiscounted Cash Flows		
Less than one year	471.05	480.78
One to five years	1796.59	2267.64
More than five years	4695.54	4695.54
Total Undiscounted Lease Liabilities	**6963.18**	**7443.96**

C) Amount Recognised in the Statement of Profit & Loss

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Interest on Lease Liabilities	362.69	377.72
Depreciation on Lease Asset	254.04	253.94

Ascertainment of Lease in the Power Purchase Arrangement:

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

Note 46 : Earnings per share (EPS) - Consolidated

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

i) Profit attributable to Equity holders

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated
Profit attributable to equity holders for basic earnings per share (Rupees)	272.30	157.59
Profit attributable to equity holders for diluted earnings per share (Rupees)	272.30	157.59

ii) Weighted average number of ordinary shares

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated
Number of Equity shares as at	25,410,096,911	25,417,381,048
Weighted average number of shares for basic and diluted earnings per shares	25,410,096,911	25,417,381,048
Basic and Diluted earnings per share (Rupees)	**0.11**	**0.06**

Note 47 : Capital management - Consolidated

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

The Company monitors capital using debt equity ratio. The Company's debt to equity ratio at March 31, 2021 is as follows.

(₹ in Crores)

Particulars	31.03.2021	31.03.2020 Restated
Long term borrowings	22,452.20	22,727.01
Equity share Capital	25407.97	25,343.97
Debt to Equity ratio	**0.88**	**0.90**

Note 48 : Dividends - Consolidated

Mahagenco & its subsidiaries companies have not declared dividend so far.

Note 49 : Consolidated

Previous year figures have been regrouped wherever necessary.

LONG TERM BORROWING (ANNEXURE A)

(₹ in crores)

Sr. No	Parti-culars of Lender	Nature of loan	Out-standing balance as on 31.3.2021	Loan to be repaid within 1 year treated as current liability	Net long term borrowings.	Mode of Repayment	Rate of Interest (WA-ROI)	Nature of security
1	PFC	NEW PARLI EXPANSION PROJECT UNIT 2	356.34	71.28	285.06	60 equal quarterly installments :- commenced from April 2011	9.50%	Mortgage/ Hypothecation of Future assets to be created for project together with Land
2	PFC	PARAS EXPANSION PROJECT UNIT 2	444.52	88.92	355.60	60 equal quarterly installments :- commenced from April 2011	9.50%	Mortgage/ Hypothecation of Future assets to be created for project together with Land
3	PFC	R&M WORKS OF KORADI TPS	0.65	0.65	0.00	48 equal quarterly installments : commenced from October 2008	10.72%	Hypothecation of movable assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli TPS unit I (1x250 MW)
4	PFC	R&M WORKS OF BHUSAWAL, PARLI & PARAS	0.17	0.17	0.00	48 equal quarterly installments : commenced from October 2009	10.72%	Hypothecation of movable assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli TPS unit I (1x250 MW)
5	PFC	R&M WORKS OF NASIK TPS U - 1 & 2	0.71	0.71	0.00	48 equal quarterly installments : commenced from October 2009	10.72%	Hypothecation of movable assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli TPS unit I (1x250 MW)
6	PFC	UPGRADATION OF RLY SIDING SYSTEM AT NASIK TPS	1.04	1.04	0.00	48 equal quarterly installments : commenced from October 2009	10.72%	Hypothecation of movable assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli TPS unit I (1x250 MW)
7	PFC	ASH BUND FOR KORADI TPS	0.89	0.89	0.00	48 equal quarterly installments : commenced from October 2009	10.72%	Hypothecation of movable assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli TPS unit I (1x250 MW)
8	PFC	R&M SCHEME OF REPLACEMENT OF BOILER ECONOMIZER / LTSH COILS AND WATER WALL PANELS REQUIRED FOR VARIOUS TPS OF MSPGCL	5.05	3.37	1.68	48 equal quarterly installments : commenced from October 2010	10.72%	Hypothecation of movable assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli TPS unit I (1x250 MW)
9	PFC	Procurement of LP Rotor as a common spare for Unit 5,6 & 7 of Chandrapur STPS	9.54	2.39	7.16	48 equal quarterly installments : commenced from April 2013	10.72%	Hypothecation of movable assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli TPS unit I (1x250 MW)
10	PFC	KORADI TPS EXPANSION PROJECT (3x660 MW)	7496.37	666.40	6829.97	60 equal quarterly installments : Commenced from July 2017	10.38%	A first pari-passu charge on all the movable & immovable assets of 3x660 MW Koradi Expn TPS including movable machinery, machinery spares, tools & accessories & material at project site, both present & future with a coverage of 1.25 times.
11	PFC	R&M of Unit 5,6 & 7 of Koradi TPS	4.90	0.48	4.42	60 equal quarterly installments : commenced from October 2016	10.72%	Assets of Parli TPS Unit 3,4 & 5 together with land
12	PFC	R&M of water supply systemof Parli TPS from Majalgaon Lift Irrigation Scheme.	106.50	14.20	92.30	40 equal quarterly installments : commenced from October 2018	10.72%	Assets of Parli TPS Unit 3,4 & 5 together with land

Sr. No	Parti-culars of Lender	Nature of loan	Out-standing balance as on 31.3.2021	Loan to be repaid within 1 year treated as current liability	Net long term borrowings.	Mode of Repayment	Rate of Interest (WA-ROI)	Nature of security
13	PFC	R&M of Boiler & Turbine Improvement Scheme of Chandrapur STPS.	66.46	5.32	61.14	60 equal quarterly installments : commencing from October 2018	10.68%	Assets of Parli TPS Unit 3,4 & 5 together with land
14	PFC	R&M of Ash Handling System of Unit 5&6 of CSTPS	4.47	0.47	4.00	60 equal quarterly installments : commenced from October 2015	10.64%	Assets of Parli TPS Unit 3,4 & 5 together with land
15	PFC	R&M of Condenser Cooling System of Unit 5&6 of CSTPS	15.46	1.63	13.83	60 equal quarterly installments : commenced from October 2015	10.72%	Assets of Parli TPS Unit 3,4 & 5 together with land
16	PFC	R&M for Process Improvement at Unit 3,4 & 5 of Nashik TPS Stage-II (3x210 MW).	2.43	0.29	2.14	40 equal quarterly installments : commencing from July 2019	10.65%	Assets of Parli TPS Unit 3,4 & 5 together with land
17	PFC	R&M for Measuring & Monitoring of Coal consumption of Bhusawal TPS	0.43	0.04	0.39	60 equal quarterly installments : commenced from October 2016	10.65%	Assets of Parli TPS Unit 3,4 & 5 together with land
18	PFC	R&M for Boiler & Turbine Improvement (Station heat improvement) Scheme of Bhusawal TPS.	5.36	0.51	4.85	60 equal quarterly installments : commenced from October 2016	10.72%	Assets of Parli TPS Unit 3,4 & 5 together with land
19	PFC	R&M for Turbine Auxiliary Performance Improvement Scheme of Bhusawal TPS.	5.46	0.52	4.94	60 equal quarterly installments : commenced from October 2016	10.72%	Assets of Parli TPS Unit 3,4 & 5 together with land
20	PFC	R&M for Replacement of BFP (200 KHI) cartridge with energy efficient cartridge for Unit 3,4 & 5 of Parli TPS.	4.74	0.50	4.24	60 equal quarterly installments : commencing from October 2015	10.72%	Assets of Parli TPS Unit 3,4 & 5 together with land
21	PFC	Renovation and Upgradation of GT Automation System, Starting Frequency converter & Static Excitation system of unit 7 & 8, Stage -II of Uran GTPS	10.39	1.19	9.21	60 equal quarterly installments : commenced from Jan 2015	10.72%	Assets of Parli TPS Unit 3,4 & 5 together with land
22	PFC	Procurement of High Pressure Turbine (HPT Module for Khaperkheda TPS Unit 1 & 2.	22.06	1.84	20.22	60 equal quarterly installments : commencing from April 2018	10.72%	Movable assets of Nashik TPS Unit 3,4 & 5.
23	PFC	R & M for Turbine Auxiliary Consumption Improvement at Stage II (Unit 3,4 & 5 3x210 MW), Nashik TPS.	14.82	1.74	13.08	60 equal quarterly installments : commenced on October 2014	10.56%	Movable assets of Nashik TPS Unit 3,4 & 5.
24	PFC	Construction of Concrete Road from Nashik-Pune Highway to Booster Pump House at Nashik TPS	7.80	0.73	7.07	60 equal quarterly installments : commenced from Jan 2017	10.72%	Movable assets of Nashik TPS Unit 3,4 & 5.
25	PFC	Expediting unloading of Coal Wagons by Up-grading the existing system in Maharashtra. (DPR of Nashik TPS)	1.05	0.11	0.94	60 equal quarterly installments : commenced from October 2015	10.72%	Movable assets of Nashik TPS Unit 3,4 & 5.
26	PFC	Various Schemes of KGSC, Phophali in Maharashtra	4.42	0.47	3.96	60 equal quarterly installments : commenced from October 2015	10.72%	Movable assets of Nashik TPS Unit 3,4 & 5.
27	PFC	Power supply arrangement at Colony, separate 25 KV OHE supply feeding arrangement to BESG siding & providing of passenger elevators at Paras TPS	1.27	0.13	1.14	60 equal quarterly installments : commenced from October 2015	10.72%	Movable assets of Nashik TPS Unit 3,4 & 5.

Sr. No	Parti-culars of Lender	Nature of loan	Out-standing balance as on 31.3.2021	Loan to be repaid within 1 year treated as current liability	Net long term borrowings.	Mode of Repayment	Rate of Interest (WA-ROI)	Nature of security
28	PFC	Various Schemes of Small Hydro Stations in Maharashtra. (Pune SHPC and Nashik SHPC	4.11	0.43	3.67	60 equal quarterly installments : commenced from October 2015	10.22%	Movable assets of Nashik TPS Unit 3,4 & 5.
29	PFC	Provision of Pipe Conveyor System for transportation of coal from WCL mines to Koradi and Khaperkheda TPS.	334.16	11.14	323.02	60 equal quarterly installments : commencing from October 2021	9.97%	Hypothecation of Future assets to be created from the Capex Scheme
30	PFC	Buyers Line of Credit - Capex schemes for existing Power Plants	90.82	31.58	59.25	40 equal quarterly installments : commenced from October 2013	10.72%	Assets of Parli TPS Unit 3,4 & 5 together with land
31		Working Capital facility	500.00	0.00	500.00	96 equal monthly installments : commencing from 10th September 2022	10.40%	Hypothecation of movable assets of Koradi TPS (3x660 MW) Unit No. 8,9 & 10 on pari passu basis with REC.
32	REC	Bhusawal Expansion Project	2585.95	431.00	2154.95	48 equal quarterly installments : commenced from March 2016	10.22%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
33	REC	Chandrapur Expansion Project	4487.67	543.96	3943.71	48 equal quarterly installments : commenced from September 2017	10.55%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
34	REC	Parli Replacement Project	1095.54	136.96	958.58	48 equal quarterly installments : commenced from September 2017	10.50%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
35	REC	Koradi Project (3x660 MW)- Debt Refinancing	1157.89	210.52	947.37	38 equal quarterly installments : commenced from June 2017	10.15%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
36	REC	130 MLD Sewage Treatment Plant at Koradi Project (3x660 MW)	100.51	11.48	89.03	48 equal quarterly installments : commenced from March 2018	10.24%	Hypothecation of movable assets of Bhusawal TPS Unit No. 2 and 3 (210 MW each).
37	REC	Setting up of Bhusawal Replacement Project Unit No-6 (660 MW) at Bhusawal Dist. Jalgaon, Maharashtra.	1441.67	0.00	1441.67	60 equal quarterly installments : commenced from March 2025	9.72%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
38	REC	Installation of Pollution control Equipments (FGD) at Koradi TPS Unit No-8-9-10 (3x660 MW).	0.17	0.00	0.17	120 equal monthly installments : commencing from 31st March 2024	10.66%	Hypothecation of Present & Future assets created / to be created for subject FGD Project AND Hypothecation of existing movable assets of Parli TPS Unit-8 (250 MW) to the tune of ₹ 225.75 crores.
39	REC	Combustion Optimization & Process improvement scheme at Nashik TPS	5.53	0.79	4.74	7 equal annual installments commencing from 15-January 2022	11.50%	Hypothecation of Future assets to be created from the R&M Scheme
40	REC	Procurement of Spare HPT Module for Khaperkheda TPS	8.76	2.92	5.84	7 equal annual installments commenced from 15-January 2018	10.35%	Hypothecation of Future assets to be created from the R&M Scheme
41	REC	R&M - T, I&C Up-gradation through Burner Management System, Excitation system, HT Motor Protection etc. form Parli TPS Unit 3,4 & 5	1.76	0.59	1.17	7 equal annual installments commenced from 15-February 2018	10.35%	Hypothecation of Future assets to be created from the R&M Scheme
42	REC	ESP Restoration/Refurbishment (Improvement in Stack emmission control) Un it 5,6 &7. Chandrapur STPS	5.98	1.99	3.99	7 equal annual installments commenced from 15-March 2018	11.53%	Hypothecation of Future assets to be created from the R&M Scheme

Sr. No	Parti-culars of Lender	Nature of loan	Out-standing balance as on 31.3.2021	Loan to be repaid within 1 year treated as current liability	Net long term borrowings.	Mode of Repayment	Rate of Interest (WA-ROI)	Nature of security
43	REC	Measurement & monitoring of coal consumption. At Nashik TPS	4.80	1.60	3.20	7 equal annual installments commenced from 15-March 2018	11.56%	Hypothecation of Future assets to be created from the R&M Scheme
44	REC	Input Source measurement scheme (Fuel oil, water, Auxiliary power & coal flow) - Chandrapur STPS	0.75	0.25	0.50	7 equal annual installments commenced from 15-January 2018	10.35%	Hypothecation of Future assets to be created from the R&M Scheme
45	REC	Procurement of Energy Efficient HT Motors at Bhusawal TPS, Koradi TPS, Chandrapur TPS, Khaperkheda TPS, Parli TPS and Paras TPS units.	6.12	0.64	5.48	40 equal quarterly installments : commencing from Sept. 2020	10.08%	Hypothecation of Future assets to be created from the R&M Scheme
46	REC	Supply, Installation, Commissioning and Operation & Maintenance Services of Continuous Ambient Air Quality Monitoring Stations (CAAQMS) at various TPS in the State of Maharashtra.	10.29	0.77	9.52	40 equal quarterly installments : commencing from Sept. 2021	10.25%	Hypothecation of Future assets to be created from the R&M Scheme
47	REC	Stack management by procurement of Bulldozer & LOCO and CHP area schemes for performance & unloading improvement at Bhusawal TPS.	8.69	0.99	7.70	40 equal quarterly installments commencing from March 2020	10.19%	Hypothecation of Future assets to be created from the R&M Scheme
48	REC	Interconnection of 210 MW CHP to 500 MW CHP through Conveyors BC-02 & BC-03 having capacity of 500 TPH at Bhusawal TPS	8.19	0.84	7.35	40 equal quarterly installments commencing from March 2020	10.23%	Hypothecation of Future assets to be created from the R&M Scheme
49	REC	Supply of spares for gear box of XRP-1043 coal mill of unit-5&6, Supply & application of wear resistance liners inside the mill body of XRP 1043 Coal Mill of unit-5&6, Supply of main reducer of Coal Mill Gear Box with allied spares for coal mill of unit-7 at Chandrapur TPS.	3.63	0.41	3.22	40 equal quarterly installments commencing from March 2020	10.06%	Hypothecation of Future assets to be created from the R&M Scheme
50	REC	Replacement of Heating Elements (Baskets) Of Primary and Secondary Air Pre-Heaters of Unit# 5 & 6 At Chandrapur TPS.	0.41	0.04	0.37	40 equal quarterly installments commencing from June 2020	9.75%	Hypothecation of Future assets to be created from the R&M Scheme
51	REC	Replacement of Platten Superheater & Eco Coil Additional of Unit# 5 & 6 and Upper & lower low temperature superheater (LTSH) & Eco bottom assemblies of Unit# 7 at Chandrapur TPS.	25.93	2.88	23.05	40 equal quarterly installments commencing from June 2020	10.16%	Hypothecation of Future assets to be created from the R&M Scheme
52	REC	Procurement & replacement of condenser tubes and Boiler Feeder Pump (BFP) cartridges at Chandrapur TPS.	6.37	0.73	5.64	40 equal quarterly installments commencing from March 2020	10.09%	Hypothecation of Future assets to be created from the R&M Scheme
53	REC	210/500 MW Coal Handling Plant (CHP) Performance Improvement at Chandrapur TPS.	11.84	1.35	10.48	40 equal quarterly installments commencing from March 2020	10.10%	Hypothecation of Future assets to be created from the R&M Scheme
54	REC	Performance Improvement & Life Enhancement of 500MW CHP-B at Chandrapur TPS.	15.64	1.69	13.95	40 equal quarterly installments : commencing from Sept. 2020	10.14%	Hypothecation of Future assets to be created from the R&M Scheme
55	REC	Electro-Static Precipitator performance Improvement Unit#3&4 at Chandrapur TPS.	4.28	0.48	3.80	40 equal quarterly installments commencing from June 2020	10.08%	Hypothecation of Future assets to be created from the R&M Scheme

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56	REC	Retrofitting of existing HT breakers installed at Unit# 3, 4, 5 & 6 of Chandrapur TPS.	10.30	1.06	9.24	40 equal quarterly installments commencing from December 2020	10.09%	Hypothecation of Future assets to be created from the R&M Scheme
57	REC	Construction of Quarter Guard, Bachelor Accommodation and allied structures in Phase I & II for induction of CISF Security at Chandrapur TPS.	7.44	0.83	6.61	40 equal quarterly installments commencing from June 2020	10.15%	Hypothecation of Future assets to be created from the R&M Scheme
58	REC	Development of Ash Bund Area at Waregaon, Khaperkheda TPS.	30.29	3.56	26.73	40 equal quarterly installments commencing from -December 2019	10.17%	Hypothecation of Future assets to be created from the R&M Scheme
59	REC	Procurement & Replacement of complete set of LTSH coils for Unit# 3, 4 at Khaperkheda TPS.	4.44	0.51	3.94	40 equal quarterly installments commencing from March 2020	10.10%	Hypothecation of Future assets to be created from the R&M Scheme
60	REC	Works for Ash Disposal from Khaperkheda 1X500 MW Unit to Nandgaon Ash Bund.	50.36	5.92	44.44	40 equal quarterly installments commencing from -December 2019	10.09%	Hypothecation of Future assets to be created from the R&M Scheme
61	REC	ESP upgradation for Unit#1 at Khaperkheda TPS.	0.03	0.00	0.02	40 equal quarterly installments commencing from June 2020	10.10%	Hypothecation of Future assets to be created from the R&M Scheme
62	REC	Procurement, installation and commissioning of Gravimetric belt/rotary type Feeder, VFD for CEP, up-gradation of BTS System and implementation of Environmental Schemes at Khaperkheda TPS.	8.39	0.88	7.51	40 equal quarterly installments commencing from December 2020	10.06%	Hypothecation of Future assets to be created from the R&M Scheme
63	REC	Restoration of Pond No.3 by desilting and providing peripheral earthen bund with desilted soil and other related appratant works of Nallah training, approach road, C.D. Works, pipe culverts etc at Koradi TPS.	43.19	5.08	38.11	40 equal quarterly installments commencing from -December 2019	9.99%	Hypothecation of Future assets to be created from the R&M Scheme
64	REC	Improvement in Electrical System at Chandrapur TPS.	8.71	0.97	7.74	40 equal quarterly installments commencing from June 2020	10.01%	Hypothecation of Future assets to be created from the R&M Scheme
65	REC	Third Raising of Ash Bund from T.B.L. 581.50 to 586.50 M of Valley No. 4A at Nashik TPS.	8.40	0.93	7.47	40 equal quarterly installments commencing from June 2020	10.13%	Hypothecation of Future assets to be created from the R&M Scheme
66	REC	Various Performance improvement Schemes at KGSC, Pophali.	6.15	0.72	5.43	40 equal quarterly installments commencing from -December 2019	10.10%	Hypothecation of Future assets to be created from the R&M Scheme
67	REC	Enhance the performance & life of Coal Handling plant at Nashik TPS.	13.16	1.50	11.66	40 equal quarterly installments commencing from March 2020	10.10%	Hypothecation of Future assets to be created from the R&M Scheme
68	REC	Replacement of complete LTSH coils at Unit-3 Boiler and complete economizer coils at Unit-5 Boiler at Nasik TPS 210 MW.	6.65	0.76	5.89	40 equal quarterly installments commencing from March 2020	10.11%	Hypothecation of Future assets to be created from the R&M Scheme
69	REC	Retrofitting of 6.6 kV Breakers, Battery Replacement, System Improvement & MPCB Related schemes at Nashik TPS.	10.15	1.16	8.99	40 equal quarterly installments commencing from March 2020	10.05%	Hypothecation of Future assets to be created from the R&M Scheme

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70	REC	Various schemes related to CHP Improvement and Stack Management & Coal Mill Performance Improvement schemes at 2 X 250 MW Units of Paras TPS.	13.96	1.60	12.36	40 equal quarterly installments commencing from March 2020	10.08%	Hypothecation of Future assets to be created from the R&M Scheme
71	REC	Augmentation of Bottom Ash & Fly Ash Pumping scheme at Paras Thermal Power Station and extension of ash pipe lines from existing ash bund to new ash bund at Gazipur.	30.86	3.43	27.43	40 equal quarterly installments commencing from June 2020	10.10%	Hypothecation of Future assets to be created from the R&M Scheme
72	REC	Replacement OF ESP internals ESP FOR U#4, U#5 & HT Motor Protection Relays, Microprocessor Based digital Trivector Energy meters, and Measurement of SO2 - NOX for Unit – 4, 5, Continuous Ambient Air Quality Monitoring Station at Parli TPS.	0.27	0.03	0.24	40 equal quarterly installments commencing from June 2020	10.06%	Hypothecation of Future assets to be created from the R&M Scheme
73	REC	Procurement & replacement of complete set of economizer coils of unit no. 4, LTSH coils for unit no. 5 and mill base & gear housing with complete gear box assembly to achieve improvement in coal mill availability & performance at 210 MW unit 4 & 5 Parli TPS.	5.82	0.65	5.18	40 equal quarterly installments commencing from June 2020	10.10%	Hypothecation of Future assets to be created from the R&M Scheme
74	REC	Civil works of providing Road Network at KGS Complex Pophali, Modernisation and Refurbishing of Residential complex and Water supply & sanitary works at Koyna Generating Station Complex (KGSC), Pophali.	14.59	1.67	12.92	40 equal quarterly installments commencing from March 2020	10.08%	Hypothecation of Future assets to be created from the R&M Scheme
75	REC	Replacement of Turbine Rotor Blades stage I & II at GT-6 Uran GTPS.	15.49	0.00	15.49	120 equal Monthly installments : commencing from 30th June 2022	10.16%	Hypothecation of Future assets to be created from the R&M Scheme
76	REC	Construction of 3rd raising of existing Ash bund from T.B.L. 273. 63 Mtr to 276.63 Mtr with construction of masonry dam (Gabion Structure) at Paras TPS in the State of Maharashtra	1.85	0.22	1.63	40 equal quarterly installments commencing from -December 2019	10.11%	Hypothecation of Future assets to be created from the R&M Scheme
77	REC	Replacement of Fire Tender for Chandrapur, Koradi, Khaperkheda, Parli, Paras, Nashik, Bhusawal TPS and Pophali HPS and Uran GTPS.	5.20	0.00	5.20	120 equal Monthly installments : commencing from 31st March 2023	10.02%	Hypothecation of Future assets to be created from the R&M Scheme
78	REC	Provision of Coal Transport System at Chandrapur STPS in the State of Maharashtra.- Pipe Conveyor system for transportation of coal	127.80	13.82	113.98	40 equal quarterly installments commencing from Sept. 2020	10.15%	Hypothecation of Future assets to be created from the R&M Scheme
79	REC	Procurement and replacement of Economiser Upper Assemblies at Unit-5 and 6 and Hot Re-heater (HRH) coil at Unit-3 of Chandrapur STPS.	7.63	0.82	6.80	40 equal quarterly installments commencing from Sept. 2020	9.98%	Hypothecation of Future assets to be created from the R&M Scheme
80	REC	Procurement of Bulldozer and refurbishment of Apron Feeder at Khaperkheda TPS	8.42	0.91	7.51	40 equal quarterly installments commencing from Sept. 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme

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81	REC	Procurement of battery set, Air (PA) fan assembly, Jack oil pump, Turbo dirven boiler feed pump (BFP), Cartirdge and restoration of Electro-Static Precipitators (ESP) internals for Unit-5 at Khaperkheda TPS	11.06	1.13	9.93	40 equal quarterly installments commencing from March 2021	10.20%	Hypothecation of Future assets to be created from the R&M Scheme
82	REC	Supply, Installation & Commissioning of different schemes for MPCB and Station requirement at Koradi TPS.	1.01	0.00	1.01	120 equal Monthly installments : commencing from 30th Sept 2022	10.16%	Hypothecation of Future assets to be created from the R&M Scheme
83	REC	System Rehabilitation & Upgradation at Nashik TPS	5.39	0.58	4.81	40 equal quarterly installments commencing from Sept. 2020	10.13%	Hypothecation of Future assets to be created from the R&M Scheme
84	REC	Procurement of BFP cartirdge for Unit-3 and Unit-4 at Paras TPS.	9.81	0.98	8.82	40 equal quarterly installments commencing from June 2021	10.25%	Hypothecation of Future assets to be created from the R&M Scheme
85	REC	GTR Foundation, approach road to New Parli and Plant internal roads at Parli TPS	7.95	0.86	7.09	40 equal quarterly installments commencing from Sept. 2020	10.06%	Hypothecation of Future assets to be created from the R&M Scheme
86	REC	Procurement of batteries, breakers and weigh bridge at Unit-6 and Unit-7 at Parli TPS.	13.90	1.43	12.48	40 equal quarterly installments commencing from March 2021	10.13%	Hypothecation of Future assets to be created from the R&M Scheme
87	REC	Various civil schemes for Modernization of HPC Pune Colonies	8.67	0.94	7.74	40 equal quarterly installments commencing from Sept. 2020	10.07%	Hypothecation of Future assets to be created from the R&M Scheme
88	REC	Provision of work of construction of 1st raising of existing Ash Bund No. 3 from TBL(top Bund Level) 258 Mtr to 264 Mtr at Bhusawal TPS.	47.52	5.14	42.39	40 equal quarterly installments commencing from Sept. 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
89	REC	Augmentation of Ash Evacuation system & procurement of BCW pump (Boiler Circulating water pump) motors at Bhusawal TPS and Khaperkheda TPS. Procurement of AVCF drive along with inverter module for GEHO pumps and supply, erection and commissioning of 240 VDC, 100A float and Float cum Boost Battery Changer with 325Ah Battery Bank for CWPH at Bhusawal TPS	9.83	0.98	8.84	40 equal quarterly installments commencing from June 2021	10.18%	Hypothecation of Future assets to be created from the R&M Scheme
90	REC	Provision of scheme related to Barrage Gate, AWR pipeline and concrete road at Nashik TPS.	6.48	0.65	5.83	40 equal quarterly installments commencing from June 2021	10.20%	Hypothecation of Future assets to be created from the R&M Scheme
91	REC	Replacement of H2 Generators with New Hydrogen Generator (Non Abstos Design) and Electrical items for Stage II and ORC TPS at Chandrapur	9.47	1.00	8.47	40 equal quarterly installments commencing from December 2020	10.11%	Hypothecation of Future assets to be created from the R&M Scheme
92	REC	DCS (Distributed Control System) Upgradation & Refurbishment of ESP at Unit No 3 at Nashik TPS.	12.59	1.26	11.33	40 equal quarterly installments commencing from June 2021	10.25%	Hypothecation of Future assets to be created from the R&M Scheme
93	REC	Signal & Telecommunication system for in-plant yard, Khaperkheda and Kalumna and modification of Kalumna yard alteration No-5 at Khaperkheda TPS.	0.04	0.00	0.03	40 equal quarterly installments commencing from Sept. 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme

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94	REC	Provision of work of construction of WBM road and drain on filling of hot water canal from Pond No-2 to Pond No 3 and construction of Bridge cum weir on Pond No 3 parallel to National Highway ay Koradi TPS.	9.09	0.98	8.10	40 equal quarterly installments commencing from Sept. 2020	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
95	REC	Construction of 1st raising of existing Ash Bund fom TBL(top Bund Level) 426 Mtr to 432 Mtr with construction of masonary dam and raising the height of drain well from 423.75 Mtr to 432 mtr at Dautpur Bond Nom 2 of Parli TPS.	23.95	2.39	21.55	40 equal quarterly installments commencing from June 2021	10.25%	Hypothecation of Future assets to be created from the R&M Scheme
96	REC	Upgradation of Human Machine Interface system at Unit No 3 and 4 at Khaperkheda TPS.	10.44	1.07	9.37	40 equal quarterly installments commencing from March 2021	10.00%	Hypothecation of Future assets to be created from the R&M Scheme
97	REC	Provision of work of providing, lowering, laying and joining M.S. Pipe lines from Waregaon Ash bund leading towards Khaperkheda TPS for additional recovery of water from waregaon ash bund including ancillary works of RCC pedestals at Khaperkheda TPS.	8.59	0.90	7.68	40 equal quarterly installments commencing from December 2020	10.01%	Hypothecation of Future assets to be created from the R&M Scheme
98	REC	Various schemes related to CHP Improvement and performance optimization and scheme of conversion of existing composite OHE to conventional OHE at Khaperkheda TPS.	8.16	0.88	7.28	40 equal quarterly installments commencing from Sept. 2020	10.14%	Hypothecation of Future assets to be created from the R&M Scheme
99	REC	Civil works at Various Thermal Power Stations as implementation of Intelligent Bureau (IB) Recommendations	18.08	1.81	16.27	40 equal quarterly installments commencing from June 2021	11.59%	Hypothecation of Future assets to be created from the R&M Scheme
100	REC	Construction of Limited Heigh Sub-way (LHS) at un-manned road level crossing by Railway on cost sharing basis with MSPGCL on Khaperkheda - Kalumna Railway siding and Saoner - Khaperkheda Railway Siding at Khaperkheda TPS.	13.45	1.34	12.10	40 equal quarterly installments commencing from June 2021	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
101	REC	Procurement of Boiler Feed Booster pumps to improve availability and performance of Feed system, Moving blades of Low Pressure Turbine and Condenser Tubes of Chandrapur TPS (3 x 500 MW)	8.63	0.22	8.41	40 equal quarterly installments : commencing from March 2022	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
102	REC	Renovation and Beautification works of CSTPS Chandrapur Colony at Chandrapur.	40.94	4.09	36.84	40 equal quarterly installments commencing from June 2021	11.58%	Hypothecation of Future assets to be created from the R&M Scheme
103	REC	Civil works at Bhusawal TPS, Deepnagar, Bhusawal in the state of Maharashtra	14.28	1.43	12.85	40 equal quarterly installments commencing from June 2021	11.65%	Hypothecation of existing movable assets - Paras TPS Unit-3 (250 MW) - Other Plant & Machinery items.
104	REC	Utilization of unused water scheme from Bhanegaon open cast mine and construction of cement concrete road inside part of the power house at Khaperkheda TPS.	9.22	0.92	8.30	40 equal quarterly installments commencing from June 2021	11.65%	Hypothecation of Future assets to be created from the R&M Scheme

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105	REC	Civil works at Nashik Hydro Power Circle in Maharashtra	5.36	0.54	4.82	40 equal quarterly installments commencing from June 2021	11.60%	Hypothecation of existing movable assets - Paras TPS Unit-3 (250 MW) - Other Plant & Machinery items.
106	REC	Renovation of Colony at Eklahare at Nashik TPS	7.90	0.59	7.31	40 equal quarterly installments : commencing from September 2021	11.64%	Hypothecation of Future assets to be created from the R&M Scheme
107	REC	Conservation of Koradi Lake, Nagpur for supply of clean water to Koradi TPS and Khaperkheda TPS.	6.14	0.00	6.14	120 equal Monthly installments : commencing from 31st December 2022	11.39%	Hypothecation of Future assets to be created from the R&M Scheme
108	REC	Procurement of APH Basket for Unit 1 to 4 (210 MW) and Unit-5 (500 MW)and up-gradation of HT Rotor Protection Relays in Unit 1 to 4 at Khaperkheda TPS	4.93	0.25	4.68	40 equal quarterly installments : commencing from December 2021	11.60%	Hypothecation of Future assets to be created from the R&M Scheme
109	REC	Replacement of Battery Bank Set, Two complete set of Air Pre-heater Baskets & Coal Compartment Assemblies for 250 MW Unit-4, at Paras TPS	8.09	0.20	7.89	40 equal quarterly installments : commencing from March 2022	11.90%	Hypothecation of Future assets to be created from the R&M Scheme
110	REC	Supply, Erection, Commissioning and testing of 220V, 2035 AH station Battery Set (04 nos) and 24 V, 2250 AH, SG/TG and BoP Battery Sets (08 nos) for Unit No-4 and 5 along with accessories at 2 x 500 MW Bhusawal TPS.	6.27	0.16	6.11	40 equal quarterly installments : commencing from March 2022	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
111	REC	Renovation work of Colony at Parli TPS	2.66	0.00	2.66	120 equal Monthly installments : commencing from 30th Sept 2022	11.43%	Hypothecation of existing movable assets - Paras TPS Unit-3 (250 MW) - Other Plant & Machinery items.
112	REC	Various Civil works at Parli TPS in the State of Maharashtra	2.97	0.07	2.90	40 equal quarterly installments : commencing from March 2022	11.64%	Hypothecation of existing movable assets - Paras TPS Unit-3 (250 MW) - Other Plant & Machinery items.
113	REC	Provision and Construction of various public amenities in the rehabilitated village Khasara at Koradi TPS, Koradi district.	0.99	0.04	0.95	40 equal quarterly installments : commencing from December 2021	11.64%	Hypothecation of existing movable assets - Paras TPS Unit-3 (250 MW) - Other Plant & Machinery items.
114	REC	Provision and Construction of various public amenities in the rehabilitated village Koradi at Koradi TPS, Koradi district.	0.08	0.00	0.08	40 equal quarterly installments : commencing from June 2022	11.65%	Hypothecation of existing movable assets - Paras TPS Unit-3 (250 MW) - Other Plant & Machinery items.
115	REC	Work of maintaining the zero discharge condition of Pond No-2 and Pond No-3 and providing the facilities on peripheral area of Pond No-3 such as roads/bridges with lightening arrangement at Koradi TPS, Koradi disctrict.	6.00	0.45	5.55	40 equal quarterly installments : commencing from September 2021	11.65%	Hypothecation of Future assets to be created from the R&M Scheme
116	REC	Upgradation of HMI Symphony Harmony DCS, Battery Replacement and retrofitting of HT berakers by VCB at Unit-3, 210 MW Bhusawal TPS	6.00	0.00	6.00	120 equal Monthly installments : commencing from 31st May 2022	11.78%	Hypothecation of Future assets to be created from the R&M Scheme
117	REC	Procurement of complete sets of Air Pre-heater Basket at various TPS of MSPGCL.	8.33	0.21	8.12	40 equal quarterly installments : commencing from March 2022	11.80%	Hypothecation of Future assets to be created from the R&M Scheme
118	REC	Various Capital Expenditure schemes at Koyna Generating Station Complex [KGSC].	0.57	0.00	0.57	120 equal monthly installments : commencing from 31st March 2023	10.75%	Hypothecation of Future assets to be created from the R&M Scheme

Sr. No	Parti-culars of Lender	Nature of loan	Out-standing balance as on 31.3.2021	Loan to be repaid within 1 year treated as current liability	Net long term borrowings.	Mode of Repayment	Rate of Interest (WA-ROI)	Nature of security
119	REC	Refurbishment of Coal Handling Plant at Koradi TPS U-6 & 7 in the state of Maharashtra.	4.38	0.04	4.34	120 equal monthly installments : commencing from March 2022	10.75%	Hypothecation of Future assets to be created from the R&M Scheme
120	REC	Providing green belt around Pond No-3, Construction of weir & reclaiming natural stream from Pond No-3 to Kolar River on d/s side of Pond No-3 and deeping of west side of pond no-3 at Koradi TPS	10.74	0.00	10.74	120 equal monthly installments : commencing from April 2022	10.75%	Hypothecation of existing movable assets - Paras TPS Unit-3 (250 MW) Boiler Plant and Equipment Single Drum
121	REC	Work of Strengthing and asphalting on the peripheral earthen enbankment of Pond No-3 at Koradi TPS	9.03	0.00	9.03	120 equal monthly installments : commencing from 30th Sept 2022	10.75%	Hypothecation of existing movable assets - Paras TPS Unit-3 (250 MW) Boiler Plant and Equipment Single Drum
122	REC	Procurement of Energy Efficient Cartridges for Boiler Feed Pumps of Unit No-6 & 7 of Parli TPS	12.05	0.00	12.05	120 equal monthly installments : commencing from 30th April 2023	10.75%	Hypothecation of Future assets to be created from the R&M Scheme
123	REC	Works to enhance the performance of Coal Handling Plant at Parli TPS (3x250 MW).	4.33	0.00	4.33	120 equal monthly installments : commencing from 31st December 2022	10.75%	Hypothecation of Future assets to be created from the R&M Scheme
124	REC	Refurbishment of 24 KV Generator Circuit Breakers (ABB Make) for 4 Units at Stage IV, Koyna GSC, Pophali.	5.02	0.00	5.02	120 equal monthly installments : commencing from 31th December 2022	10.75%	Hypothecation of Future assets to be created from the R&M Scheme
125	REC	Energy Efficient Renovation & Modernization [R&M[work at 1 x 210 MW Koradi TPS Unit-6.	5.69	0.57	5.12	120 equal monthly installments : commencing from April 2020	10.75%	Hypothecation of existing movable assets - Paras TPS Unit-3 (250 MW) Boiler Plant and Equipment Single Drum
126	REC	Procurement of 2 no of 3100 HP, WDG-3A Locomotives for Chandrapur STPS.	17.33	0.00	17.33	120 equal monthly installments : commencing from 30th November 2022	10.75%	Hypothecation of Future assets to be created from the R&M Scheme
127	REC	Procurement and replacement of Economizer Coils for Unit 1 and 2, 210 MW Khaperkheda TPS and procurement and replacement work of foundation deck spring assembly for coal mills of Unit No 3 & 4 of 210 MW, Khaperkheda TPS	2.67	0.00	2.67	120 equal monthly installments : commencing from 31st October 2022	10.75%	Hypothecation of Future assets to be created from the R&M Scheme
128	REC	Up-gradation of existing Gravemetric Coal Feeders control panel with HMI and Microprocessor based controller with VFD, Motor & Weigh Module at Unit 3 & 4 and Procurement of various critical components of GEHO Pump (Model- TZPM 800) for AHP-1, Khaperkheda TPS.	2.16	0.00	2.16	120 equal monthly installments : commencing from 30th April 2023	10.75%	Hypothecation of Future assets to be created from the R&M Scheme
129	REC	Working Capital facility	217.50	217.50	0.00	24 equal Monthly installments : commenced from April 2020	10.25%	Movable assets of Bhusawal TPS Unit 4 & 5 (2x500 MW) having value of ₹ 320.96 crs and Chandrapur TPS Unit 8 & 9 (2x500 MW) having value of ₹ 197.74 crs. [for portion of loan of ₹ 430 crs i.e. 29%]
130	REC	Working Capital facility	532.50	532.50	0.00	24 equal Monthly installments : commenced from April 2020	10.25%	Corporate Guarantee from MSEB Holding Company Ltd. [For portion of loan of ₹ 1070 crs i.e. 71%]

Sr. No	Parti-culars of Lender	Nature of loan	Out-standing balance as on 31.3.2021	Loan to be repaid within 1 year treated as current liability	Net long term borrowings.	Mode of Repayment	Rate of Interest (WA-ROI)	Nature of security
131	REC	Working Capital facility	1000.00	500.00	500.00	24 equal Monthly installments : commencing from April 2021	10.25%	Hypothecation of movable assets of Bhusawal TPS Unit 4 & 5 (2x500 MW) to the extent of value of ₹ Crs 711.19 crs and Parli TPS Unit-8 (250 MW) to the extent of ₹ 166.66 Crs and Paras TPS Unit-3 to the extent of ₹ 322.16 crs [Total ₹ 1200 crs]
132	REC	Working Capital facility	1000.00	0.00	1000.00	96 equal Monthly installments : commencing from 1st October 2022	10.04%	Hypothecation of movable assets of Bhusawal TPS Unit 4 & 5 (2x500 MW) to the extent of value of ₹ 551.28 crs and pari passu charge with PFC on entire assets of Koradi TPS (3x660 MW) Unit No. 8,9 & 10 to the extent of ₹ 874.37 crs.
133	South Indian Bank	Capex (Long term) for funding of capital expenditure of existing Power stations	18.65	15.00	3.65	40 quarterly installments of ₹3.75 crores commenced from Aug 2012	8.85%	Movable assets (BOP mechanical package) of Parli Unit -6
134	Housing & Urban Develo-pment Corp-oration Ltd. (HUDCO)	Construction of Staff Quarters at Koradi Project 3x660 MW	3.50	1.75	1.75	32 quarterly installments of ₹ 43.73 lacs commenced from 31.5.2015	9.00%	Mortgage/ Hypothecation of Future assets to be created for construction of staff quarters together with Land at Koradi Project site at Nagupr.
135	State Bank of India	Debt Refinancing loan for Khaperkheda TPS Expn Unit-5 (500 MW)	1417.29	172.40	1244.89	51 equal quarterly installments started from October 2016	8.50%	Mortgage & Hypothecation of all Movable & Immovable assets of Khaperkheda TPS Unit-5 (500 MW)
136	KfW-Germany	Establishment of 150 M.W Solar Power Plant at Sakri- Dhule	317.04	109.14	207.91	21 semi annual installments commenced from 30.12.2013	1.96%	Unsecured - Back to back arrangement GoM & Govt of India.
137	KfW-Germany	Establishment of Solar Power Plant at Baramati & other places	88.91	88.91	0.00	21 semi annual installments commenced from 30.12.2013	1.96%	Unsecured - Back to back arrangement GoM & Govt of India.
138	IBRD-World Bank	Funding for Koradi TPS Unit-6 EE R&M	268.21	13.79	254.42	50 semi annual Installments beginning from 15.12.2014 till 15.6.2039	Six month LIBOR + variable Spread (presently 1.87%)	Unsecured - Back to back arrangement GoM & Govt of India.
139	M/s. Clean Sustainable Solar Energy Pvt. Ltd.	Construction Cost for 50 MW Solar Power Project at Shirsuphal	178.49	4.30	174.19	To be repaid in monthly installment over 20 years from FY 2015-16	18%	Unsecured
		TOTAL	**26450.63**	**3998.43**	**22452.20**			

SHORT TERM BORROWING (ANNEXURE B)

(₹ in Crores)

Sr.No	Particulars of Lender	Outstanding balance as on 31.3.2021	Terms of Repayment	Rate of Interest	Nature of security
1	Bank of India	2575.13	Sanctioned for a period of one year and renewal on yearly basis	Rate of interest is based on Bank's MCLR (presently 7.20%)	1) Book debts and stocks upto limit of Rs 10500 cr 2) Land & Building, P&M & other assets of Chandrapur TPS Unit 3,4,5,6 & 7. 3) Movable assets of Sakhri Dhule Power Plant & Uran GTPS 4) collateral security in the form of charge on movable assets of Khaperkheda TPS Unit 1,2,3 & 4
2	Bank of Maharashtra	468.00		Rate of interest is based on Bank's MCLR (presently 6.90%)	
3	Canara Bank	3045.12		Rate of interest is based on Bank's MCLR (presently 7.20%)	
4	Indian Bank	909.00		Rate of interest is based on Bank's MCLR (presently 7.10%)	
5	Central Bank of India	342.74		Rate of interest is based on Bank's MCLR (presently 6.55%)	
6	State Bank of India	1042.59		Rate of interest is based on Bank's MCLR (presently 6.75%)	
7	CC frm BoI	2.01		Presently ROI is 9.60%	
8	CC frm Canara	0.17		Presently ROI is 9.95%	
9	Maharashtra State Co-Operative Bank Ltd.	333.33	Tenure - 1 Year. Repayable in 6 monthly equal installments commencing from 12.2.2021	7.25%	Unsecured
10	Bank of Maharashtra	700.00	Tenure - 1 year . Bullet Repayment at the end of tenure	8.00%	Pari-passu charge on movable assets of Khaperkheda TPS Unit 1,2,3 & 4
11	Bank of Baroda	500.00	Tenure - 6 months. Bullet Repayment at the end of 6 months from the date of disbursement.	7.50%	Unsecured
12	Indian Renewal Energy Dev. Agency Ltd.	100.00	Tenure - 12 months. Repayable in 11 monthly equal installments after moratorium period of 1 month	7.30%	Unsecured
13	Gadchiroli DCC Bank	150.00	Tenure- 1 year. Principle amount shall be repayable by "Bullet Installment" as at the end of tenor	7.25%	Unsecured
14	Central Bank of India-Covid Loan	28.54	Tenure - 2 years. Repayable in 18 monthly equal installments after moratorium period of 6 months	7.05%	1) Book debts and stocks upto limit of Rs 10500 cr 2) Land & Building, P&M & other assets of Chandrapur TPS Unit 3,4,5,6 & 7. 3) Movable assets of Sakhri Dhule Power Plant & Uran GTPS 4) collateral security in the form of charge on movable assets of Khaperkheda TPS Unit 1,2,3 & 4
15	Indian Bank-Covid Loan	37.77	Tenure - 2 years. Repayable in 18 monthly equal installments after moratorium period of 6 months	7.30%	
16	Bank of Maharashtra-Covid Loan	39.14	Tenure - 2 years. Repayable in 18 monthly equal installments after moratorium period of 6 months	7.70%	
17	Bank of India-Covid loan	200.00	Tenure - 2 years. Repayable in 18 monthly equal installments after moratorium period of 6 months	7.40%	
	Total	**10473.55**			

MAHAGENCO PROJECTS

Bhusawal TPS

Bhusawal TPS

Bhusawal Project-TG Hall & PCR

Oxygen Plant

Solar Projects

Koradi Control Room

Coal Conveyor

Uran GTPS

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