



MAHAGENCO

Maharashtra State Power Generation Co. Ltd.

Generating for Generations

**8th ANNUAL REPORT
2012-2013**



MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED

ANNUAL REPORT
2012-2013

Annual Report 2012-2013

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Maharashtra State Power Generation Co. Ltd.

Board of Directors (from 01.04.2012 up to AGM date)

Chairman & Managing director	Shri Subrat Ratho (upto 06.07.12) Shri Asheesh Sharma (w.e.f. 06.07.12)
Director	Shri V. K. Kanade (w.e.f. 18.11.11 up to 30.11.2012) Shri Ajoy Mehta (w.e.f. 21.05.12 up to 31.7.12, w.e.f. 30.11.12) Shri Arvind Singh (w.e.f. 21.09.12 up to 30.11.2012)
Director (F)	Shri G. J. Girase (w.e.f. 01.06.07 to 21.05.12) Shri S. A. M. Naqvi (w.e.f. 26.12.12 to 26.08.13)
Director (O)	Shri M. G. Waghmode (w.e.f. 11.3.2011 to 03.04.13) Shri Vijay Singh (w.e.f. 28.08.13)
Director (P)	Shri C. S. Thotwe (w.e.f. 28.08.2013)
Director	Shri P. V. Page (w.e.f. 1.12.08 till date)

Directors' Report

Dear Members

Your Directors are pleased to present the 8th Annual Report and the audited annual accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

(₹ in lacs)

	2012-13	2011-12
Income		
Revenue from Sale of Power(net)	1,642,386.21	1,274,463.80
Other Income	21,918.43	15,028.87
Gross Income	1,664,304.64	1,289,492.67
Expenditure		
Cost of Material consumed	1,082,212.05	950,200.55
Other Exp	206,505.06	114,659.26
Employee Cost	91,003.64	79,327.33
Depreciation/ amortization	55,696.89	40,312.55
Finance Cost	136,110.70	84,982.92
Net Profit before tax,	92,776.30	20,010.06
Tax (net)	43,978.37	(21.57)
Net Profit after tax	48,797.93	20,031.63

Financial Performance

During the year under review, the income from sale of power increased by 28 % from ₹ 12,744,63 lacs to ₹ 1642386 lacs. Other income during this period increased by 45% to ₹ 21,918 lacs thereby making overall increase in total income 29%. The cost of material consumed increased 14 % from ₹ 950,200 lacs to ₹ 1,082,212 lacs which mainly comprise increase in cost of raw coal 32 % and imported coal 21%. The Finance cost increased by 59% from ₹ 84,982 lacs to ₹ 136,110 lacs mainly on account of interest burden on new Khaperkheda unit 5 and Bhuswal unit 4 (500 MW units each) and increasing pressure on working capital borrowings due to increase in overdue from MSEDCL. Employee cost, Depreciation and other expenses, has increased 15 %, 38% and 80% respectively. The factors attributing increase in other expenses are lease rent 37%, Repairs & Maintenance 23% and other generation and Admn. Expenses 229%. As a result, overall profit is increased to ₹ 48,797 lacs from ₹ 20,031 lacs previous year.

Dividend

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

Operational Performance

The total Installed Capacity of Mahagenco is 10737 MW as on 31st March 2013. Khaperkheda U-5 (500 MW) and Bhusawal U-4 (500 MW) COD declared on 16-04-2012 and 16-11-2012 respectively.

During the year 2012-13, for coal-fired plants, the average availability factor was 86.24% as against 85.22% of last year (increase of 1.02%). The plant load factor was 65.27% as against 65.04% (increased by 0.23%). The overhaul of 15 units was taken up during 2012-13 as against overhaul of 16 units during 2011-12. All units at Parli were withdrawn during Jan'13/Feb'13 due to water shortage. The planned outage & forced outage factor for the year 2012-13 were 6.63% & 7.11% as against 8.15% & 6.63% for 2011-12. For gas based plants, average availability was 96.22% and PLF was 63.55%.

The other operational performance factors are as below:-

The Coal Realization for the year 2012-13 was 73.31% as against 75.70% of previous year. Specific coal consumption for the year 2012-13 was 0.837 Kg/ Kwh as against 0.841 Kg/ Kwh of last year. The Boiler Tube Leakage percentage for the year 2012-13 was 2.48% as against 2.29% of last year. Specific oil consumption for the year 2012-13 was 3.53 ml/Kwh as against 4.19 ml/Kwh of last year. The auxiliary consumption for the year 2012-13 was 10.39% as against 10.52% of last year. The average gross calorific value of coal fired during the year 2012-13 was 3150 Kcal/Kg as against 3154 Kcal/Kg of last year. The heat rate for the year 2012-13 was 2672 Kcal/Kwh as against 2704 Kcal/Kwh for last year. The transit loss for the year 2012-13 was 0.87% as against 0.87% for last year.

Capacity Addition Programme

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

(A) Commissioned Thermal Power Projects – 1500 MW:

1. Khaperkheda TPS Unit 5 (500 MW) :

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

Sr. No.	Major Milestone	Achieved on
1.	Trial operation completed	04.04.2012

The unit was operated on full load on 05.08.2011. The unit has been commissioned (CoD) on 16.04.2012 and is presently under operation.

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

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

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

Sr. No.	Major milestone of Unit-4	Achieved on
1.	Trial operation completed	18.07.2012

The unit was operated on full load on 07.03.2012. The unit has been commissioned (CoD) on 16.11.2012 and is presently under operation.

Sr. No.	Major milestone of Unit-5	Achieved on
1.	Trial operation started	26.12.2012

Bhusawal TPS Unit 5 (500 MW) achieved full load operation on 30.03.2012. The CoD of the unit is expected in the current year.

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

(B) Ongoing Projects- 3230 MW:

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

Order for main plant equipment has been placed on M/s. BHEL on 25.07.08. Zero date: 09.02.09. Order for balance of plant has been placed on 12.06.09 on M/s BGR Energy System Ltd., Chennai. The following major milestones have been achieved during the year:

Sr. No.	Major milestone of Unit-8	Achieved on
1.	Hydraulic test (Drainable)	05.06.2012

Sr. No.	Major milestone of Unit-9	Achieved on
1.	Hydraulic test (Drainable)	29.10.2012

The works on the project are in progress. Full load operation of Unit 8 is envisaged by March 2014 and that of Unit 9 by January 2015.

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

2. Parli TPS Unit 8 (250 MW) :

Order for main plant equipment has been placed on M/s. BHEL on 20.01.09 (Zero date). Order for Balance of Plant excluding Natural Draft Cooling Tower (NDCT) from it's scope, is placed on M/s Sunil Hi-Tech Engineers Ltd. on 01.01.2010. Order for NDCT with film fills is placed on M/s Gammon India Ltd. on 05.01.2010. The following major milestones have been achieved during the year:

Sr. No.	Major milestone	Achieved on
1.	Condenser erection start	24.04.2012
2.	TG erection start	24.04.2012
3.	Hydraulic test (Drainable)	25.12.2012

The works on the project are in progress. Full load operation of the unit is envisaged by March 2014.

Government of Maharashtra has approved the above project vide Government Resolution no. prakalpa- 2008/ pra.kra. 1491/ Urja - 4 dt. 26.05.09.

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

Order for Boiler & Turbo Generator package has been placed on M/s. L & T on 23.09.09 (Zero date). Order for Balance of plant is placed on M/s. Lanco Infratech Ltd., Haryana on 27.07.10.

The following major milestones have been achieved during the year :

Sr. No.	Major milestone of Unit-8	Achieved on
1.	TG erection start	30.04.2012
2.	Condenser erection start	10.05.2012

Sr. No.	Major milestone of Unit-10	Achieved on
1.	Condenser erection start	15.11.2012
2.	TG erection start	26.11.2012

Works of Koradi Unit no. 10 are in progress.

Full load operation of the Unit 8, 9 & 10 are envisaged by March 2014, October-2014 and March-2015 respectively.

Government of Maharashtra has approved the project vide Govt. Resolution No. Prakalp - 2008/ Pra. Kra. 1189/ Urja-4 dated 14.10.2008.

(C) Future Projects (13530 MW):**1. Bhusawal TPS Unit 6 (1 x 660 MW):**

- **Land :** Land for the project is acquired.
- **Water :** Can be made available from Hatnur Dam, Sudhgaon Bandhara and Ozerkheda Dam.
- **Fuel :** MahaGuj collieries ltd. has, vide letter dtd. 18th May, 2011, assured supply of coal to this project from Machhakata coal blocks.
- MoEF has accorded Environmental Clearance for the project on 27.11.2012.
- **Power Purchase Agreement:** MERC passed the order for PPA between Mahagenco & MAHAVITARAN.

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

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

- **Land:** Land for setting of this project is being made available by suitable readjustment of land in possession of Mahagenco.
- **Water:** WRD has, vide letter dtd. 12th Jan.2011, approved reservation of 6.5 mm³ /year of additional water. Balance water requirement of 10.5 mm³ shall be met with from already sanctioned water of 34 mm³ for running units at Nashik.
- **Fuel :** MahaGuj has, vide letter dtd. 18th May, 2011 assured supply of coal to this project from Machhakata coal blocks. Further, GoI vide letter dtd 06.09.2013 have allocated Coal block of Mahajanwadi, Nagpur for this project.

- **Environment Clearance:** Terms of Reference (TOR) is received from Ministry of Environment & Forests, Govt. of India on 15.06.2011. The Public Hearing is conducted successfully on 07/05/2013. MoM of public hearing received from MPCB. The TOR validity extension granted by EAC upto 15.06.2014.
- **Power Purchase Agreement:** MERC passed the order for PPA between Mahagenco & MAHAVITARAN.
- Preparation of tender specification is in progress.

Above project has been approved by GOM vide Government Resolution no. Prakalpa - 2011/ Pra. Kra. 313/ Urja-4 dated 29.12.2011.

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

Mahagenco has planned to install 1x250 MW coal based unit adjacent to existing Power Station.

- **Land :** Land acquisition for power house and ash disposal area is completed.
- **Water :** Available from lower Mun barrage.
- **Fuel :** MahaGuj has, vide letter dtd. 18th May, 2011 assured supply of coal to this project from Machhakata coal blocks. Further, GoI vide letter dtd 06.09.2013 have allocated Coal block of Mahajanwadi, Nagpur for this project.
- **MoE&F Clearance :** The Terms of Reference (TOR) from Ministry of Environment & Forests, Govt. of India on 26.09.2012. Final EIA report awaited from NEERI.
- **Power Purchase Agreement :** MERC vide order dtd. 29.10.2013 accorded approval to amend PPA dtd. 01.04.2009 with MSEDCL for addition of this project in existing PPA.

Follow up with GoM for approval of the project is going on.

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

- As per Government's directives, implementation of the project shall be done by forming a Joint Venture Company with NTPC Ltd.
- **Land:** Out of 943 H. total land requirement, land acquisition of 493.95 H. completed till October 2013.
- **Fuel :** Coal required for Unit 1&2 (Stage-I) will be made available from Chendipada Coal block, Orissa. Coal required for Unit 3 to 5 (Stage-II) will be made available from Machhakata coal block, Orissa.
- **Water:** Stage I- 40 MM3 water available from Nimna Tapi project on Tapi river. For Stage II- TIDC vide letter no. 1555/2010 dated 03.04.2010 informed that additional 45 MM3 of water could be made available from Nimna Tapi project on Tapi river.
- The Terms of Reference (TOR) is received from Ministry of Environment & Forests, Govt. of India on 05.05.2011. TOR validity extension granted by EAC upto 13.05.2014.
- Power Purchase Agreement: MERC vide order dtd. 29.10.2013 accorded approval to amend PPA dtd. 01.04.2009 with MSEDCL for addition of this project in existing PPA.

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

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

Above project has been approved by GoM vide GR no. Project-08/Pra.Kra.1246/Oorja-4 dated 02.03.10.

Solar Power Generation

Solar power Generation Department (earlier known as Corporate Planning Section) was entrusted with the responsibility of developing the State's first Mega Watt level Solar-PV Power Project. It is noteworthy that the 1 MWp Solar-PV Project was commissioned well within the time limit stipulated by MNRE and the generation for the year 2011-12 is to the order of 1.520 MU's. The generation of a solar plant is subject to the vagaries of nature and availability of sufficient solar insolation at the site. It was envisaged that the plant generate at least 90% of the designed estimated electricity generation of 1.583 MU's, which is 1.425 MU's. The generation of 1.520 MU's for the year 2011-12 therefore exceeds the expectations of Mahagenco.

The generation of 1 MWp Solar- PV Project for the year 2012-13 is 1.402260 MU's.

The other two units of 4MWp (2MWp based on Crystalline Technology and 2 MWp based on Thin Film Technology), which were synchronized with the grid on 18.10.2011 and 12.02.2012. The generation for the year 2012-13 for 4 MW Solar Plants are as below:

- a. 2 MWp based on Crystalline Technology: 2.403534 MU's.
- b. 2 MWp based on Thin Film Technology: 2.951970 MU's.

During the year Mahagenco also completed 125 MWp Solar Project at Sakri, Dist. Dhule

- a. 75 MWp based on Crystalline Technology
- b. 50 MWp based on Thin Film Technology

Above 125 MWp solar PV Power Plant was synchronized with the grid on 31.03.2013 and generating power since then.

Upcoming Solar PV Power Projects:- (2014-15)

- a. 36 MWp Solar PV Power Projects at Shirsufal Tal- Baramati, Dist. Pune.
- b. 50 MWp Solar PV Power Project at Kaudgaon Dist- Osmanabad.

Financing Of New Projects

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

NAGPUR CITY'S WASTEWATER REUSE BY MAHAGENCO FOR KORADI TPS EXPANSION PROJECT 3x660 MW

MAHAGENCO has proposed for expansion of existing Koradi Thermal Power Station by adding three (3) more units of 660 MW each having supercritical steam parameters. Coal and water linkages are two basic infrastructures for feasibility of thermal power station. The present source of raw water for the existing TPS is from Pench dam. However, additional water requirement could not be made available from Pench dam. in lieu of non availability of raw fresh water, MAHAGENCO has decided to source municipal wastewater (sewage) from Nagpur Municipal Corporation for the proposed expansion of Koradi TPS.

Utilising Municipal Wastewater as Raw Water Source in the expansion of Thermal Power Plants, M/s MAHAGENCO is building the goals to achieve environmental friendly expansion which also lead to the reduction in the utilization of fresh water. Mahagenco has signed the memorandum of understanding (MoU) with Nagpur Municipal Corporation (NMC) to supply treated waste water to the extent of 40 MM³/Year (110 MLD) with 10% overloading capacity to meet the demand of

proposed expansion project at Koradi TPS. The water mainly will be utilised for condenser cooling water requirements of the power plant.

The project is awarded at the cost of ₹ 195 Crore including Comprehensive Operation and Maintenance for 10 years. For the proposed project, NMC is availing the grant facility under "Jawaharlal Nehru National Urban Renewal Mission" (JnNURM) to the tune of ₹ 90 Crore which they will transfer to MAHAGENCO and the balance costs will be borne by MAHAGENCO. As per Agreement between MAHAGENCO & NMC, MAHAGENCO will pay ₹ 15 Crores per year to NMC.

This project is the first of its kind where sewage water will be reused for Thermal Power Station to be undertaken by the MAHAGENCO. The 130 MLD plant is currently under execution and expected to be completed in March 2014.

The goal of this project is to establish a wastewater recycle and reuse project in India which will be economically feasible and beneficial to the Power Generation Company while reducing the freshwater demand for non-potable applications and increasing the availability of fresh water for nation.

Fuel Availability

1. Mahagenco's Coal Requirement :

Mahagenco's installed thermal capacity for FY-2012-13 was 7480 MW for which Mahagenco's requirement was 46.50 MMT of coal per year. Mahagenco receives coal through domestic, e-auction and import.

2. Fuel Supply Agreements:

Mahagenco has signed FSA with Coal Companies for Annual Contracted Quantities as described below:

Coal Cos.	ACQ in MMTPA	Date of signing	Remarks
WCL	22.701	21.11.2009	Execution effective from 01.04.09., remain in force for 20yrs. and will be reviewed in respect of ACQ & other provisions after every 5 years.
SECL	6.027	26.06.2009	
MCL	6.172	26.06.2009	
SCCL	2.260	05.03.2009	
MCL	9.344	31.01.2013	FSA for Paras-4, Parali-7, KPKD-5 & Bhusawal-4&5.
TOTAL	46.504		

3. Import Coal:

Mahagenco has recently placed orders for supply of 2.992 MMT imported coal {GCV4600Kcal/Kg-ARB} for Bhusawal, Chandrapur and Khaparkheda TPS. Delivery period is from Sept/Oct-13 to June-2014.

4. Coal shortages from various coal companies:

Mahagenco is facing an overall deficit of about 25% in terms of coal supplies from CIL subsidiaries i.e. WCL, MCL and SECL. In the financial year 2012-13 overall coal deficit was about 28.38 % in terms of less materialization.

Coal Company wise Coal Supply and shortage for year 2012-2013:

Coal Company	ACQ (MMT)	Receipt (MMT)	Shortage (MMT)	% Shortage
WCL	22.689	17.585	5.116	22.54
MCL	10.989	4.822	6.167	56.12
SECL	6.024	5.817	0.21	3.48
SCCL	2.262	1.831	0.429	18.98
Total	41.964	30.055	11.909	28.38

As against a total allocation of 41.964 MMT in the year 2012-13, Mahagenco has received 30.055 MMT. This is only 71.62% of our requirement leading to short supply of coal to the tune of 28.38% (11.909 MMT). Mahagenco is constantly pursuing the matter with coal companies and the concerned Railways to enhance the coal supplies.

In order to reduce for gap of quantity and quality of coal, Mahagenco has resorted to imported coal of High GCV. CEA also allows specific quantity of coal to be imported by each power utility every year.

5. Status of FSA's for Mahagenco's projects.

The Ministry of Coal, Government of India, has sanctioned long term coal linkages from Mahanadi Coalfield Limited (MCL) for Parli-7 (250 MW), Paras-4 (250 MW), Khaperkheda-5 (500MW) and Bhusawal- 4&5 (2×500 MW) projects.

As directed by Coal India Limited (CIL), Mahagenco has signed FSA on 31.01.2013 of 9.344 MMTPA for coal supply to Parli-7, Paras-4, Khaperkheda-5 and Bhusawal- 4 & 5 units. Details of FSA's signed with MCL are as below.

Project/unit name	Capacity (MW)	LoA Quantity (MMTPA)
Parli-7	250	1.204
Paras-4	250	1.204
Khaperkheda-5	500	2.312
Bhusawal-4	500	2.312
Bhusawal-5	500	2.312

CIL has issued modified FSA for new power stations commissioned between 1st April 2009 and 31st March 2015 with trigger level of 80% of ACQ. As per draft FSA, supply of domestic coal may exceed 65% of ACQ during 2012-13, 2013-14 & 2014-15, 70% of the ACQ during 2015-16 and 75% of the ACQ from 2016-17 onwards, depending upon the domestic coal availability. Balance quantity will be supplied through imported coal.

6. Coal blocks allocated to Mahagenco:

- Ministry of coal has jointly allocated the Machhakata and Mahanadi coal blocks in Orissa to Mahagenco and Gujarat State Electricity Co. Ltd. Coal from these blocks will be shared in the ratio of 60:40 by Mahagenco and GSECL respectively.
- Coal from Machhakata coal blocks will be used for upcoming new thermal power stations at Koradi (3x660 MW), Chandrapur (2x500 MW), Dhopave (3X660MW), Parli-8 (replacement)-250MW, and Bhusawal-6 (replacement) - 660MW projects.
- New capacity addition of 3890 MW in Mahagenco is linked with Machhakata Coal Block, in the state of Odisha. Out of this construction has already started for 3230 MW at various places like Chandrapur 2x500 MW, Koradi 3x660 MW and Parli 250 MW.

- Activities related to the developments of Machhakata Coal Block has been delayed due to delay in getting Administrative Approval for land acquisition from steel and mines department, Govt. of Orissa. At present the delay is about one year but it is apprehended that the land acquisition may be delayed further and will result in delay in commencement of coal production.
- Coal from Mahanadi coal block is proposed to be used for upcoming Dondaicha Phase II (3x660MW)
- Chendipada-I and Chendipada-II coal blocks have been jointly allocated to Mahagenco, Chhattisgad Mineral Development Corporation (CMDCL) and Uttar Pradesh Rajya Vidyut Nigam Ltd. (UPRVNL). Mahagenco will get 294.5 MMT coal from this coal block. It will be used for upcoming new thermal power station at Dondiacha Phase-I (2x660MW).
- To overcome above hurdles and due to delay in coal production Mahagenco has requested Central Electricity Authority (CEA) to allocate the tapering linkages for Macchakata coal block linked projects. All the required information in prescribed formats of CEA with revised schedule of tapered linkage has been submitted to CEA. The matter is under consideration.

Mahajanwadi coal block :

- The Ministry of Coal has allotted Mahajanwadi Coal block jointly to MSPGCL and GSECL in the coal share ratio of 50:50 under allocation of New coal blocks to Govt. Companies through e-auction route by competitive bidding of coal mines rule 2012. The total coal reserve of this block is 340 MMT. Paras-4 and Nasik replacement projects of Mahagenco are linked with Mahajanwadi coal block.

7. Various options of coal sourcing:

Mahagenco shall have to explore the feasibility of following options to bridge the short fall of coal quantity.

- Coal from Gare Palma Sector II coal block :
MoC has jointly allocated the Gare Palma Sector II coal block to Tamilnadu State Electricity Board (TNEB) and M/s Maharashtra State Mining Corporation Limited (MSMCL). M/s MSMC's share of coal as per allotment letter is 175MT. considering minable reserves of @ 120-140 millions tonnes, and mine life of 30 years, works out to be around 5.43 MTPA coal production.
- MSMC had offered its share to Mahagenco for purchase of coal from Gare Palma Sector II coal block on cost plus basis. Mahagenco has conveyed the willingness to accept the coal of MSMC's share for end use of power generation. Mahagenco has also conveyed it's acceptance to the Principle Secretary (Industry), GoM about the same.

Coal Blocks of Maharashtra:

The State Government has decided to withdraw the proposal regarding the reservation of the Nandori, Konda-Hardoli, Wani-Alesur, Yekona I&II, Mahadoli Yevati coal blocks (total coal reservoir is @ 233 MMT) and these coal blocks shall be allotted to MSPGCL. Mahagenco is in continuous follow up with MoC for reallocation of these coal blocks to Mahagenco to cater to the coal requirement of Mahagenco's projects and as a fuel security.

- Sourcing of coal through e-auction quota or e-auction bidding from WCL, SECL, SCCL, and MCL.
- Rail-Sea-Rail (RSR) coal movement:

The poor domestic coal linkage materialization of Mahagenco is predominantly due to less supply of coal from Mahanadi Coalfields Limited (MCL). The evacuation of coal from MCL, IB Valley through All Rail Route is a

matter of concern and one of the reasons for poor materialization.

In view of the All Rail Route congestion problem as aforesaid, Mahagenco is exploring the possibility of movement of MCL coal by alternate mode i.e. Rail-Sea-Rail mode.

8. Gas Supply for Existing GTPS Uran Plant.

- Mahagenco has a gas sale & transportation Agreement with M/s GAIL (India) Ltd. for 3.5 MMSCDM of natural gas for GTPS Uran. However, supply of natural gas (APM) supplied by M/s GAIL is fluctuating based on upstream gas availability from M/s ONGC.
- Mahagenco has a Gas Supply & Purchase Agreement (GSPA) with M/s RIL & M/s NIKO for supply of 1.2 MMSCMD natural gas for GTPS, Uran. Mahagenco has signed Gas Transportation Agreement with M/s Reliance Gas Transportation Infrastructure Ltd. (RGTIL) for transportation of RIL gas through East-West pipeline from Kakinada to GTPS, Uran via Maskal at the connecting point of EWPL (RGTIL) and DUPL (GAIL) spur pipelines respectively. From March 2013 RIL KG D6 gas is not available and the capacity booked with RGTIL & GAIL for transportation of RIL KG D6 gas is idle.
- For FY 2012-13 total receipt of gas is @ 885.726 MMSCMD (762.234 MMSCM-APM gas from M/s GAIL & 123.49 MMSCM- RIL gas) i.e. the average gas receipt of @ 2.4 MMSCMD & for FY 2013-14 the average APM gas receipt till NOV'2013 is only @ 2.5 MMSCMD.

Human Resources Management

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

Industrial Relations

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

None of the employees drew remuneration of ₹ 6,000,000/- or more per annum /₹ 500,000/- per month during the year. This information is furnished as required under section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975

Directors

Shri Ajoy Mehta, Pr. Secretary (E) GoM was appointed as Director of the Company. w.e.f. 30.11.2012 in place of Shri V.K.Kanade.

Shri Vijay Singh was appointed as Director (O) of the company w.e.f. 28.8.2013 in place of Shri M.G.Waghmode who ceased to be Director (O) of the Company due to resignation.

Shri C.S.Thowte was appointed as Director (P) of the company w.e.f. 28.8.2013.

Shri S.A.M. Naqvi was appointed Director (F) of the Company w.e.f. 26/12/2012. Shri Naqvi has resigned as Director (F) of the Company due to his transfer to other Govt. department.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri V.K.Kanade, Shri S.A.M.Naqvi and Shri M.G.Waghmode. A warm welcome is extended to all the new appointees on the Board.

Audit Committee

An Audit Committee of Mahagenco has been constituted. The members of Audit Committee are Shri P.V. Page, Chairman, Shri J.K.Srinivasan, Director (F) I/c and Shri Vijay Singh Director (O). Total 4 Meetings of the audit committee were held during the year 2012-13.

Directors Responsibility Statement

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

- (i) that in preparation of annual accounts the applicable Accounting Standards had been followed with proper explanation relating to material departures; if any
- (ii) that the selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent were made so as to give true and fair view of the state of affairs of the company as on 31st March 2013 and of the Profit for the year of the company under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the annual accounts were prepared for the financial year ended 31st March 2013 on going concern basis.

Conservation Of Energy, Technology Absorption And Foreign Exchange Earning And Outgo

The information relating to conservation of energy, technology absorption and foreign exchange earning and outgo as required under sec 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988 is given in **Annexure 'A'** forming part of this report

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- B**.

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 D.V.Joshi Co. and M/s S.R.Bhargave & Co, Cost Accountants as Joint Cost Auditors for the year ending 31.3.2013 subject to approval of Ministry of Corporate Affairs, Govt.of India. Cost Audit Report for FY 2012-13 has been filed with MCA on 05.12.2013.

Auditors

The Statutory Auditors of the Company are appointed by the Comptroller and Auditor General of India. M/s Borkar & Muzumdar, Mumbai, M/s M P Chitale & Co., Mumbai and M/s Ummed Jain & Co, Mumbai were appointed as Joint Statutory Auditors for the Financial Year 2013-14

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

(Asheesh Sharma)

Chairman & Managing Director

Date : 25.02.2014

Place : Mumbai

Annexure 'A' to the Director's Report

Particulars Required Under The Companies (disclosure Of Particulars In The Report Of Board Of Directors) Rules, 1988

A. ENERGY CONSERVATION:

Following are the Energy saving activities carried out during year 2012-13

- 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.

Auxilliary Power Consumption:

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

Lighting

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

Heat Energy

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

Lubricants:

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

DM Water

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

Miscellaneous Water

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

B. TECHNOLOGY ABSORTION

- (a) Efforts made in technology absorption as per Form B.

Form – B

Form of disclosure of particulars with respect to absorption

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

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

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

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

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

AFGC:- SPM level of TPS is maintaining below 150 MG/nm³ as required by Pollution Control Board Norms.

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

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

3. Future plan of action

AFGC systems for more units of TPS.

Installation of online energy management.

4. Expenditure on R & D

Nil

Technology Absorption, Adaptation And Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation
2. Benefits derived as a result of the above efforts

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.
- (b) Total foreign exchange used and earned

Total Foreign Exchange used /earned		₹
1.	Foreign Exchange Outgo	
	a) Value of capital goods calculated on CIF basis	Nil
	Component and spare parts	₹ 46,596,816
	b) Expenditure	
	Traveling Expenses	Nil
2.	Foreign Exchange earned	Nil

Annexure 'B1'

Statutory Auditors' Report for FY 2012-13 and Management replies thereon.

Statutory Auditors Report	Management Replies
Report on the Financial Statements We have audited the accompanying financial statements of Maharashtra State Power Generation Company Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.	Factual
Management's Responsibility for the Financial Statements Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.	Factual
Auditor's Responsibility Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.	Factual Factual

Statutory Auditors Report	Management Replies
Basis for Qualified Opinion (i) <i>The assets and liabilities of the Company as on June 06, 2005 contain balances, which are transferred under The Maharashtra Electricity Reforms Transfer Scheme, 2005. As informed to us, these balances are adopted by MSEB Holding Company Ltd. and are yet to be adopted by the Company. It was further informed to us that the Final Transfer Scheme is yet to be notified by the Government of Maharashtra, and as such the opening balances are yet to be adopted by the Company. Changes, if any, in such balances may have an impact on the financial statements of the Company. Further, we refer to Note No. 2 regarding transfer to the company in the earlier year of Loan liability along with interest thereon from Maharashtra State Transmission Company Limited, in partial modification of the Scheme as approved by the MSEB Holding Company Ltd.</i>	Final Transfer Scheme is under active consideration of Govt. of Maharashtra for finalization. It is expected that the same would be finalized in FY 2013-14. Impact of changes on opening balances would be effected in the books of accounts by passing necessary entries upon issue of final notification by GoM.
(ii) <i>As stated in note no.31, the balances in Sundry Debtors, Loans and Advances, Deposits, Materials with subcontractors, Sundry Creditors including retention money, liability for supply of material, Intra group companies balances, Advances from customers, and advances given to Coal Companies and provisions made there against are subject to confirmation from respective parties and / or reconciliation with subsidiary records, as the case may be. Pending such confirmation and completion of reconciliation, the consequential adjustments could not be made. In view of the same, we are unable to comment on the consequential impact, if any, on the status of these balances and the profits of the Company.</i>	The preparation of subsidiary ledgers in respect of Sundry Debtors, Loans and Advances, Deposits, Materials with subcontractors, Sundry Creditors including retention money, liability for supply of material, Advances from customers, and advances given to Coal Companies, is in progress. At certain accounting Units, the balance confirmation letters have also been issued in the name of concerned confirming parties. Wherever despite diligent efforts the balances are un-linkable being too old, suitable action of write off / write back would be taken so as to arrive at the clean balances in respect of above.
(iii) <i>As stated in note no. 32 the loans and advances include ₹ 19,033,142,576/- towards advance paid to coal suppliers. Against the said advance the Company has provided a liability towards supply of coal amounting to ₹ 19,149,534,118/-. Pending final passing of the bills, the Company has not set off the said liability against the advance paid. This has resulted in overstatement of the respective assets and liabilities of the Company. The impact of the above on the profit of the Company is not ascertained.</i>	The payment of advances to coal company and their clearance is a regular phenomenon. The exercise of clearance of coal stores receipt notes has been further improvised in FY 2013-14 and has resulted in further settlement of coal advances and coal liabilities thereby bringing down the advances and liabilities from the level of ₹ 2,450 Crs. to the level of ₹ 1,900 Crs.

Statutory Auditors Report	Management Replies
(iv) <i>The Company, in terms of Power Purchase Agreement with the Maharashtra State Electricity Distribution Company Limited (MSEDCL) has accounted for the invoices raised for Surcharge being interest on delayed payment amounting to ₹ 5,670,123,000/- under the head 'Revenue from sale of power'. MSEDCL has not accepted these invoices. MSEDCL has not accepted similar Surcharge invoices amounting to ₹ 2,144,038,037/- raised in the earlier years. In addition to the above, the Company is in the process of reconciling various invoices for the year and earlier years with MSEDCL amounting to a net difference of ₹ (48,97,06,188/-).</i> <i>Pending acceptance of such billing by MSEDCL and account reconciliation, we are unable to comment on the realisability of such income and the impact</i> <i>(a) on the profit of the Company for the year, (b) on the value of Trade Receivables (c) on the value of unbilled revenue and (d) on the Reserves and surplus. The impact of the same has not been ascertained.</i>	MSPGCL has raised surcharge bills to MSEDCL as per the agreed terms of Power Purchase Agreement and are binding on MSEDCL. These are genuine and valid receivables. On the contrary, non-accountal of theses bills has resulted into underbooking of expenses and liability by MSEDCL, to this extent.
Opinion <i>In our opinion and to the best of our information and according to the explanations given to us, subject to the effects of the matters described at (i to iv) in the Basis for Qualified Opinion Paragraph, which could not be ascertained, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:</i> (a) <i>in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;</i> (b) <i>in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and</i> (c) <i>in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.</i>	Factual
Emphasis of Matters: Without qualifying our report, we draw attention to (a) Note no. 37(d) regarding non disclosure of the information required under Accounting Standard 19 "Leases" issued under the Companies (Accounting Standards) Rules, 2006 pending execution of the lease agreements with the government of Maharashtra in respect of various hydro power generation facilities.	MSPGCL has accounted for lease rent on the basis of MERC order fixing lease rent for Hydro Power Stations owned by Government of Maharashtra.

Statutory Auditors Report	Management Replies
(b) Note no. 37(a)(ii) regarding accounting of shortfall of interest based on the provisional accounts of the CPF, in the absence of the requisite details and information.	Acturial valuation of CPF investments could not be done in absence of details / information as required for valuation purpose, from CPF trust. CPF Trust has been unable to provide the requisite details.
Note no. 37(h) regarding recognizing of Loan liability pending actual receipt of loan funds from Government of Maharashtra for 150 MW Solar Power Project though released by KfW to Government of Maharashtra through Government of India ₹ 95,111,738/- and recognizing of interest liability thereon of ₹ 1,397,512/- .	Loan receipts from KfW are routed through Government of India, Government of Maharashtra and subsequently to MSPGCL through Budgetary provision of Government of Maharashtra. Pending actual receipts, company has accounted for the same and interest liability thereon, on accrual basis.
Report on Other Legal and Regulatory Requirements As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order. As required by section 227(3) of the Act, we report that: - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit; - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books; - The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account; - In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act; - As per Notification no.: GSR 829(E) dated 21-10-2003, the Government Companies are exempted from the provisions of clause 274(1) (g) of the Companies Act, 1956;	Factual

Annexure 'B2'

Replies to Auditors Report Annexure for the period 01.04.2012 to 31.03.2013

Sr. No.	Statutory Auditors Report	Management Replies
1a.	<i>The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for Land and certain other fixed assets at few locations, where item wise particulars and codification of fixed assets are in the process of matching with the fixed asset register.</i>	While the accounting effect has already been completed, the task of updation of Fixed Assets Register on the basis of accounting entries is in progress at respective locations. This exercise would be completed in FY 2013-14.
1b.	As informed to us, the Company has a policy of conducting Physical verification of fixed assets once in three years, which in our opinion is reasonable and commensurate with the size of the Company and the nature of its business. Accordingly the Fixed assets of the Company were not physically verified during the year by the management.	Factual
1c.	During the year under audit, the Company has not disposed off a substantial part of the fixed assets.	Factual
2a.	The physical verification of inventory was carried out by an external firm of Chartered Accountants during the year appointed by the management. <i>However no physical verification has been carried out for the inventory lying with the coal washery operators. Such inventory has not been confirmed by the third parties.</i>	Coal Washery Operators have not confirmed the inventory lying with them, since certain issues between company and the washery operators are yet to be settled. However, company has made provision against the said inventory.
2b.	In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business except inventory lying with third parties.	Factual
2c.	On the basis of our examination of the records of inventory and the reports of physical verification, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies observed were adjusted appropriately in the accounts.	Factual
3a.	As per the information and explanations given to us, the Company has not granted any loans to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. Hence the question of reporting under sub-clause a to d of clause (iii) of paragraph 4 of the aforesaid Order does not arise.	Factual
3b.	As per the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Hence the question of reporting under sub-clause e to g of clause (iii) of paragraph 4 of the aforesaid Order does not arise.	Factual

Sr. No.	Statutory Auditors Report	Management Replies
4.	In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.	Factual
5.	On the basis of our examination of books of account and according to the information and explanations given to us, the Company has not entered into any transaction that needs to be entered into the Register maintained under section 301 of the Companies Act, 1956.	Factual
6.	In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. As informed to us, no order has been passed against the Company by the Company Law Board, National Company Law Tribunal, RBI, any court or any other Tribunal.	Factual
7.	The Company has appointed external firms of Chartered Accountants to carry out the internal audit of the Company at Head office and other locations. <i>However, their reports are not received timely. Subject to this</i> , in our opinion and according to the information and explanations given to us, internal audit system prevailing in the Company is adequate and commensurate with the size and nature of its business.	Internal Audit is being carried out on monthly basis and timely submission of reports would be ensured.
8.	We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government, for the maintenance of the cost records prescribed under section 209 (1) (d) of the Companies Act, 1956. We are of the opinion that prima-facie the prescribed records have been maintained. We have, however, not made a detailed examination of the records with the view to determine whether they are accurate and complete.	Factual
9a.	According to information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, were outstanding, as at the balance sheet date for a period of more than six months from the date they became payable.	Factual Factual

Sr. No.	Statutory Auditors Report	Management Replies												
9b.	According to the records of the Company, there are no dues of Income Tax / Sales Tax / Service Tax / Custom Duty / Wealth Tax / Excise Duty / Cess, which have not been deposited on account of any dispute, except: <table border="1" data-bbox="300 548 980 934"> <thead> <tr> <th data-bbox="300 548 548 624">Nature of dues</th><th data-bbox="548 548 758 624">Amount unpaid</th><th data-bbox="758 548 980 624">Forum where dispute remains</th></tr> </thead> <tbody> <tr> <td data-bbox="300 624 548 701">Excise duty.</td><td data-bbox="548 624 758 701">₹ 2,670,375/-</td><td data-bbox="758 624 980 701">Commissioner of Central Excise</td></tr> <tr> <td data-bbox="300 701 548 821">Penalty u/s 271(1)(c) of Income Tax Act, 1961 for A.Y.2007-08.</td><td data-bbox="548 701 758 821">₹ 1,073,215,440/-</td><td data-bbox="758 701 980 821">Commissioner (Appeals), Mumbai</td></tr> <tr> <td data-bbox="300 821 548 934">Income Tax deducted at source u/s 194C on Service Tax Element.</td><td data-bbox="548 821 758 934">₹ 895,000/-</td><td data-bbox="758 821 980 934">ITAT, Pune Bench</td></tr> </tbody> </table>	Nature of dues	Amount unpaid	Forum where dispute remains	Excise duty.	₹ 2,670,375/-	Commissioner of Central Excise	Penalty u/s 271(1)(c) of Income Tax Act, 1961 for A.Y.2007-08.	₹ 1,073,215,440/-	Commissioner (Appeals), Mumbai	Income Tax deducted at source u/s 194C on Service Tax Element.	₹ 895,000/-	ITAT, Pune Bench	Factual
Nature of dues	Amount unpaid	Forum where dispute remains												
Excise duty.	₹ 2,670,375/-	Commissioner of Central Excise												
Penalty u/s 271(1)(c) of Income Tax Act, 1961 for A.Y.2007-08.	₹ 1,073,215,440/-	Commissioner (Appeals), Mumbai												
Income Tax deducted at source u/s 194C on Service Tax Element.	₹ 895,000/-	ITAT, Pune Bench												
10.	There are no accumulated losses in the Company at the end of the financial year. As per the books of account of the Company, it has not incurred any cash losses during the financial year and in the immediately preceding financial year.	Factual												
11.	Based on our audit procedures and on the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.	Factual												
12.	According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities	Factual												
13.	In our opinion, and to the best of our information and according to the explanations given to us, we are of the opinion that the Company is neither a chit fund nor a nidhi nor a mutual benefit fund society. Hence, in our opinion, the provisions of clause (xiii) of paragraph 4 of the aforesaid order are not applicable to the Company.	Factual												
14.	As per the records of the Company and the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the aforesaid order are not applicable to the company.	Factual												
15.	According to the records of the Company and the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and / or financial institutions.	Factual												

Sr. No.	Statutory Auditors Report	Management Replies
16.	In our opinion and according to the information and explanations given to us, on an overall basis, the term loans availed during the year have been applied for the purposes for which they were obtained by the Company.	Factual
17.	According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the Company, we report that ₹ 10,351,898,443/- (P.Y. ₹ 49,398,374,332/-) of short-term funds have been used for long term investment.	Factual
18.	During the financial year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.	Factual
19.	The Company has not issued any Debentures therefore this clause is not applicable	
20.	The Company has not raised any money by public issue during the period under audit. Accordingly the provisions of clause (xx) of paragraph 4 of the aforesaid order are not applicable to the company.	Factual
21.	During the course of our examination of the books of account carried out in accordance with generally accepted auditing practices, we have not noticed any fraud on or by the Company including cases under Vigilance Cell of the Company/Inquiries from The Comptroller and Auditor General of India's office during the financial year.	Factual

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31ST MARCH 2013.

The preparation of financial statements of '**Maharashtra State Power Generation Company Limited**', Mumbai for the year ended **31st March 2013** in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated **12th September, 2013**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of '**Maharashtra State Power Generation Company Limited**', Mumbai for the year ended **31st March 2013**. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

A) Comments on Balance Sheet

Equity & Liabilities

Current Liabilities

Trade Payables ₹ 3401.12 crore

1. The above does not include ₹ 37.15 lakh being the amount payable to Railways towards cost of restoring damage OHE supply feeding arrangement. Out of the total cost of restoration of ₹ 57.52 lakh, the Company had paid ₹ 20.37 lakh on 20 November 2012 and balance amount of ₹ 37.15 lakh have not been paid till March 2013. However, the Company did not make provision for the balance amount.

This has resulted in overstatement of Profit and understatement of Current Liabilities by ₹ 37.15 lakh.

2. The above does not include ₹ 22.65 lakh being the amount of demurrage charges payable to Railways for the month of March 2013.

This has resulted in overstatement of Profit & understatement of Current Liabilities to that extent. (TPS Paras).

Capital Work In Progress (Net): ₹ 15747.52 crore

3. The above does not include ₹ 17.07 crore being amount of bills dated 31 March 2013 received from M/S Lanco Solar Energy Private Limited, for setting up of power plant not being accounted for in the accounts. This has resulted in understatement of Capital Work in Progress and Current Liabilities (payable for capital Projects) by ₹ 17.07 crore respectively.

B) Comments on Profitability**Statement of Profit and Loss****Other Income (Note No. 16)****Income from Rent, Hire Charges: - ₹ 3.34 crore**

4. The above does not include ₹ 13.54 lakh recovered during the month of May and June 2013 towards the rent for residential quarters allotted to contractors for the years 2011-12 and 2012-13.

This has resulted in understatement of Profit and Current Assets by ₹ 13.54 lakh. (TPS Paras)

5. Expenses**Other expenses (Note No 20)****Contribution towards assets not owned by the company/ CSR****Expenditure ₹ 290.9 crore**

Upto the year 2011-12 Accounting Policy relating to Tangible Fixed Assets provided that “Capital expenditure incurred by the Company, resulting in creation of Fixed Assets for which Company does not have ownership rights, is reflecting as a part of capital work in progress till the assets are under construction and thereafter in the fixed assets schedule under the head “Capital expenditure resulting in Assets not belonging to the Company”. However during the year 2012-13 the Company has modified the said Accounting Policy by adding that “Revenue expenditure incurred for contribution towards cost of assets not owned by the Company and corporate social responsibility activities are charged off to Statement of Profit and Loss”, as disclosed vide Note No. 1C(iv)

Accordingly, the Company charged an amount of ₹ 285.62 crore to Statement of Profit and Loss being the Company's contribution towards assets not owned by the Company, i.e., construction of a dam (₹ 126.27crore) for getting additional water supply and construction of Road Over Bridge (₹ 159.35 crore) paid to NHA of India. Thus, on similar grounds written down value of Assets amounting to ₹ 67.74 crore which was not owned by the Company (Note 8) should also have been charged to Statement of Profit and Loss.

This has resulted in overstatement of Profit and Fixed Assets by ₹ 67.74 crore.

Further, the Company as required by AS 1 did not disclose the impact of change of Accounting Policy. The Statutory Auditors also failed to comment upon the change in Accounting Policy of the Company.

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

Place : Mumbai
Date : 24.12.2013

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

Final CAG Comments on the Accounts of MSPGCL for FY 2012-13 and replies of the company thereon

Sr. No.	C & A.G.'s Comments	Management Reply	Remarks of Statutory Auditors
A.	Comments on Balance Sheet Equity & Liabilities Current Liabilities Trade Payables ₹ 3401.12 crore		
1.	The above does not include ₹ 37.15 lakh being the amount payable to Railways towards cost of restoring damage OHE supply feeding arrangement. Out of the total cost of restoration of ₹ 57.52 lakh, the Company had paid ₹ 20.37 lakh on 20 November 2012 and balance amount of ₹ 37.15 lakh have not been paid till March 2013. However, the Company did not make provision for the balance amount. This has resulted in overstatement of Profit and understatement of Current Liabilities by ₹ 37.15 lakh.	The amount of ₹ 37.15 lacs refers to the work of 25KV OHE supply feeding arrangement to MSPGCL siding. Since the amount has not been paid by the Company, the tender for the job to be carried out has not been finalized. Thus no provision for the said amount needs to be made	We concur with the replies of the management
2.	The above does not include ₹ 22.65 lakh being the amount of demurrage charges payable to Railways for the month of March 2013. This has resulted in overstatement of Profit & understatement of Current Liabilities to that extent. (TPS Paras). Capital Work In Progress (Net): ₹ 15,747.52 crore	The accounting of this expenses has been left out. However this is not material (0.04% of profit). The Company has accounted the expenses in July 2013 under the head prior period expenses.	We concur with the replies of the management
3.	The above does not include ₹ 17.07 crore being amount of bills dated 31 March 2013 received from M/S Lanco Solar Energy Private Limited, for setting up of power plant not being accounted for in the accounts. This has resulted in understatement of Capital Work in Progress and Current Liabilities (payable for capital Projects) by ₹ 17.07 crore respectively.	The bills have been received from the contractor as late as July 2013. The bills were passed thereafter. The accounting of such bills was in evidently left out. The company has accounted the same in July 2013. However there is no impact of the same on the profit of the Company and corrective action has already been taken.	We concur with the replies of the management

Sr. No.	C & A.G.'s Comments	Management Reply	Remarks of Statutory Auditors
B)	Comments on Profitability Statement of Profit and Loss, Other Income (Note No. 16) Income from Rent, Hire Charges: - ₹ 3.34 crore		
4.	The above does not include ₹ 13.54 lakh recovered during the month of May and June 2013 towards the rent for residential quarters allotted to contractors for the years 2011-12 and 2012-13. This has resulted in understatement of Profit and Current Assets by ₹ 13.54 lakh. (TPS Paras)	The Company had initially received the advance rent from the contractor for the year 2010-11. However after the period of advance rent was expired, the Company inadvertently did not recover the rent for the subsequent period. This error was realised in May 2013 and necessary corrective actions and recoveries have been effected. The amount has not been material in nature (being 0.03% of the profit of the Company) and corrective action has already been taken.	We concur with the replies of the management
5)	Expenses Other Expenses (Note No 20) Contribution towards assets not owned by the company/ CSR Expenditure ₹ 290.9 crore Upto the year 2011-12 Accounting Policy relating to Tangible Fixed Assets provided that "Capital expenditure incurred by the Company, resulting in creation of Fixed Assets for which Company does not have ownership rights, is reflecting as a part of capital work in progress till the assets are under construction and thereafter in the fixed assets schedule under the head "Capital expenditure resulting in Assets not belonging to the Company". However during the year 2012-13 the Company has modified the said Accounting Policy by adding that "Revenue expenditure incurred for contribution towards cost of assets not owned by the Company and corporate social responsibility activities are charged off to Statement of Profit and Loss", as disclosed vide Note No. 1C(iv)	We refer to the accounting policy no 1(c)(iv). The policy is as under: Capital Expenditure incurred by the Company, resulting in creation of fixed assets for which Company does not have ownership rights, is reflected as a part of capital work in progress till the assets are under construction and thereafter in the fixed assets schedule under the head "Capital Expenditure resulting in Assets not belonging to the Company" Revenue expenditure incurred for contribution towards cost of assets not owned by the company and corporate social responsibility activities are charged off to Statement of Profit and Loss.	We concur with the replies of the management

Sr. No.	C & A.G.'s Comments	Management Reply	Remarks of Statutory Auditors
	Accordingly, the Company charged an amount of ₹ 285.62 crore to Statement of Profit and Loss being the Company's contribution towards assets not owned by the Company, i.e., construction of a dam (₹ 126.27 crore) for getting additional water supply and construction of Road Over Bridge (₹ 159.35 crore) paid to NHA of India. Thus, on similar grounds written down value of Assets amounting to ₹ 67.74 crore which was not owned by the Company (Note 8) should also have been charged to Statement of Profit and Loss. This has resulted in overstatement of Profit and Fixed Assets by ₹ 67.74 crore. Further, the Company as required by AS 1 did not disclose the impact of change of Accounting Policy. The Statutory Auditors also failed to comment upon the change in Accounting Policy of the Company.	In view of the Company the above expenses are in the nature of revenue expenses. Accordingly the treatment given is in line with the policy stated. In addition to the above, the accounting treatment is in line with the accounting practice as recommended in the opinion of the Expert Advisory Committee of ICAI. The said treatment was not applied to the assets not belonging to the company ₹ 67.74 Crs. appearing in Note 8, since the same are assets inherited from the opening balance sheet of the company as a part of transfer scheme which is of provisional nature & subject to change and final transfer scheme is yet to be notified by Govt. of Maharashtra.	

Auditors' Report

To the Members of Maharashtra State Power Generation Company Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of Maharashtra State Power Generation Company Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

- (i) *The assets and liabilities of the Company as on June 06, 2005 contain balances, which are transferred under The Maharashtra Electricity Reforms Transfer Scheme, 2005. As informed to us, these balances are adopted by MSEB Holding Company Ltd. and are yet to be adopted by the Company. It was further informed to us that the Final Transfer Scheme is yet to be notified by the Government of Maharashtra, and as such the opening balances are yet to be adopted by the Company. Changes, if any, in such balances may have an impact on the financial statements of the Company. Further, we refer to Note No. 2 regarding transfer to the company in the earlier year of Loan liability along with interest thereon from Maharashtra State Transmission Company Limited, in partial modification of the Scheme as approved by the MSEB Holding Company Ltd.*
- (ii) *As stated in note no.31, the balances in Sundry Debtors, Loans and Advances, Deposits, Materials with subcontractors, Sundry Creditors including retention money, liability for supply of material, Intra group companies balances, Advances from customers, and advances given to Coal Companies and provisions made there against are subject to confirmation from respective parties and / or reconciliation with subsidiary records, as the case may be. Pending such confirmation and completion of reconciliation, the consequential adjustments could not be made. In view of the same, we are unable to comment on the consequential impact, if any, on the status of these balances and the profits of the Company.*

- (iii) As stated in note no. 32 the loans and advances include ₹ 19,033,142,576/- towards advance paid to coal suppliers. Against the said advance the Company has provided a liability towards supply of coal amounting to ₹ 19,149,534,118/-. Pending final passing of the bills, the Company has not set off the said liability against the advance paid. This has resulted in overstatement of the respective assets and liabilities of the Company. The impact of the above on the profit of the Company is not ascertained.
- (iv) The Company, in terms of Power Purchase Agreement with the Maharashtra State Electricity Distribution Company Limited (MSEDCL) has accounted for the invoices raised for Surcharge being interest on delayed payment amounting to ₹ 5,670,123,000/- under the head 'Revenue from sale of power'. MSEDCL has not accepted these invoices. MSEDCL has not accepted similar Surcharge invoices amounting to ₹ 2,144,038,037/- raised in the earlier years. In addition to the above, the Company is in the process of reconciling various invoices for the year and earlier years with MSEDCL amounting to a net difference of ₹ (489,706,188/-).
- Pending acceptance of such billing by MSEDCL and account reconciliation, we are unable to comment on the realisability of such income and the impact
- (a) on the profit of the Company for the year, (b) on the value of Trade Receivables (c) on the value of unbilled revenue and (d) on the Reserves and surplus. The impact of the same has not been ascertained.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to the effects of the matters described at (i to iv) in the Basis for Qualified Opinion Paragraph, which could not be ascertained, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters:

Without qualifying our report, we draw attention to

- (a) Note no. 37(d) regarding non disclosure of the information required under Accounting Standard 19 "Leases" issued under the Companies (Accounting Standards) Rules, 2006 pending execution of the lease agreements with the government of Maharashtra in respect of various hydro power generation facilities.
- (b) Note no. 37(a)(ii) regarding accounting of shortfall of interest based on the provisional accounts of the CPF, in the absence of the requisite details and information.
- (c) Note no. 37(h) regarding recognizing of Loan liability pending actual receipt of loan funds from Government of Maharashtra for 150 MW Solar Power Project though released by KfW to Government of Maharashtra through Government of India ₹ 95,111,738/- and recognizing of interest liability thereon of ₹ 1,397,512/- .

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
- e. As per Notification no.: GSR 829(E) dated 21-10-2003, the Government Companies are exempted from the provisions of clause 274(1) (g) of the Companies Act, 1956;

CVK & Associates
Chartered Accountants
FRN:101745W

K. S. Aiyar & Co.
Chartered Accountants
FRN:100186W

G M Kapadia & Co.
Chartered Accountants
FRN:104767W

Ashok K.Pradhan
Partner
M. No.: 32156

Rajesh S. Joshi
Partner
M. No.: 38526

Rajen R.Ashar
Partner
M. No.: 48243

Place: Mumbai
Date: 12th September, 2013

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

- 1a. *The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for Land and certain other fixed assets at few locations, where item wise particulars and codification of fixed assets are in the process of matching with the fixed asset register.*
- 1b. As informed to us, the Company has a policy of conducting Physical verification of fixed assets once in three years, which in our opinion is reasonable and commensurate with the size of the Company and the nature of its business. Accordingly the Fixed assets of the Company were not physically verified during the year by the management.
- 1c. During the year under audit, the Company has not disposed off a substantial part of the fixed assets.
- 2a. The physical verification of inventory was carried out by an external firm of Chartered Accountants during the year appointed by the management. *However no physical verification has been carried out for the inventory lying with the coal washery operators. Such inventory has not been confirmed by the third parties.*
- 2b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business except inventory lying with third parties.
- 2c. On the basis of our examination of the records of inventory and the reports of physical verification, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies observed were adjusted appropriately in the accounts.
- 3a. As per the information and explanations given to us, the Company has not granted any loans to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. Hence the question of reporting under sub-clause a to d of clause (iii) of paragraph 4 of the aforesaid Order does not arise.
- 3b. As per the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Hence the question of reporting under sub-clause e to g of clause (iii) of paragraph 4 of the aforesaid Order does not arise.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
5. On the basis of our examination of books of account and according to the information and explanations given to us, the Company has not entered into any transaction that needs to be entered into the Register maintained under section 301 of the Companies Act, 1956.
6. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. As informed to us, no order has been passed against the Company by the Company Law Board, National Company Law Tribunal, RBI, any court or any other Tribunal.
7. The Company has appointed external firms of Chartered Accountants to carry out the internal audit of the Company at Head office and other locations. *However, their reports are not received timely. Subject to this,* in our opinion and according to the information and explanations given to us, internal audit system prevailing in the Company is adequate and commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government, for the maintenance of the cost records prescribed under section 209 (1) (d) of the Companies Act, 1956. We are of the opinion that prima-facie the prescribed records have been maintained. We have, however, not made a detailed examination of the records with the view to determine whether they are accurate and complete.
- 9a. According to information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, and other statutory dues applicable to it.

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

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

Nature of dues	Amount unpaid	Forum where dispute remains
Excise duty.	₹ 2,670,375/-	Commissioner of Central Excise
Penalty u/s 271(1)(c) of Income Tax Act, 1961 for A.Y.2007-08.	₹ 1,073,215,440/-	Commissioner (Appeals), Mumbai
Income Tax deducted at source u/s 194C on Service Tax Element.	₹ 895,000/-	ITAT, Pune Bench

10. There are no accumulated losses in the Company at the end of the financial year. As per the books of account of the Company, it has not incurred any cash losses during the financial year and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, and to the best of our information and according to the explanations given to us, we are of the opinion that the Company is neither a chit fund nor a nidhi nor a mutual benefit fund society. Hence, in our opinion, the provisions of clause (xiii) of paragraph 4 of the aforesaid order are not applicable to the Company.
14. As per the records of the Company and the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the aforesaid order are not applicable to the company.
15. According to the records of the Company and the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and / or financial institutions.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans availed during the year have been applied for the purposes for which they were obtained by the Company.
17. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the Company, we report that ₹ 10,351,898,443/- (P.Y. ₹ 49,398,374,332/-) of short-term funds

have been used for long term investment.

18. During the financial year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
19. The Company has not issued any Debentures therefore this clause is not applicable
20. The Company has not raised any money by public issue during the period under audit. Accordingly the provisions of clause (xx) of paragraph 4 of the aforesaid order are not applicable to the company.
21. During the course of our examination of the books of account carried out in accordance with generally accepted auditing practices, we have not noticed any fraud on or by the Company including cases under Vigilance Cell of the Company/Inquiries from The Comptroller and Auditor General of India's office during the financial year.

CVK & Associates
Chartered Accountants
FRN:101745W

K. S. Aiyar & Co.
Chartered Accountants
FRN:100186W

G M Kapadia & Co.
Chartered Accountants
FRN:104767W

Ashok K.Pradhan
Partner
M. No.: 32156

Rajesh S. Joshi
Partner
M. No.: 38526

Rajen R.Ashar
Partner
M. No.: 48243

Place: Mumbai
Date: 12th September, 2013

Balance Sheet as at 31st March, 2013

(Amt. in ₹)

	Note No.	As At 31-03-2013	As At 31-03-2012
I. Equity & Liabilities			
(1) Shareholders funds:			
(a) Share Capital	1	55,346,445,640	51,408,467,000
(b) Reserves and surplus	2	16,604,875,052	11,725,082,695
(c) Fly Ash Utilisation Fund	2(A)	-	-
(2) Share Application money pending allotment		14,023,324,897	5,777,933,537
(Refer note No. 24)			
(3) Non-Current Liabilities			
(a) Long Term borrowings	3	189,263,793,253	123,919,798,810
(b) Deferred tax liability (net)	4	10,042,921,301	7,779,083,941
(c) Other long term liabilities	5	23,438,518,229	10,607,630,137
(d) Long term provisions	6	6,592,403,063	6,317,195,871
(4) Current Liabilities			
(a) Short Term borrowings	3(A)	55,489,490,336	61,509,050,000
(b) Trade Payables		34,011,187,708	31,687,756,147
(c) Other Current liabilities	7	52,013,713,415	48,073,800,693
(d) Short Term Provisions	6	3,210,184,592	1,986,913,965
Total		460,036,857,486	360,792,712,796
II. ASSETS			
Non-current Assets			
(a) Fixed assets:			
(i) Tangible Assets (Net Block)	8	161,457,958,365	85,445,540,270
(ii) Intangible Assets	8	249,555,150	25,819,611
(iii) Capital work-in progress (Net)		157,475,188,013	160,683,180,807
Less : Provision for Obsolescence		78,304,946	114,096,606
		157,396,883,067	160,569,084,201
(iv) Intangible assets under development		-	254,459,017
(b) Non-Current Investments	9	26,600,000	26,600,000
(c) Long term loans and advances	10	6,533,183,296	15,531,602,152
Current Assets			
(a) Inventories	11	17,158,750,476	14,244,218,764
(b) Trade Receivables	12	71,330,083,671	42,959,019,494
(c) Cash and cash equivalents	13	1,208,311,981	298,713,651
(d) Short term Loans and advances	10	29,388,231,316	31,372,819,941
(e) Other Current Assets	14	15,287,300,164	10,064,835,695
Total		460,036,857,486	360,792,712,796
See accompanying notes to the financial statements.			

As per our report attached

For CVK & Associates

Chartered Accountants

(FRN - 101745W)

(A. K. Pradhan)

Partner (Membership No. 32156)

For K.S. Aiyar & Co.

Chartered Accountants

(FRN - 100186W)

(Rajesh S. Joshi)

Partner (Membership No. 38526)

For G.M. Kapadia & Co.

Chartered Accountants

(FRN - 104767W)

(Rajen Ashar)

Partner (Membership no. 48243)

Mumbai, 12th September, 2013

For Maharashtra State Power Generation Company Limited

J.K. Srinivasan

Director (Finance)

Asheesh Sharma

Chairman & Managing Director

S.K. Labde

Chief General Manager (A)

Rahul Dubey

Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2013

(Amt. in ₹)

		Note No.	2012-2013	2011-2012
I.	Revenue from Operations	15	164,238,620,966	127,446,380,146
II.	Other income	16	2,191,843,677	1,502,887,307
III.	Total Revenue [I+II]		166,430,464,643	128,949,267,453
IV.	Expenses			
	(a) Cost of Material Consumed	17	108,221,205,069	95,020,054,701
	(b) Employee benefit expense	18	9,100,364,280	7,932,733,370
	(c) Finance Cost	19	13,611,070,145	8,498,292,040
	(d) Depreciation/ Amortisation	8	5,569,688,986	4,031,255,363
	(e) Other expenses	20	20,650,506,445	11,465,926,323
	(f) Total Expenses		157,152,834,925	126,948,261,797
V.	Profit before tax (III-IV)		9,277,629,718	2,001,005,656
VI.	Tax Expense			
	(a) Current Tax		2,134,000,000	408,000,000
	(b) Deferred Tax		2,263,837,361	(410,157,868)
VII.	Profit / (Loss) for the period		4,879,792,357	2,003,163,524
VIII.	Earnings per equity share			
	(1) Basic		0.79	0.38
	(2) Diluted		0.79	0.38
	See accompanying notes to the financial statements.			

As per our report attached
For CVK & Associates
 Chartered Accountants
 (FRN - 101745W)

(A. K. Pradhan)
 Partner (Membership No. 32156)

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

(Rajesh S. Joshi)
 Partner (Membership No. 38526)

For G.M. Kapadia & Co.
 Chartered Accountants
 (FRN - 104767W)

(Rajen Ashar)
 Partner (Membership no. 48243)
 Mumbai, 12th September, 2013

For Maharashtra State Power Generation Company Limited

J.K. Srinivasan
 Director (Finance)

Asheesh Sharma
 Chairman & Managing Director

S.K. Labde
 Chief General Manager (A)

Rahul Dubey
 Company Secretary

Notes to Financial Statements

1) Significant Accounting Policies and Notes to Accounts forming part of Financial Statements For the year ended 31st March, 2013

a) Basis of preparation of financial statements

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

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

b) Use of Estimates

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

c) Tangible Fixed Assets

- (i) Fixed assets of the Company are recorded in the books of account at historical cost. Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and provision for obsolescence/ impairment.
- (ii) Cost of acquisition is inclusive of freight, duties & taxes (other than those subsequently recoverable from taxing authorities), levies, borrowing costs & all incidentals attributable to bring the asset ready for intended use.
- (iii) In case of fixed assets, for new projects / extension, the related expenses and interest cost up to the date of commissioning attributable to such project / expansion are capitalized.
- (iv) Capital Expenditure incurred by the Company, resulting in creation of fixed assets for which Company does not have ownership rights, is reflected as a part of capital work in progress till the assets are under construction and thereafter in the fixed assets schedule under the head "Capital Expenditure resulting in Assets not belonging to the Company" Revenue expenditure incurred for contribution towards cost of assets not owned by the company and corporate social responsibility activities are charged off to Statement of Profit and Loss.
- (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) The total cost incurred by the Company at project and planning units for the period are apportioned to respective Capital Work-in-Progress accounts on the basis of cumulative accretions.

- (viii) The costs incurred and revenue generated during the Trial Runs Stage of the Project / Power Station are capitalized.
- (ix) The costs incurred on identification, survey and feasibility studies of a project under sanction is covered under in capital work in progress till the period of its rejection or three years, whichever is earlier. In case of rejection, the expenses are charged to revenue in the year of its rejection.
- (x) Fixed assets are shown in the books of account net of any government grants received in respect of those fixed assets.
- (xi) Fixed Assets costing individually up to ₹ 5,000/- are depreciated fully in the year of purchase. Cost of all Mobile Phones is charged off to Revenue during the year of purchase.
- (xii) Assets retired from active use and held for sale are valued at Net Book Value or Net Realisable Value whichever is lower and disclosed as other current assets.

(xiii) Intangible Assets -

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

d) Borrowing Cost

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

e) Impairment of Assets

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

f) Critical/ Insurance Machinery Spares

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

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

Machinery Spares (Other than Critical/ Insurance Machinery Spares)

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

g) Depreciation / Amortization

(i) Tangible Fixed Assets:

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

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

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

Leasehold land is amortized over a period of lease.

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

Hydraulic Works	1.80 % to 3.60 %
Buildings & Other Civil Works	1.80 % to 3.60 %
Plant & Machinery	2.57 % to 18.00 %
Transmission lines, Cable Network etc.	2.57 % to 6.00 %
Furniture, Fixtures and Office Equipments	6.00 %
Vehicles	18.00 %

(iii) Intangible Assets:

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

h) Inventories

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

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

i) Revenue Recognition

Sale of electricity is accounted for based on tariff rates approved by the Maharashtra Electricity Regulatory Commission (MERC), inclusive of Fuel Adjustment Charges and includes unbilled revenues accrued up to the end of the accounting period.

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

Other income is recognized on accrual basis. Sale of scrap & rejected coal is accounted when the same is contracted to be sold. Recoveries on account of Liquidated Damages are recognized as income / adjusted to fixed asset in the year it is crystallized.

j) Investments

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

k) Foreign Currency transactions

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

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

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

l) Employee Benefits

(i) Short Term Employee Benefits

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

(ii) Post-employment benefits

Defined Benefit Plan

Gratuity and Leave encashment

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

Provident Fund Benefit

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

m) Leases**Finance Lease**

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

Assets acquired subsequent to June 5, 2005 are classified as Finance leases, where the Company has substantially all the risks and rewards of ownership, Such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Lease rentals paid are allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period. The lease agreement in respect of hydro power generation facilities has not been entered into with Government of Maharashtra.

Operating Lease

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

n) Taxation**(i) Income Tax**

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

(ii) Deferred Tax

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

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

o) Prior Period Items and Extra-Ordinary Items

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

p) Provisions, Contingent Liabilities and Contingent Assets

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

Contingent liabilities (in excess of ₹ 10 lacs individually in value) are not recognized but are disclosed in the notes. Financial effect of contingent liabilities is disclosed based on information available up to the date on which financial statements are approved.

Contingent assets are not recognized in the financial statements.

q) Government Grant Policy:-

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

2) Restructuring Scheme

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

During the process of allocation of loans of the erstwhile MSEB among successor entities as part of transfer scheme, certain loans have been serviced by Maharashtra State Electricity Transmission Company Limited (MSETCL) for some intermittent period, which were finally allocated to the Company and approved by the holding company. Accordingly, Total Repayment of Principal Amount of ₹ 1,687,936,350 and Total Repayment of Interest amount of ₹ 52,018,540 have been paid to MSETCL. Pending final notification of scheme, no effect has been given in reserves / share application money pending allotment account and the same has been adjusted as balance receivable / payable from MSETCL.

Note No. 1**Share Capital****i) Authorised Capital**

Class of Share	Par value ₹	As at 31st March 2013		As at 31st March 2012	
		No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Equity Shares	10	25,000,000,000	250,000,000,000	25,000,000,000	250,000,000,000

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

Class of Share	Par value ₹	As at 31st March 2013		As at 31st March 2012	
		No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Equity Shares	10	5,534,644,564	55,346,445,640	5,140,846,700	51,408,467,000

iii) Reconciliation of Number of Shares Outstanding

Class of Share	As at 31st March 2013		As at 31st March 2012	
	Equity Shares		Equity Shares	
	No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Outstanding as at 01.04.2012	5,140,846,700	51,408,467,000	2,500,050,000	25,000,500,000
Addition during the period	393,797,864	3,937,978,640	2,640,796,700	26,407,967,000
Outstanding as at 31.03.2013	5,534,644,564	55,346,445,640	5,140,846,700	51,408,467,000

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

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

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

Name of Shareholder	As at 31st March 2013	As at 31st March 2012
	Equity Shares	Equity Shares
MSEB Holding Company Ltd. (Nos.)	5,534,594,564	5,140,796,700
MSEB Holding Company Ltd. (Amount in ₹)	55,345,945,640	51,407,967,000

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

Name of Shareholder	As at 31st March 2013		As at 31st March 2012	
	Equity Shares	% of Shares	Equity Shares	% of Shares
MSEB Holding Company Ltd.	5,534,594,564	99.99	5,140,796,700	99.99

Note No. 2

(Amt in ₹)

Reserves & Surplus	As on 31-03-2013	As on 31-03-2012
Surplus as per Statement of Profit & Loss		
Balance at the beginning of the year	11,725,082,695	9,721,919,171
Add:		
Profit transferred from Statement of Profit & Loss	4,879,792,357	2,003,163,524
Closing Balance	16,604,875,052	11,725,082,695

Note No. 2 (A)

(Amt in ₹)

Fly Ash Utilisation Fund (Refer Note 22)	As on 31-03-2013	As on 31-03-2012
Beginning of the year	-	-
Additions during the year	95,340,834	22,508,737
Utilisation during the year	(95,340,834)	(22,508,737)
Closing Balance	-	-

Note No. 3

(Amt in ₹)

Long-Term Borrowings	Long-Term Borrowings		Current Maturities of Long Term Borrowing	
Particulars	As at 31-03-2013	As at 31-03-2012	As at 31-03-2013	As at 31-03-2012
Secured Loan				
Term Loan				
From Financial Institution				
Power Finance Corporation	93,782,297,770	49,805,546,610	4,596,806,317	3,976,307,027
Rural Electrification Corporation	86,640,634,777	67,671,245,194	4,309,916,667	3,665,564,115
Loan from Housing Urban Development Corporation	14,715,807	-	-	-
From Banks				
Term Loan	3,678,562,987	1,476,286,921	313,396,800	551,330,809
	184,116,211,341	118,953,078,725	9,220,119,784	8,193,201,951
Unsecured Loan				
Term Loan				
From Financial Institution				
From Power Finance Corporation	2,811,039,956	4,017,469,072	1,206,429,125	1,228,123,337
From Others				
KFW 150 MW Solar (Refer Note 38 (h))	1,703,399,114		981,484,800	
Government of Maharashtra	633,142,842	949,251,013	316,250,000	316,250,196

Sub Total	5,147,581,912	4,966,720,085	2,504,163,925	1,544,373,533
Gross Total	189,263,793,253	123,919,798,810	11,724,283,709	9,737,575,484
Less: Transferred to Other Current liabilities (Note No.7)			(11,724,283,709)	(9,737,575,484)
Net total	189,263,793,253	123,919,798,810	-	-
(Refer Note 25 (A) Annexure 'A' for disclosure of terms & conditions and Securities)				

Note No. 3 (A)

(Amt in ₹)

Short Term Borrowings	As at 31 March 2013	As at 31 March 2012
Loan repayable on Demand (Secured)		
From Banks		
Cash Credit	24,489,490,336	7,870,000,000
SubTotal	24,489,490,336	7,870,000,000
Loan repayable on Demand (Unsecured)		
From Banks		
Working Capital loan from Banks	30,200,824,251	36,390,209,192
Temporay Loan from Banks	799,175,749	644,340,808
Project Specific loans from banks	-	16,604,500,000
SubTotal	31,000,000,000	53,639,050,000
Grand Total	55,489,490,336	61,509,050,000
(Refer Note 25(A) Annexure 'B' for disclosure of terms & conditions and Securities)		

Note No. 4

(Amt in ₹)

Deferred Tax	Closing Balance As on 31-03-2013	Opening Balance As on 31-03-2012	Debit/Credit during year
Deferred Tax Liability			
Difference of Book Depreciation/ amortization and tax depreciation	19,276,937,865	13,089,319,673	6,187,618,193
Deferred Tax Asset			
Disallowance u/s 43B of Income Tax Act,1961	2,536,771,990	1,515,735,726	1,021,036,264
Disallowance u/s 40(a) (7) of Income Tax Act,1961	1,488,519,341	1,457,558,293	30,961,048
Unabsorbed Depreciation loss carried forward	5,208,725,233	2,336,941,713	2,871,783,520
Total	9,234,016,564	5,310,235,732	3,923,780,832
Net Deferred Tax Liability/Deferred Tax Asset	10,042,921,301	7,779,083,941	2,263,837,361

Note No. 5

(Amt in ₹)

Other Long Term liabilities	As on 31-03-2013	As on 31-03-2012
(i) Creditors for Capital expenditure	106,699,269	138,898,277
(ii) Deposits & Retentions	23,113,730,491	9,568,251,689
(iii) Other liabilities	2,753,737	209,794,398
(iv) Liabilities for Related Parties	215,334,732	690,685,773
	23,438,518,229	10,607,630,137

Note No. 6

(Amt in ₹)

Provisions	Long Term		Short Term	
	As on 31-03-2013	As on 31-03-2012	As on 31-03-2013	As on 31-03-2012
Provision for Employee benefits				
Provision for gratuity (refer 38(a)(ix))	3,645,647,317	3,581,131,381	942,176,202	911,265,885
Provision for Leave encashment (refer 38(a)(ix))	2,946,755,746	2,736,064,490	907,380,999	805,043,241
Other Provisions				
Provision for Income Tax	0	0	6,305,741,656	4,171,741,656
Less: Taxes paid in Advance (including TDS)	0	0	4,945,237,474	3,901,311,106
	0	0	1,360,504,182	270,430,550
Provision for Wealth Tax	0	0	123,209	174,289
	6,592,403,063	6,317,195,871	3,210,184,592	1,986,913,965

Note No. 7

(Amt in ₹)

Other Current Liabilities	As on 31-03-2013	As on 31-03-2012
Current Maturities of Long Term Debt (Note no.3 & Annexure thereto)	11,724,283,709	9,737,575,484
Interest accrued but not due on borrowings	2,746,012,372	1,626,096,305
Other Payables -		
(i) Deposits & Retentions	9,323,437,200	16,386,185,473
(ii) Payables for capital goods	13,749,105,629	9,677,291,712
(iii) Other Liabilities	8,014,783,223	4,838,951,827
(iv) Liabilities for Related Parties	6,456,091,282	5,807,699,892
	52,013,713,415	48,073,800,693

(Amt in ₹)

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Note No. 9

(Amt in ₹)

Non-Current Investments (valued at cost less diminution other than temporary, if any)		
	As on 31-03-2013	As on 31-03-2012
Trade Investments (Unquoted)		
Investment in Equity Shares		
In Subsidiary Companies		
50,000 (PY 50,000) Equity shares of "Dhule Thermal Power Company Limited" of ₹10/- each fully paid-up	500,000	500,000
50,000 (PY 50,000) Equity shares of "Dhopave Coastal Power Company Limited" of ₹10/- each fully paid-up	500,000	500,000
In Joint Ventures		
30,000 (PY30,000) equity shares of UCM Coal Co. Ltd. of ₹10/- each fully paid up	300,000	300,000
25,00,000 (PY 25,00,000) equity shares of Latur Power Company Ltd. of ₹10/- each fully paid up	25,000,000	25,000,000
30,000 (PY30,000) Equity shares of "Mahaguj Colliery Limited" of ₹10/- each fully paid-up	300,000	300,000
Total	26,600,000	26,600,000
Aggregate amount of Unquoted Investment	26,600,000	26,600,000

Note No. 10

(Amt in ₹)

Loan & Advances	Long Term		Short Term	
	As on 31-03-2013	As on 31-03-2012	As on 31-03-2013	As on 31-03-2012
Capital Advances				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	5,425,882,208	10,607,036,711	-	-
Doubtful	-	-	-	-
	5,425,882,208	10,607,036,711	-	-
Security Deposits				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	309,647,907	3,279,306,415	1,005,281,009	360,387,342
Doubtful	3,183,243	52,679	-	-
	312,831,150	3,279,359,094	1,005,281,009	360,387,342
Less:- Provision for Doubtful Debts	3,183,243	52,679		
	309,647,907	3,279,306,415	1,005,281,009	360,387,342
Related Parties				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	312,674,888	540,837,756	764,067,825	515,421,197
Doubtful	2,712,798	2,712,798	-	-
	315,387,686	543,550,554	764,067,825	515,421,197
Less:- Provision for Doubtful Debts	2,712,798	2,712,798	-	-
	312,674,888	540,837,756	764,067,825	515,421,197

Others				
Advances recoverable in cash or in kind or for value to be received				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	301,591,585	909,008,932	720,026,778	818,328,438
Doubtful	612,865,168	-	-	-
	914,456,753	909,008,932	720,026,778	818,328,438
Less:- Provision for Doubtful Debts	612,865,168		-	-
	301,591,585	909,008,932	720,026,778	818,328,438
Advances for O & M supplies / works				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	29,065,504	28,846,605	2,807,889,278	1,926,042,934
Doubtful	9,995,428	8,041,379	-	-
	39,060,932	36,887,984	2,807,889,278	1,926,042,934
Less:- Provision for Doubtful Debts	9,995,428	8,041,379	-	-
	29,065,504	28,846,605	2,807,889,278	1,926,042,934
Advances for coal / fuel supplies				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	19,203,614,033	24,736,263,075
Doubtful	-	-	-	-
	-	-	19,203,614,033	24,736,263,075
Advances to staff				
Secured, Considered good	369,155	1,249,792	935,937	1,580,001
Unsecured, Considered good	141,574,574	136,396,886	378,311,573	266,903,769
Doubtful	-	-	-	-
	141,943,729	137,646,678	379,247,510	268,483,770
Balance recoverable from statutory authorities				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	42,154,415	5,004,082
Doubtful	-	-	-	-
	-	-	42,154,415	5,004,082
	-	-	-	-
	-	-	-	-
Prepaid expenses				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	46,671,245	44,101,565
Doubtful	-	-	-	-
	-	-	46,671,245	44,101,565
Claims receivable and other current assets				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	12,377,475	28,919,055	4,419,279,223	2,698,787,538
Doubtful	3,807,400	24,341,809	-	-
	16,184,875	53,260,864	4,419,279,223	2,698,787,538
Less:- Provision for Doubtful Debts	3,807,400	24,341,809	-	-
	12,377,475	28,919,055	4,419,279,223	2,698,787,538
Net total	6,533,183,296	15,531,602,152	29,388,231,316	31,372,819,941

Note No. 11

(Amt in ₹)

Inventories (Valued at Cost or Net Realisable Value whichever is lower)	As on 31-03-2013	As on 31-03-2012
Raw Material -		
Coal	4,581,925,613	4,286,772,708
Add:- Coal in Transit	616,988,709	268,163,216
Less : Provision for Stock with Washery Operators	1,158,405,911	-
Sub-Total	4,040,508,411	4,554,935,924
Oil	2,065,232,479	1,901,937,068
Add:- Oil in Transit		
Sub-Total	6,105,740,890	6,456,872,992
Stores and spares	12,988,596,995	8,885,510,377
Less:-Provision for loss on obsolescence of stores	1,935,587,409	1,098,164,605
Sub-Total	11,053,009,586	7,787,345,772
Net total	17,158,750,476	14,244,218,764

Note No. 12

(Amt in ₹)

Trade Receivable	Long Term		Short Term	
	As on 31-03-2013	As on 31-03-2012	As on 31-03-2013	As on 31-03-2012
Outstanding for more than six months from due date				
Secured, Considered good	-	-	-	0
Unsecured, Considered good	-	-	8,522,896,678	5,732,580,882
Doubtful	-	-	-	0
	-	-	8,522,896,678	5,732,580,882
- Other debts				
Secured, Considered good	-	-	0	0
Unsecured, Considered good	-	-	62,807,186,993	37,226,438,612
Doubtful	-	-	0	0
	-	-	62,807,186,993	37,226,438,612
Total	-	-	71,330,083,671	42,959,019,494

Note No. 13

(Amt in ₹)

Cash and Cash Equivalents	As on 31-03-2013	As on 31-03-2012
(1) Balances with banks	1,022,250,026	294,916,282
(2) Cash on hand	10,834,954	3,397,368
(3) Others		
- Remittance in Transit	175,227,001	400,001
	1,208,311,981	298,713,651

Note No. 14

(Amt in ₹)

Other Current Assets	As on 31-03-2013	As on 31-03-2012
Assets held for Sale	467,974,453	977,039,917
Unbilled Revenue	14,819,325,711	9,087,795,778
	15,287,300,164	10,064,835,695

Note No. 15

(Amt in ₹)

Revenue from Operations	2012-2013	2011-2012
Operating Revenue		
Revenue from sale of power	164,233,394,299	127,443,865,407
Less: Electricity duty and Tax on sale of electricity	11,366,933	15,709,421
Net Revenue from Sale of Power	164,222,027,366	127,428,155,986
Revenue Subsidy	16,593,600	18,224,160
Total Revenue From Operations	164,238,620,966	127,446,380,146

Note No. 16

(Amt in ₹)

Other Income	2012-2013	2011-2012
Interest income	8,730,526	10,277,004
Other Non-Operating Income		
Income from rent, hire charges etc.	33,423,496	51,650,082
Profit on sale of assets/stores/scrap	717,975,951	198,588,649
Sale of tender forms	13,811,710	14,411,717
Sundry Credit balance write Back	87,703,918	343,640,248
Other receipts	623,817,416	458,098,010
Gain on Foreign Exchange Variation (Net)	706,380,660	426,221,597
	2,191,843,677	1,502,887,307

Note No. 17

(Amt in ₹)

Cost of Material Consumed	2012-2013	2011-2012
Coal	93,817,361,966	78,409,527,567
Gas	7,916,289,509	9,686,397,584
Oil	6,487,553,594	6,924,129,550
total	108,221,205,069	95,020,054,701

Note No. 18

(Amt in ₹)

Employee Benefit Expenses	2012-2013	2011-2012
Salaries, allowances, Bonus etc.	7,155,496,621	6,304,510,275
Contribution to Provident Funds	690,508,097	632,438,964
Contribution to Other Funds	431,838	4,463,856
Staff welfare expenses	98,016,830	76,953,710
Other staff costs	124,584,144	113,223,258
Leave encashment scheme	877,439,950	695,821,849
Gratuity	873,091,393	726,652,072
	9,819,568,873	8,554,063,984
Less: Employees cost capitalised	719,204,593	621,330,614
	9,100,364,280	7,932,733,370

Note No. 19

(Amt in ₹)

Finance Cost	2012-2013	2011-2012
Interest on		
State Government loans	128,863,618	165,232,392
Other loans/ Other Finance Cost	23,989,813,148	17,919,138,462
Borrowing for working capital	1,618,988,784	510,443,316
Consumer's security deposits	4,208	53,293
Other Borrowings Cost		
Government guarantee fees/ charges	96,302,028	126,919,149
Cost of raising finance	51,710,477	117,595
	25,885,682,263	18,721,904,207
Less: Interest and Finance Charges capitalised	12,274,612,118	10,223,612,167
	13,611,070,145	8,498,292,040

Note No. 20

(Amt in ₹)

Other Expenses	2012-2013	2011-2012
Rent	148,931,713	133,798,359
Lease rent	4,588,800,000	3,340,200,000
Repairs and Maintenance		
Plant & machinery	5,584,102,676	4,528,852,858
Building	97,620,146	108,468,122
Ash Handling Expenses	301,054,142	267,665,220
Repair & Maintenance - Others	545,056,768	399,000,887
Insurance charges	85,265,858	62,568,470
Rates and taxes	143,405,143	129,982,878
Others -		
Lubricants, consumable stores and station supplies	1,419,060,590	406,740,514
Water charges	984,930,947	1,039,707,259
Legal and professional charges	90,804,277	65,570,812
Auditor's remuneration (Refer note 26)	5,037,549	4,829,830
Commission to agents	82,340,762	62,018,325
Other Bank Charges	71,458,985	38,512,016
Contribution towards assets not owned by Company / CSR expenditure (Refer Note 22(A))	2,909,213,655	2,639,103
Provision for doubtful advances	607,323,664	18,911,687
Other general expenses	1,215,401,777	974,515,799
Loss on fixed assets sold / scrapped	437,183,380	12,371,828
Loss on obsolescence of Fixed Assets	90,046,639	7,609,751
Net Prior Period (gain)/ loss (Ref. note no. 21)	1,630,892,252	123,916,818
	21,037,930,923	11,727,880,536
Less: Repairs and maintenance expenses capitalised	15,926,954	9,513,068
Administration expenses capitalised	276,156,690	229,932,408
Expenses transferred to Fly Ash utilization fund	95,340,834	22,508,737
	20,650,506,445	11,465,926,323

Note No. 21

(Amt in ₹)

Prior period (credits)/charges (net)	2012-2013	2011-2012
Income		
Other income	96,999,246	(45,330,473)
Other excess provisions in prior periods	809,928	30,892,951
Coal /Gas Related Gain	8,919,090	-
Receipts from consumers	143,131	(135,741,375)
	106,871,395	(150,178,897)
Expenses		
Fuel related (gains) / losses	190,858,788	2,873,555
(Exces)s/ short provision for depreciation	(37,104,173)	(22,340,841)
Net Interest and finance charges	1,550,582	(781,571)
Operating expenses	21,921,766	(13,912,954)
Employee costs	(37,967,153)	4,194,031
Excess in billing of earlier years	1,674,692,083	10,874,679
Material related expenses	(76,188,246)	(7,168,978)
	1,737,763,647	(26,262,079)
	1,630,892,252	123,916,818

21(a) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 67,011,701,000 (Previous Year – ₹ 113,323,174,478).

21(b) Other Commitments

- Company has entered into Power Purchase Agreement with MSEDCL for Sale of power generated by the company.
- Company has committed to borrow funds from REC Ltd. amounting to ₹ 15,768,400,000/- and from PFC Ltd. ₹ 32,904,100,000/- and from KFW ₹ 14,958,466,086 (211,956,149 EURO).
- Agreement / Order has been made / placed with M/s. Ultra Tech cement Ltd. for Sale/ Disposal of fly ash from Unit 7 (250 MW) at TPS., Parli on long term 15 years basis
- Coal linkage of 46.48 Million MT per annum has been allocated to company, consequently company is committed to purchase coal from allocated coal companies at the relevant market price.
- Company has gas purchase and transportation agreement with Gas Authority of India Ltd. and Reliance Ltd. towards 3.5 MMSCMD and 1.2 MMSCMD respectively.

22) Fly Ash Utilisation Fund

During the year the company has changed the accounting for sale of fly ash and the expenditure incurred for promotion of fly ash utilisation which hitherto was accounted for as other income and respective expense head in the statement of profit and loss. The income from sale of fly ash is now being accumulated in a separate fund and amount spent on expenditure incurred for promotion of fly ash utilisation is reduced therefrom to the extent of accumulation and the excess if any is recognised as expense in the statement of profit and loss. Such presentation and disclosure does not have net impact on the profit or loss for the year. This change in presentation and disclosure is in accordance with the guidelines issued by MOE&F dated 03-11-2009. Accordingly, sale of fly ash of ₹ 9,53,40,834 (PY ₹ 2,25,08,737) and equivalent expenses is reduced therefrom as disclosed in note no. 2(A).

22(A) During the year Company has (i) contributed towards the construction of a dam an amount of ₹ 126,27,22,485 bring its share for getting the additional water supply for its Bhusawal Unit Expansion i.e Unit 4 and 5. (ii) Paid to National Highway Authority of India an amount of ₹ 159,35,48,865 towards the Road Over Bridge to be constructed under which Railway line is passing through for Bhusawal Thermal Power Station. These assets will not be owned by the Company and therefore the same has been considered as Revenue Expenditure and charged to Statement of Profit and Loss.

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

No.	Particulars	2012-2013	2011-2012
a)	Bank Guarantee issued by Bankers of company in favour of Third Parties	138,975,000	138,975,000
b)	Bank Guarantee / Letter of Credit issued by Bankers of company	94,993,550	23,700,000
c)	Claims against company not acknowledged as debts	7,293,213,910	5,587,748,007
d)	Disputed Duties / Tax Demands	1,114,893,676	1,114,291,593
Note: An amount of ₹ 111,48,93,676 shown against "Disputed Duties and Tax Demands" include an amount of ₹ 107,32,15,440 towards penalty levied by Income Tax Department vide order dated 31-03-2011, issued u/s 271(1)(c) of Income Tax Act in respect of assessment for AY 2007-08. the Company has preferred an appeal with Commissioner (Income Tax Appeals) against the said penalty order.			

24) Share Capital

Share Application Money Pending Allotment

Opening Equity Capital-

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

yet to be finally approved by Government of Maharashtra. Upon such approval, the final balance amount of shares will be allotted.

Subsequent Receipts of contribution towards Equity –

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

GOM has been contributing such equity support since financial year 2006-07. No time frame has been defined at the time of contribution for allotment of shares. Accordingly the Company has been accounting such amounts received under the head “Share application money pending allotment.” The balance excluding opening equity under the head Share application money pending allotment as at March 31, 2012 was ₹ 5,144,300,000. During the year the Company has received ₹ 12,183,370,000. During the year, the board has allotted 393,797,864 equity shares at par amounting to ₹ 3,937,978,640 to MSEB holding Company Limited. The balance excluding opening equity of ₹ 13,389,691,360 as at March 31, 2013 would be issued to the MSEB holding Company Limited on approval of such allotment by the board.

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

25(A) Details of Loans –

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

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

26) Payment to Auditors

	2012-2013 (₹)	2011-2012 (₹)
As Auditors – For Statutory Audit	4,550,580	4,550,580
For Taxation Matters	-	-
For Other Services	16,854	-
Reimbursement of expenses	470,115	279,250
Total	5,037,549	4,829,830

27) Value of imports calculated on CIF basis

	2012-2013 (₹)	2011-2012 (₹)
Raw Material	Nil	Nil
Components and Spare parts	46,596,816	4,411,897
Capital Goods	Nil	Nil

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

		2012-13		2011-12	
A)	Raw Materials – Coal, Gas & Oil	%	₹	%	₹
	Indigenous	100	105,048,784,671	100	95,282,125,109
B)	Stores, Spares and Component				
	Imported	0.42	3,952,132	1	48,270,495
	Indigenous	99.58	933,535,126	99	3,974,270,775
	Total	100	937,487,258	100	4,022,541,270

29) Break Up of Energy Sold

(Amt in ₹)

Power Plant	2012-13	2011-12
Hydro	6,456,676,306	4,649,420,369
Thermal	136,945,068,026	107,878,722,591
Gas	9,514,584,646	11,183,188,387
Solar	115,149,792	13,145,802
Total	153,031,478,770	123,724,477,149
Excluding sales to residential colony & other miscellaneous sales amounting to ₹ 11,190,548,596 (PY ₹ 3,703,678,837)		

- 30) Revenue Subsidy / Grant –During the current year the company has recognized revenue from sale of power through solar project amounting to ₹ 115,149,792 (PY ₹ 13,145,802) and has lodged claim of ₹ 16,593,600 (PY ₹ 18,224,160) @ ₹ 12 per Unit with Government of India towards Revenue subsidy/ Grant in the form of Generation Based Incentive.
- 31) The balances of Trade Receivables, loans and advances are subject to confirmation and reconciliation if any.
- In the opinion of the board, the Current / Non-Current assets, long/short term loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary course of business unless and to the extent stated other wise in the Accounts.
- 32) Short Term Loans and advances include an amount of ₹ 19,033,142,576 (PY ₹ 24,590,762,969) towards advances paid to coal suppliers. Against these advances the company has liability for supply of coal amounting to ₹ 19,149,534,118 (PY ₹ 25,406,407,017) which is included in Trade Payable under the head current liabilities. Pending final passing of bills for the coal supplied by these coal suppliers, the said advances and liabilities have not been adjusted.
- 33) An amount of ₹ 467,974,453 (PY ₹ 977,039,917) under the head ‘Assets held for sale’ represents assets which are not in active use and the management has decided to dispose such assets. In view of the management, the net realizable value would be higher than the carrying value in the books and therefore does not require any provisioning.

- 34) Micro and small enterprises under the Micro, Small and Medium Enterprises Development (MSME) Act, 2006 have been determined based on the information available with the company and the required disclosures are given below.

(Amt in ₹)

	Particulars	Amount
a)	Amount remaining Unpaid to any supplier	
	Principal Amount	2,289,084
	Interest Due thereon	24,432
b)	Interest paid by the company alongwith payment made beyond appointed day during the year	-
c)	Amount of interest accrued and remaining unpaid	2,042,175
b)	Futher interest remaining due and payable even in the succeeding year until such date when interest is actually paid to small enterprise	-

- 35) Claims lodged by the Company :

Claims against Railways for Missing wagons

(Amt in ₹)

Particulars	2012-13	2011-12
Missing Wagons (Nos.)	590	353
Amount of claim (Rupees)	91,504,639	46,500,000

- 36) Capitalization of Depreciation, Interest, Employee Cost, Repair Maintenance & Administration cost

- Out of the total depreciation for the year, net depreciation of ₹ 21,612,923 (previous year ₹ 19,424,714/-) on construction facilities and fixed assets used for construction of other assets, has been capitalized towards the cost of other relevant assets.
- Out of the total interest and finance charges for the year, net interest and finance charges of ₹ 12,274,612,118/- (previous year ₹ 10,223,612,167 /-) on construction facilities and fixed assets used for construction of other assets, has been capitalized towards the cost of other assets.
- Out of the total employee cost for the year, net employee cost of ₹ 719,204,593 (previous year ₹ 621,330,614 /-) on construction facilities and fixed assets used for construction of other assets, has been capitalized towards the cost of other relevant assets.
- Out of the total Repair & Maintenance and Administration expenditure for the year, the Repair & Maintenance expenditure of ₹ 15,926,954 (previous year ₹ 9,513,068 /-) and Administration expenditure of ₹ 276,156,690 (PY ₹ 229,932,408) on construction facilities and fixed assets used for construction of other assets, has been capitalized towards the cost of other relevant assets.

37) Disclosures required by Accounting Standards

a) Employee Benefits

(i) Short Term Employee Benefits

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

(ii) Post Employment Benefits

Defined Benefit Plan

Provident Fund:

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

In keeping with the guidance on implementing Accounting Standard (AS) 15 (Revised) on Employee Benefits notified by the Companies (Accounting Standards) Rules, 2006, employer established provident funds are treated as Defined Benefit Plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The liability for the shortfall of interest is required to be accounted based on an actuarial valuation. The said Trust has not carried such actuarial valuation for the shortfall, if any, as at March 31, 2013. In the absence of the requisite details and information, the company accounted the shortfall based on the provisional financial statements of the trust as at March 31, 2013. Accordingly company has recognized ₹ Nil (PY ₹ NIL) (based on provisional accounts of CPF Trust) [being surplus to CPF Trust].

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

		For the year ended 31st March, 2013 (₹) (Unaudited)	For the year ended 31st March, 2012 (₹) (Unaudited)
1	Liability for subscriptions and interest payable to employees at the end of year	13,736,100,000	13,039,100,000
2	Fair Value of Plan Assets at the end of year	13,964,700,000	13,102,200,000
3	Net Liability	-228,600,000	-63,100,000

(iv) Description of Plan Assets

		For the year ended 31st March, 2013 (in %) (Unaudited)	For the year ended 31st March, 2012 (in %) (Unaudited)
1	Special Deposit Schemes	33.21	36.55
2	Bonds issued by public sector enterprises and Financial institutions	32.04	35.74
3	State Government Securities	19.33	13.46
4	Central Government Securities	14.53	13.28
5	Others	0.89	0.97

Gratuity (Unfunded Defined Benefit Plan):

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

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

(vi) Defined Benefit Plans – Gratuity and Long Term Compensated Absences – as per actuarial valuations as on March 31, 2013 and recognized in the financial statements in respect of Employee Benefit Schemes: (Disclosure on Actuarial valuation for last five years is presented at Annexure-C)

(vii) Expenses recognized in the Profit and Loss Account

		For the year ended 31st March, 2013 (₹)		For the year ended 31st March, 2012 (₹)	
	Components of Employer Expense	Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Unfunded	Unfunded	Unfunded	Unfunded
1	Current Service Cost	132,009,580	74,098,127	197,349,912	127,180,660
2	Interest Cost	381,853,768	300,994,157	357,372,422	264,817,956
3	Curtailment Cost / (Credit)	-	-		-
4	Settlement Cost / (Credit)	-	-		-
5	Past Service Cost	-	-		-
6	Actuarial Losses / (Gains)	344,734,308	431,798,174	167,166,625	262,130,594
7	Total expense recognized in the Statement of Profit and Loss Account	858,597,656	806,890,458	722,188,959	654,129,210
The gratuity expenses have been recognized as 'Gratuity' and Leave Encashment expenses as 'Leave Encashment Scheme' in "Employee Benefit Expenses" under Note no.18.					

(viii) Reconciliation of Defined Benefit Obligation

		31st March, 2013 (31st March, 2012) (₹)	
	Change in Defined Benefit Obligations	Gratuity	Leave Encashment
		Unfunded	Unfunded
1	Present Value of Defined Benefit Obligation at the beginning of period	4,492,397,266 (4,331,786,932)	3,541,107,731 (3,209,914,618)
2	Current Service Cost	132,009,580 (197,349,912)	74,098,127 (127,180,660)
3	Interest Cost	381,853,768 (357,372,422)	300,994,157 (264,817,956)
4	Past Service Cost	--	--
5	Curtailment Cost / (Credit)	--	--
6	Settlement Cost / (Credit)	--	--
7	Actuarial(Gains) / Losses	344,734,308 (167,466,625)	431,798,444 (262,130,594)
8	Benefits Paid	763,171,403 (561,578,625)	493,861,444 (322,936,097)
9	Present Value of Defined Benefit Obligation at the end of period	4,587,823,519 (4,492,397,266)	3,854,136,745 (3,541,107,731)

(ix) Summary of Actuarial Assumptions

		For the year ended 31st March, 2013 (31.03.2012) (₹)	
	Actuarial Assumptions	Gratuity	Leave Encashment
		Unfunded	Unfunded
1	Increment Rate	5% (5%)	5% (5%)
2	Rate of Discounting	8% (8.50%)	8% (8.50%)
3	Attrition rate	2% (2%)	2% (2%)
4	Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate (PY 1994-96 LIC)	Indian Assured Lives Mortality (2006-08) Ultimate (PY 1994-96 LIC)

b) Segment Reporting

Business Segment

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

Secondary Segment

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

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

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

Other disclosures as required by AS 18 are as under:

Remuneration paid to Directors

No.	Name of Related Party	Nature of Relationship	2012-13 (₹)	2011-12 (₹)
i)	Mr. Subrat Ratho	Chairman & Managing Director (Upto 06-07-2012)	433,881	1,442,247
ii)	Mr. Asheesh Sharma	Chairman & Managing Director (from 06-07-2012 to 31-03-2013)	904,842	-
iii)	Mr. G. J. Girase	Director (Finance) (Upto 21-05-2012)	265,031	1,149,016
iv)	Mr. S. M. A. Naqvi	Director (Finance) (from 26-12-2012 to 31-3-2013)	299,782	-
v)	Mr. C. S. Thotwe	Director (Project) upto 31-08-2012 and Executive Director from 1-9-2012 to 31-3-2013	1,411,989	1,251,581
vi)	Mr. M. G. Waghmode	Director (Operation) (upto 31-03-13)	1,775,765	4,836,139
Remuneration to Key Managerial Persons				
i)	Mr. A.P.Choudhari	Executive Director (HR)	-	847,234
ii)	Mr. J.K.Shrinivasan	Executive Director (Finance)	1,263,686	1,089,879
iii)	Mr. A.R. Nandanwar	Executive Director (01.02.2013 to 31.03.2013)	217,748	-
v)	Mr. V.P.Singh	Executive Director	1,553,107	1,375,232
vi)	Mr. V.S.Patil	Executive Director	1,270,217	1,067,412

d) Disclosures regarding leases

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

MSEB Holding Company Ltd. Lease - The Company has entered into the lease agreement with MSEB Holding company Ltd., initially for two years with effect from 01-04-2008 in respect of office premises occupied at Head Office i.e. Prakashgad and Dharavi, guest house at New Delhi and residential quarters at various places in Mumbai for which lease rent is payable to the extent of ₹ 118,867,935 p.a. for FY 2012-13 (PY ₹ 117,000,000). Further with effect from 01-04-2012, it has been mutually agreed among the group to extend the Agreement for further period of 24 months on same terms and conditions. Further the Company is also occupying certain part of premises at HSBC Building, Fort for which there is no lease agreement and hence there has been no provision for proportionate share of expenses for the past year. However expenditure will be accounted for on finalization of agreement.

Hydro Lease - MERC has issued order for revised lease rentals to be paid to Government of Maharashtra with effective from 2012-13 in respect of various hydro power stations under the control of the Company. During

year 2012-13 company has provided for lease rent of ₹ 3,385,900,000 (₹ 3,340,200,000). Similarly, on the basis of Lease Rent order in respect of Ghatghar HPS dated 27-12-2012, Company has provided for ₹ 1,202,900,000. Further, vide letter dated 03-03-2011, GoM has informed that it would be taking over Bhatghar, Yeldari and Vaitarna HPS for Renovation and Modernisation. However at present these HPS are still in the possession of the Company and are being operated by the Company, hence the accounting effect of the same would be considered in the Books of Accounts of the Company in the year in which these HPS would be handed over to GoM.

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

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

e) Earning Per Share:-

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

	2012-13	2011-12
Profit After Tax as per Accounts (Amount in ₹) (For Basic and Diluted Earnings Per Share) – (A)	4,879,792,357	2,003,163,524
Weighted Average number of shares outstanding during the year for Basic EPS (Nos.) – (B) *	6,200,993,922	5,324,562,180
Weighted Average number of shares outstanding during the year for Diluted EPS (Nos.) – (C)	6,200,993,922	5,324,562,180
Basic Earnings Per Share (A) / (B) (Amount in ₹)	0.79	0.38
Diluted Earnings Per Share (A) / (C) (Amount in ₹)	0.79	0.38
* Weighted average number shares includes the shares to be allotted towards share application money		

f) Taxation

In the absence of any taxable income for the year as per the provisions of the Income Tax Act, 1961, tax liability is calculated at the minimum alternate tax (MAT) rate under section 115JB of the Income Tax Act, 1961 and provision of ₹ 2,134,000,000 (PY ₹ 408,000,000) has been made for the same. Since there is no convincing evidence that the Company will pay normal income tax during the specified period, the same has been charged to Statement of profit and loss and has not been treated as asset, as per provisions of Guidance Note on 'Accounting for Credit Available in Respect of Minimum Alternative Tax Under the Income-tax Act, 1961' issued by the Institute of Chartered Accountants of India.

(g) Joint Venture Operations

The Company has entered into a joint venture operation with Gujarat State Electricity Corporation Ltd. (GSECL) for allocation of captive coal mining block in State of Orissa and sharing of Coal in ratio of 60:40 from extractable reserves. For this purpose a Joint Venture Company namely, MahaGuj Collieries Ltd. (domicile India) has been incorporated with a paid up share capital of ₹ 500,000 (50,000 equity shares of ₹ 10 each), out of which Company has held 60% equity (30,000 equity shares of ₹ 10 each) amounting to ₹ 300,000

Based on the unaudited accounts of MahaGuj Collieries Ltd. the assets and liabilities as at 31st March 2013 in respect of the company's share in the above joint venture operation is as under:

Particulars	31.03.2013 (Amt in ₹)	31.03.2012 (Amt in ₹)
	Un-audited	Audited
Non-Current Liabilities		
Unsecured Loan	312,130,225	303,412,708
Current Liabilities		
Trade Payable	28,184	39,438
Other liabilities & provisions	604,913	422,456
Non-Current Assets		
Tangible Assets	208,609	211,512
Current Assets		
Cash & Cash equivalents	1,999,011	1,004,815
Advances & other current assets	27,756	61,821
Miscellaneous Expenditure	310,827,947	302,896,454
As per unaudited accounts of MahaGuj Collieries Ltd., company has no contingent liability. Thus there is no such share of any contingent liability as on 31/03/2013.		

UCM Coal Company Ltd.

The Ministry of coal has allocated Chendipada coal blocks of Talcher Coalfields in Orissa jointly to the company, Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. And Chattisgarh Mineral Development Corporation. For this purpose a Joint Venture company namely UCM Coal Company Ltd. (domicile India) has been incorporated for executing proposed mining project with a paid up capital of ₹ 1,600,000 (160,000 equity shares of ₹ 10 each) out of which Company has held equity shares amounting to ₹ 300,000 (30,000 equity shares of ₹ 10 each). The company has shareholding of 18.75%% in the joint Venture. Based on the unaudited accounts of UCM Coal Company Ltd. the assets and liabilities as at 31st March 2013 in respect of the company's share in the above joint venture operation is as under:

Particulars	31.03.2013 (Amt in ₹)	31.03.2012 (Amt in ₹)
	Un-audited	Audited
Non-Current Liabilities		
Long Term Liabilities	937,500	937,500
Long Term Provisions	335,036	335,036
Current Liabilities		
Short Term Provisions	31,884	40,309
Non-Current Assets		
Net Block of		
Tangible Assets	9,624	12,008
Intangible Assets	2,591	3,700
Current Assets		
Cash and Cash equivalents	1,637,617	1,912,204
The unaudited draft accounts of UCM Ltd discloses ₹ Nil contingent liability. Thus there is no such share of any contingent liability as on 31/03/2013.		

Latur Power Company Ltd.

The company and BHEL have entered into joint venture in the form of Latur Power Company Ltd. With a paid up capital of ₹ 50,000,000 (5,000,000 equity shares of ₹ 10 each). the company has shareholding of 50% in the joint venture.

Based on audited accounts of Latur Power Company Ltd. The assets and liabilities as at 31st March 2013 in respect of the company's share in the above joint venture operation is as under:

Particulars	31.03.2013 (Amt in ₹)	31.03.2012 (Amt in ₹)
	Audited	Audited
Reserves & Surplus	2,391,745	1,016,765
Current Liabilities -		
Unsecured, Loan & Advances	133,500	267,589
Other Current Liabilities	1,128,191	517,377
Non-Current Assets -		
Other Non-Current Assets	2,977,524	2,833,232
Current Assets	25,675,913	23,968,499
Unaudited Accounts of the Latur Power Company discloses ₹ Nil contingent liability. Thus there is no such share of any contingent liability as on 31/03/2013.		

h) Disclosure on loan from KfW

Loan from KfW for 150 MW Solar project under unsecured loans (refer note 3A) represents loans taken from Government of Maharashtra under the agreement between KfW, Frankfurt am Main (KfW), Government of India, Government of Maharashtra and the Company. As per the agreement, the loan is repayable with interest in Indian Rupees converted in Euro terms. During the year, On July 16, 2012, KfW has released ₹ 95,111,738 towards the drawdown and remitted the funds to Government of India. Government of India has further remitted the funds to the Government of Maharashtra. However the Company has not received the said funds from Government of Maharashtra. Pending receipt actual funds of the Since the loan has been realised by KfW, the Company has accounted for ₹ 95,111,738 as a loan of the Company and accordingly the same amount is shown as an amount recoverable from the Government of Maharashtra under the head "Claims receivable" under Loans and Advances. The Company has also accounted for the Interest payable on the said amount of ₹ 1,397,512 in the financial statement.

Previous figures have been regrouped wherever necessary.

Long Term Borrowings

(Annexure A)

Sr. No	Particulars of Lender	Nature of Loan	Repayment Within 1 Year Treated As Current Liability (₹)	Net Long Term Borrowings (₹)	Mode of Repayment	Rate of Interest	Nature of Security
1	PFC	New Parali Expasion Project Enhancement of Loan Amount	0	888,563,253	40 equal quarterly installments : commenced from July 2007	12%	Hypothecation of Steam Generator and Accessories of New Parli TPS Unit 1
2	PFC	PARAS TPS EXTENSION 1x250 M.W.COAL BASED POWER PROJECTAT PARAS	882,027,232	4,410,136,008	48 equal quarterly installments : commenced from April 2007	11.00%	Mortgage/ Hypothecation of Future assets to be created for project together with Land
3	PFC	NEW PARLI EXPANSION PROJECT UNIT 2	695,350,076	8,408,005,903	60 equal quarterly installments :- commenced from April 2011	12.75% - 12.50%	Mortgage/ Hypothecation of Future assets to be created for project together with Land
4	PFC	PARAS EXPANSION PROJECT UNIT 2	821,495,624	9,950,477,482	60 equal quarterly installments :- commenced from April 2011	12.75% - 12.50%	Mortgage/ Hypothecation of Future assets to be created for project together with Land
5	PFC	KHAPERKHADA TPS EXPANSION PROJECT	1,656,391,692	22,427,571,606	60 equal quarterly installments :- commencing from July 2012	11.25% - 12.75%	Mortgage/ Hypothecation of Future assets to be created for project together with Land
6	PFC	KORADI TPS EXPANSION PROJECT	0	44,783,140,500	60 equal quarterly installments : Commencing from July 2015	12.75% - 12.50%	A first pari-passu charge on all the movable & immovable assets of 3x660 MW Koradi Expn TPS including movable machinery, machinery spares, tools & accessories & material ate project site, both present & future with a coverage of 1.25 times.

7	PFC	R & M OF KORADI TPS UNDER 10TH PLAN	18,278,764	27,418,142	40 equal quarterly installments : commenced from October 2005	6.61% - 8.5%	Assets of Parli TPS Unit 3,4 & 5 together with land
8	PFC	R & M OF PARALI TPS UNDER 10TH PLAN	11,809,148	17,713,719	40 equal quarterly installments : commenced from October 2005	6.99% - 12%	
9	PFC	R & M OF BHUSAWAL TPS UNDER 10TH PLAN	19,467,864	29,201,790	40 equal quarterly installments : commenced from October 2005	6.55% - 7.09%	
10	PFC	R & M OF KHAPERKHADA TPS UNDER 10TH PLAN	3,884,057	5,826,088	40 equal quarterly installments : commenced from October 2005	6.9% - 11.75%	
11	PFC	R & M OF CHANDRAPUR TPS UNDER 10TH PLAN	31,279,000	46,918,519	40 equal quarterly installments : commenced from October 2005	6.93% - 7.61%	
12	PFC	R & M OF NASIK TPS UNDER 10TH PLAN COAL MILLS OF 210 MW UNITS BY	34,099,996	51,150,000	40 equal quarterly installments : commenced from October 2005	6.25% - 6.61%	
13	PFC	FLUE GAS DUCT MODIFICATION IN UNIT 5&6 (2X500) MW OF CHANDRAPUR TPS	11,000,000	10,999,999	40 equal quarterly installments : commenced from April 2005	6.25% - 6.61%	
14	PFC	VARIOUS R&M ACTIVATES OF CHANDRAPUR TPS	28,880,164	72,200,416	40 equal quarterly installments : commenced from October 2006	6.93% - 8.25%	
15	PFC	Renovation, Modernisation & Life Extension Of 500 Mw Koyana Hydro Power Station	50,400,000	151,200,000	40 equal quarterly installments : commenced from April 2007	6.61% - 8.5%	

16	PFC	PROCUREMENT OF ROTOR	8,205,128	28,717,950	40 equal quarterly installments : commenced from January 2008	11.25%	
17	PFC	R & M OF CHANDRAPUR TPS	111,391,500	362,022,348	40 equal quarterly installments : commenced from July 2007	12.75% - 12.50%	
18	PFC	PROCUREMENT OF SIMULATOR FOR 500 MW UNITS AT CHANDRAPUR TPS	3,573,248	11,613,048	40 equal quarterly installments : commenced from July 2007	12.75% - 12.20%	
19	PFC	PROCUREMENT OF GENERATOR STATOR - BHUSAWAL TPS	14,270,270	46,378,377	40 equal quarterly installments : commenced from July 2007	11.75%	
20	PFC	Replacement Of Existing Operating System (OSs) & Information System (IS) For Waste Heat Recovery Unit I & II (2x120mw) G-TPS Uran	1,010,526	3,536,841	40 equal quarterly installments : commenced from October 2007	11.5% - 11.75%	
21	PFC	Installation Of Ammonia Flue Gas Conditioning System Of 210 MW Units	4,069,508	19,330,196	40 equal quarterly installments : commenced from January 2009	12.75%	Hypothecation of MSPGCL assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli unit I (1x250 MW) TPS of MSPGCL, located at Vajinath,
22	PFC	R&M WORKS OF KORADI TPS	12,998,447	97,488,337	48 equal quarterly installments : commenced from October 2009	12.75 %	
23	PFC	R&M WORKS OF BHUSAWAL, PARLI & PARAS	3,310,504	24,828,788	45 equal quarterly installments : commenced from October 2009	11.25 %	

24	PFC	R&M WORKS OF NASIK TPS U - 1 & 2	14,199,912	106,499,339	45 equal quarterly installments : commenced from October 2009	11.25%	
25	PFC	UPGRADATION OF RLY SIDING SYSTEM AT NASIK TPS	20,833,405	156,250,535	48 equal quarterly installments : commenced from October 2009	12.75%	
26	PFC	PROCUREMENT OF 250 MVA GENERATOR TRANS- FORMER FOR KOYNA	3,066,668	18,399,994	48 equal quarterly installments : commenced from April 2008	11.75%	
27	PFC	ASH BUND FOR KORADI TPS	17,803,100	133,523,239	48 equal quarterly installments : commenced from October 2009	12.75%	
28	PFC	R&M SCHEME OF REPLACEMENT OF BOILER ECONOMIZER / LTSH COILS AND WATER WALL PANELS REQUIRED FOR VARIOUS TPS OF MSPGCL	33,683,332	286,308,338	48 equal quarterly installments : commenced from October 2010	12.50%	
29	PFC	Procurement of LP Rotor as a common spare for Unit 5,6 & 7 of Chandrapur STPS	23,858,332	262,441,668	48 equal quarterly installments : commencing from April 2013	12.50% - 12.25%	
30	PFC	Buyers Line of Credit - Capex schemes for existing Power Plants	46,219,892	878,177,942	40 equal quarterly installments : commencing from October 2013	12.50% - 12.75%	Assets of Parli TPS Unit 3,4 & 5 together with land
31	PFC	1 MW Solar Chandrapur	13,948,928	66,257,405	32 equal quarterly installments : commenced from January 2011	9.28% - 10.25%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land

32	REC	Bhusawal Expansion Project	4,309,916,667	46,735,366,627	48 equal quarterly installments : commencing from Jun 2013	10.75% - 13.25%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
33	REC	Chandrapur Expansion Project	0	30,114,584,665	10 equal yearly installments : commencing from September 2015	10.75% - 12.5%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
34	REC	Parli Replacement Project	0	9,790,683,485	48 equal quarterly installments : commencing from September 2014	10.75% - 12.5%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
35	Canara Bank	Capex (servicing of MSETCL dues on a/c of loan serviced by MSETCL & subsequently transferred to MSPGCL)	163,396,800	440,263,600	28 quarterly installments : commenced from January 2010	Floating rate (9.75% - 12.75%)	All Movable Property of Khaperkhada TPS , (Unit 1,2,3 & 4)
36	South Indian Bank	Capex	150,000,000	1,237,499,387	40 quarterly installments of ₹. 3.75 crores commencing from Aug 2012	Floating rate (9.75% - 12.75%). Presently 12.10%	Movable assets (BOP mechanical package) of Parli Unit -6
37	Housing & Urban Development Corporation Ltd. (HUDCO)	Construction of Staff Quarters at Koradi Project 3x660 MW	0	14,715,807	32 quarterly installments of ₹. 88.75 lacs commencing from 31.5.2015	Floating rate (10.25%)	Mortgage/ Hypothecation of Future assets to be created for construction of staff quarters together with Land

38	KAW- Germany	Establishment of 150 M.W Solar Power Plant at Sakri- Dhule	981,484,800	1,707,839,130	21 semi annual installments commencing from 30.12.2013	Fixed rate (1.96%)	Unsecured -
39	Canara Bank	Establishment of 3x660 Thermal Powe Plant at Koradi, Dist- Nagpur	0	2,000,800,000	38 equal quarterly installments of ₹. 2631.57 lacs after 6 month from the date of commissioning of first Unit	Base Rate + 1% (Floating) (11.25%)	Mortgage & Hypothecation of all Movable & Immovable assets of Koradi Project 3x660 MW
40	PFC	SETTING UP OF PARALI TPS EXT 1X250 MW COAL BASED POWER PROJECT AT PARALI TPS.	976,572,768	2,285,298,084	40 equal quarterly installments : commenced from July 2007	9.50% - 12.25%	Unsecured - backed by GOM Guarantee
41	PFC	ADDITIONAL R & M ACTIVITIES OF BHUSAWAL TPS, PARALI TPS.	457,499	0	40 equal quarterly installments : commenced from July 2003	7.00%	Unsecured - backed by GOM Guarantee
42	PFC	ADDITIONAL R&M ACTIVITIES OF PARALI TPS.NASIK TPS.	1,845,000	0	40 equal quarterly installments : commenced from July 2003	5.75%	Unsecured - backed by GOM Guarantee
43	PFC	ADDITIONAL R & M ACTIVITIES OF KORIDI T.P.S.	8,390,256	0	40 equal quarterly installments : commenced from October 2003	6.50%	Unsecured - backed by GOM Guarantee
44	PFC	ADDITIONAL R&M ACTIVITIES OF NASIK TPS.	2,684,999	0	40 equal quarterly installments : commenced from October 2003	7%	Unsecured - backed by GOM Guarantee
45	PFC	ESP AUGUMENTATION / RETROFIT FOR NASIK TPS UNIT-3 (210 MW) OF KORADI TPS	8,993,918	2,248,480	40 equal quarterly installments : commenced from July 2004	6.25% - 10.75%	Unsecured - backed by GOM Guarantee
46	PFC	ESP AUGUMENTATION/ RETROFIT FOR KORADI TPS UNIT 5 (200 MW) & UNIT NO. 6 AT URAN GTPS.	8,914,972	17,829,935	40 equal quarterly installments : commenced from April 2006	6.55% - 6.93%	Unsecured - backed by GOM Guarantee

47	PFC	AUGMENTATION OF ASH WATER RECYCLING SYSTEM AT NASIK TPS	1,669,847	417,455	40 equal quarterly installments : commenced from July 2004	6.25% - 12%	Unsecured - backed by GOM Guarantee
48	PFC	HEAT RATE OPTIMISATION INSTRUMENTS FOR 200/210 MW UNITS OF KOTPS, KKTPS, BTPS, CPTSSYSTEM AT NASIK TPS UNIT IV	884,529	0	40 equal quarterly installments : commenced from October 2003	6.90%	Unsecured - backed by GOM Guarantee
49	PFC	REPLACEMENT OF CONDENSORTUBE AT CHANDRAPUR TPS CONTROL FOR MSEB'S 10 UNITS	5,450,000	2,725,000	40 equal quarterly installments : commenced from October 2004	6.25%	Unsecured - backed by GOM Guarantee
50	PFC	UPGRADATION OF EXESTING INSTRUMENTATION & CONTROL SYSTEM AT NASIK TPS UNIT IV	4,200,000	2,100,000	40 equal quarterly installments : commenced from October 2004	6.25%	Unsecured - backed by GOM Guarantee
51	PFC	ESP AUGMENTATION AND UPGRADATION OF AIR POLLUTION CONTROL FOR MSEB'S 10 UNITS	5,688,349	5,688,346	40 equal quarterly installments : commenced from April 2005	6.25% - 6.93%	Unsecured - backed by GOM Guarantee
52	PFC	FOR RENOVATION AND MODERNISATION SCHEME FOR MODIFICATION OF COAL MILLS OF 210MW UNITS BY PARALI TPS	1,900,000	2,850,000	40 equal quarterly installments : commenced from October 2005	6.55%	Unsecured - backed by GOM Guarantee
53	PFC	REHABILITATION OF PARALI TPS UNIT NO 1&2 2X30 MW	9,380,339	16,415,595	40 equal quarterly installments : commenced from January 2006	6.55% - 8.25%	Unsecured - backed by GOM Guarantee

54	PFC	R&M SCHEMES FOR AUGMENTATION OF WATER SUPPLY SYSTEM FOR PARALI TPS	31,719,480	63,438,967	40 equal quarterly installments : commenced from April 2006	6.91% - 8.25%	Unsecured - backed by GOM Guarantee
55	PFC	R & M OF URAN GAS TURBINE PLANT IN MAHARASHTRA I & II UNDER K F W ASSISTANCE.	114,633,315	343,899,950	40 equal quarterly installments : commenced from April 2007	6.99% - 8.5%	Unsecured - backed by GOM Guarantee
56	PFC	INSTALLATION OF FLUE GAS CONDITIONING SYSTEM FOR AMMONIA INJECTION	6,764,365	15,219,820	40 equal quarterly installments : commenced from July 2006	6.74% - 8.25%	Unsecured - backed by GOM Guarantee
57	PFC	RENOVATION, MODERNISATION, AND LIFE EXTENSION OF KOYANA HYDROPOWER STATION STAGE III TPS UNIT I TO IV	9,423,137	30,625,186	40 equal quarterly installments : commenced from July 2007	6.91% - 14%	Unsecured - backed by GOM Guarantee
58	PFC	RENOVATION AND MODERNISATION OF KOYANA HPS STAGE I AND II	6,856,352	22,283,138	40 equal quarterly installments : commenced from July 2007	8.25% - 13%	Unsecured - backed by GOM Guarantee
59	GOM	PARLI UNIT 6 PROJECT	165,000,000	330,120,980	120 equal monthly installments : Commenced from April 2006	11.50%	Unsecured
60	GOM	PARAS UNIT 3 PROJECT	151,000,000	302,000,000	120 equal monthly installments : Commenced from April 2006	11.50%	Unsecured

61	GOM	URAN GTPS CAPEX	250,000	1,021,862	120 equal monthly installments : Commenced from April 2008	11.50%	Unsecured
		Total	11724283708	189268233270			

Short Term Borrowings**(Annexure B)**

Sl. No	Particulars of Lender	Nature of Loan	Outstanding balance as (Amt. ₹.) on 31.3.13	Terms of Repayment	Rate of Interest	Nature of security
1. 2. 3.	Bank of India Canara Bank Bank of Maharashtra	Cash Credits / Working Capital Demand Loan	24,489,490,336	Sanctioned for a period of one year and renewal on yearly basis	Rate of interest is based on Bank Base Rate	Book debts and stocks alongwith collateral security in the form of charge on movable assets of Khaperkheda TPS Unit 1,2,3 & 4
4	Dena Bank-9	Working Capital	3,000,000,000	6 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Floating) (10.80%)	Unsecured
5	Dena Bank-10	Working Capital	2,000,000,000	6 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Floating) (10.80%)	Unsecured
6	Vijaya Bank-4	Working Capital	2,000,000,000	1 Year from the date of first disbursement	Rate of interest is based on Bank Base Rate (Floating) (10.20%)	Unsecured
7	Indian Bank-6	Working Capital	2,000,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Fixed) (10.50%)	Unsecured
8	Indian Bank-7	Working Capital	100,824,251	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Fixed) (10.20%)	Unsecured
9	Indian Bank-7	TIDC Adv for Building of dam	600,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Fixed) (10.20%)	Unsecured
10	Indian Bank-7	Solar Project -1 MW	276,332,255	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Fixed) (10.20%)	Unsecured
11	Indian Bank-7	General Capex	522,843,494	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Fixed) (10.20%)	Unsecured

12	Indian Bank-8	Working Capital	1,500,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Fixed) (10.20%)	Unsecured
13	Indian Bank-9	Working Capital	1,000,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Fixed) (10.50%)	Unsecured
14	Andhra Bank-2	Working Capital	5,000,000,000	248 days	Rate of interest is based on Bank Base Rate (Floating) (10.25%)	Unsecured
15	Andhra Bank-3	Working Capital	3,000,000,000	57 days	Rate of interest is based on Bank Base Rate (Floating) (10.25%)	Unsecured
16	Central Bank of India-9(a)	Working Capital	6,000,000,000	6 months	Rate of interest is based on Bank Base Rate (Fixed) (10.35%)	Unsecured
17	Central Bank of India-9(b)	Working Capital	4,000,000,000	6 months	Rate of interest is based on Bank Base Rate (Fixed) (10.35%)	Unsecured
Total			55,489,490,336			

Annexure - C (Disclosure on Actuarial Valuation of Gratuity and Leave Encashment)

Expenses recognized in the Profit and Loss Account		(Amt. ₹)									
		For the year ended 31st March, 2013		For the year ended 31st March, 2012		For the year ended 31st March, 2011		For the year ended 31st March, 2010		For the year ended 31st March, 2009	
Components of Employer Expense		Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Current Service Cost	132,009,580	74,098,127	197,349,912	127,180,660	149,265,436	91,628,171	224,836,624	104,055,440	115,672,983	55,737,686
2	Interest Cost	381,853,768	300,994,157	357,372,422	264,817,956	281,928,542	190,668,709	242,062,741	154,777,563	226,761,428	154,085,707
3	Curtailment Cost / (Credit)										
4	Settlement Cost / (Credit)										
5	Past Service Cost										
6	Actuarial Losses / (Gains)	344,734,308	431,798,174	167,166,625	262,130,594	842,761,348	866,761,284	17,320,446	55,670,975	549,048,617	187,028,543
7	Total expense recognized in the Statement of Profit and Loss Account	858,597,656	806,890,458	722,188,959	654,129,210	1273,955,326	1,149,058,164	479,740,538	406,680,457	884,803,116	385,408,645

Cash Flow Statement for the year ended 31st March 2013

	2012-13		2011-12	
Cash flow from Operating Activities				
Net Profit After Taxes		4,879,792,357		2,003,163,524
Adjustments for:				
Provision for Taxation	4,397,837,361		(2,157,868)	
Current Year and Prior Depreciation and amortisation	5,596,601,306		4,064,161,511	
Interest Income	(8,730,526)		(10,277,004)	
Interest and finance charges	13,611,070,145	24,656,851,856	8,536,804,056	12,163,986,784
Provision for obsolescence of Stores	837,422,804		(27,169,208)	
Provision for obsolescence of Capital Asset	90,046,639		7,609,751	
Profit on sale of fixed assets	(220,817,782)		0	
Loss on sale of fixed assets	440,647,597		75,548	
Gain on foreign exchange	(706,380,660)		(426,221,597)	
Bad Debts Provided	619,154,972		21,161,595	
Operating profit before working capital changes				
Trade & Other Receivables	(23,229,676,142)		2,754,820,231	
Inventories	(3,751,954,516)		(1,483,371,879)	
Trade & Other Payables and Provisions for employee benefits	18,635,844,408		8,636,559,400	
Cash Generated from Operations		(8,345,786,250)		9,908,007,752
Taxes paid	(1,043,926,368)		(1,077,318,166)	
		(1,043,926,368)		(1,077,318,166)
Net Cash from Operating Activities		20,146,931,595		22,997,839,894
From Investing Activity				
Purchase of Fixed Assets including Capital Work In progress	(65,984,565,188)		(55,239,396,118)	
Disposal of Fixed Assets	249,586,723			
(Purchase)/Sale of Investments - of Joint Ventures	0		(25,000,000)	
(Purchase)/Sale of Investments - Others	0		100	
Interest Income	8,730,526		10,277,004	
		(65,726,247,939)		(55,254,119,014)
From Financing Activity				
Increase in Equity	12,183,370,000		9,220,900,000	
Proceeds from Borrowings	85,759,961,314		70,596,016,398	
Repayment of Borrowings	(24,448,818,310)		(39,159,253,668)	
Interest & Finance charges	(27,005,598,330)		(8,536,804,056)	
		46,488,914,674		32,120,858,674

Net Increase / (Decrease) In cash		909,598,330		(135,420,446)
Opening Balance				
Cash	3,397,368		2,439,494	
Bank	295,316,283	298,713,651	431,694,603	434,134,097
Closing Balance				
Cash	10,834,954		3,397,368	
Bank	1,197,477,027	1,208,311,981	295,316,283	298,713,651

As per our report attached

For CVK & Associates

Chartered Accountants

(FRN - 101745W)

(A. K. Pradhan)

Partner (Membership No. 32156)

For K.S. Aiyar & Co.

Chartered Accountants

(FRN - 100186W)

(Rajesh S. Joshi)

Partner (Membership No. 38526)

For G.M. Kapadia & Co.

Chartered Accountants

(FRN - 104767W)

(Rajen Ashar)

Partner (Membership no. 48243)

Mumbai, 12th September, 2013

For Maharashtra State Power Generation Company Limited

J.K. Srinivasan

Director (Finance)

Asheesh Sharma

Chairman & Managing Director

S.K. Labde

Chief General Manager (A)

Rahul Dubey

Company Secretary

Statement under section 212(3) of the Companies Act 1956 (As on 31st March 2013)

Particulars	Dhule Thermal Power Co Ltd	Mahaguj Collieries Ltd.	Dhopave Coastal Power Co. Ltd
	(Audited)	(Un-Audited)	(Un-Audited)
The extent of the holding company interest in the subsidiary at the end of the financial year i.e. 31st March 2013 ,	100%	60%	100%
Paid up share capital of subsidiary company (Amt in ₹)	500,000	500,000	500,000
Extent to interest of company in subsidiary company (Amt in ₹)	500,000	300,000	500,000
Net aggregate amount of profit /(loss) after tax of subsidiary company as on 31.3.13 (Amt in ₹)	27,900	(461,957,484) (See Note)	(3,417)
Share of MSPGCL (Amt in ₹)	27,900	(277,174,490)	(3,417)

Note:- This amount represents Balance appearing in Expenditure during the construction period account (Since the Commercial operations not started yet).

Projects Features

KORADI (3X660 MW) SUPER CRITICAL TECHNOLOGY BASED



CHANDRAPUR (2X500 MW) UNIT - 8 & 9



PARLI (250 MW) REPLACEMENT UNIT - 8



MAHAGENCO's PRESTIGIOUS MEGA SOLAR PROJECT OF 125 MW AT SHIVAJINAGAR, TAL. SAKRI, DIST. DHULE



**130 MLD SEWAGE WATER TREATMENT PLANT,
BHANDEWADI, NAGPUR (For Koradi Project)**



Our Vision....

"Generating adequate Power for Maharashtra on a sustainable basis at Competitive rates in a socially responsible manner".



Maharashtra State Power Generation Company Limited

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