महालेखाकार का कार्यालय (लेखापरीक्षा) - II महाराष्ट्र-मुंबई शाखा कार्यालय
OFFICE OF THE ACCOUNTANT GENERAL(AUDIT) - II MAHARASHTRA
BRANCH OFFICE MUMBAI
दूरभाष सं./ Tel. No. : 022-22054022 / 022-22057360, फैक्स न./ Fax No.: 022-22092326
ई-मेल / E-mail : agcommauMaharashtra@cag.gov.in

सत्यमेव जयते

L-22
15/01/24

CGM (A/c)
IW No.: 812
Date : 24.01.2024

गोपनीय:
मले/लेप-II/मुंबई शाखा/टेक्निकल सेल/MSPGCL(standalone)/2022-23/ 325 04/01/2024

CMD (MAHAGENCO)
No. 60
Dt. 11/01/24
Dir(F)

सेवा में,
अध्यक्ष व प्रबंध निदेशक,
महाराष्ट्र स्टेट पावर जनरेशन कंपनी लिमिटेड
मुंबई

विषय: 31 मार्च, 2023 को समाप्त हुए वर्ष के महाराष्ट्र स्टेट पावर जनरेशन कंपनी लिमिटेड के स्टैंडअलोन लेखों पर कंपनी अधिनियम, 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक व महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

31 मार्च, 2023 को समाप्त हुए वर्ष के महाराष्ट्र स्टेट पावर जनरेशन कंपनी लिमिटेड के स्टैंडअलोन लेखों पर कंपनी अधिनियम, 2013 की धारा 143(6) (b) के अंतर्गत भारत के नियंत्रक व महालेखापरीक्षक की टिप्पणियाँ (Comments) संलग्न है।

वार्षिक आमसभा (A.G.M.) होने के पश्चात, वार्षिक रिपोर्ट की तीन मुद्रित प्रतियाँ कृपया इस कार्यालया को भेज दें, साथ ही उपरोक्त लेखों के वार्षिक प्रतिवेदन को विधानसभा में प्रस्तुत करने की तिथि को भी इस कार्यालय को सूचित करें।

CGM (A/c)

भवदीया,

Shubhangi

(शुभांगी)
व. उप महालेखाकार/ए.एम.जी-V

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA (CAG) UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31MARCH 2023.

The preparation of Standalone Financial Statements of **Maharashtra State Power Generation Company Limited** for the year ended **31 March 2023** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, are responsible for expressing opinion on the Standalone Financial Statements under Section 143 of the Act, based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **12October 2023.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Standalone Financial Statements of **Maharashtra State Power Generation Company Limited** for the year ended **31 March 2023** under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors And Company personnel and a selective examination of some of the accounting records.

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

I. COMMENTS ON FINANCIAL POSITION

ASSETS
Current assets- Inventories(Note No. 5): ₹2114.78 crore
Raw Materials (Coal): ₹1193.69 crore

1. The above includes cost ofwash Coal arrived at after including raw coal cost and Railway freight charges without inclusion of beneficiation charges paid for washing the coal. In accordance with IND AS2, the cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Thus, non-inclusion of beneficiation charges on the wash coal inventory resulted in violation of Ind AS 2.

This has resulted understatement of Raw Materials (Coal) and overstatement of cost of materials consumed by ₹ 7.59 crore(TPS Koradi) and violation of Ind AS 2.

Current Assets- Other Current Assets (Note No.10): ₹ 905.53 crore
Advances for O & M supplies/works: ₹ 408.85 crore

2. The above includes an amount of ₹17.49crore being full payment made to O&M supplier (BHEL) on 26/08/2013 on its supply and same should have been set off against payment and supply.

This has resulted in overstatement of Advance to Supplier under Current Assets- Other Assets (Note No.10) and Current Trade Payables (Note No.18) by ₹ 17.49 crore.

LIABILITIES

Current Liabilities
Financial Liabilities:
Other Financial Liabilities (Note No. 19): ₹ 4173.95crore
Other Deposits: ₹ 221.61 crore

3. The above includes ₹ 10.03 crore being amount deposited (Debit balance) as enhanced land compensation at Hon'ble High Court, Nagpur in March 2019,which should have been shown as amount receivableunder Advances to Government Authorities under Other Current Assets.

This has resulted in overstatement of Other Current Financial Liabilities (Note No.19) and understatement of advances to Government Authorities under Other Current Assets (Note No.10) by ₹ 10.03 crore.

Current Trade payable (Note No. 18): ₹8103.19crore
Other than MSME: ₹ 8102.97 crore

4. The above includes ₹25 crore (Debit balance) paid (12/07/2019)to Nagpur Metropolitan Regional Development Authority (NMRDA) for construction of 3D/4D & 7D theatre at Mahalaxmi Jagdamba Sansthan, Koradi.
Inclusion of debit balance under trade payables resulted in understatement of Trade payables under Current Liabilities (Note No.18) and understatement of Current Assets- Other Assets (Note No.10) by of ₹ 25 crore each.

II. COMMENTS ON DISCLOSURE

Notes to Financial Statements

5. The Company has not disclosed the fact regarding pending Recoup quantities of coal receivable as on 31/03/2023 from Maharashtra State Mining Corporation Limited in accordance with Clause 11.1 of the Agreement (10/12/2020) under Notes to Accounts.

Contingent Liabilities & Commitments
IV. Contingent Assets (Note No. 41(IV)(15))
(M/s Nagpur Waste Water Management Pvt. Ltd.:₹ 22.84 crore)

6. The above disclosure is deficient to the extent of ₹ 20.32 crore as the exempted GST paid by the Company and recoverable from M/s Nagpur Waste Water Management Pvt. Ltd. (NNWWM) forsupply 190 MLD Tertiary Treated Water for the period 05/06/2020 to 28/02/2022 was ₹ 43.16 crore.

III. OTHERS

Corporate Social Responsibility Expenditure(CSR) (Note No. 40): ₹ 10.34 crore

7. Reference is invited to Note No. 40, wherein it is stated that Company has incurred expenditure of ₹ 10.34 crore towards CSR, even though Company was having no average profit in preceding three years and CSR was not applicable under Section 135 of the Companies Act, 2013.Out of this CSR expenditure, ₹ 2.99 crore wasalso paid as stipend to the candidates of Project Affected Areas of Koradi TPS on training programme scheme under Corporate Environmental Responsibility (as stated by Company)under Office memorandum F.No.22-65/2017-IA III dated 01.05.2018of Government of India without adhering to the guidelines /procedures mentioned therein.

This has resulted in incurring CSR/CER expenditure in violation of laid down Acts and Procedures.

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

Place: Nagpur
Date: 4|1|2024

4/1/24

(R. ThiruppathiVenkatasamy)
Pr. Accountant General (Audit)-II, Maharashtra