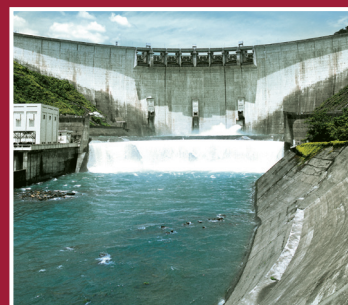




Generating for Generations



Annual Report 2011-2012



**MAHARASHTRA STATE POWER
GENERATION COMPANY LIMITED**

ANNUAL REPORT

2011-2012

Annual Report 2011-2012

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Maharashtra State Power Generation Co. Ltd.

Board of Directors (from 01.04.11 up to AGM Date)

Chairman & Managing Director	Shri Subrat Ratho (till 06.07.12) Shri Asheesh Sharma (w.e.f. 06.07.12)
Director	Shri S.J.Kunte (w.e.f. 25.8.11 to 18.11.11) 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 J.K.Srinivasan- Addl Charge (w.e.f. 21.05.12 up to 26.12.12) Shri S.A.M.Naqvi (w.e.f. 26.12.12)
Director (O)	Shri M.G.Waghmode (w.e.f. 11.3.2011 till Date)
Director (P)	Shri C.S.Thotwe (w.e.f.31.8.09 to 28.8.12) (w.e.f. 28.08.12 Addl Charage)
Director	Shri P.V.Page (w.e.f 1.12.08 till date)

NOTICE

NOTICE is hereby given that the 7th Annual General Meeting of the shareholders of Maharashtra State Power Generation Company Limited will be held on 21st September, 2012 at 3.00 PM at Prakashgad, Prof. Annatkanekar Marg, Bandra (E) Mumbai- 400051 to transact the following business:

Ordinary Business:

1. To receive consider and adopt the audited Balance Sheet as at 31.3.12 and Profit and Loss Account for the year ended on that date, together with Report of Directors' and Auditors' thereon.*
2. To consider and if deemed fit to pass with or without modification the following resolution as Ordinary Resolution

RESOLVED THAT pursuant to the provisions of Section 224 (8) (aa) read with Section 619 (2) and other applicable provisions, if any of the Companies Act, 1956, the Board of Directors be and is hereby authorized to decide the remuneration and out of pocket expenses payable to the Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India, u/s 619 (2) of the Companies Act, 1956, in respect of Company's financial year commencing from 1st April 2012 to 31st March 2013.

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

Special Business

3. To consider and if deemed fit to pass with or without modification the following resolution as Ordinary Resolution

RESOLVED THAT Shri V.K.Kanade, who was appointed by the Board as an Additional Director of the Company pursuant to section 260 of the Companies Act 1956 read with Article 82 of Articles of Association of the Company w.e.f. 18/11/2011 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as Director of the Company.

4. To consider and if deemed fit to pass with or without modification the following resolution as Ordinary Resolution

RESOLVED THAT Shri Asheesh Sharma who was appointed by the Board as an additional Director of the Company pursuant to section 260 of the Companies Act 1956 read with Article 82 of Articles of Association of the Company w.e.f. 6.7.12 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby confirmed as Director of the Company.

By the order of Board of Directors

Rahul Dubey
Company Secretary

Place: Mumbai

Date: 21st September, 2012

* Accounts were adopted in the adjourn AGM dated 2nd March, 2013.

Notes:

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

In pursuance of the above as per section 224 (8) (aa) read with section 619 (2) of the Companies Act 1956, the members are requested to authorize the Board of Directors of the Company to fix the remuneration and out of pocket expenses to the Statutory Auditors of the Company, in respect of Company's financial year, commencing from 1st April 2012 to 31st March 2013.

4. All documents referred to in the notice are open for inspection at the registered office of the Company during office hours till the date of this Annual General Meeting.

Directors' Report

Dear Members

Your Directors are pleased to present the 7th Annual Report and the audited annual accounts for the year ended 31st March 2012.

Financial Results

(₹ in lacs)

	2011-12	2010-11
Income		
Revenue from Sale of Power(net)	1,277,309.59	1,214,183.04
Other Income	15,028.87	8,942.02
Gross Income	1,292,338.46	1,223,125.06
Expenditure		
Cost of Material consumed	952,821.25	828,173.16
Other Exp	114,423.13	120,342.58
Employee Cost	79,327.33	87,055.99
Depreciation/ amortization	40,388.65	41,812.71
Finance Cost	85,368.04	65,743.31
Net Profit before tax,	20,010.05	79,997.29
Tax (net)	(21.57)	49,051.62
Net Profit after tax	20,031.63	30,945.67

Financial Performance

During the year under review, the income from sale of power increased by 5% from ₹1,214,183 lacs to ₹1,277,309. Other income during this period increased by 69% to ₹15,028 lacs thereby making overall increase in total income 6%. The cost of material consumed increased 15% from ₹828,173 lacs to ₹952,821 lacs which mainly comprise increase in cost of raw material 22% and imported coal 49%. The Finance cost increased by 30% from ₹65,743 lacs to ₹85,368 lacs mainly on account of interest burden on new Parli 7 and Paras 4 units and increase in working capital loans. In the employee cost, depreciation and other expenses, there has been nominal decrease of 9%, 3% and 5% respectively. As a result, overall margin is reduced by 35% to ₹20,031 lacs from ₹30,945 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 9737 MW and derated capacity is 9737 MW as on 31st March 2012. Nasik U-1 & 2 (2x140 MW) retired and closed from 25-06-11 and 30-06-11 respectively.

During the year 2011-12, for coal-fired plants, the average availability factor was 85.22% as against 81.74% of last year (increase of 3.48%). The plant load factor was 65.04% as against 61.66% (increased by 3.38%). The overhaul of 16 units was taken up during 2011-12 as against overhaul of 17 units during 2010-11. The planned outage & forced outage factor for the year 2011-12 were 8.15% & 6.63% as against 5.47% & 11.66% for 2010-11 (increase in forced outages for the year 2010-11 was mainly due to water shortage at Chandrapur TPS). For gas based plants, average availability was 92.43% and PLF was 76.09%.

The other operational performance factors are as below:

The Coal Realization for the year 2011-12 was 75.51% as against 86.00% of previous year. Specific coal consumption for the year 2011-12 was 0.841 Kg/ Kwh as against 0.852 Kg/ Kwh of last year. The Boiler Tube Leakage percentage for the year 2011-12 was 4.19% as against 2.32% of last year. Specific oil consumption for the year 2011-12 was 4.19 ml/ Kwh as against 5.42ml/Kwh of last year. The auxiliary consumption for the year 2011-12 was 10.52% as against 10.62% of last year. The average gross calorific value of coal fired during the year 2011-12 was 3162 Kcal/Kg as against 3234 Kcal/Kg of last year. The heat rate for the year 2011-12 was 2702 Kcal/Kwh as against 2807 Kcal/Kwh for last year. The transit loss for the year 2011-12 was 0.5% 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 – 500 MW:

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.	Full load operation	05.08.2011
2.	Trial operation started	12.11.2011

The trial operation of the unit is completed on 04.04.2012 and the unit has been commissioned 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.

B. Ongoing Projects- 4230 MW:

1. 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.	Steam blowing	19.04.2011
2.	Safety valve floating	30.04.2011
3.	Rolling of Turbine	10.05.2011
4.	Unit synchronisation	11.05.2011
5.	Coal Firing	29.09.2011
6.	Full load operation	07.03.2012

The Trial Operation of the unit is completed on 18.07.2012.

Sr. No.	Major milestone of Unit-5	Achieved on
1.	Hydraulic test Non-Drainable	28.08.2011
2.	Boxing up of Turbine	25.06.2011
3.	Boxing up of Generator	15.07.2011
4.	Boiler light up	22.11.2011
5.	Alkali Boil out and acid cleaning	30.11.2011
6.	Steam Blowing	12.02.2012
7.	Unit Synchronisation	03.03.2012
8.	Coal firing	03.03.2012
9.	Full load operation	30.03.2012

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.

2. 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.	Commencement of Condenser erection	31.03.2012
2.	TG Erection started	31.03.2012

Sr. No.	Major milestone of Unit-9	Achieved on
1.	Boiler Drum lifting	25.09.2011

The works on the project are in progress. The commissioning of Unit 8 is expected by November 2013 and that of Unit 9 by February 2014.

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

3. 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 its 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 of Unit-8	Achieved on
1.	Boiler drum lifting	10.04.2011

The works on the project are in progress. The commissioning of the unit is expected by September 2013.

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

4. 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. Further works on the project are in progress.

The following major milestones have been achieved during the year :

Sr. No.	Major milestone of Unit-8	Achieved on
1	Commencement of Condenser erection	10.05.2012

Sr. No.	Major milestone of Unit-9	Achieved on
1	Commencement of structural erection of TG Building	10.06.2011
2	Commencement of Boiler Erection	28.10.2011

Sr. No.	Major milestone of Unit-10	Achieved on
1	Commencement of TG foundation & Deck works	18.06.2011
2.	Commencement of structural erection of TG Building	15.12.2011
3.	Commencement of Boiler Erection	15.02.2012

Further works on the project are in progress.

The commissioning (COD) of Unit 8 is scheduled by Dec.2013 followed by Unit 9 by June 2014 and Unit 10 by Dec. 2014.

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

Future Projects (13530 MW):

1. **Uran Gas Based Combined Cycle Power Plant (1220 MW):** (Block-I : 406 MW, Block-II: 814 MW)
Land, Water and other statutory clearances are available.

GoM has accorded approval for implementation of 1220 MW Combined Cycle Power Project at Uran vide Government Resolution no. Project 08/ Pra.kra.1246/ Urja-4 dated 02.03.2010.

Tender for Lump sum turnkey contract for installation of 1220 MW advance class gas turbine based CCPP is cancelled in view of the Circular dtd. 19.03.2012 issued by CEA regarding guidelines stating that the developers not to plan any gas based power project till 2015-16 on domestic gas, as the production of domestic gas is declined.

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

Land: Land for the project is acquired.

Water: 13 MM3/ year can be made available from Hatnur Dam & Sudhgaon Bandhara and the balance water requirement of 7 MM3/year from Ozerkheda Dam.

Fuel: MahaGuj collieries ltd. has, vide letter dtd. 18th May, 2011, assured supply of coal to this project from Machhakata coal blocks.

Environment Clearance: Environmental Public hearing was held on 28/02/2012. Application for grant of Environmental Clearance submitted to MoE&F, New Delhi vide letter no.441 dated 18.05.2012. EAC has recommended EC for project. Compliance to six conditions put up by EAC has been submitted to MoEF on 16/8/2012. EIA report submitted to MoEF.

NIT issued on 05.11.2011 for Bhusawal Thermal Power Station (1 x 660 MW) on EPC basis. Tender sale upto 26.03.2012. Bid submission and Cover-I opening is scheduled on 20.11.2012

Government of Maharashtra has accorded approval for implementation of this project vide Government Resolution no. Prakalpa - 2010/ Pra. Kra. 3/ Urja-4 dated 05.10.2010.

3. **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.

Fuel: MahaGuj has, vide letter dtd. 18th May, 2011 assured supply of coal to this project from Mahanadi coal blocks.

Environment Clearance: The Terms of Reference (TOR) is received from Ministry of Environment & Forests, Govt. of India on 09.06.2011. Environment Impact Assessment study is prepared. Application for consent to establish submitted to MPCB.

Government of Maharashtra has accorded approval for implementation of this project vide Government Resolution no. Prakalpa - 2011/ Pra. Kra. 313/ Urja-4 dated 29.12.2011.

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

It is planned to install one coal based super critical unit of 250 MW capacity at Paras.

Land: Land for above project is acquired.

Water: Water for this project is available from lower Mun barrage.

Fuel: MahaGuj has, vide letter dtd. 18th May, 2011 assured supply of coal to this project from Mahanadi coal blocks.

Environment Clearance: The Terms of Reference (TOR) from Ministry of Environment & Forests, Govt. of India are displayed on website on 07.09.2012. Further activities are in progress.

Draft cabinet note for approval of the project submitted to Secy. GOM on 02.07.2012.

5. **Latur Coal Based Unit 1&2 (2 x 660 MW) or Gas based CCPP Block-I & II (2 x 750 MW):**

MSPGCL has signed Memorandum of Understanding with M/s. BHEL on 12.08.09 for formation of Joint Venture Company to set up 2 x 660 MW super critical Power Plant or 1500 MW gas based combined cycle power plant at Latur. The Joint Venture Agreement with M/s. BHEL is signed on 11.11.2010. Certificate of incorporation of Latur Power Company Ltd. is issued by Registrar of Companies, Mumbai under the Companies Act on 06.04.2011. The Chief Operating Officer has been appointed.

The activities for land acquisition for 1500 MW gas based project are in progress. Divisional Commissioner has accorded approval for rates of the land required to be acquired.

Action for fuel linkage is in progress with MoC/ MoPNG.

GoM, has, vide letter no. Prakpla-0610/Pra.Kra.194/Urja-4 dated 25.10.2010, accorded in-principle approval for setting up of 2 x 660 MW Coal based or 1500 MW Gas based Power Project at Latur or any suitable place in Maharashtra.

6. **Dhopawe TPS Project Unit – 1 to 3 (3 x 660 MW):**

This project is proposed for implementation by way of Joint Venture structuring.

Land: The proposal for acquisition of 600 Hect. land is submitted to Collector, Ratnagiri. Land acquisition activities are in progress.

Water: Total 80 MM3 water required for the project is available from Koyna tailrace.

Fuel: Ramp-up quantity coal from Machakkata coal block shall be available for the project.

MoE&F clearance: The Terms of Reference (TOR) is issued by Ministry of Environment & Forests, Govt. of India in their meeting dated 06.09.2010 for carrying out Environment Impact Assessment (EIA) studies. Terrestrial EIA completed. Two sections of Marine EIA report received from NIO, Mumbai on 07.09.2012.

For consultancy services in assisting the selection of JV partner & its structuring work order is placed on M/s. aXYKno Capital Services, Nagpur. vide letter dtd. 30.11.11 combined for Dondiacha & Dhopawe.

Proposal has been submitted to GoM vide letter dated 13.10.2010 for in principle approval for JV structure, ownership and equity participation. Correspondence is in progress.

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

Land: Total land for 5 x 660 MW Project : 942.16 H. Land acquisition activities are in progress.

Water: WRD has accorded approval (in general) for reservation of 40 MM³ water from Nimna Tapi project on Tapi river for 2x660 MW (Stage-I). TIDC has informed that additional 45 MM³ of water for 3 x 660 MW (Stage-II) could be made available from Nimna Tapi project on Tapi river.

Fuel: Coal required for Unit 1&2 (Stage-I) will be made available from Chendipada Coal block, Orissa. The U.C.M (Uttarpradesh-Chattisghad-Maharashtra) Joint venture company who have been allotted the coal block have appointed M.D.O to develop the said mine. The coal for Unit 3, 4 &5 (Stage-II) is proposed to be made available from Machhakata coal block in Orissa. However, if Dhopawe 3x660 MW project is approved by GoM, the coal available from this coal block will be diverted to Dhopawe project and the coal required for Dondaicha Stage-II project will be made available from Mahanadi coal block in Orissa. In case of delay in availability of coal from Mahanadi coal block, coal will be made available from tapered linkage.

MoE&F clearance: The Terms of Reference (TOR) is received from Ministry of Environment & Forests, Govt. of India on 05.05.2011. Environment Impact Assessment study is in progress.

Matter taken up with Government of Maharashtra for approval of the project. Correspondence is in progress

8. **Coal based Thermal Power Project near Kanpa (Tal. Nagbhid, Dist. Chandrapur) (2x660 MW):**

This project is proposed for implementation by way of Joint Venture structuring. Preliminary activities for land acquisition is in progress. Matter taken up with WRD for requirement of 40 MM³ water for this project. For grant of long term coal linkages, follow up is going on with Ministry of Coal/ CEA.

9. **Coal based Thermal Power Project in Mendki (Tal. Brahmapuri, Dist.Chandrapur) (2x660 MW):**

This project is proposed for implementation by way of Joint Venture structuring. Preliminary activities for land acquisition is in progress. Matter taken up with WRD for the requirement of 40 MM³ water for this project. For grant of long term coal linkages, follow up is going on with Ministry of Coal/ CEA.

10. **Coal based Thermal Power Project near Manora (Tal.Tiroda, Dist. Gondia (2 x 660 MW):**

This project is proposed for implementation by Mahagenco near Manora in Gondia District.. Preliminary activities for land acquisition is in progress. Matter taken up with WRD for requirement of 40 MM³ water for this project. For grant of long term coal linkages, follow up is going on with Ministry of Coal/ CEA.

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 insulation 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 other two units of 4 MWp (2MWp based on Crystalline Technology and 2MWp based on Thin Film Technology), which were synchronized with the grid on dt. 18.10.2011 and 12.02.2012 respectively, are on bar and their generation for the year 2011-12 are as below:

- a. 2 MWp based on Crystalline Technology : 0.339 MU's
- b. 2 MWp based on Thin Film Technology : 0.398 MU's

In line with the implementation of 'Renewable Power Obligations' of Mahagenco, a Solar- PV power project of 25 MWp capacity is being developed at Sakri, District Dhule. For 125 MWp Solar-PV Power Project at Sakri, deforestation work of land has been completed. The Department is leaving no stone unturned in its efforts to acquire land at different locations and commission Solar Power Plants at competent rates using the latest technology.

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.

Fuel Availability

1. Mahagenco's Coal Requirement

Mahagenco's installed thermal capacity of 2012-13 is 7890 MW. 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	6.148		MOU for Paras-4, Parali-7, KPKD-5 & Bhusawal-4&5.
IMP.COAL	1.959		Contract signed in Oct. 2012
TOTAL	45.267		

3. Import Coal: Mahagenco has recently placed an order for supply of 1.959 MMT Sub-bituminous imported coal (GCV-4600 Kcal/Kg) for Bhusawal, Parli and Khaperkheda TPS. The Tender for procurement of Bituminous imported coal (GCV-6500 Kcal/Kg) for Chandrapur, Khaperkheda & Nasik TPS is also in process.

Presently there are problems of water shortage at Parli TPS and Varangaon rail siding problem at Bhusawal TPS.

Mahagenco has decided to divert the import coal quantity from Parli & Bhusawal TPS to Chandrapur TPS. Due to Sub-bituminous import coal supply, additional rakes received for Bhusawal will be 1.5 rakes/day, for Khaperkheda 1.0 rakes/day and for Chandrapur 1.5 rakes/day. This will enhance the generation from present level of 4550 MW to 5400 MW.

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 2011-12 overall coal deficit was about 25.75% in terms of less materialization. Coal Company wise Coal Supply and shortage for year 2011-2012:

Coal Company	ACQ (MMT)	Receipt (MMT)	Shortage (MMT)	% Shortage
WCL	22.701	17.433	5.268	23.20
MCL	8.852	4.533	4.319	48.79
SECL	6.027	5.748	0.279	4.63
SCCL	2.26	1.865	0.395	17.47
Total	39.84	29.579	10.261	25.75

As against a total allocation of 39.84 MMT in the year 2011-12, Mahagenco has received 29.57 MMT. This is only 74.25% of our requirement leading to short supply of coal to the tune of 25.75% (10.26 MMT) and this shortage has further increased to 26.67 % in April-Sept 2012 (with the addition of 1500 MW new capacity in this year 2012-13). 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 quantity of coal to be imported by each utility every year.

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

The Ministry of Coal, Government of India, has sanctioned long term coal linkages ('F' grade) 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 MoUs for coal supply to Parli-7, Paras-4, Khaperkheda-5 and Bhusawal- 4 & 5 units. Details of MoUs signed with MCL is as below:

Project/unit name	Capacity (MW)	LoA Quantity (MMTPA)	MoU signed for 2012-13
Parli-7	250	1.204	0.88 MMT
Paras-4	250	1.204	0.88 MMT
Khaperkheda-5	500	2.312	1.6184 MMT
Bhusawal-4	500	2.312	1.3872 MMT
Bhusawal-5	500	2.312	1.3872 MMT

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 (3x660 MW), Parli-8 (replacement) (250MW) and Bhusawal-6 (replacement) (660MW) projects.
- Coal from Mahanadi coal block is proposed to be used for upcoming Dondaicha Phase II (3x660MW), Paras replacement (250 MW) and Nashik 1x 660 MW projects.
- Chendipada-I and Chendipada-II coal blocks have been jointly allocated to Mahagenco, Chhattisgarh 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 Dondaicha Phase-I (2x660MW).
- 5870 MW of New capacity addition in Mahagenco is linked with Macchakata Coal Block, in the state of Orissa. 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.
- 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.

7. Various options of coal sourcing:

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

- As most of the cost plus projects of WCL are in the vicinity of Mahagenco's TPS, Mahagenco shall sign coal supply agreements for coal supply through cost plus mines for ensuring better fuel security.
- Mahagenco shall acquire coal blocks/energy asset or tie up with miners in Indonesia, South Africa and Australia for long term import coal supply.
- **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 MSMCL'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 4-4.5MTPA coal production. MSMCL 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 MSMCL's share for end use of power generation. Mahagenco has also conveyed its 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, MCL.

8. Gas Supply for Existing GTPS Uran Plant.

- MAHAGENCO's GTPS Uran power plant has an capacity of 672 MW. Gas required for existing Uran gas power plant is @ 3.5 MMSCMD. Mahagenco has signed long term Gas Supply and Purchase Agreement (GSPA) with M/s GAIL for supply of 3.5 MMSCMD gas to Uran existing plant at Govt. approved price. M/s GAIL is supplying average 2.3 MMSCMD gas.
- To meet the short fall of gas, Mahagenco has signed GSPA with M/s RIL & M/s NIKO for supply of 1.2 MMSCMD gas from KG-Basin at Govt. approved price to existing Uran plant. Mahagenco has signed GTA with M/s RGTEL and M/s GAIL for transportation of this gas from RIL KG basin to Uran plant.
- Due to less production level of APM and RIL gas, the allocation of both APM and RIL gas is reduced since last few months. The supply of Natural Gas (APM) supplied by M/s. GAIL is fluctuating from 1.90 MMSCMD to 2.10 MMSCMD, based on upstream gas availability from M/s. ONGC. The supply of KG D-6 basin gas supplied by M/s. RIL is fluctuating from 0.55 MMSCMD to 0.60 MMSCMD. Due to short fall of gas, average loss of generation is @ 150 MW.

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. The new pay revision agreement has been executed between the Management & trade unions which will be effective from April 08..

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

Reservation for SC, ST & OBC

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

Traning and Development

In consonance with corporate vision of being the best and most efficient state of art generating utility in the country, your company facilitates the development of all-round competence of its people. The company has its own two training centers. Koradi and Nashik training centers where induction level training and other training and executive development programs relating to various facets of operation and maintenance of power plant are organized. In addition the company also arranges need based training programs at “Yashda” Pune, ESCI, Hyderabad, various IIT Colleges, BHEL, World Bank, NPTI and other outside agencies which covers different aspects of O&M, MDP Industrial Security, Project management and Behavioral science etc.

Use of Marathi Language

Your company has taken concentrated efforts to encourage the use of Marathi in day to day working and all Government correspondence. The Annual Reports and statutory reports are compiled in Marathi language.

Environment

MAHAGENCO has taken concentrated efforts in many areas for preservation of elements of environment namely air, water and soil. These are as follows:

- **Tree Plantation & Green belt Development**

M.S.P.G.C.L. has undertaken the scheme of Green Belt Development with Tree Plantation in various Thermal Power Stations. Proper care is being taken for the growth of these tree plants. About 29.5 Lacs trees have been planted till 31/03/2012 at all TPS.

- **Control of Stake Emissions**

As per set objective, MSPGCL has carried out action plan for controlling stack emissions of thermal power plants. These are as below.

- Augmentation of ESPs for complying with SPM regulations for 17 old units.
- For complying with SPM regulations in respect of 9 old units of MSPGCL has installed flue gas conditioning system with Ammonia Injection. Accordingly AFGC system is commissioned for Koradi unit 7, Chandrapur unit 1,2,3,4, Khaperkheda unit 1, 2, Bhusawal unit 2 Parli Unit 5.
- Order was placed on BHEL by CE(works) for Feasibility Study for ESP Retrofitting for 210 MW Units (5 Nos.) namely for Bhusawal unit 3, Koradi unit 7, Nashik unit 4,5 and Parli unit 4 to achieve emission norm of 50 mg/Nm³ set by Maharashtra Pollution Control Board.
- R & M work proposals of Koradi unit 6, Chandrapur unit 1 & 2, Parli unit 3, Bhusawal unit 2, Nasik unit 3 is under process.

- **Monitoring of Ambient Air Quality**

Ambient air quality is monitored regularly at various locations around TPS for parameters such as SPM, SO_x, and NO_x. It is observed that values of these parameters are within the limits prescribed by MPCB.

Continuous Ambient Air Quality Monitoring Station with Display Arrangement is being installed at all TPS. Presently one such station is installed at Chandrapur, Koradi and Bhusawal TPS.

- **Environment, Health and Safety audit**

Corporate Environment, Health and Safety Policy is prepared by National Safety Council in the year of 2011-12.

External Safety Audit of Chandrapur, Koradi, Khaperkheda & Bhusawal TPS is carried out by Central Labor Institute in the year 2011 & 2012. Safety Audit of remaining thermal power stations of MSPGCL is being taken in due course of time.

- **Ash Utilization**

1. Mahagenco has stepped forward to enhance utilization of Fly Ash and Pond Ash in the various sectors like Cement, Bricks, Asbestos, Fertilizers and Road Embankment.

Year	Ash Utilization %
2007-08	30.60
2008-09	43.23
2009-10	49.72
2010-11	47.25
2011-12	55.32

2. At Paras TPS seminar on “FLY ASH: AN ECO-FRIENDLY, ECONOMICAL AND SUSTAINABLE BUILDING MATERIAL” was held on dtd.27th Feb 2012

- **Effluent Treatment Plant**

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

1.	Bhusawal	38.65%
2.	Chandrapur	67.35%
3.	Koradi	23.97%
4.	Khaperkheda	95.14%
5.	Nashik	95.27%
6.	Parli	77.22%
7.	Paras	93.24%

- **Hazardous waste material disposal**

Mahagenco has made tie ups with MPCB authorized agencies of waste management.

- **CDM Projects**

The new units coming in future are based on Supercritical Technology. Consuming less coal thereby reducing the emission of Green House Gases. We have taken the initiatives for taking the CDM benefit for these supercritical units are as follows.

1. PDD web hosting is done on www.unfccc.com for 1x660 MW Replacement project in place of 4x120 MW at Koradi for registering CDM benefit. Appointment of new consultant in place of M/s.PWC is in process.

2. M/s.Deloitte has been appointed as a CDM Consultant for Nasik Unit 3 (210 MW) & Koradi Unit 6 (210 MW) R&M Project.
3. Local Stake Holder Meeting was conducted on 30th July 2011 for Koradi 2x660 MW R & M Project.
4. Local Stake Holder Meeting was conducted on 12th Oct 2011 for Uran 1220 MW GTPS.
5. Local Stake Holder Meeting was conducted on 12th Sep 2012 for Nasik Unit 3 (210 MW) R & M Project.

Directors

Shri V.K.Kanade Pr. Secretary (E) GoM was appointed as Director of the Company. w.e.f. 18.11.2011 in place of Shri S.J.Kunte.

Shri Asheesh Sharma was appointed as Chairman and Managing Director of the Company in place of Shri Subrat Ratho w.e.f. 06.07.2012.

Shri G.J.Girase Ceased to be Director (F) of the Company due to his transfer to some other Govt Dept. w.e.f. 21/05/2012.

Shri C.S.Thotwe Ceased to be Director (P) of the Company due to completion of his term as Director (P) of the Company w.e.f. 28/08/2012.

Shri Arvind Singh was appointed as Director of the Company w.e.f. 21/09/2012.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri S.J.Kunte, Shri Subrat Ratho, Shri Thotwe and Shri G.J.Girase during their association with the Company. 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 G.J.Girase, Director (F) and Shri M.G.Waghmode Director (O). Total 6 Meetings of the audit committee were held during the year.

Directors Responsibility Statement

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

- i) that in preparation of annual accounts the applicable Accounting Standards had been followed with proper explanation relating to material departures; if any
- ii) that the selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent were made so as to give true and fair view of the state of affairs of the company as on 31st march 2012 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 2012 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 31.3.2012 subject to approval of Ministry of Corporate Affairs, Govt.of India.

Auditors

The Statutory Auditors of the Company are appointed by the Comptroller and Auditor General of India. M/s G.M.Kapadia & Co , Mumbai , M/s CVK & Associates, Mumbai and M/s K.S.Aiyar & Co, Mumbai were appointed as Joint Statutory Auditors for the Financial Year 2012-13

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: 09.01.2013

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 2011-12

- 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, Nirafo 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 be isolated from the grid.

Black Start Facility: In case there is a jerk in the grid and simultaneous 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	₹4,411,897
	b) Expenditure	
	Traveling Expenses	Nil
2.	Foreign Exchange earned	Nil

Annexure 'B1'

Replies to Auditors Report for the Period 01-04-2011 to 31-03-2012

Sr. No.	AUDITORS REPORT	M S P G C L's REPLY
1.	We have audited the attached Balance Sheet of Maharashtra State Power Generation Company Limited, as at 31st March 2012, the Statement of Profit & Loss for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.	Factual.
2.	We conducted our audit in accordance with the auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.	Factual.
3.	As required by the Companies (Auditor's Report) Order, 2003, (as amended by Companies (Auditor's Report) (Amendment) Order, 2004) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.	Factual.
4.	Further to our comments in the Annexure referred to above, we report that:	
	i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;	Factual.
	ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;	Factual.

iii.	The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;	Factual.
iv.	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.
v.	Attention has been invited to note no. 38(x)(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.
vi.	Attention is drawn to note no. 38(ii) regarding accounting of shortfall of interest based on the provisional accounts of the CPF, in the absence of the requisite details and information,	Actuarial valuation of CPF investments could not be done in absence of details / information as required for valuation purpose, from CPF trust.
vii.	In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, dealt with in this report comply with the requirements of the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.	Factual
viii.	<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 2012-13. 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.

	ix. <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, 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.
	x. <i>As stated in note no. 32 the loans and advances include Rs.24,590,762,969/- towards advance paid to coal suppliers. Against the said advance the Company has provided a liability towards supply of coal amounting to Rs.25,406,407,017/-. 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 overstatement and 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 2011-12 and has resulted in further settlement of coal advances and coal liabilities thereby bringing down the advances and liabilities from the level of Rs. 2700 Crs. to the level of Rs. 2450 Crs.
	xi. <i>The Company is in the process of identifying suppliers under the provisions of Micro, Small and Medium Enterprise Development Act, 2006. Accordingly no disclosures as required therein have been made.</i>	Factual
	xii. <i>As stated in note no 35(ii) no provision has been made by the Company in respect of various recoveries from coal washery operators amounting to Rs. 1,136,317,407/- (net). as the matter is sub-judice. The impact on the financial statement has not been ascertained.</i>	Washery Operators have obtained stay order on encashing bank guarantees. Upon settlement of the matter necessary effect will be provided in books of accounts.
	xiii. <i>As stated in note no 36 the management has reinstated materials at site accounts (MASA) based on the physical verification and data available at various units of the Company. The same has been adjusted in consumption of materials for the year. The Company has not ascertained the impact of such reinstatement.</i>	Company has conducted item-wise detailed physical verification of Material At Section Stores and the inventory lying in those stores have been taken to stock. The stock has been valued based on data available at different locations.

	<i>xiv. Subject to our comments in Para 4(viii to xiii) above, the effect of which could not be ascertained, in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:</i>	Factual
	a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;	
	b. in the case of the Profit & Loss Account, of the Profit for the year ended on that date; and	
	c. in the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.	

Annexure 'B2'

Replies to Auditors Report Annexure for the Period 01-04-2011 to 31-03-2012

Sr. No.	AUDITORS REPORT	M S P G C L's REPLY
	ANNEXURE TO AUDITORS REPORT	
1.	a. <i>The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset except in case of few assets at certain locations where item wise particulars and codification of fixed assets are in 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 2012-13
	b. As informed to us, the Company has a policy of conducting Physical verification of fixed assets once in three years, which in our opinion is reasonable 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
	c. During the year under audit, the Company has not disposed off a substantial part of the fixed assets.	Factual
2.	a. The physical verification of inventory has been conducted at reasonable intervals by the management. <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.
	b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business except inventory lying with third parties	Factual
	c. On the basis of our examination of the records of inventory and the reports of physical verification, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies other than in respect of coal were observed. The discrepancies observed in respect of coal were adjusted appropriately in the accounts except inventory lying with <i>coal washery operators..</i>	Factual

3.	a. As per the information and explanations given to us, the Company has not granted any loans to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. 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
	b. As per the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. 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
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.</i> Subject to this 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

9.	a. According to information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, and other statutory dues applicable to it. 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												
	b. According to the records of the Company, there are no dues of Income Tax / Sales Tax / Service Tax / Custom Duty / Wealth Tax / Excise Duty / Cess, which have not been deposited on account of any dispute, except: <table border="1"> <thead> <tr> <th>Nature of dues</th><th>Amount unpaid</th><th>Forum where dispute remains</th></tr> </thead> <tbody> <tr> <td>Excise duty.</td><td>₹2,670,375/-</td><td>Commissioner of Central Excise</td></tr> <tr> <td>Penalty u/s 271(C) of Income Tax Act, 1961 for A.Y.2007-08</td><td>₹1,073,215,440/-</td><td>Commissioner (Appeals), Mumbai</td></tr> <tr> <td>Income Tax deducted at source u/s 194C on Service Tax Element</td><td>₹895,000/-</td><td>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(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
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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 / mutual benefit fund / society. Hence, in our opinion, the provisions of clause (xiii) of paragraph 4 of the aforesaid order are not applicable to the Company.	Factual												

14.	As per the records of the Company and the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the aforesaid order are not applicable to the company.	Factual
15.	According to the records of the Company and the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and / or financial institutions.	Factual
16.	In our opinion and according to the information and explanations given to us, on an overall basis, the term loans availed during the year have been applied for the purposes for which they were obtained by the Company.	Factual
17.	According to 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 ₹49,398,374,332/- (P.Y. ₹20,172,963,268/-) of short-term funds have been used for long term investment. As per the management, this is largely due to reclassification made on account of implementation of the Revised Schedule VI of various Current and Non-current assets and liabilities and bank loans taken pending receipt of long term loans for new projects.	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	Factual
20.	The Company has not raised any money by public issue during the period under audit. Accordingly the provisions of clause (xx) of paragraph 4 of the aforesaid order are not applicable to the company.	Factual
21.	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

Government Auditor's Report

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2012.

The preparation of financial statements of **'Maharashtra State Power Generation Company Limited', Mumbai** for the year ended **31 March 2012** 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 Reports dated **21 September 2012**.

I, on behalf of Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of **'Maharashtra State Power Generation Company Limited', Mumbai** for the year ended **31 March 2012**. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 619(4) of the Companies Act, 1956.

For and on behalf of

The Comptroller and Auditor General of India

Place: Mumbai

Date: 20.12.2012

ACCOUNTANT GENERAL

(AUDIT) - III

Auditors' Report

To the Members of Maharashtra State Power Generation Company Limited.

1. We have audited the attached Balance Sheet of Maharashtra State Power Generation Company Limited, as at 31st March 2012, the Statement of Profit & Loss for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended by Companies (Auditor's Report) (Amendment) Order, 2004) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) 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;
 - (v) Attention has been invited to note no. 38(x)(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.
 - (vi) Attention is drawn to note no. 38(ii) regarding accounting of shortfall of interest based on the provisional accounts of the CPF, in the absence of the requisite details and information,
 - (vii) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, dealt with in this report comply with the requirements of the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (viii) *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.

- (ix) *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, 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.*
- (x) *As stated in note no. 32 the loans and advances include ₹ 24,590,762,969/- towards advance paid to coal suppliers. Against the said advance the Company has provided a liability towards supply of coal amounting to ₹ 25,406,407,017/- 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 overstatement and on the profit of the Company is not ascertained.*
- (xi) *The Company is in the process of identifying suppliers under the provisions of Micro, Small and Medium Enterprise Development Act, 2006. Accordingly no disclosures as required therein have been made.*
- (xii) *As stated in note no 35(ii) no provision has been made by the Company in respect of various recoveries from coal washery operators amounting to ₹ 1,136,317,407/- (net). as the matter is sub-judice. The impact on the financial statement has not been ascertained.*
- (xiii) *As stated in note no 36 the management has reinstated materials at site accounts (MASA) based on the physical verification and data available at various units of the Company. The same has been adjusted in consumption of materials for the year. The Company has not ascertained the impact of such reinstatement.*
- (xiv) *Subject to our comments in Para 4(viii to xiii) above, the effect of which could not be ascertained, in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- (b) in the case of the Statement of Profit & 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.

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: 21st September, 2012

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 asset except in case of few assets at certain 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 has been conducted at reasonable intervals 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. No material discrepancies other than in respect of coal were observed. The discrepancies observed in respect of coal were adjusted appropriately in the accounts *except inventory lying with coal washery operators.*
- 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 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(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 / 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 ₹ 49,398,374,332/- (P.Y. ₹ 20,172,963,268/-) of short-term funds have been used for long term investment. As per the management, this is largely due to reclassification made on account of implementation of the Revised Schedule VI of various Current and Non-current assets and liabilities and bank loans taken pending receipt of long term loans for new projects.
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: 21st September, 2012

Balance Sheet as at 31st March, 2012

(Amt. in ₹)

		Note No.	As At 31-03-2012	As At 31-03-2011
I.	Equity & Liabilities			
(1)	Shareholders funds:			
	(a) Share Capital	1	51,408,467,000	25,000,500,000
	(b) Reserves and surplus	2	11,725,082,695	9,721,919,171
(2)	Share Application money pending allotment (Refer note No. 24)		5,777,933,537	22,965,000,537
(3)	Non-Current Liabilities			
	(a) Long Term borrowings	3	123,919,798,810	109,213,652,623
	(b) Deferred tax liability (net)	4	7,779,083,941	8,189,241,809
	(c) Other long term liabilities	5	11,259,749,947	13,462,061,684
	(d) Long term provisions	6	6,317,195,871	6,657,186,828
(4)	Current Liabilities			
	(a) Short Term borrowings	3(A)	61,509,050,000	49,251,957,256
	(b) Trade Payables		31,035,636,337	32,598,832,505
	(c) Other Current liabilities	7	48,073,800,693	31,144,593,878
	(d) Short Term Provisions	6	1,986,913,965	2,369,856,885
	Total		360,792,712,796	310,574,803,176
II.	ASSETS			
	Non-current Assets			
(a)	Fixed assets:			
	(i) Tangible Assets (Net Block)	8	85,445,540,270	86,939,939,356
	(ii) Intangible Assets	8	25,819,611	30,138,679
	(iii) Capital work-in progress		160,569,084,201	107,702,517,875
	(iv) Intangible assets under development		254,459,017	28,536,284
(b)	Non-Current Investments	9	26,600,000	1,600,100
(c)	Long term loans and advances	10	15,531,602,152	16,342,359,472
(d)	Other non-current assets	11	5,732,580,882	4,337,434,154
	Current Assets			
(a)	Current Investments		-	-
(b)	Inventories	12	14,244,218,764	12,733,677,677
(c)	Trade Receivables	11	37,226,438,612	22,800,064,748
(d)	Cash and cash equivalents	13	298,713,651	434,134,097
(e)	Short term Loans and advances	10	31,372,819,941	34,623,425,769
(f)	Other Current Assets	14	10,064,835,695	24,600,974,965
	Total		360,792,712,796	310,574,803,176
	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, 21st September, 2012

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, 2012

(Amt. in ₹)

		Note No.	2011-2012	2010-2011
I.	Revenue from Operations	15	127,730,959,291	121,418,304,273
II.	Other income	16	1,502,887,307	894,202,150
III.	Total Revenue [I+II]		129,233,846,598	122,312,506,423
IV.	Expenses			
	(a) Cost of Material Consumed	17	95,282,125,109	82,817,316,332
	(b) Employee benefit expense	18	7,932,733,370	8,705,599,332
	(c) Finance Cost	19	8,536,804,056	6,574,331,423
	(d) Depreciation/ Amortisation	8	4,038,865,114	4,181,271,590
	(e) Other expenses	20	11,442,313,293	12,034,258,068
	(f) Total Expenses		127,232,840,942	114,312,776,745
V.	Profit before tax (III-IV)		2,001,005,656	7,999,729,678
VI	Tax Expense			
	(a) Current Tax		408,000,000	1,724,000,000
	(b) Deferred Tax		(410,157,868)	3,181,162,326
VII	Profit / (Loss) for the period		2,003,163,524	3,094,567,352
VIII	Earnings per equity share			
	(1) Basic		0.38	0.68
	(2) Diluted		0.38	0.68
	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, 21st September, 2012

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, 2012.

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 accounts and disclosed in annual accounts at historical cost. Fixed assets are stated at cost of acquisition or construction less accumulated depreciation.
- (ii) Cost of acquisition is inclusive of freight, duties & taxes (other than those subsequently recoverable from taxing authorities), levies, borrowing costs & all incidentals attributable to 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"
- (v) In case of Capital Work in Progress for work against Deposits / work contract where the final settlement of bills with the contractor is yet to be effected, 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 are shown as a distinct item in capital work in progress till the period of its rejection or three years, whichever is earlier. In case of rejection, the expenses are charged to revenue in the year of its rejection.
- (x) Fixed assets are shown in the books of 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 cost or Net Realisable Value whichever is lower.

(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.

Machinery Spares (Other than Critical/ Insurance Machinery Spares)

- (v) Other spares are treated as “Stores & Spares” forming part of the inventory, valued at cost or net realizable value whichever is lower and expensed when issued.

g) Depreciation /Amortization

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

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

Leasehold land is amortized over a period of lease.

(ii) Intangible Assets:

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.

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

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

h) Inventories

Stock of materials, stores, spare parts is valued at lower of cost or net realizable value, 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.

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 carried at cost, less provision for diminution other than temporary, if any, in the value of such investments.

k) Foreign Currency Transactions

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

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 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.

(iii) Provident Fund Benefit

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

m) Leases

Finance Lease

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.

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 capital suspense 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 2012		As at 31st March 2011	
		No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Equity Shares	10	25,000,000,000	250,000,000,000	5,000,000,000	50,000,000,000

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

Class of Share	Par value ₹	As at 31st March 2012		As at 31st March 2011	
		No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Equity Shares	10	5,140,846,700	51,408,467,000	2,500,050,000	25,000,500,000

iii) Reconciliation of Number of Shares Outstanding

Class of Share	As at 31st March 2012		As at 31st March 2011	
	Equity Shares		Equity Shares	
	No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Outstanding as at 01.04.2011	2,500,050,000	25,000,500,000	2,500,050,000	25,000,500,000
Addition during the period	2,640,796,700	26,407,967,000	-	-
Outstanding as at 31.03.2012	5,140,846,700	51,408,467,000	2,500,050,000	25,000,500,000

iv) 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 2012		As at 31st March 2011	
	Equity Shares	% of Shares	Equity Shares	% of Shares
MSEB Holding Company Ltd.	5,140,796,700	99.99	2,500,000,000	99.99

v) **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 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.

(vi) **Shares in respect of each class held by MSEB Holding Company Ltd.**

Name of Shareholder	As at 31st March 2012	As at 31st March 2011
	Equity Shares	Equity Shares
MSEB Holding Company Ltd. (Nos.)	5,140,796,700	2,500,000,000
MSEB Holding Company Ltd. (Amount in ₹)	51,407,967,000	25,000,000,000

Note No. 2

(Amt in ₹)

Reserves & Surplus	As on 31-03-2012	As on 31-03-2011
Surplus as per Statement of Profit & Loss		
Balance at the beginning of the year	9,721,919,171	6,627,351,819
Add:		
Profit transferred from Statement of Profit & Loss	2,003,163,524	3,094,567,352
Closing Balance	11,725,082,695	9,721,919,171

Note No. 3

(Amt in ₹)

Long-Term Borrowings	Long term borrowings		Current Maturities of Long Term Debt	
Particulars	2011-12	2010-11	2011-12	2010-11
Secured Loan				
Term Loan				
From Financial Institution				
Power Finance Corporation	49,805,546,610	49,239,815,106	3,976,307,027	2,796,381,255
Rural Electrification Corporation	67,671,245,194	52,815,178,505	3,665,564,115	0
From Banks	1,476,286,921	647,566,634	551,330,809	454,272,306
Sub Total	118,953,078,725	102,702,560,245	8,193,201,951	3,250,653,561
Unsecured Loan				
Term Loan				
From Financial Institution				

From Power Finance Corporation	4,017,469,072	5,245,591,178	1,228,123,337	1,539,022,822
From Others				
From Government of Maharashtra	949,251,013	1,265,501,200	316,250,196	474,375,302
Sub Total	4,966,720,085	6,511,092,378	1,544,373,533	2,013,398,124
Gross Total	123,919,798,810	109,213,652,623	9,737,575,484	5,264,051,685
Less: Transferred to Other Current liabilities (Note No.7)			(9,737,575,484)	(5,264,051,685)
Net Total	123,919,798,810	109,213,652,623	0	0
<i>(Refer Annexure 'A' for disclosure of terms & conditions and Securities)</i>				

Note No. 3 (A)

(Amt in ₹)

Short Term Borrowings	As at 31 March 2012	As at 31 March 2011
Loan repayable on Demand (Secured)		
From Banks		
Cash Credit	7,870,000,000	11,331,957,256
SubTotal	7,870,000,000	11,331,957,256
Loan repayable on Demand (Unsecured)		
From Banks		
Working Capital loan from Banks	36,390,209,192	29,550,000,000
Temporay Loan from Banks	644,340,808	
Project Specific loans from banks	16,604,500,000	7,370,000,000
From Others		
Term Deposit MMRDA	0	1,000,000,000
SubTotal	53,639,050,000	37,920,000,000
Grand Total	61,509,050,000	49,251,957,256
<i>(Refer Annexure 'B' for disclosure of terms & conditions and Securities)</i>		

Note No. 4

(Amt in ₹)

Deferred Tax	Closing Balance As on 31-03-2012	Opening Balance As on 31-03-2011
Deferred Tax Liability		
Difference of Book Depreciation/ amortization and tax depreciation	13,089,319,673	12,553,243,021
Deferred Tax Asset		
Disallowance u/s 43B of Income Tax Act,1961	1,515,735,726	1,445,917,824
Disallowance u/s 40(a) (7) of Income Tax Act,1961	1,457,558,293	1,438,911,324
Unabsorbed Depreciation loss carried forward	2,336,941,713	1,479,172,064
Total	5,310,235,732	4,364,001,212
Net Deferred Tax Liability/Deferred Tax Asset	7,779,083,941	8,189,241,809

Note No. 5

(Amt in ₹)

Other Long Term liabilities	As on 31-03-2012	As on 31-03-2011
Trade Payables	652,119,810	602,506,422
Others -		
(i) Creditors for Capital expenditure	138,898,277	136,855,390
(ii) Deposits & Retentions	9,568,251,689	11,332,673,686
(iii) Other liabilities	209,794,398	217,950,745
(iv) Liabilities for Related Parties	690,685,773	1,172,075,441
	11,259,749,947	13,462,061,684

Note No. 6

(Amt in ₹)

Provisions	Long Term		Short Term	
	As on 31-03-2012	As on 31-03-2011	As on 31-03-2012	As on 31-03-2011
Provision for Employee benefits				
Provision for gratuity	3,581,131,381	3,770,208,307	911,265,885	561,578,625
Provision for Leave encashment	2,736,064,490	2,886,978,521	805,043,241	322,936,097
Other Provisions				
Provision for Income Tax	0	0	4,171,741,656	4,292,370,814
Less: Taxes paid in Advance (including TDS)	0	0	3,901,311,106	2,811,314,871
	0	0	270,430,550	1,481,055,943
Provision for Fringe Benefit Tax	0	0	24,291,239	40,769,805
Less: Taxes paid in advance	0	0	24,291,239	36,969,308
	0	0	0	3800497
Provision for Wealth Tax	0	0	174,289	485,723
	6,317,195,871	6,657,186,828	1,986,913,965	2,369,856,885

Note No. 7

(Amt in ₹)

Other Current Liabilities	As on 31-03-2012	As on 31-03-2011
Current Maturities of Long Term Debt (Note no.3 & Annexure thereto)	9,737,575,484	5,264,051,685
Interest accrued but not due on borrowings	1,626,096,305	1,531,390,038
Other Payables -		
(i) Deposits & Retentions	16,386,185,473	10,628,827,476
(ii) Payables for capital goods	9,677,291,712	2,050,672,669
(iii) Other Liabilities	4,838,951,827	6,563,368,065
(iv) Liabilities for Related Parties	5,807,699,892	5,106,283,945
	48,073,800,693	31,144,593,878

Note No. 8

(Amt in ₹)

Assets	Gross Block (At cost)			Depreciation			Provision for obsolescence 31-03-2012	Provision for obsolescence 31-03-2011	Net Block	
	As at 01.04.2011	Additions / Adjustments	Deductions Adjustments	As at 31.03.2012	Depreciation/ Amortisation for the year	Prior Period Depreciation			Deductions/ Adjustments	As at 31.03.2012
Tangible Assets										
Land (including development)										
Freehold	1,146,106,250	240,781,400	88,324,737	1,298,562,913	-	-	-	-	1,298,562,913	1,146,106,250
Leasehold	551,555,769			551,555,769	9,192,734				500,748,064	509,940,798
Buildings										
Factory Buildings	7,406,039,679	812,077	4,563,950	7,402,287,806	169,661,180	99,896	(2,006,150)	6,043,220	3,097,882,130	3,273,401,229
Others	4,067,074,238	88,402,299	37,751,737	4,117,724,800	83,663,324	3,467,280	7,441,843		2,866,181,475	2,895,219,674
Hydraulic Works	13,443,329,536	117,234,004	(84,161,650)	13,644,725,190	325,816,300	457,736	(68,113,890)	977,802	7,982,580,609	8,175,572,881
Other Civil Works										
Railway Sidings	3,414,929,721	261,630	367,132	3,414,824,219	70,369,046	1,635	327,066		2,644,221,662	2,714,370,779
Roads and Others	5,692,132,011	33,637,106	(1,104,724,479)	6,830,493,596	108,610,809	75,234	(647,842,879)	41,846	3,841,727,780	3,459,895,117
Plant, Machinery & Equipments	123,214,930,528	1,754,191,672	948,957,155	124,020,165,045	3,153,128,267	2,118,103	873,913,457	102,358,795	94,706,520	62,692,502,038
Lines & Cable Networks	2,112,712,069	7,019,212	20,774,149	2,098,957,132	49,325,696		251,758	4,531	888,671,406	951,500,281
Furniture & Fixtures	305,044,063	30,065,989	1,239,375	333,870,677	16,195,352	(2,734)	1,446,950	116,634	204,099,047	190,018,101
Vehicles	164,585,848	7,557,252	1,780,701	170,362,399	14,407,100	(405,385)	1,602,629	1,232,164	43,717,643	50,340,178
Office Equipments	261,128,695	30,960,701	4,853,776	287,235,620	13,439,263	17,394	4,214,110	543,052	161,214,275	144,349,897
Assets not owned by the company										
Capital Expenditure resulting in Assets not belonging to the Company	866,859,439	2,392,970		869,252,409	31,933,204			455,686	707,181,899	736,722,133
Total Tangible Assets	162,646,427,846	2,313,316,312	(80,273,417)	165,040,017,575	4,045,742,275	5,829,159	171,234,894	111,773,730	85,445,540,270	86,939,939,356
Previous Years figures	134,203,849,541	33,070,551,580	4,627,973,275	162,646,427,846	3,990,085,141	(222,387,373)	2,774,491,050	104,121,455	86,939,939,356	59,555,200,730

Assets	Gross Block (At cost)			Amortisation				Provision for obsolescence 31-03-2012	Provision for obsolescence 31-03-2011	Net Block	
	As at 01.04.2011	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2012	Depreciation/ Amortisation for the year	Prior Period Depreciation	Deductions/ Adjustments			As at 31.03.2012	As at 31.03.2011
Intangible Assets											
Right to receive water/ power	9,987,907		-	9,987,907	6,787,100	1,066,935	-	-		2,133,872	3,200,807
Software Licences	36,881,270	618,734		37,500,004	9,943,398	3,870,867	-			23,685,739	26,937,872
Total Intangible Assets	46,869,177	618,734	-	47,487,911	16,730,498	4,937,802	-	-	-	25,819,611	30,138,679
Previous Years figures	46,247,987	33,034,475	3,877,001	75,405,461	12,109,765	4,620,733	-	-		58,674,963	34,138,222

Note No. 9

(Amt in ₹)

Non-Current Investments (valued at cost less diminution other than temporary, if any)		
	As on 31-03-2012	As on 31-03-2011
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
Investment in Equity Shares		
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 nil) equity shares of Latur Power Company Ltd. of ₹10/- each fully paid up	25,000,000	0
30,000 (PY30,000) Equity shares of "Mahaguj Colliery Limited" of ₹10/- each fully paid-up	300,000	300,000
Others (Unquoted)		
NIL (PY10) shares of Kolhapur District Co-operative Bank Limited of ₹10/- each fully paid up	0	100
Total	26,600,000	1,600,100
Less:- Aggregate value of diminished investment	Nil	Nil
Net Investment	26,600,000	1,600,100

Note No. 10

(Amt in ₹)

Loan & Advances	Long Term		Short Term	
	As on 31-03-2012	As on 31-03-2011	As on 31-03-2012	As on 31-03-2011
Capital Advances				
Unsecured, Considered good	10,607,036,711	11,595,999,371		
Security Deposits				
Unsecured, Considered good	3,279,306,415	2,729,326,853	360,387,342	1,881,502,520
Doubtful	52,679	0	0	0
	3,279,359,094	2,729,326,853	360,387,342	1,881,502,520
Less:- Provision for Doubtful Debts	52,679			
	3,279,306,415	2,729,326,853	360,387,342	1,881,502,520
Related Parties				
Unsecured, Considered good	540,837,756	9,664,036	515,421,197	0
Doubtful	2,712,798	0	0	0
	543,550,554	9,664,036	515,421,197	0
Less:- Provision for Doubtful Debts	2,712,798			
	540,837,756	9,664,036	515,421,197	0

Others				
Advances recoverable in cash or in kind or for value to be received				
Unsecured, Considered good	909,008,932	1,046,871,664	818,328,438	733,360,519
Doubtful	0	0	0	0
	909,008,932	1,046,871,664	818,328,438	733,360,519
Advances for O & M supplies / works				
Unsecured, Considered good	28,846,605	16,701,415	1,926,042,934	1,663,891,017
Doubtful	8,041,379	9,030,144	0	0
	36,887,984	25,731,559	1,926,042,934	1,663,891,017
Less:- Provision for Doubtful Debts	8,041,379	9,030,144		
	28,846,605	16,701,415	1,926,042,934	1,663,891,017
Advances for coal / fuel supplies				
Unsecured, Considered good	0	0	24,736,263,075	28,679,348,326
	0	0	24,736,263,075	28,679,348,326
Advances to staff				
Secured, Considered good	1,249,792	1,457,523	1,580,001	298,9724
Unsecured, Considered good	136,396,886	103,023,609	266,903,769	192,321,024
	137,646,678	104,481,132	268,483,770	195,310,748
Balance recoverable from excise, custom authorities				
Unsecured, Considered good	0	5,004,082	5,004,082	0
	0	5,004,082	5,004,082	0
Prepaid expenses				
Unsecured, Considered good	0	0	44,101,565	76,557,208
	0	0	44,101,565	76,557,208
Claims receivable and other current assets				
Unsecured, Considered good	28,919,055	834,310,919	2,698,787,538	1,393,455,431
Doubtful	24,341,809	860,1154	0	0
	53,260,864	842,912,073	2,698,787,538	1,393,455,431
Less: Provision for Doubtful Debts	24,341,809	8,601,154		
	28,919,055	834,310,919	2,698,787,538	1,393,455,431
Net Total	15,531,602,152	16,342,359,472	31,372,819,941	34,623,425,769

Note No. 11

(Amt in ₹)

Trade Receivable	Long Term		Short Term	
	As on 31-03-2012	As on 31-03-2011	As on 31-03-2012	As on 31-03-2011
Outstanding for more than six months from due date				
Secured, Considered good	0	0	0	0
Unsecured, Considered good	5,732,580,882	4,337,434,154	0	0
Doubtful	0	0	0	0
	5,732,580,882	4,337,434,154	0	0
	5,732,580,882	43,374,341,54	0	0
- Other debts				
Secured, Considered good	0	0	0	0
Unsecured, Considered good	0	0	37,226,438,612	22,800,064,748

Doubtful	0	0	0	0
	0	0	37,226,438,612	22,800,064,748
Total	5,732,580,882	4,337,434,154	37,226,438,612	22,800,064,748

Note No. 12

(Amt in ₹)

Inventories (Cost or Net Realisable Value whichever is lower)	As on 31-03-2012	As on 31-03-2011
Raw Material -		
Coal	4,286,772,708	4,430,901,877
Add:- Coal in Transit	268,163,216	300,587,269
Oil	1,901,937,068	1,245,024,774
Sub-Total	6,456,872,992	5,976,513,920
Stores and spares	8,885,510,377	7,882,497,570
Less:-Provision for loss on obsolescence of stores	1,098,164,605	1,125,333,813
Sub-Total	7,787,345,772	6,757,163,757
Net Total	14,244,218,764	12,733,677,677

Note No. 13

(Amt in ₹)

Cash and Cash Equivalents	As on 31-03-2012	As on 31-03-2011
(1) Balances with banks	294,916,282	428,931,035
(2) Cash on hand	3,397,368	2,439,494
(3) Others		
- Remittance in Transit	400,001	2763,568
	298,713,651	434,134,097

Note No. 14

(Amt in ₹)

Other Current Assets	As on 31-03-2012	As on 31-03-2011
Assets held for Sale	977,039,917	1,095,122,632
Unbilled Revenue	9,087,795,778	23,505,852,333
	10,064,835,695	24,600,974,965

Note No. 15

(Amt in ₹)

Revenue from Operations	2011-2012	2010-2011
Operating Revenue		
Revenue from sale of power	127,443,865,407	121,162,323,233
Less: Electricity duty and Tax on sale of electricity	15,709,421	12,242,358
Net Revenue from Sale of Power	127,428,155,986	121,150,080,875
Revenue Subsidy	18,224,160	14,806,560
Total	127,446,380,146	121,164,887,435
Other Operating Revenue-		

Sale of rejected coals	262,070,408	241,989,246
Sale of Fly Ash	22,508,737	11,427,592
Total	284,579,145	253,416,838
Total Revenue from Operations	127,730,959,291	121,418,304,273

Note No. 16

(Amt in ₹)

Other Income	2011-2012	2010-2011
Interest income	10,277,004	5,521,819
Other Non-Operating Income		
Income from rent, hire charges etc.	51,650,082	50,208,088
Profit on sale of stores/scrap	198,588,649	181,381,912
Sale of tender forms	14,411,717	21,519,171
Sundry Credit balance write Back	343,640,248	33,651,138
Other receipts	458,098,010	337,143,297
Net Prior Period Gain	-	110,604,067
Gain on Foreign Exchange Variation (Net)	426,221,597	154,172,658
	1,502,887,307	894,202,150

Note No. 17

(Amt in ₹)

Cost of Material Consumed	2011-2012	2010-2011
Coal	78,671,597,975	65,796,651,025
Gas	9,686,397,584	9,699,880,517
Oil	6,924,129,550	7,320,784,790
Total	95,282,125,109	82,817,316,332

Note No. 18

(Amt in ₹)

Employee Benefit Expenses	2011-2012	2010-2011
Salaries, allowances, Bonus etc.	6,304,510,275	5,910,662,441
Contribution to Provident & Other Funds	636,902,820	666,294,101
Staff welfare expenses	76,953,710	81,011,259
Other staff costs	113,223,258	102,842,102
Leave encashment scheme	695,821,849	1,213,669,720
Gratuity	726,652,072	1,294,078,896
	8,554,063,984	9,268,558,519
Less: Employees cost capitalised	621,330,614	562,959,187
	7,932,733,370	8,705,599,332

Note No. 19

(Amt in ₹)

Finance Cost	2011-2012	2010-2011
Interest on		
State Government loans	165,232,392	201,601,164
Debentures	-	-
Other loans/ Other Finance Cost	17,919,138,462	13,222,990,024
Borrowing for working capital	510,443,316	815,358,338
Consumer's security deposits	53,293	20,437
Other Borrowings Cost		
Government guarantee fees/ charges	126,919,149	158,116,731
Cost of raising finance	117,595	-
Other Bank charges	38,512,016	23,013,112
	18,760,416,223	14,421,099,806
Less: Interest and Finance Charges capitalised	10,223,612,167	7,846,768,383
	8,536,804,056	6,574,331,423

Note No. 20

(Amt in ₹)

Other Expenses	2011-2012	2010-2011
Rent	133,798,359	119,381,872
Lease rent	3,340,200,000	3,093,441,757
Repairs and Maintenance		
Plant & machinery	4,796,518,078	5,859,309,663
Building	108,468,122	125,877,042
Repair & Maintenance - Others	399,000,887	473,810,522
Insurance charges	62,568,470	52,156,008
Rates and taxes	129,982,878	121,734,936
Others -		
Lubricants, consumable stores and station supplies	406,740,514	306,757,717
Water charges	1,039,707,259	1,114,224,085
Legal and professional charges	65,570,812	43,529,606
Auditor's remuneration	4,829,830	4,243,189
Commission to agents	62,018,325	55,333,384
Other administrative expenses	996,066,589	818,271,985
Loss on fixed assets sold / scrapped	12,371,828	62,009,661
Net Prior Period (gain)/ loss	123,916,818	
Loss on foreign exchange variance (Net)	-	-
	11,681,758,769	12,250,081,427
Less: Repairs and maintenance expenses capitalised	9,513,068	9,896,715
Administration expenses capitalised	229,932,408	205,926,644
	11,442,313,293	12,034,258,068

Note No. 21

(Amt in ₹)

Prior period (credits)/charges (net)	2011-2012	2010-2011
Income		
Other income	(45,330,473)	33,660,476
Adjustment to past billings relating to previous years	-	3,168
Other excess provisions in prior periods	30,892,951	1,910,928
Coal /Gas Related Gain	-	489,454
Receipts from consumers	(135,741,375)	-
	(150,178,897)	36,064,026
Expenses		
Fuel related (gains) / losses	2,873,555	3,050,029
(Exces)s/ short provision for depreciation	(22,340,841)	(222,387,373)
Net Interest and finance charges	(781,571)	2,096,901
Operating expenses	(13,912,954)	141,126,722
Employee costs	4,194,031	(7,399,071)
Other Administration expenses	10,874,679	2,732,604
Material related expenses	(7,168,978)	6,240,147
	(26,262,079)	(74,540,041)
	123,916,818	(110,604,067)

22a) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹11332,31,74,478 (Previous Year – ₹125,707,200,000).

22b) 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 ₹35,382,100,000/- and from PFC Ltd. ₹70,418,700,000/-
- 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
- Company needs to pay to MPCB, Pollution Control expenses and Quality Control expenses as per legal requirement, as demanded by them.
- Company has made agreement with Maharashtra Ex. Serviceman Co. for availing security services
- Commitment under Corporate Social Responsibility around the power station area:
 - Providing of cement concrete water tank & pipe line, Cement concrete Roads.
 - Drinking water arrangement
 - Providing Land for Funeral ceremony with road

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

No.	Particulars	2011-2012 (₹)	2010-2011 (₹)
a)	Claims against company not acknowledged as debts	5,587,748,007	3,377,035,347
b)	Disputed Duties / Tax Demands	1,114,291,593	1,226,788,138
c)	Bank Guarantee given by Company on behalf of JV (Mahaguj Collieries Ltd.)	138,975,000	138,975,000
Note - An amount of ₹1,114,291,593 shown against “Disputed Duties and Tax Demands” include an amount of ₹1,073,215,440 towards penalty levied by Income Tax Department vide order dated 31-03-2011, issued u/s271(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 under the head Share application money pending allotment as at March 31, 2011 was ₹22,331,367,000. During the year the Company has received ₹9,220,900,000. During the year, the board has allotted 2,640,796,700 equity shares at par amounting to ₹26,407,967,000 to MSEB holding Company Limited. The balance of ₹5,144,300,000 as at March 31, 2012 would be issued to the MSEB holding Company Limited on approval of such allotment by the board.

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

25a) Details of Loans

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

- 25b)** 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

	2011-2012 (₹)	2010-2011 (₹)
As Auditors – For Statutory Audit	4,550,580	3,639,900
For Taxation Matters	-	-
For Other Services	-	330,000
Reimbursement of expenses	279,250	166,350
Total	4,829,830	4,136,250

27) Value of imports calculated on CIF basis

	2011-2012 (₹)	2010-2011 (₹)
Raw Material	Nil	Nil
Components and Spare parts	4,411,897	5,266,867
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:

		2011-12		2010-11	
		%	₹	%	₹
A)	Raw Materials – Coal, Gas & Oil				
	Indigenous	100%	95,282,125,109	100%	82,817,316,332
B)	Stores, Spares and Component				
	Imported	1%	48,270,495	1%	35,621,977
	Indigenous	99%	3,974,270,775	99%	3,560,399,020
	Total	100%	4,022,541,270	100%	3,596,020,997

29) Break Up of Energy Sold

(Amt in ₹)

Power Plant	2011-12	2010-11
Hydro	4,649,420,369	38,422,00,000
Thermal	107,878,722,591	105,231,723,369
Gas	11,183,188,387	11,302,987,415
Solar	13,145,802	3,701,640
Total	123,724,477,149	120,380,612,424
Excluding sales to residential colony & other miscellaneous sales amounting to ₹3,703,678,837 (PY ₹769,468,451)		

- 30) **Revenue Subsidy / Grant** – During the current year the company has recognized revenue from sale of power through solar project amounting to ₹13,145,802 (PY ₹3,701,640) and has lodged claim of ₹1,82,24,160 (PY ₹14,806,560) @ ₹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, 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) Loans and advances include an amount of ₹24,590,762,969 (PY ₹27,930,626,544) towards advances paid to coal suppliers. Against these advances the company has liability for supply of coal amounting to ₹25,406,407,017 (PY ₹26,290,552,756) which is included in 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 ₹977,039,917 (PY ₹1,095,122,632) under the head ‘Assets held for sale’ represents assets which are not in active use and the management has decided to dispose such assets. The management has appointed an agency to ascertain the estimated realizable value of such assets. Pending receipt of the report, 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) The Company generally makes payments to its creditors within a period of 45 days as stipulated in Micro, Small and Medium Enterprises Development Act, 2006. The Company is in the process of identifying Micro, Small and Medium Enterprises as defined in above referred Act.
- 35) **Claims lodged by the Company:**

i) Claims against Railways

“Out of the opening claim of 3445 Nos. of Net Missing Coal wagons, which are required to be replenished by the Railway, 3092 nos. of net unconnected wagons have been adjusted. Thus Total Net Missing wagons at the end of March 2012, is 353 nos.

The approximate cost of 353 missing coal wagons is ₹46,500,000. The matter of replenishment of the said wagons is under pursuance with the concerned Zonal Railway Authorities.”

ii) Claims against Washery Operators

During the year the contracts with the Coal washeries for processing of raw coal return washed coal have expired in July 2011. The Company has not renewed the contracts with the coal washery operators. The raw coal belonging to the Company is lying with them. The quantity of such coal is neither confirmed by the washery operators not reconciled by them. Despite rigorous follow up, the washery operators were not forth coming for reconciliation of Raw Coal lifted and Wash Coal supplied. Consequently, the Company decided to encash the Bank Guarantee. However, the washery operators approached the Hon`ble District Court (Nagpur) against the action taken by the Company. Hon`ble District Court (Nagpur) passed an order rejecting the miscellaneous application filed by the washery operators. The Washery operators appealed against the order of the Hon`ble District Court (Nagpur) before the Bombay High Court (Nagpur Bench). Bombay High Court (Nagpur Bench) has directed to maintain status quo till the final disposal of the matter. The matter being sub-judice the Company not

provided for losses, if any, on account of stock and various recoveries as per the terms of the Contract to be made net of charges payable ₹1,136,317,406 from such washeries. The impact of such reconciliation cannot be ascertained by the Company.

36) Material at Section Stores

The Company is in the process of implementation of SAP. During the year, a detailed physical verification of inventory lying at the section stores has been carried out by the Company to upload the data. On such verification the management has observed many items physically lying at such section stores, which had already been charged off in earlier years. The management has reinstated such inventory by reducing the consumption for the year. The said inventory has been valued based on the data available at each location. The impact of such recognition of inventories has not been ascertained by the management.

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

- i) Out of the total depreciation for the year, net depreciation of ₹19,424,714 (previous year ₹13,439,071) on construction facilities and fixed assets used for construction of other assets, has been capitalized towards the cost of other relevant assets.
- ii) Out of the total interest and finance charges for the year, net interest and finance charges of ₹10,223,612,167 (previous year ₹7,846,768,383) on construction facilities and fixed assets used for construction of other assets, has been capitalized towards the cost of other assets.
- iii) Out of the total employee cost for the year, net employee cost of ₹621,330,614 (previous year ₹562,959,187) on construction facilities and fixed assets used for construction of other assets, has been capitalized towards the cost of other relevant assets.
- iv) Out of the total Repair & Maintenance and Administration expenditure for the year, the Repair & Maintenance expenditure of ₹9,513,068 (previous year ₹9,896,715) and Administration expenditure of ₹229,932,408 (PY ₹205,926,644) on construction facilities and fixed assets used for construction of other assets, has been capitalized towards the cost of other relevant assets.

38) 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 are 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, 2012. 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, 2012. Accordingly company has recognized ₹NIL (provisional) [being surplus to CPF Trust] (PY ₹58,486,999) towards shortfall of CPF Trust. However the company does not expect any significant shortfall.

- 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 (provisional)

		For the year ended 31st March, 2012 (₹) (Unaudited)	For the year ended 31st March, 2011 (₹) (Unaudited)
1	Liability for subscriptions and interest payable to employees at the end of year	13,039,100,000	12,199,900,000
2	Fair Value of Plan Assets at the end of year	13,102,200,000	12,202,000,000
3	Net Liability	-63,100,000	-2,100,000

- iv) Description of Plan Assets

		For the year ended 31st March, 2012 (in %) (Unaudited)	For the year ended 31st March, 2011 (in %) (Unaudited)
1	Special Deposit Schemes	36.55	38.87
2	Bonds issued by public sector enterprises and Financial institutions	35.74	33.60
3	State Government Securities	13.46	14.87
4	Central Government Securities	13.28	11.67
5	Mutual Fund Units	-	-
6	Others	0.98	0.99

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

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

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

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

vii) Defined Benefit Plans – Gratuity and Long Term Compensated Absences – as per actuarial valuations as on March 31, 2011 and recognized in the financial statements in respect of Employee Benefit Schemes:

viii) Expenses recognized in the Profit and Loss Account

		For the year ended 31st March, 2012 (₹)		For the year ended 31st March, 2011 (₹)	
	Components of Employer Expense	Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Unfunded	Unfunded	Unfunded	Unfunded
1	Current Service Cost	197,349,912	127,180,660	149,265,436	91,628,171
2	Interest Cost	357,372,422	264,817,956	281,928,542	190,668,709
3	Curtailement Cost / (Credit)		-	--	--
4	Settlement Cost / (Credit)		-	--	--
5	Past Service Cost		-	--	--
6	Actuarial Losses / (Gains)	167,166,625	262,130,594	842,761,348	866,761,284
7	Total expense recognized in the Statement of Profit and Loss Account	722,188,959	654,129,210	1,273,955,326	1,149,058,164
The gratuity expenses have been recognized as 'Gratuity' and Leave Encashment expenses as 'Leave Encashment Scheme' in "Employee Benefit Expenses" under Note no.18.					

ix) Reconciliation of Defined Benefit Obligation

		31st March, 2012 (31st March, 2011) (₹)	
	Change in Defined Benefit Obligations	Gratuity	Leave Encashment
		Unfunded	Unfunded
1	Present Value of Defined Benefit Obligation at the beginning of period	4,331,786,932 (3,524,106,779)	3,209,914,618 (2,383,358,868)
2	Current Service Cost	197,349,912 (149,265,436)	127,180,660 (91,628,171)
3	Interest Cost	357,372,422 (281,928,542)	264,817,956 (190,668,709)
4	Past Service Cost	--	--
5	Curtailement Cost / (Credit)	--	--
6	Settlement Cost / (Credit)	--	--
7	Actuarial(Gains) / Losses	167,466,625 (842,761,348)	262,130,594 (866,761,284)
8	Benefits Paid	(561,578,625) (466,275,173)	(322,936,097) (322,502,414)
9	Present Value of Defined Benefit Obligation at the end of period	4,492,397,266 (4,331,786,932)	3,541,107,731 (3,209,914,618)

x) Summary of Actuarial Assumptions

		For the year ended 31st March,2012	
	Actuarial Assumptions	Gratuity	Leave Encashment
		Unfunded	Unfunded
1	Increment Rate	5%	5%
2	Rate of Discounting	8.50%	8.50%
3	Attrition rate	2%	2%
4	Mortality Table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

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	2011-12 (₹)	2010-11 (₹)
i)	Mr. Subrat Ratho	Chairman & Managing Director (Upto31-03-2012)	1,442,247	1,246,025
ii)	Mr. G.J.Girase	Director (Finance) (Upto31-03-2012)	1,149,016	1,000,281
iii)	Mr. M.R.Shelar	Director (Operation)	-	1,114,865
iv)	Mr. C.S.Thotwe	Executive Director (Gen. O & M) 01.01.2008 & Director (Project)	1,251,581	1,170,536
v)	Mr. M.G.Waghmode	Executive Director 04/10 to 11.03.11 and Director (Operation) 12.03.11 to 31.03.12	4,836,139	1,315,130
Remuneration to Key Managerial Persons				
i)	Mr. A.P.Choudhari	Executive Director (HR)	847,234	1,157,064
ii)	Mr. J.K.Shrinivasan	Executive Director (Finance)	1,089,879	1,023,075
iii)	Mr. A.T.Daulekar	Executive Director	-	3535408
v)	Mr. V.P.Singh	Executive Director	1,375,232	1,315,692
vi)	Mr. V.S.Patil	Executive Director	1,067,412	684,358

d) Disclosures regarding leases

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

Holding Company Lease - The company has entered into the lease agreement with MSEB Holding company, 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 ₹117,000,000 p.a. for FY 2011-12 (PY ₹117,000,000). Further with effect from 01-04-2010, it has been mutually agreed among the group to extend the Agreement for further period of 24 months on the 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 years. However the 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 2009-10 in respect of various hydro power stations under the control of the Company. During year 2011-12 company has provided for lease rent of ₹3,340,200,000 Further during the previous year Government of Maharashtra has taken over Veer Hydro Power Station for Renovation and Modernisation. 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.

	2011-12	2010-11
Profit After Tax as per Accounts (Amount in ₹) (For Basic and Diluted Earnings Per Share) – (A)	2,003,163,524	3,094,567,352
Weighted Average number of shares outstanding during the year for Basic EPS (Nos.) – (B) *	5,324,562,180	4,541,751,424
Weighted Average number of shares outstanding during the year for Diluted EPS (Nos.) – (C)	5,324,562,180	4,541,751,424
Basic Earnings Per Share (A) / (B) (Amount in ₹)	0.38	0.68
Diluted Earnings Per Share (A) / (C) (Amount in ₹)	0.38	0.68
* Weighted average number shares includes the shares to be allotted towards share application money		

f) Taxation

Pursuant to unbundling of erstwhile MSEB, the Company has been formed as one of the resulting companies. Consequently and in terms of the provisions of Section 72A(4) of the Income Tax Act, 1961, the company inherited the business loss of ₹1,910,300,000 and unabsorbed depreciation of ₹12,988,100,000

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

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

Current Taxation

In the absence of any taxable income for the year as per the provisions of the Income Tax Act, 1961, tax liability is calculated at the minimum alternate tax (MAT) rate under section 115JB of the Income Tax Act, 1961 and provision of ₹408,000,000. (PY ₹1,724,000,000) has been made for the same. Since there is no convincing evidence that the company will pay normal income tax during the specified period, the same has been charged to profit and loss account and has not been treated as asset, as per provisions of Guidance Note on 'Accounting for Credit Available in Respect of Minimum Alternative Tax Under the Income-tax Act, 1961' issued by the Institute of Chartered Accountants of India.

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 2012 in respect of the company's share in the above joint venture operation is as under:

Item	2011-12 (Amt in ₹)	2010-11 (Amt in ₹)
Current Liabilities -		
Unsecured, Loans & Advances	303,412,708	143,184,439
Other Current Liabilities	461,894	689,670
Non-Current Assets-		
Tangible Assets	211,512	354,475
Other Non-Current Assets	(302,745,371)	(143,644,780)
Current Assets	1,066,636	23,771
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 31/03/2012		

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, 2012 in respect of the company's share in the above joint venture operation is as under:

Item	2011-12 (Amt in ₹)	2010-11 (Amt in ₹)
Current Liabilities -		
Other Current Liabilities	37,5345	618,281
Unsecured, Loan & Advances	937,500	937,500
Non-Current Assets		
Tangible Assets	15,829	16,065
Other Non-Current Assets	(712,761)	(183,330)
Current Assets	1,912,204	2,684,336
The unaudited draft accounts of UCM Ltd discloses ₹ Nil contingent liability. Thus there is no such share of any contingent liability as on 31/03/2012		

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 2012 in respect of the company's share in the above joint venture operation is as under:

Item	2011-12 (Amt in ₹)
Reserves & Surplus	1,016,765
Current Liabilities -	-
Unsecured, Loan & Advances	267,589
Other Current Liabilities	517,377
Non-Current Assets	
Tangible Assets	0
Current Assets	23,968,499
Audited Accounts of the Latur Power Company discloses ₹ Nil contingent liability. Thus there is no such share of any contingent liability as on 31/03/2012.	

- 39) During the year ended 31st March, 2012 the revised schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statement. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year's figures in accordance with the requirements applicable in the current year. In view of this reclassification certain figures of current year are not strictly comparable with those of the previous year.

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 Expansion 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 Unit1
2	PFC	Paras TPS Extension 1x250 M.W. Coal Based Power Projectat Paras	882,027,200	5,292,163,268	48 Equal Quarterly Installments: Commenced From April 2007	10.75% - 11.25%	Mortgage/ Hypothecation of Future assets to be created for project together with land
3	PFC	New Parli Expansion Project Unit2	680,901,596	8,817,585,291	60 Equal Quarterly Installments: Commenced From April 2011	10.75% - 11.25%	Mortgage/ Hypothecation of Future assets to be created for project together with land
4	PFC	Paras Expansion Project Unit 2	792,420,654	10,279,050,971	60 Equal Quarterly Installments: Commenced From April 2011	10.75% - 11%	Mortgage/ Hypothecation of Future assets to be created for project together with land
5	PFC	Khaperkhada TPS Expansion Project	1,142,622,399	21,690,348,121	60 Equal Quarterly Installments: Commencing From July 2012	10.75% - 13.5%	Mortgage/ Hypothecation of Future assets to be created for project together with land
6	PFC	Koradi TPS Expansion Project	0	600,000,000	60 Equal Quarterly Installments: Commencing From July 2015	10.75% - 13.5%	A first pari-passu charge on all the tssets of 3X660MW Koradi Expn TPS both present & future with a coverage of 1.25 times

7	PFC	R & M of Koradi TPS under 10 th Plan	18,278,764	45,696,908	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 10 th Plan	11,809,148	29,522,866	40 Equal Quarterly Installments: Commenced From October 2005	6.99% - 12%	-
9	PFC	R & M of Bhusawal TPS Under 10 th Plan	19,467,864	48,669,655	40 Equal Quarterly Installments: Commenced From October 2005	6.55% - 7.09%	-
10	PFC	R & M of Khaperkhada TPS Under 10 th Plan	388,4057	9,710,145	40 Equal Quarterly Installments: Commenced From October 2005	6.9% - 11.75%	-
11	PFC	R & M of Chandrapur TPS Under 10 th Plan	31,279,008	78,197,514	40 Equal Quarterly Installments: Commenced From October 2005	6.93% - 7.61%	-
12	PFC	R & M of Nasik TPS under 10 th Plan Coal Mills of 210 MW Units By	34,099,996	85,249,996	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	21,999,999	40 Equal Quarterly Installments: Commenced From April 2005	6.25% - 6.61%	-
14	PFC	Various R & M Activates of Chanrapur TPS	28880164	101,080,580	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	201,599,999	40 Equal Quarterly Installments: Commenced From April 2007	6.61% - 8.5%	-
16	PFC	Procurement of Rotor	8,205,128	36,923,078	40 Equal Quarterly Installments: Commenced From January 2008	11.25% - 11.75%	-
17	PFC	R & M of Chandrapur TPS	111,391,494	473,413,849	40 Equal Quarterly Installments: Commenced From July 2007	9.25% - 12.5%	-

18	PFC	Procurement of Simulator for 500 MW Units at Chandrapur TPS	3,470,492	14,749,595	40 Equal Quarterly Installments: Commenced From July 2007	11% - 13.75%	Hypothecation of the Company assets of sg & tg and other Bhel package amounting to ₹380 Crores of Parli Unit I (1X250MW) TPS of the Company, located at Vajjnath,
19	PFC	Procurement of Generator Stator - Bhusawal TPS	14,270,270	60,648,647	40 Equal Quarterly Installments: Commenced From July 2007	11.5% - 11.75%	-
20	PFC	Replacement of Existing Operating System (OS) & Information System (IS) For Waste Heat Recovery Unit I & II 2x120 MW GTPS Uran	1,010,526	4,547,367	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	23,399,706	40 Equal Quarterly Installments: Commenced From January 2009	11% - 13.5%	-
22	PFC	R & M Works of Koradi TPS	12,998,447	110,486,780	48 Equal Quarterly Installments: Commenced From October 2009	11% - 13.5%	-
23	PFC	R & M Works of Bhusawal, Parli & Paras	3,310,504	28,139,292	45 Equal Quarterly Installments: Commenced From October 2009	11%	-
24	PFC	R & M Works of Nasik TPS U -1 & 2	14,199,912	120,699,251	45 Equal Quarterly Installments: Commenced From October 2009	11%	-
25	PFC	Upgradation of Rly Siding System at Nasik TPS	20,833,405	177,083,942	48 Equal Quarterly Installments: Commenced From October 2009	11.25% - 13.75%	-
26	PFC	Procurement of 250 MVA Generator Transformer For Koyana	3,066,668	21,466,660	48 Equal Quarterly Installments: Commenced From April 2008	11.5% - 11.75%	-

27	PFC	Ash Bund For Koradi TPS	17,803,099	151,326,338	48 Equal Quarterly Installments: Commenced From October 2009	11% - 13.5%	-
28	PFC	R & M Scheme of Replacement of Boiler Economizer / LTSH Coils and Water Wall Panels Required for Various TPS of the Company	33,683,332	319,991,670	48 Equal Quarterly Installments: Commenced From October 2010	11.25%	-
29	PFC	1MW Solar Chandrapur	20,923,392	73,231,869	32 Equal Quarterly Installments: Commenced From January 2011	9.25% - 10.25%	Mortgage/ Hypothecation of Present & Future Assets Created / To Be Created For Subject Project Together With Land
30	REC	Bhusawal Expansion Project	3,665,564,115	40,321,205,264	12 Equal Yearly Installments: Commencing From January 2013	10.75% - 13.25%	Mortgage/ Hypothecation of Present & Future Assets Created / To Be Created For Subject Project Together With Land
31	REC	Chandrapur Expansion Project	0	20,966,176,102	10 Equal Yearly Installments: Commencing From May 2014	10.75% - 12.5%	Mortgage/ Hypothecation of Present & Future Assets Created / To Be Created For Subject Project Together With Land
32	REC	Parli Replacement Project	0	6,383,863,828	12 Equal Yearly Installments: Commencing From December 2013	10.75% - 12.5%	Mortgage/ Hypothecation of Present & Future Assets Created / To Be Created For Subject Project Together With Land
33	CANARA BANK	Capex	163,396,800	603,660,400	28 Quarterly Installments: Commenced From January 2010	Floating Rate (9.75% - 12.75%)	All Movable Property of Khaperkhada TPS, (Unit 1,2,3 & 4)

34	Syndicate Bank	Capex	387,834,009	872,626,521	16 Equal Quarterly Installments: Commenced From July 2011	Floating Rate (9.75% - 12.75%)	All Movable Property of Khaperkhada TPS, (Unit 1,2,3 & 4)
35	South Indian Bank	Capex	100,000	0	40 Quarterly Installments of ₹3.75 Crores Commencing From Aug 2012	Floating Rate (9.75% - 12.75%)	Movable Assets (Bop Mechanical Package) of Parli Unit -6
36	PFC	Establishment of 2x210 MW Extension Stage at Khaperkhada Thermal Power Station. Unit 3 & 4 (210 MW)	0	0	Fully Repaid - June 2011	7.75%	Unsecured - Backed By Gorn Guarantee
37	PFC	Khaperkhada Unit 3 & 4 Project at Parali	0	0	Fully Repaid - Jan 2011	7.75%	Unsecured - Backed By Gorn Guarantee
38	PFC	Khaperkhada TPS Extension unit 3 & 4 (210 MW) at Paras	0	0	Fully Repaid - July 2011	7% - 7.75%	Unsecured - Backed By Gorn Guarantee
39	PFC	Setting Up of Parali TPS Ext 1x250 MW Coal Based Power Project at Parali TPS	976,572,747	3,261,870,843	40 Equal Quarterly Installments: Commenced From July 2007	6.3% - 12%	Unsecured - Backed By Gorn Guarantee
40	PFC	R & M Scheme of Chandrapur TPS, Khaperkhada TPS	0	0	Fully Repaid - July 2011	7.5% - 7.75%	Unsecured - Backed By Gorn Guarantee
41	PFC	Additional R & M Activities of Bhusawal TPS, Parali TPS	1,830,000	457,499	40 Equal Quarterly Installments: Commenced From July 2003	6.75%	Unsecured - Backed By Gorn Guarantee
42	PFC	Additional R & M Activities of Khaperkhada TPS	0	0	Fully Repaid - July 2011	4.50%	Unsecured - Backed By Gorn Guarantee
43	PFC	Additional R & M Activities of Parali TPS Nasik TPS	7,380,000	1,845,002	40 Equal Quarterly Installments: Commenced From July 2003	5.50%	Unsecured - Backed By Gorn Guarantee
44	PFC	Additional R & M Activities of Koridi TPS	16,780,511	8,390,257	40 Equal Quarterly Installments: Commenced From October 2003	6.25% - 6.75%	Unsecured - Backed By Gorn Guarantee
45	PFC	Additional R & M Activities of Nasik TPS	5,370,000	2,685,000	40 Equal Quarterly Installments: Commenced From October 2003	6.75% - 9%	Unsecured - Backed By Gorn Guarantee

46	PFC	ETP Scheme of Koradi TPS	0	0	0	Fully Repaid - Apr 2011	6.25%	Unsecured - Backed By Gom Guarantee
47	PFC	ETP Scheme of Nasik TPS	0	0	0	Fully Repaid - Apr 2011	6.25%	Unsecured - Backed By Gom Guarantee
48	PFC	ETP Scheme of Bhusawal TPS At Koradi, Nasik & Parli TPS	0	0	0	Fully Repaid - Apr 2011	4.50%	Unsecured - Backed By Gom Guarantee
49	PFC	ETP Scheme of Parli TPS	0	0	0	Fully Repaid - Jan 2012	9.25%	Unsecured - Backed By Gom Guarantee
50	PFC	Repairs & Modifications of coal Mills By MPSP System at Koradi, Nasik & Parli TPS	0	0	0	Fully Repaid - October 2011	9.25%	Unsecured - Backed By Gom Guarantee
51	PFC	Nasik TPS Unit-3 (210MW) Ash Water Recovery Schem of Parli TPS Koradi TPS Unit 5 (200MW) &	1,031,112	0	0	40 Equal Quarterly Installments: Commenced From July 2002	6.25% - 9.25%	Unsecured - Backed By Gom Guarantee
52	PFC	ESP Augmentation / Retrofit For Nasik TPS Unit-3 (210MW) of Koradi TPS	8,993,918	11,242,399	0	40 Equal Quarterly Installments: Commenced From July 2004	6.25% - 10.75%	Unsecured - Backed By Gom Guarantee
53	PFC	ESP Augmentation / Retrofit For Koradi TPS Unit 5 (200MW) & Unit No.6 at Uran GTPS	8,914,972	26,744,904	0	40 Equal Quarterly Installments: Commenced From April 2006	6.55% - 6.93%	Unsecured - Backed By Gom Guarantee
54	PFC	Special Repairs To Unit III 120MW I.P. Turbine Casting of Koradi TPS	1,237,837	0	0	40 Equal Quarterly Installments: Commenced From October 2002	6.75%	Unsecured - Backed By Gom Guarantee
55	PFC	Life Extension Up Rating & Modern I Sation of 108MW unit No.6 at Uran GTPS Units of KOTPS, KKTPS, BTPS, CTPS	0	0	0	Fully Repaid - Jan 2012	8.85%	Unsecured - Backed By Gom Guarantee
56	PFC	Augmentation of Ash Water Recycling System at Nasik TPS	1,669,847	2,087,299	0	40 Equal Quarterly Installments: Commenced From July 2004	6.25% - 12%	Unsecured - Backed By Gom Guarantee

57	PFC	Heat Rate Optimisation Instruments For 200 /210MW units of KOTPS, KKTPS, BTPS, CSTPS system at Nasik TPS Unit IV	1,769,060	884,527	40 Equal Quarterly Installments: Commenced From October 2003	6.90%	Unsecured - Backed By Gom Guarantee
58	PFC	Replacement of Condensortube at Chandrapur TPS Control For MSEB's 10 Units	5,450,000	8,175,000	40 Equal Quarterly Installments: Commenced From October 2004	6.25%	Unsecured - Backed By Gom Guarantee
59	PFC	Upgradation of Exesting Instrumentation & Control system at Nasik TPS Unit IV	4,200,000	6,300,000	40 Equal Quarterly Installments: Commenced From October 2004	6.25%	Unsecured - Backed By Gom Guarantee
60	PFC	ESP Augmentation and Upgradation of Air Pollution Control For MSEB's 10 Units	5,688,349	11,376,692	40 Equal Quarterly Installments: Commenced From April 2005	6.25% - 6.93%	Unsecured - Backed By Gom Guarantee
61	PFC	For Renovation and Modernisation Scheme For Modification of Coal Mills of 210MW Units By Parali TPS	1,900,000	4,750,000	40 Equal Quarterly Installments: Commenced From October 2005	6.55%	Unsecured - Backed By Gom Guarantee
62	PFC	Rehabilitation of Parali TPS unit No1 & 2 2x30MW	9,380,339	25,795,935	40 Equal Quarterly Installments: Commenced From January 2006	6.55% - 8.25%	Unsecured - Backed By Gom Guarantee
63	PFC	R & M Schemes For Augumentation of Water Supply System For parali TPS	31,719,676	95,158,451	40 Equal Quarterly Installments: Commenced From April 2006	6.91% - 8.25%	Unsecured - Backed By Gom Guarantee
64	PFC	R & M of Uran Gas Turbine Plant in Maharashtra I & II Under KFW Assistance	114,633,315	458,533,268	40 Equal Quarterly Installments: Commenced From April 2007	6.99% - 8.5%	Unsecured - Backed By Gom Guarantee
65	PFC	Installation of Flue Gas Conditioning System For Ammonia Injunction	6,764,365	21,984,185	40 Equal Quarterly Installments: Commenced From July 2006	6.74% - 8.25%	Unsecured - Backed By Gom Guarantee
66	PFC	Up rating & Modernisation of 60MW Tillari Hydro Power Station Stage III	0	0	Fully Repaid - October 2011	6.25%	Unsecured - Backed By Gom Guarantee

67	PFC	Renovation, Modernisation, and Life Extension of Koyana Hydropower Station Stage III TPS Unit I to IV	9,423,137	40,048,334	40 Equal Quarterly Installments: Commenced From July 2007	6.91% - 14%	Unsecured - Backed By Gom Guarantee
68	PFC	Renovation and Modernisation of Koyana HPS Stage I and II	6,856,352	29,139,490	40 Equal Quarterly Installments: Commenced From July 2007	8.25% - 13%	Unsecured - Backed By Gom Guarantee
69	PFC	Appointment of retainer consultant for R & M & Life Extension Studies / Works for MSEB	557,996	0	20 Equal Quarterly Installments: Commenced From July 2007	10.75%	Unsecured - Backed By Gom Guarantee
70	GOM	Parli Unit 6 Project	165,000,000	495,000,000	120 Equal Monthly Installments: Commenced From April 2006	11.50%	Unsecured
71	GOM	Paras Unit 3 Project	151,000,000	453,000,000	120 Equal Monthly Installments: Commenced From April 2006	11.50%	Unsecured
72	GOM	Uran GTPS Capex	250,000	1,251,000	120 Equal Monthly Installments: Commenced From April 2008	11.50%	Unsecured
		Total	9,737,575,484	123,919,798,810			

Note No.3 (A)

Short Term Borrowings (continued)

Sr. No	Particulars of Lender	Nature of Loan	Outstanding balance as on 31.3.12	Terms of Repayment	Rate of Interest	Nature of security
1. 2 3	Consortium arrangement with Bank of India, Canara Bank, Bank of Maharashtra	Cash Credit	7,870,000,000	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-3	Working Capital	3,000,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Floating) (10.70%)	Unsecured

5	Dena Bank-7	Working Capital	2,000,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Floating) (10.70%)	Unsecured
6	Bank of Maharashtra-8	Working Capital	1,000,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Floating) (10.60% -10.70%)	Unsecured / Promissory Note
7	Bank of Maharashtra-9	Working Capital	5,000,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Floating) (10.65%)	Unsecured / Promissory Note
8	Vijaya Bank-2	Working Capital	3,000,000,000	6 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Floating) (10.65%)	Unsecured
9	Indian Bank-6	Working Capital	1,220,209,192	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Fixed) (10.75%)	Unsecured
10	Indian Bank-6	TIIDC 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) (10.75%)	Unsecured
11	Indian Bank-7	Working Capital	1,500,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Fixed) (10.75%)	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) (10.75%)	Unsecured
13	Andhra Bank-2	Working Capital	3,870,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Floating) (10.75%)	Unsecured
14	State Bank of India-5	Working Capital	700,000,000	90 days from the date of first disbursement	Rate of interest is based on Bank Base Rate (Floating) (10.70%)	Unsecured / Promissory Note / post Dated Cheque of ₹70 crs.
15	Central Bank of India-7	Working Capital	7,000,000,000	364 days from the date of each draw own tranche	Rate of interest is based on Bank Base Rate (Fixed) (10.75%)	Unsecured
16	Central Bank of India-8	Working Capital	3,000,000,000	364 days from the date of each draw own tranche	Rate of interest is based on Bank Base Rate (Fixed) (10.75%)	Unsecured
17	United Bank of India-	Working Capital	3,000,000,000	180 days from the date of avallment of limit	Rate of interest is based on Bank Base Rate (Floating) (10.60%)	Unsecured
18	Indian Bank	Solar Project -1 MW	179,790,808	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Floating) (10.75%)	Unsecured
19	Canara Bank-STL-Capex-2	General Capex	359,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.50% -10.75%)	Unsecured (Demand Promissory Note)
20	Canara Bank-STL-Capex-3	General Capex	68,550,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.50% -10.75%)	Unsecured (Demand Promissory Note)

21	Canara Bank-STL-Capex-4	General Capex	37,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.50% -10.75%)	Unsecured (Demand Promissory Note)
22	Canara Bank-23	Koradi Project specific STL	5,650,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.50% -10.75%)	Unsecured (Demand Promissory Note)
23	Canara Bank-25	Koradi Project specific STL	750,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.50% -10.75%)	Unsecured (Demand Promissory Note)
24	Canara Bank-27	Koradi Project specific STL	550,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.50% -10.75%)	Unsecured (Demand Promissory Note)
25	Canara Bank-28	Koradi Project specific STL	550,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.50% -10.75%)	Unsecured (Demand Promissory Note)
26	Canara Bank-29	Koradi Project specific STL	1,110,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.50% -10.75%)	Unsecured (Demand Promissory Note)
27	Canara Bank-31	Koradi Project specific STL	540,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.50% -10.75%)	Unsecured (Demand Promissory Note)
28	Canara Bank-32	Koradi Project specific STL	870,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.50% -10.75%)	Unsecured (Demand Promissory Note)
29	Canara Bank-33	Koradi Project specific STL	825,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.50% -10.75%)	Unsecured (Demand Promissory Note)
30	Canara Bank-34	Koradi Project specific STL	765,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.50% -10.75%)	Unsecured (Demand Promissory Note)
31	Canara Bank-35	Koradi Project specific STL	1,494,500,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.50% -10.75%)	Unsecured (Demand Promissory Note)
32	Canara Bank-36-Tr-1,2,3	Koradi Project specific STL	1,000,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.75%)	Unsecured (Demand Promissory Note)
33	Canara Bank-37-Tr-1,2	Koradi Project specific STL	1,000,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.50% -10.75%)	Unsecured (Demand Promissory Note)
34	Canara Bank-38-Tr-1,2	Koradi Project specific STL	1,500,000,000	3 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (floating) (10.50% -10.75%)	Unsecured (Demand Promissory Note)
	Total		61,509,050,000			

Cash Flow Statement for the year ended 31st March 2012

	2011-12		2010-11	
Cash flow from Operating Activities				
Net Profit After Taxes		2,003,163,524		3,094,567,352
Adjustments for:				
Provision for Taxation	(2,157,868)		4,905,648,049	
Current Year and Prior Depreciation and amortisation	4,064,161,511		3,836,951,462	
Interest Income	(10,277,004)		(5,521,819)	
Sundry Credit Balance Write Back	343,640,248		33,651,138	
Interest and finance charges	8,536,804,056	12,933,848,629	6,574,331,423	15,465,334,082
Provision for obsolescence of Stores	(27,169,208)		(88,037,657)	
Provision for obsolescence of Capital Asset	7,609,751		200,004,787	
Loss on sale of fixed assets	75,548		0	
Bad Debts Provided	21,161,595		8,306,699	
Operating profit before working capital changes				
Trade & Other Receivables	2,754,820,231		6,594,578,345	
Inventories	(1,483,371,879)		(1,766,737,115)	
Trade & Other Payables and Provisions for employee benefits	8,292,919,152		(9,439,766,555)	
Cash Generated from Operations		9,564,367,504		(4,611,925,325)
Taxes paid	(1,077,318,166)		(667,605,558)	
		(1,077,318,166)		(667,605,558)
Net Cash from Operating Activities		23,424,061,491		13,280,370,551
From Investing Activity				
Purchase of Fixed Assets including Capital Work In progress	(55,665,617,715)		(48,307,481,932)	
(Purchase)/Sale of Investments - of Joint Ventures	(25,000,000)		(500,000)	
(Purchase)/Sale of Investments - Others	100			
		(55,690,617,615)		(48307981932)
From Financing Activity				
Increase in Equity	9,220,900,000		6,018,700,000	
Proceeds from Borrowings	70,596,016,398		129,749,179,676	
Repayment of Borrowings	(39,159,253,668)		(95,899,435,854)	
Interest Income	10,277,004		5,521,819	
Interest & Finance charges	(8,536,804,056)		(6,574,331,423)	
		32,131,135,678		33,299,634,218

Net Increase / (Decrease) In cash		(135,420,446)		(1,727,977,163)
Opening Balance				
Cash	2,439,494		2,755,135	
Bank	431,694,603	434,134,097	2,159,356,125	2,162,111,260
Closing Balance				
Cash	3,397,368		2,439,494	
Bank	295,316,283	298,713,651	431,694,603	434,134,097

As per our report attached

For CVK & Associates

Chartered Accountants

(FRN - 101745W)

(A. K. Pradhan)

Partner (Membership No. 32156)

For Maharashtra State Power Generation Company Limited

J.K. Srinivasan

Director (Finance)

Asheesh Sharma

Chairman & Managing Director

For K.S. Aiyar & Co.

Chartered Accountants

(FRN - 100186W)

(Rajesh S. Joshi)

Partner (Membership No. 38526)

S.K. Labde

Chief General Manager (A)

Rahul Dubey

Company Secretary

For G.M. Kapadia & Co.

Chartered Accountants

(FRN - 104767W)

(Rajen Ashar)

Partner (Membership no. 48243)

Mumbai, 21st September, 2012

Statement under section 212(3) of the Companies Act 1956 (As on 31st March 2012)

Particulars	Dhule Thermal Power Co Ltd	Mahaguj Collieries Ltd.	Dhopave Coastal Power Co. Ltd
	(Un-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 2012	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 31.3.12 Amt in ₹ (See Note)	674	(461,957,484) (See Note)	(136,513,611) (See Note)
Share of MSPGCL Amt in ₹	674	(277,174,490)	(136,513,611)

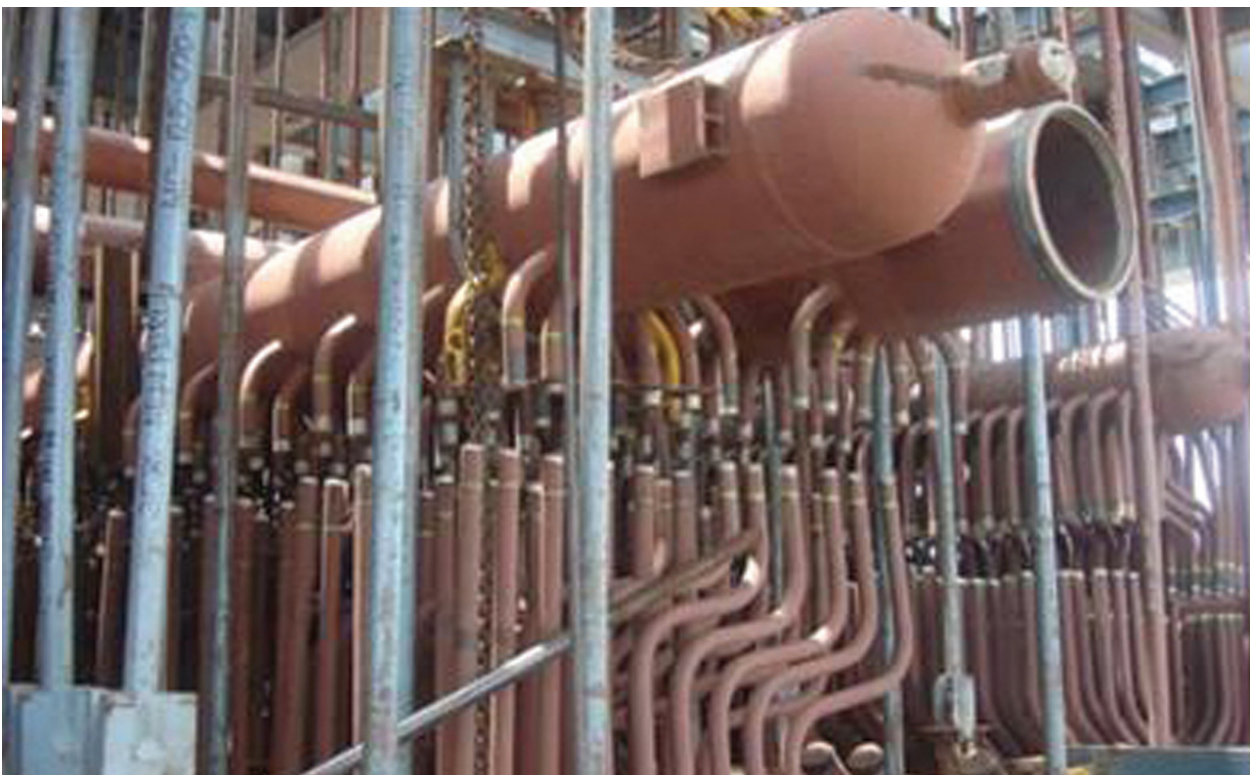
Note: This amount represents Balance appearing in Expenditure during the construction period account (Since the Commercial operations not started yet).



Projects Features



Bhusaval 4 Coal Conveyor Belt



Chandrapur Boiler Tubes



Khaperkheda Project view



Khaperkheda Project



Koradi Generator Stator



Koradi Turbine Unit Area



Parli Conveyor structure



Parli Demineralisation Water Tank

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