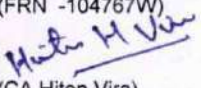
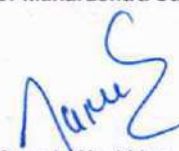
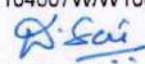
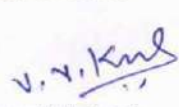


MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED [CIN -U40100MH2005SGC153648]			
(Standalone) Balance Sheet as on 31st March 2026			
(Rs. Crores)			
	Notes	31.03.2026	31.03.2025
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1	33,740.03	34,072.53
Capital work in progress	2	4,901.10	2,274.22
Right to use assets	1A	2,773.07	3,030.62
Intangible assets	1B	213.52	2.31
Intangible assets under development	2	884.69	942.10
Financial Assets			
- Non Current Investments	3	401.41	14.16
- Bank Deposits	3A	0.02	100.00
- Trade receivables	3B	-	1,136.67
Other non-current assets	4	2,196.75	1,514.59
Total Non Current Assets		45,110.58	43,087.19
Current Assets			
Inventories	5	3,444.41	3,653.62
Financial Assets			
- Trade receivables	6	27,639.93	30,412.86
- Cash and cash equivalents	7	7.47	4.28
- Bank balances other than cash and cash equivalents	7A	112.30	94.51
- Loans	8	1,545.94	1.35
- Other financial assets	9	401.29	411.69
Other current assets	10	525.77	1,088.92
Total Current Assets		33,677.10	35,667.22
Other asset			
Assets classified as held for sale / disposal	1C	-	-
Total Other Assets		-	-
TOTAL ASSETS		78,787.69	78,754.42
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	11	26,304.19	26,304.19
Other Equity	12	(9,410.59)	(9,901.66)
Total Equity		16,893.60	16,402.52
Liabilities			
Non Current Liabilities			
Financial liabilities			
- Borrowings	13	26,766.99	24,386.03
- Lease liabilities	13A	2,466.43	2,673.82
Provisions	14	1,778.75	1,686.45
Net Deferred tax liabilities	15	544.58	274.15
Other non-current liabilities	16	940.64	909.14
Total Non Current Liabilities		32,497.39	29,929.58
Current Liabilities			
Financial liabilities			
- Borrowings	17	13,750.24	16,954.79
- Lease liabilities	17A	207.38	184.71
- Trade payables - MSME	18	0.16	1.07
- Trade payables - Other than MSME	18	10,160.52	10,605.67
- Other financial liabilities	19	4,848.96	4,266.30
Other current liabilities	20	214.83	152.79
Provisions	21	214.61	257.00
Total Current Liabilities		29,396.71	32,422.31
TOTAL EQUITY AND LIABILITIES		78,787.69	78,754.42
Material accounting policies and notes 1 to 50 form an integral part of these financial statements.			
As per our report attached For G M Kapadia & Co. Chartered Accountants (FRN -104767W)  (CA Hiten Vira) Partner (ICAI M No. 142691)		For Maharashtra State Power Generation Co. Ltd.  Manesh Waghirkar Director (Finance) & CFO DIN No. 11202039	
For Kalyaniwalla & Mistry LLP Chartered Accountants (FRN - 104607WW/100166)  (CA Sai Venkata Ramana Damarla) Partner (ICAI M No.107017) Mumbai, 28 th , September, 2026		 Vishwanath Kulkarni Chief General Manager (A/c)	
		 Rahul Dubey Company Secretary M No. A14213	

MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED [CIN -U40100MH2005SGC153648]
Standalone Statement of Profit and Loss for the year ended 31st March, 2026
(Rs. Crores)

	Notes	For the year ended 31.03.2026	For the year ended 31.03.2025
Income			
Revenue from operations			
Sale of power	22	35,162.45	34,355.78
Other operating revenues	23	217.50	271.73
Other income	24	3,940.70	3,706.07
Total Income		39,320.64	38,333.58
Expenses			
Cost of materials consumed	25	22,537.74	23,138.38
IPP Power/Coal Purchased	25A	652.63	724.68
Employee benefits expense	26	2,192.84	2,156.17
Finance costs	27	3,857.83	3,626.03
Depreciation & amortization expense	1,1A		
	&1B	3,199.05	2,979.26
Other expenses	28	6,438.50	5,647.50
Total Expenses		38,878.59	38,272.03
Profit / (loss) before exceptional item and tax		442.05	61.55
Less : Exceptional item	28B	(246.59)	(534.39)
Profit/(loss) Before Tax		688.64	595.95
Tax expense:			
Earlier Year Tax Expenditure		0.02	-
Deferred tax Expense/(Gain)	28A	261.92	235.97
Total Tax Expenses		261.94	235.97
Profit/(loss) for the period		426.70	359.97
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans	26A	33.78	(74.72)
Less: Deferred Tax expense on OCI items Expense/(Gain)	28A	8.50	(18.81)
Other Comprehensive Income for the period (net of tax)		25.28	(55.92)
Total Comprehensive Income for the period, net of tax		451.98	304.06
Earning per share [Basic] (Rs. 10 per Share)		0.16	0.14
Earning per share [Diluted] (Rs.10 per share)		0.16	0.14

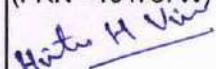
Material accounting policies and notes 1 to 50 form an integral part of these financial statements.

As per our report attached

For G M Kapadia & Co.

Chartered Accountants

(FRN -104767W)



(CA Hiten Vira)

Partner (ICAI M No. 142691)


For Kalyaniwalla & Mistry LLP

Chartered Accountants

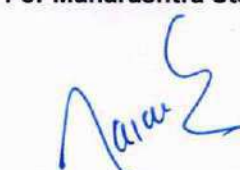
(FRN - 104607W/W100166)



(CA Sai Venkata Ramana Damarla)

Partner (ICAI M No.107017)

Mumbai, 28th, September, 2026


For Maharashtra State Power Generation Co. Ltd.


Manesh Waghirkar

Director (Finance) & CFO

DIN No. 11202039



Vishwanath Kulkarni

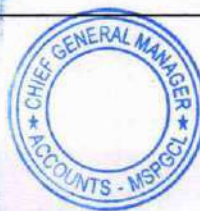
Chief General Manager (A/c)



 Radhakrishnan B.
Chairman & Managing
Director

DIN No 07781330



 Rahul Dubey
Company Secretary
M No. A14213


MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED [CIN -U40100MH2005SGC153648]

STANDALONE STATEMENT OF CHANGES IN EQUITY

I. Equity Share Capital

Particulars	Amount (Rs. Crores)
Balance as at 01-04-2025	26,115.40
Changes in Equity share capital	188.79
Balance as at 31.03.2025	26,304.19
Changes in Equity share capital	
Balance as at 31.03.2026	26,304.19

II. Other Equity

	Share Application Money Pending Allotment	Deemed Capital Contribution	Retained earnings	Other Comprehensive Income	Total Other Equity
Balance as on 01-04-2024	188.79		(9,804.12)	(401.61)	(10,016.93)
Profit or Loss for the year			359.97		359.97
Other Comprehensive income for the year				(55.92)	(55.92)
Addition during the year	-				-
Shares Allotted during the year	(188.79)				(188.79)
Balance as at 31.03.2025	-	-	(9,444.14)	(457.52)	(9,901.66)
Changes in accounting policy or prior period errors					-
Balance as on 01-04-2025	-	-	(9,444.14)	(457.52)	(9,901.66)
Profit or Loss for the year			426.70		426.70
Other Comprehensive income for the year				25.28	25.28
Addition to Deemed Capital Contribution	-	39.09			39.09
Shares Allotted during the year	-				-
Balance as at 31.03.2026	-	39.09	(9,017.44)	(432.24)	(9,410.59)

As per our report attached
For G M Kapadia & Co.
Chartered Accountants
(FRN -104767W)

(CA Hiten Vira)
Partner (ICAI M No. 142691)

For Kalyaniwalla & Mistry LLP
Chartered Accountants
(FRN - 104607W/W100166)

(CA Sai Venkata Ramana Damaria)
Partner (ICAI M No.107017)
Mumbai, 28th, September, 2026

For Maharashtra State Power Generation Co. Ltd.

Manesh Waghirkar
Director (Finance) & CFO
DIN No. 11202039

Vishwanath Kulkarni
Chief General Manager (A/c)

Radhakrishnan B.
Chairman & Managing Director
DIN No 07781330

Rahul Dubey
Company Secretary
M No. A14213

Cash Flow Statement For The Year Ended 31st March, 2026

(Rs. Crores)

	For the year ended 31.03.2026	For the year ended 31.03.2025
A. Cash Flow From Operating Activities		
Profit/(Loss) after Tax	451.98	304.06
Adjustments to reconcile profit before tax to net cash used in operating		
Depreciation/ impairment on property, plant and equipment & Intangible Assets	3,199.05	2,979.26
Finance Costs	3,857.83	3,626.03
Un realised Exchange Rate Difference	15.89	(0.03)
Sundry Credit balance write Back	(46.66)	(81.79)
Provision for doubtful advances	(0.84)	170.71
Allowance for Expected Credit Loss	3,534.84	2,833.00
Unwinding of Interest	(246.59)	(534.39)
Interest Income	(23.29)	(3.91)
Provision for obsolescence of inventory	45.90	10.78
Operating Profit before Changes in Working Capital {Sub Total - (i)}	10,788.11	9,303.71
Movements in working capital		
(Increase) / Decrease in Trade Receivables	622.19	(2,754.46)
(Increase) / Decrease in Loans and Advances and Other Assets	12.84	(904.73)
(Increase) /Decrease in Inventories	163.31	(720.82)
Increase / (Decrease) in Liabilities and Other Payables	746.61	1,344.49
Sub Total - (ii)	1,544.95	(3,035.52)
Cash Generated from Operations (i) + (ii)	12,333.06	6,268.20
Less : Direct Taxes / FBT refund / (paid) - Net		
Net Cash from Operating Activities (A)	12,333.06	6,268.20
B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment	(5,548.58)	(2,992.93)
Sale of Property, Plant & Equipment	158.91	108.79
Investment in Subsidiary/Joint Venture	(387.26)	(11.49)
Loans and Advance to Joint Venture	(1,544.77)	-
Interest received	23.29	3.91
Net Cash Flow generated from / (used in) Investing Activities (B)	(7,298.40)	(2,891.72)
C. Cash Flow From Financing Activities		
Proceeds from Long Term Borrowings	14,695.80	4,528.72
Long term Loans repaid	(11,690.42)	(5,206.84)
Proceeds from issue of shares	-	-
Short term Loans raised / (repaid) including CC	(3,803.99)	1,260.82
Capital Grant Received	16.24	-
Finance Cost paid	(3,780.00)	(3,500.39)
Lease Rent	(444.12)	(451.04)
Net Cash Flow generated from / (used in) Financing Activities (C)	(5,006.50)	(3,368.72)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	28.17	7.76
Cash and cash equivalents at the beginning of the year	(21.58)	(29.34)
Cash and cash equivalents at the end of the year	6.59	(21.58)
Details of cash and cash equivalents at the end of the year:		
Cash and cash equivalents as on		
Balances with Banks:		
- on current /Saving accounts (Refer Note : 7)	7.46	4.27
Cash Equivalents	-	-
Overdraft (Refer Note : 17)	(0.88)	(25.86)
Cash on hand	0.00	0.01
Cash and cash equivalents at the end of the year	6.59	(21.58)
Note : Cash flow statement has been prepared in accordance with Accounting policy No.22		



Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

For the year ended 31 March 2026

(Rs. In Crores)

Particulars	Non Current Borrowings	Lease Liabilities	Current Borrowings
Opening Balance as at 1 April 2025	24,386.03	2,858.52	16,954.79
Cash flows during the year	2,383.53		(3,204.54)
Non-cash changes due to:			
Acquisitions under Right of use	-		
Interest on Borrowings			
Variation in exchange rates			
Transaction costs on Borrowings			
Other Adjustment	(2.57)	184.71	
Closing Balance as at 31 March 2026	26,766.99	2,673.82	13,750.24

For the year ended 31 March 2025

(Rs. In Crores)

Particulars	Non Current Borrowings	Lease Liabilities	Current Borrowings
Opening balance as at 1 April 2024	28,144.40	3,032.43	12,624.76
Cash flows during the year	(3,758.37)		4,330.02
Non-cash changes due to:			
Acquisitions under Right of use			
Interest on Borrowings			
Variation in exchange rates			
Transaction costs on Borrowings			
Other Adjustment		173.91	
Closing balance as at 31 March 2025	24,386.03	2,858.52	16,954.79

As per our report attached

For G M Kapadia & Co.

Chartered Accountants

(FRN -104767W)

Hiten H Vira
(CA Hiten Vira)

Partner (ICAI M No. 142691)



For Kalyaniwalla & Mistry LLP

Chartered Accountants

(FRN - 104607W/W100166)

Sai Venkata Ramana Damarla
(CA Sai Venkata Ramana Damarla)

Partner (ICAI M No.107017)

Mumbai, 28th, September, 2026



For Maharashtra State Power Generation Co. Ltd.

Manesh Waghirkar
Manesh Waghirkar
Director (Finance) & CFO
DIN No. 11202039

V.V. Kulkarni
Vishwanath Kulkarni
Chief General Manager (A/c)



Radhakrishnan B.
Radhakrishnan B.
Chairman & Managing Director
DIN No 07781330

Rahul Dubey
Rahul Dubey
Company Secretary
M No. A14213

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026.

A) Company Overview - Corporate Information

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

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

B) Basis of preparation of Ind As – Separate financial statements

1. Statement of Compliance with Ind AS

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

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

These financial statements were approved for issue in accordance with the Resolution of the Board of Directors on 28.09.2026

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

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

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

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



3. Note on Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

4. Use of Judgment and Estimates

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

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

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

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

C) Material Accounting Policies

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



1. A) Property, Plant and Equipment

- i. Freehold land is carried at cost. All other items of Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- ii. The initial cost of an asset comprises its purchase price or construction cost (including import duties, freight and non-refundable taxes); any incidental costs directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by management; and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use). The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost (after deducting the proceeds from selling any items produced during the trial run period) and other operating expenses such as freight, installation charges etc. net of other income during the construction period. The projects under construction are carried at costs comprising of direct costs, related pre-operational incidental expenses and attributable interest.
Subsequent expenditures are included in assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- iii. Capital Expenditure incurred by the Company, resulting in creation of Property Plant and Equipment for which Company does not have ownership rights and control over it, is reflected as a part of capital work in progress till the assets are under construction and an equivalent amount is provided for by way of debiting obsolescence of assets expense which is charged off to the Statement of Profit and Loss in the year in which it is incurred. Upon completion of construction the aforesaid capital expenditure will be capitalized and adjusted against the provision created for assets not owned by the company. Contribution towards the cost of assets not owned by the company and corporate social responsibility activities are charged off to Statement of Profit and Loss when incurred.
- iv. Enabling Asset Policy - Items of property, plant and equipment acquired by the Company, (although not directly increasing the future economic benefits from such assets), may be necessary for the Company to obtain the future economic benefits from its other assets. Such items of property, plant and equipment qualify for recognition as assets because they enable the Company to derive future economic benefits from related assets in excess of what could be derived had those items not been acquired. However, capitalization of assets is done by the Company only after verifying the nature of assets on case to case basis.
- v. In case of Capital Work in Progress where the final settlement of bills with the contractor is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.



- vi. Claims for price variation in case of capital contracts are accounted for, on acceptance thereof by the Company.
- vii. An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognized and disposed off.
- viii. As regards additional capital expenditure in respect of newly commissioned projects, Company adopts following policy which is in line with MERC MYT Regulations, 2024.

Company capitalizes the cost of additional mandatory spares/ Critical Spares / Initial spares up to four percent of the capital cost of the project, which are either procured along with the commissioning of original plant or procured subsequently after commissioning.

- ix. Spare parts which are meeting the requirement of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.
- x. Written Down Value of obsolete Machinery Spares is charged to the Statement of Profit and Loss in the year in which such spares are replaced and the old relevant spares are found to be of no further use. However, if the old relevant spares can be repaired and reused, then both are continued to be depreciated over the remaining useful life of the relevant asset. The repair charges of the old relevant spares are charged to Statement of Profit and Loss.
- xi. In case of replacement of part of asset / replacement of capital spare where Written Down value of such original part of asset / capital spare is not known, the cost/ net book value of the new part of asset / new capital spare shall be written off and charged to Statement of Profit & Loss.
- xii. Where an obligation (legal or constructive) exists to dismantle or remove an item of property, plant and equipment or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability in the form of decommissioning provision, is recognized. Till the completion of tenure of the said item of property, plant and equipment, the said decommissioning provision, is unwound through finance cost in the Statement of Profit and Loss.
- xiii. The Company had chosen the carrying value of Property, Plant and Equipment existing as per previous GAAP as on date of transition to Ind AS as deemed cost.
- xiv. Considering the size, nature of business and geographical spread, Company used to conducts physical verification of property plant and equipment at the interval of every three years however, with effect from current year the same is being done every year.



B) Mining Assets

Development Expenditure of Coal Mines

1. The development of coal mines under the Intangible assets of Capital work-in-progress are classified based on proved reserves.
2. Commercial Operation Date (COD) is declared as the first day of the month in any Accounting Year in which the quantity of Coal produced from the Mine equals to the Annual Capacity for the 1st Accounting Year (as per the Annual Production Programme) divided by proportionate number of months in such accounting year.
3. On the date of commercial operation, the assets under Capital work-in-progress are capitalised as a "Mine Development Rights" under Intangible Assets.

Mine Closure, site restoration and decommissioning obligations

1. The Company estimates its obligations for mine closure, site restoration and decommissioning based on the detailed calculation and technical assessment of the amount and timing of future cash spending for the required work and provided for as per approved mine closure plan. The estimate of expenses is escalated for inflation and then discounted at a discount rate that reflects current assessment of the time value of money and risk, such that amount of provision reflects the present value of expenditure required to settle the obligations. The Company recognizes a corresponding asset under Intangible Assets as a part of Mine Development Rights for the cost associated with such obligation.
2. Further, a specific escrow fund account is maintained for this purpose as per the approved mine closure plan.

Stripping Cost

1. Expenditure incurred on removal of mine waste materials (overburden) necessary to extract the coal reserves is referred to as stripping cost. The Company has to incur such expenses over the life of the mine as technically estimated.
2. Cost of stripping is charged on technically evaluated average stripping ratio at each mine and ratio-variance (i.e. Difference between Actual Stripping Ratio and Average Stripping Ratio).
3. Wherever the Company has appointed Mine Developer Operator (MDO) for mining purpose and the actual stripping expenses are incurred by MDO. The said MDO factors all the costs incurred for the purpose of mining of the coal and recovers them through Mine Development Charges per tonne. In that case, to unbundle the stripping cost, the Company bifurcates the Mine Development Charges based on ratio-variance. When Actual Stripping Ratio is higher than Average Stripping Ratio, the MDO charges to the extent of Actual stripping over average stripping get capitalised which forms part of Mine Development Rights and balance is charged to Revenue Expenditure / Inventory as applicable.



2. Intangible Assets

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

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

3. Capital Work-in-progress

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

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

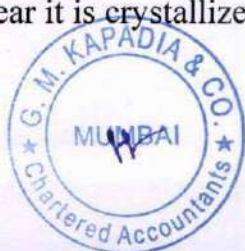
a) The expenditure on the salaries excluding gratuity and leave encashment, directly attributable to project will form the part of the project cost till completion of Boiler-Turbine-Generator related activities and Balance Of Plants related activities and also to relevant scheme cost.

b) Admin & General expenditure that are directly attributable to construction of the project will be capitalised as a part of project cost upto one year after commissioning of the said project in view of completion of balance project related activities and subsequently it will be charged to Statement of Profit and Loss.

c) None of the expenditure of supervisory office will be allocated to small capital scheme. The small capital scheme are the schemes which entails less than twelve months time for its construction.

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

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



5. Borrowing Cost

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

Other borrowing costs not attributable to the acquisition or construction of any capital asset are recognized as expenses in the period in which they are incurred.

6. Impairment of Non-Financial Assets

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

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

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

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

7. Depreciation /Amortization

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

B. Property, Plant and Equipment

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



- ii. Depreciation on the Property Plant and Equipment added/ disposed off / discarded during the year is provided on pro-rata basis with reference to the month of addition / disposal / discarding and in case of capitalization of green field / brown field projects, depreciation is charged from the date of commencement of commercial operation to the Statement of Profit and Loss.
- iii. In case of Assets (other than assets mentioned in (iv to viii) below) whose depreciation has not been charged upto 70% of the asset value after its commissioning, company charges the depreciation at rates as prescribed below, on the Gross Cost of assets for calculating depreciation till the end of such year in which the accumulated depreciation reaches upto 70% of the asset value in respect of such asset. After attainment of 70% depreciation, the company

charges depreciation on the basis of balance useful life upto 90% of the value of asset, in terms of the estimated useful life for Thermal, Gas and Solar based power generating Stations as 25 years and in case of Hydro Generating Stations as 35 years as prescribed by MERC.

Type of asset	Depreciation (%)
For Existing Assets as on 31.03.2025 (Including the assets in principally approved by MERC on or before 19.08.2024) Plant & Machinery in generating station of Hydro – electric, Steam Electric, & Gas based power generation Plant, Cooling Tower, Hydraulic Works, Transformers & other fixed apparatus, Transmission lines, Cable Network etc.	5.28%
For New Assets commissioned after 01.04.2025 (except the assets in principally approved by MERC on or before 19.08.2024) Plant & Machinery in generating station of Hydro – electric, Steam Electric, & Gas based power generation Plant, Cooling Tower, Hydraulic Works, Transformers & other fixed apparatus, Transmission lines, Cable Network etc.	4.22%
Buildings & Other Civil Works	3.34%

- iv. In case of implementing Emission Control System within the original scope of the generating station, where date of commercial operation of generating Station and date of operation of Emission Control System is same, depreciation is calculated in the manner stated iii above.

- v. In case of implementing Emission Control System of an existing or a new generating station, where date of date of operation of Emission Control System



is subsequent to the date of commercial operation, depreciation is calculated from the date of operation of such Emission Control System on Straight Line Method with 10% salvage value as follows: -

Sr. No.	Condition for Depreciation	Depreciated over the period i.e. life of asset considered
1.	Generating Unit is in operation for 15 years or less	25 Years
2.	Generating Unit is in operation for more than 15 years	Balance useful life of Generating Unit plus 15 years
3.	Generating Unit has completed its useful life	10 years or period mutually agreed with beneficiary

- vi. Depreciation on Capital Investment Schemes (CIS) is calculated proportionately correlated with remaining tenure of PPA with DISCOM.
- vii. The assets created from expenditure against approved "Special Allowance" are shown under separate class of assets and depreciated at 100 percent in the year of addition.
- viii. In case of following assets depreciation is charged on straight line method upto 90% of asset value at rates mentioned below:

Type of asset	Depreciation (%)	Life of Asset
Furniture, Fixtures and Office Equipment	6.33%	14 Years
Vehicles, Portable Air conditioning plant	9.50%	9.5 Years
IT Equipment	15.00%	6 Years

- ix. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition. Cost of all Mobile Phones is capitalized and depreciated at 100% during the year of purchase irrespective of threshold limit.
- x. Items of Property, Plant and Equipment related to Information Technology equipment (IT) and computer software are depreciated at 100 percent on the expiry of assets life as prescribed by MERC.



C. Intangible Assets:

Expenses capitalized on account of purchase of new application software, implementation of the said software by external third party consultants and purchase of licenses are amortized upto 100% as prescribed by MERC at the rate mentioned below

Type of asset	Depreciation (%)	Life of Asset
Software	30%	Maximum 4 years
Other Intangible asset	Based on	Useful life

D. Mining Assets:

Mine Development Rights are depreciated based on 20 years or Useful life of Assets whichever is lower.

Mine licence cost are amortised based on Useful life of Assets.

8. Non-currents assets held for sale

Generally, the assets upon their expiry of life, get scrapped and auctioned as scrap material rather than selling it as asset in its own form and identity. Consequently, Non-current assets do not get classified as held for sale if the same are yet to be abandoned and are yet to be available for immediate sale in its present condition.

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met, only when the sale is highly probable and the asset is available for immediate sale in its present condition. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. In the event, Asset held for sale have not reached to maximum depreciable value (90% of the Gross block), company provides for obsolescence equivalent to difference between maximum depreciable value and Net block.

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

9. Inventories

Materials and other items held for generation of electricity are not written down below cost since the sale of electricity will be sold at or above the cost of generation. Cost comprises of cost of purchase (net of input tax credit receivable) and other costs incurred in bringing them to their present location and condition. In respect of coal stock, Company recognises invoice value of coal and railway freight, for the purpose of recognising coal stock receipts. In respect of Washed Coal stock, Company recognises invoice value of coal and beneficiation charges incurred to bring it to their present location and condition. Any incidental / coal



related expenditure, is recognised in Statement of Profit & Loss as and when incurred.

Company has valued Stock of recouped coal quantity generated during the year at the moving average price of the raw coal at the end of the year. The recouped quantity of coal actually received gets valued on First In First Out basis and charged to consumption.

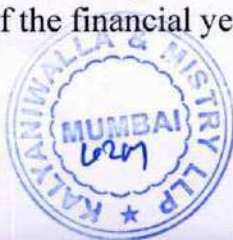
Stock of materials including stores, spare parts is valued at lower of cost and net realizable value, and cost is determined on weighted average cost method. Losses towards unserviceable and obsolete stores and spares identified on review are provided in the accounts. For this purpose company assigns weight of 30% for slow moving, 60% for non-moving upto 2 years and 80% for non-moving more than 2 years. As regards obsolete inventory the same is fully provided for.

10. Revenue Recognition

- i. Revenue from Sale of electricity is accounted for based on predefined tariff rates at the beginning of the year as approved by the Maharashtra Electricity Regulatory Commission (MERC), inclusive of Fuel Adjustment Charges and includes unbilled revenues accrued up to the end of the accounting period which is subject to true up process by MERC in the subsequent years.
- ii. In terms of Power Purchase Agreement with MSEDCL, Company recognizes Delayed Payment Surcharge @ State Bank of India Marginal Cost of Funds-based Lending Rate (MCLR) plus 350 basis points, per month towards delay in receipt of energy bills beyond the credit period, on accrual basis.
- iii. Interest income is recognised taking into account the principal/outstanding and the applicable interest rate.
- iv. Sale of fly ash is accounted for based on rates agreed with the customers. Amount collected are kept under separate account head "Fly Ash Utilisation Fund" in accordance with the Government of Maharashtra Resolution dated 19.09.2025 in respect of MAHAGENCO Ash Policy . The said fund gets utilised to the extent of expenditure incurred for promotion of ash utilization as stipulated in the said GR.
- v. Other income is recognized on accrual basis. Sale of scrap, reject coal etc. is accounted for when such scrap is actually lifted by the buyer from Company's premises and company prepares invoice towards the said sale transaction. Recoveries on account of Liquidated Damages are adjusted against the cost of project when they are directly identifiable with the project and for mitigating the additional cost of the project in the year it is crystallized. Interest on advance to contractors for projects are adjusted to cost of project as and when crystallized and accrued. In all other cases, liquidated damages are credited to Other Income when crystallized.

When company deploys it funds from working capital loan in interest bearing instruments because of legal, operational or contractual requirements in such cases, accordingly is done as interest payable/ receivable as the case may be, after netting it off.

- vi. Company recognizes the value of unsold Energy Saving Certificates as at the end of the financial year by crediting to revenue on accrual basis. Upon sale of



- the said certificates, the adjustment between the accrued value and actual sale value is effected to Profit and Loss Statement in the year of their actual sale.
- vii. Income / receivables are recognized in books of accounts of the Company when it is probable that the Company will collect the consideration to which it is entitled. This would depend upon assessment of intention and ability of the paying entity.

11. Accounting/ classification of expenditure and income

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

Insurance claims are accounted for, on acceptance basis.

Price variation claims in respect of expenditure items are accounted for, on acceptance basis.

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

12. Investments in subsidiaries, Associates and Joint Ventures

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

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

13. Foreign Currency transactions

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

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

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

14. Employee Benefits

Short Term Employee Benefits

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



Ex-gratia

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

Long Term Employee Benefits

Defined Benefit Plans

- (a) Company pays fixed contribution to Provident Fund at predetermined rates along with employee's contribution to a separate trust which also manages funds of other MSEB group companies. The funds are then invested in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the Statement of Profit and Loss
- (b) Liability towards defined employee benefits like gratuity are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method.
Re-measurements of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income.
- (c) Other long-term employee benefits

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

15. Leases

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

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

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

- fulfillment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset.



i.) Company as a lessee

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

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

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

ii.) Company as a lessor

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

16. Government Grant

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

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

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

However, in case interest free loans, received from Government towards acquisition of item of property, plant and equipment, Company recognises the said loan at its present value in the year of receipt and balance amount is treated as Deferred Grant. Upon commissioning of the said item of property, plant and equipment, Deferred Grant is unwound over the period of useful life of the said item. Till completion of tenure of the said loan, Company recognises Finance Cost through Statement of Profit and Loss every year which gets credited to the present value of the said loan. At the end of tenure of the loan, the accumulated balance of the loan (which has been recognised at present value), is discharged.



17. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit as set out in Notes to financial statements.

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

18. Fair value measurement

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

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

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

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

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

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



19. Financial Instruments

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

- i) Current Financial assets mainly consisting of trade receivables, cash and bank balances, short term deposits
- ii) Non-Current financial assets mainly consisting of equity investment in subsidiaries, loans and advances to subsidiaries, long term receivables etc.

Financial Assets

A. Initial recognition and measurement

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

B. Subsequent measurement

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

The Company classifies financial assets as under;

- (a) subsequently measured at amortised cost;
- (b) A financial asset is measured
 - i) fair value through other comprehensive income; or
 - ii) fair value through profit or loss

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

Amortized cost

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

The asset is held within a business model whose objective is

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

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



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

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

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

Equity investments

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

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

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

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

Impairment of financial assets

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

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

Derecognition of financial asset

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

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

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



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

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

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

Financial Liabilities

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

Initial recognition and measurement

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

Subsequent measurement

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

(i) Borrowings

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



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

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

(ii) Trade and other payables

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

Derecognition

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

Offsetting of financial instruments

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

20. Deposits

As a part of its operations, Company receives deposits from other organizations and also keeps deposits with other organizations. If the deposits are expected to be settled within period of twelve months, the same are classified as current and exhibited in the Current Assets / Current Liabilities in the Balance Sheet. If the deposits are of non-current nature then following treatment is accorded.



Deposits kept with other organisations –

- a. If the deposits are kept for execution of depositary work by the said agency, the concerned deposit, will get adjusted against the performance. Since, it will not carry any financial arrangement, no discounting would be required.
- b. In all other cases, discounting of deposits would be done wherever the period of deposit is certain, subject to threshold limit.

Deposits received by the Company –

- a. If the deposits are received as performance security, the concerned deposit will be returned upon completion of the performance. Since, neither it has been maintained with an intention to earn interest income nor it carries any financial arrangement, hence no discounting would be required.
- b. In all other cases, discounting of deposits would be done wherever the period of deposit is certain, subject to threshold limit.

21. Cash and Cash equivalents

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

22. Cash flow statement

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

23. Earning Per Share

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

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



24. Taxation

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

(a) Current Tax

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

(b) Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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



25. Trade Receivable–

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

26. Recent Pronouncement

Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2025 dated May 07, 2025 and August 13, 2025 to amend the following Ind AS which are effective from period starting 01 April 2025:

Ind AS 1 - Presentation of Financial Statements and Ind AS 10 - Events After the Reporting Period

Amendments clarify the presentation of liabilities that are subject to covenants, ensuring consistent classification and reducing interpretation challenges.

Ind AS 7 - Statement of Cash Flows and Ind AS 107 - Financial Instruments

Introduced new disclosure requirements for supplier finance arrangements to provide greater visibility into these financing structures.

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

Provide specific guidance for assessing the exchangeability of currencies, determining spot exchange rates for non-exchangeable currencies, and outlining necessary disclosures in such circumstances.

27. Audit Trail

The Company has used SAP system for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, this log is not tampered with.

The provisions of the Companies Act, 2013 and rules made thereunder requires that the Company uses only such accounting software for maintaining its books of account which has a feature of recording audit trail for each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled or tampered with effect from April 1, 2023. However, the features of recording audit trail for direct changes at the data base level are yet to be incorporated in the said software.



28. Threshold limits adopted in respect of financial statements

Threshold item		Unit of measurement	Threshold limits
Capitalization of spare parts meeting the definition of property plant and equipment.	Individually	Rs. Crores	10.00
Net prior period of items for the purpose of restatement of earlier year financials	Cumulative	Rs. Crores	100.00
Disclosure of contingent liabilities	Individually	Rs. Crores	1.00
Disclosure of capital commitments	Individually	Rs. Crores	1.00
Deprecation at 100% in the year of acquisition in respect assets amounting up to Rs. 5000 & all mobile phones		Rs. Crores	1.00
Loans and advances/Equity & cost of raising finance	Individual Loan/Equity	Rs. Crores	1.00
For Recognition of Right to use assets and Lease Liabilities A) Annual Lease Rent and B) Value of underlying assets	in each case	Rs. Crores	10.00



MAHARASHTRA STATE POWER GENERATION COMPANY LTD

Note No. 1: PROPERTY, PLANT AND EQUIPMENT

Cost	ASSET										Rs. in Crores				
	Land (including development)		Buildings		Hydraulic Works	Other Civil Works		Plant, Machinery & Equipments	Lines & Cable Networks	Vehicles	Furniture & Fixtures	Office Equipments	Capital Expenditure resulting in Assets not belonging to the Company	IT Equipment	TOTAL ASSETS
	Freehold	Leasehold	Factory Buildings	Others		Railway Sidings	Roads and Others								
Balance as at 01-04-2024	1,688.51	118.23	891.90	1,250.68	2,712.37	1,240.68	1,297.09	38,919.71	554.02	71.92	38.92	85.33	57.93	-	48,927.28
Addition	7.73	-	183.98	21.70	65.62	205.06	8.94	7,038.52	0.03	1.26	4.27	27.68	-	0.17	7,564.95
Deduction	18.25	-	-	-	-	-	-	90.05	-	-	0.21	0.27	-	-	108.79
Balance as at 31.03.2025	1,677.98	118.23	1,075.88	1,272.38	2,777.99	1,445.74	1,306.03	45,868.18	554.05	73.17	42.97	112.74	57.93	0.17	56,383.44
Addition	47.72	-	3.36	11.22	52.03	55.48	80.66	2,305.53	0.79	3.05	3.50	29.56	-	70.34	2,663.26
Deduction	-	-	1.77	-	0.48	1.82	0.05	145.36	0.23	6.59	0.20	1.75	-	-	158.26
Balance as at 31.03.2026	1,725.70	118.23	1,077.47	1,283.60	2,829.54	1,499.40	1,386.65	48,028.34	554.62	69.64	46.27	140.55	57.93	70.51	58,888.44
Accumulated Depreciation and Impairment															
Balance as at 01-04-2024	-	40.57	243.35	534.35	1,186.69	418.87	344.62	16,476.34	254.15	19.06	20.39	44.52	36.54	0.00	19,619.47
Addition	-	4.64	41.72	56.77	136.55	57.63	62.64	2,322.96	26.18	6.60	2.66	9.30	0.92	0.02	2,728.62
Deduction/Adjustments	-	-	(0.06)	(0.05)	-	(0.25)	0.28	55.06	-	-	0.16	0.27	-	-	55.40
Balance as at 31.03.2025	-	45.22	285.14	591.17	1,323.24	476.75	406.98	18,744.25	280.33	25.66	22.90	53.55	37.47	0.02	22,292.68
Addition	-	4.64	47.59	30.10	136.55	50.02	48.37	2,572.88	28.32	6.65	2.07	12.73	0.73	3.91	2,944.57
Deduction/Adjustments	-	-	1.60	-	0.39	1.64	0.03	99.40	0.21	5.91	0.19	1.55	-	-	110.91
Balance as at 31.03.2026	-	49.86	331.13	621.27	1,459.41	525.13	455.31	21,217.73	308.44	26.40	24.79	64.73	38.20	3.94	25,126.34
Net Carrying Amount															
As on 01.04.2024	1,688.51	77.66	648.54	716.34	1,525.68	821.81	952.47	22,443.37	299.87	52.86	18.52	40.80	21.39	(0.00)	29,307.81
Less : Provision for obsolescence								18.73							18.73
Net as on 01.04.2024	1,688.51	77.66	648.54	716.34	1,525.68	821.81	952.47	22,424.63	299.87	52.86	18.52	40.80	21.39	(0.00)	29,289.08
As at 31.03.2025	1,677.98	73.01	790.74	681.21	1,454.75	968.99	899.05	27,123.93	273.72	47.51	20.07	59.18	20.46	0.14	34,090.76
Less : Provision for obsolescence								18.23							18.23
Net as on 31.03.2025	1,677.98	73.01	790.74	681.21	1,454.75	968.99	899.05	27,105.70	273.72	47.51	20.07	59.18	20.46	0.14	34,072.53
Balance as at 31.03.2026	1,725.70	68.37	746.33	662.33	1,370.13	974.26	931.34	26,810.62	246.18	43.23	21.49	75.82	19.74	66.57	33,762.10
Less : Provision for obsolescence								22.07							22.07
Net as on 31.03.2026	1,725.70	68.37	746.33	662.33	1,370.13	974.26	931.34	26,788.54	246.18	43.23	21.49	75.82	19.74	66.57	33,740.03

Note: 1) Out of the total land mentioned above, the Land amounting to Rs. 275.04 Crores (P.Y. 268.65 Crores), is in the name of offices of the Company /land owner instead of Maharashtra State Power Generation Company Ltd. or lease deed not executed. Company is in the process of transferring title deed in the registered name of the Company.

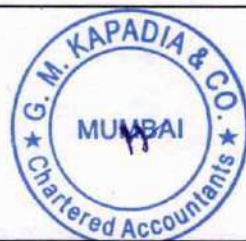
2) Plant, Machinery & Equipments includes Special Allowance Assets

3) Depreciation amount of Rs 8.08 crores (P.Y. Rs. 2.21 crores) has been capitalised during the year

Note NO. - 1A Right to Use Assets			(Rs. Crores)
Cost	Building	Land	Total
Gross Amount			
Balance as at 01-04-2024	239.62	4,326.51	4,566.14
Addition	-	-	-
Deduction	83.51	-	83.51
Balance as at 31.03.2025	156.11	4,326.51	4,482.63
Addition	-	-	-
Deduction	-	7.79	7.79
Balance as at 31.03.2026	156.11	4,318.72	4,474.83
Accumulated Amortisation			
Balance as at 01-04-2024	127.32	1,150.64	1,277.96
Addition	29.00	228.55	257.55
Deduction	83.51	-	83.51
Balance as at 31.03.2025	72.81	1,379.19	1,452.01
Addition	29.00	228.55	257.55
Deduction/Adjustments	-	7.79	7.79
Balance as at 31.03.2026	101.81	1,599.95	1,701.76
Net Carrying Amount			
Balance as at 01-04-2024	112.30	3,175.87	3,288.18
Balance as at 31.03.2025	83.30	2,947.32	3,030.62
Balance as at 31.03.2026	54.30	2,718.77	2,773.07

Note NO. - 1B Intangible Assets				(Rs. Crores)
Cost	Software Licences	Mine Development Rights	Mine Licence*	Total
Gross Amount				
Balance as at 01-04-2024	40.23	-	-	40.23
Addition	1.02	-	-	1.02
Deduction	-	-	-	-
Balance as at 31.03.2025	41.25	-	-	41.25
Addition	0.20	61.19	151.97	213.36
Deduction	0.66	-	-	0.66
Balance as at 31.03.2026	40.79	61.19	151.97	253.95
Accumulated Amortisation				
Balance as at 01-04-2024	37.76	-	-	37.76
Addition	1.18	-	-	1.18
Deduction	-	-	-	-
Balance as at 31.03.2025	38.94	-	-	38.94
Addition	1.43	0.25	0.42	2.11
Deduction/Adjustments	0.61	-	-	0.61
Balance as at 31.03.2026	39.76	0.25	0.42	40.43
Net Carrying Amount				
Balance as at 01-04-2024	2.47	-	-	2.47
Balance as at 31.03.2025	2.31	-	-	2.31
Balance as at 31.03.2026	1.04	60.94	151.54	213.52
(* Refer Note No.43 (I))				

Note no. 1C Assets classified as held for sale			(Rs. Crores)
Non-current assets held for sale	31.03.2026	31.03.2025	
Investment in Chhattisgarh Katghoara Dongargarh Railway Limited	0.52	0.52	
Less : Provision for obsolescence	(0.52)	(0.52)	
Total	-	-	
Refer Note No.43(D)			



Note No 1D : Title Deeds of Immovable Properties not held in the name of the Company

Relevant Line items in the Balance sheet	Item category Balance sheet	Description of item of property	Gross carrying value (Rs. crores) as on 31.03.2026	Gross carrying value (Rs. crores) as on 31.03.2025	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reasons for not being held in the name of the company
Freehold Land								
Bhusawal	Property, plant and equipment	Land	0.24	0.24	Office of Mahagenco	No	05.06.2005	Transferring of title in the registered name of the Company is in process
Chandrapur	Property, plant and equipment	Land	1.24	1.24	Office of Mahagenco	No	05.06.2005	Transferring of title in the registered name of the Company is in process
Nashik	Property, plant and equipment	Land	3.75	3.75	Office of Mahagenco	No	05.06.2005	Transferring of title in the registered name of the Company is in process
Paras	Property, plant and equipment	Land	22.75	16.68	Office of Mahagenco	No	05.06.2005	Transferring of title in the registered name of the Company is in process
Khaperkheda	Property, plant and equipment	Land	23.71	23.71	Office of Mahagenco	No	05.06.2005	Transferring of title in the registered name of the Company is in process
S.E.(GEN) COAL NAGPUR	Property, plant and equipment	Land	0.01	0.01	Office of Mahagenco	No	05.06.2005	Transferring of title in the registered name of the Company is in process
Shirsuphal	Property, plant and equipment	Land	12.22	11.31	Office of Mahagenco	No	05.06.2005	Transferring of title in the registered name of the Company is in process
Ho Solar and Civil	Property, plant and equipment	Land	12.95	12.95	Office of Mahagenco	No	05.06.2005	Transferring of title in the registered name of the Company is in process
Sakri Solar	Property, plant and equipment	Land	42.03	42.03	Office of Mahagenco	No	05.06.2005	Transferring of title in the registered name of the Company is in process
Parli	Property, plant and equipment	Land	25.09	25.68	In the name of Landowner	No	05.06.2005	Transferring of title in the registered name of the Company is in process
Bhatghar	Property, plant and equipment	Land	0.03	0.03	Office of Mahagenco	No	05.06.2005	Transferring of title in the registered name of the Company is in process
Lease Hold Land								
Uran	Property, plant and equipment	Land	69.76	69.76	MSEB	No	05.06.2005	Transferring of title in the registered name of the Company is in process
Uran	Property, plant and equipment	Land	61.26	61.26	lease deed not executed	No	05.06.2005	



Note No 1D : Title Deeds of Immovable Properties not held in the name of the Company

Relevant Line items in the Balance sheet	Item category Balance sheet	Description of item of property	Gross carrying value (Rs. crores) as on 31.03.2026	Net carrying value (Rs. crores) as on 31.03.2026	Net carrying value (Rs. crores) as on 31.03.2025	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reasons for not being held in the name of the company
Right to use a leased asset (ROU)									
Koyna Stage I	Property, plant and equipment	Land	104.99	68.24	73.49	Lease deed not renewed	No	05.06.2005	
Koyna Stage IV	Property, plant and equipment	Land	2,190.85	1,168.45	1,314.51	Lease deed not renewed	No	05.06.2005	
Terwanmedhe	Property, plant and equipment	Land	4.35	2.32	2.61	Lease deed not renewed	No	05.06.2005	
Dudhganga	Property, plant and equipment	Land	107.44	60.44	67.15	Lease deed not renewed	No	05.06.2005	
Manikdoh	Property, plant and equipment	Land	37.50	18.75	21.43	Lease deed not renewed	No	05.06.2005	
Dimbhe	Property, plant and equipment	Land	29.49	14.74	16.85	Lease deed not renewed	No	05.06.2005	
Ujjani	Property, plant and equipment	Land	74.01	16.45	24.67	Lease deed not renewed	No	05.06.2005	
Warna	Property, plant and equipment	Land	68.72	34.36	39.27	Lease deed not renewed	No	05.06.2005	
Surya	Property, plant and equipment	Land	52.25	27.87	31.35	Lease deed not renewed	No	05.06.2005	
Surya B	Property, plant and equipment	Land	15.43	8.23	9.26	Lease deed not renewed	No	05.06.2005	
Ghatghar	Property, plant and equipment	Land	1,815.64	1,307.26	1,379.89	Lease deed not renewed	No	05.06.2005	

Note : Hydro power station owned by irrigation department Govt. of Maharashtra are operated by the company under lease arrangement. The lease agreement in respect of these stations are under the process of renewal.



Capital Work in Progress											(Rs. Crores)
	TOTAL Tangible CWIP	Factory Buildings	Other Buildings	Railway Sidings	Roads & Others	Plant & Machinery	Vehicles	Furniture & Fixtures	Office equipment	Intangible Assets	
Balance as at 01-04-2024	7,259.71	1,833.90	38.53	29.21	1.98	5,352.25	0.00	-	3.84	642.08	
Addition	716.30		0.21	10.28		688.73	0.18	-	16.90	300.02	
Deletion	5,665.26	1,311.89	1.93	8.37		4,340.14	-	-	2.92	-	
Balance as at 31.03.2025	2,310.76	522.01	36.82	31.12	1.98	1,700.84	0.18	-	17.82	942.10	
Addition	3,137.21	447.00	98.91	0.02	34.80	2,503.70	0.09	4.42	48.27	134.01	
Deletion/Adjustment	546.87	70.49	5.60	(23.08)	35.24	443.44	0.18	-	15.01	191.42	
Balance as at 31.03.2026	4,901.10	898.52	130.13	54.22	1.54	3,761.10	0.09	4.42	51.09	884.69	
Net Capital Work in Progress											
Less:- Provision for obsolescence	65.93					65.93					
Balance as at 01-04-2024	7,193.78	1,570.18	32.42	22.06	1.98	4,129.82	0.00	-	0.84	574.16	
Less:- Provision for obsolescence	36.54					36.54					
Balance as at 31.03.2025	2,274.22	522.01	36.82	31.12	1.98	1,664.30	0.18	-	17.82	942.10	
Less:- Provision for obsolescence	-					-					
Balance as at 31.03.2026	4,901.10	898.52	130.13	54.22	1.54	3,761.10	0.09	4.42	51.09	884.69	

Note:- Capital Work In Progress in respect of Intangible Assets comprise of Development of coal Mine of Gare-Palma Mine.

Note:- Capital Work In Progress in respect of Intangible Assets comprise of Development of coal Mine of Gare-Palma Mine.



Note No 2 A) : Capital Work In Progress Aging Schedule as at 31.03.2026

(Rs. crores)

Particulars	Amount in CWIP for a period of:				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
CWIP -Other	267.66	172.25	5.75	30.07	475.72
CWIP - Freehold Land	-	-	-	-	-
CWIP - Factory Buildings	416.21	33.07	2.68	446.56	898.52
CWIP - Other Buildings	130.07	-	-	0.06	130.13
CWIP - Hydraulic works	-	-	-	-	-
CWIP - Railway Sidings	0.02	-	-	1.51	1.54
CWIP - Roads & Others	35.27	9.74	6.67	2.53	54.22
CWIP - Plant & Machinery	2,485.43	545.16	185.64	64.55	3,280.79
CWIP - AOH Plant & Machinery	4.59	-	-	-	4.59
CWIP - Furniture & Fixtures	4.42	-	-	-	4.42
CWIP - Vehicle	0.09	-	-	-	0.09
CWIP - Office equipment	0.00	-	-	0.92	0.92
CWIP - IT equipment for OPEX	50.17	-	-	-	50.17
Total Project in progress As on 31.03.2026	3,393.93	760.23	200.73	546.20	4,901.10
Less: Provision for Obsolescences	-	-	-	-	-
Total	3,393.93	760.23	200.73	546.20	4,901.10

72

Note No 2 A) : Capital Work In Progress Aging Schedule as at 31.03.2025

(Rs. crores)

CWIP	Amount in CWIP for a period of:				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
CWIP -Other	10.45	5.11	4.97	18.72	39.26
CWIP - Freehold Land	-	-	-	-	-
CWIP - Factory Buildings	22.22	63.70	109.51	326.58	522.01
CWIP - Other Buildings	0.00	-	-	36.82	36.82
CWIP - Hydraulic works	-	-	-	-	-
CWIP - Railway Sidings	-	10.18	0.10	3.39	13.67
CWIP - Roads & Others	5.33	2.03	-	12.07	19.42
CWIP - Plant & Machinery	407.69	660.99	117.94	474.95	1,661.58
CWIP - Furniture & Fixtures	-	-	-	-	-
CWIP - Vehicle	0.18	-	-	0.00	0.18
CWIP - Office equipment	0.00	0.00	-	0.92	0.92
CWIP - IT equipment for OPEX	16.90	-	-	-	16.90
Total Project in progress As on 31.03.2025	462.78	742.02	232.52	873.44	2,310.76
Less: Provision for Obsolescences	-	-	-	36.54	36.54
Total	462.78	742.02	232.52	836.90	2,274.22



Note No 2 A) : Intangible Assets under development aging schedule

Intangible assets under development	Amount in Intangible Asset under development for the period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Project in progress As on 31.03.2025	-	-	2.67	939.44		942.10
Projects temporarily suspended As on 31.03.2025	-	-	-	-		-
Project in progress As on 31.03.2026	-	-	-	884.69		884.69
Projects temporarily suspended As on 31.03.2026	-	-	-	-		-

Note No 2 B) : Capital Work In Progress Completion Schedule as on 31.03.2026

Particulars	To be completed in					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
CWIP -Other	267.66	172.25	5.75	30.07		475.72
CWIP - Freehold Land	-	-	-	-		-
CWIP - Factory Buildings	607.42	4.88	0.58	285.65		898.52
CWIP - Other Buildings	103.66	26.42	0.05	-		130.13
CWIP - Hydraulic works	-	-	-	-		-
CWIP - Railway Sidings	0.13	1.41	-	-		1.54
CWIP - Roads & Others	8.88	45.33	-	-		54.22
CWIP - Plant & Machinery	2,836.52	183.49	172.93	87.85		3,280.79
CWIP - AOH Plant & Machinery	4.59	-	-	-		4.59
CWIP - Line cables & network	-	-	-	-		-
CWIP - Vehicle	0.09	-	-	-		0.09
CWIP - Furniture & Fixtures	4.42	-	-	-		4.42
CWIP - Office equipment	0.00	-	-	0.92		0.92
CWIP - IT equipment for OPEX	50.17	-	-	-		50.17
CWIP Completion Schedule As on As on 31.03.2026	3,883.53	433.78	179.30	404.48		4,901.10
Less: Provision for Obsolesces						-
Total	3,883.53	433.78	179.30	404.48		4,901.10



Note No 2 B) : Capital Work In Progress Completion Schedule as on 31.03.2025

(Rs. crores)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
CWIP -Other	15.48	9.86	8.69	5.22	39.26
CWIP - Freehold Land	-	-	-	-	-
CWIP - Factory Buildings	147.45	89.74	26.31	258.52	522.01
CWIP - Other Buildings	36.76	-	-	0.05	36.82
CWIP - Hydraulic works	-	-	-	-	-
CWIP - Railway Sidings	13.67	-	-	-	13.67
CWIP - Roads & Others	12.75	6.67	-	-	19.42
CWIP - Plant & Machinery	1,315.24	321.67	24.67	-	1,661.58
CWIP - Vehicle	0.18	-	-	-	0.18
CWIP - Furniture & Fixtures	-	-	-	-	-
CWIP - Office equipment	-	-	0.92	-	0.92
CWIP - IT equipment for OPEX	15.03	1.88	-	-	16.90
Total Project in progress As on 31.03.2025	1,556.57	429.82	60.58	263.79	2,310.76
Less: Provision for Obsolesces	-	-	-	36.54	36.54
Total	1,556.57	429.82	60.58	227.25	2,274.22

Note No 2 B) : Intangible Assets under development completion schedule

(Rs. crores)

Intangible Assets under development	To be completed in			Total
	Less than 1 year	1-2 years	2-3 years	
As on 31.03.2025	939.44	-	2.67	942.10
As on 31.03.2026	48.43	53.05	253.73	884.69



31.03.2026

31.03.2025

3 Non-Current, Long Term, Investment in Subsidiaries, Associates and Joint Ventures**Investments in equity instruments at cost less impairment****Un - Quoted****Investment in Subsidiaries**

MAHAGENCO Renewable Energy Limited (formerly
Mahagenco ASH Management Services LTD) - 100% owned

1,00,50,000 (P.Y. 1,00,50,000) Equity shares of Rs 10 each
fully paid up

10.05

10.05

Quasi Equity investment

8.85

4.06

18.90

14.11

Dhopave Coastal Power Limited -100% owned

50,000 (P.Y. 50,000) Equity shares of Rs 10 each fully paid up

0.05

0.05

Quasi Equity investment

6.21

6.20

Less : Allowance for Expected Credit Loss & impairment in the
value of investment

(6.26)

(6.25)

-

0.00

Mahaguj Collieries Limited- 60% owned

30,000(P.Y. 30,000) Equity shares of Rs 10 each fully paid up

0.03

0.03

Quasi Equity investment

41.54

41.43

Less : Allowance for Expected Credit Loss & impairment in the
value of investment

(41.57)

(41.46)

-

-

Investment in Associates

UCM Coal Company Limited - 18.75% owned

30,000 (P.Y. 30,000) Equity shares of Rs 10 each fully paid up

0.03

0.03

Quasi Equity investment

0.56

0.56

Less : Allowance for Expected Credit Loss & impairment in the
value of investment

(0.59)

(0.59)

-

-

Investment in Joint Ventures

MAHAGENCO NTPC Green Energy Private Limited - 50%

25,00,000 (P.Y. 50,000) Equity shares of Rs 10 each fully paid up

2.50

0.05

Equity shares in Sinnar Thermal Power Plant - 50%

380.01

-

3,80,01,400 (P.Y. Nil) Equity shares of Rs 10 each fully paid up

401.41

14.16

Grand Total

(Note:- The advances provided to subsidiary / associate companies neither have specific repayment terms nor bearing interest. Hence the same have been termed as quasi-equity.)

Aggregate carrying value of unquoted investments in
Subsidiaries

66.72

61.82

Aggregate carrying value of unquoted investments in
Associates

0.59

0.59

Aggregate carrying value of unquoted investments in Joint
Venture

382.51

0.05

Aggregate amount of impairment in the value of investments

(48.41)

(48.30)

3A Non Current Assets-Bank Deposits

Bank Deposits with more than 12 months maturity *

0.02

100.00

0.02

100.00

* P.Y. A Fixed Deposit is maintained under lien with SBI for the purpose of providing the Debt Service Reserve Account (DSRA), in compliance with the pre-disbursement conditions

3B Non Current Assets-Trade Receivables

Unsecured considered good;

1,150.08

Less:- Allowance for Expected Credit Loss

(13.41)

1,136.67



Notes to the Financial Statements as at 31st March, 2026		(Rs. Crores)
	31.03.2026	31.03.2025
4 Other Non-Current Assets		
Advances for O&M Supplies/ recoverables	433.28	446.03
Less:- Provision for doubtful debts	(433.28)	(446.03)
	-	-
Advances for fuel supplies/Others	203.60	203.60
Less:- Provision for doubtful debts	(203.60)	(203.60)
	-	-
Advance to Irrigation Department Government of Maharashtra	142.00	142.00
Less:- Provision for doubtful debts	(76.21)	(76.21)
	65.79	65.79
Recoverable from Employee (Refer Note 43K)	2.91	-
Less:- Provision for doubtful debts	(2.91)	-
	-	-
Income Tax Refundable (net of provisions)	408.70	405.13
Loan on account of Guarantee (Refer Note 43M)	31.84	-
Capital advances	1,690.43	1,043.67
	2,196.75	1,514.59
5 Current Assets-Inventories		
Raw materials (Coal)	1,151.61	1,699.64
Coal stock with third parties (Refer Note No. 43 (E))	1,397.06	1,090.82
Fuel Oil, LDO etc	418.46	309.79
Stock-in-transit (Coal & Oil)	134.14	114.47
Stores and spares	905.53	959.72
Less : Provision for Obsolescence of stores and spares	(353.92)	(399.82)
Less : Provision for material shortage pending final assessment	(208.47)	(121.00)
	3,444.41	3,653.62
6 Current Assets - Trade Receivables		
Unsecured considered good;	30,690.53	27,581.07
Unbilled Receivables	3,514.33	6,095.06
Less: Allowance for Expected Credit Loss	(6,564.93)	(3,263.27)
	27,639.93	30,412.86
(Refer Note 43A for LPS and Unbilled Receivables and Refer Note 43C)		



Note No 6 A): Trade Receivables

1) Trade Receivables ageing schedule as on 31.03.2026

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivable- considered good	3,514.33	9,178.73	10,825.63	3,632.00	106.99	157.97	224.28	27,639.93
ii) Undisputed Trade Receivable- which have significant increase in credit risk								-
iii) Undisputed Trade Receivable- credit impaired								-
iv) Disputed Trade receivable- considered good								-
v) Disputed Trade Receivable- which have significant increase in credit risk								-
vi) Disputed Trade Receivable- credit impaired					6,564.93			6,564.93
Less: Allowance for Expected Credit Loss					6,564.93			6,564.93
Balance	3,514.33	9,178.73	10,825.63	3,632.00	106.99	157.97	224.28	27,639.93

2) Trade Receivables ageing schedule as on 31.03.2025

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivable- considered good	6,095.06	7,937.63	10,231.94	7,090.42	17.77	20.31	156.40	31,549.53
ii) Undisputed Trade Receivable- which have significant increase in credit risk								-
iii) Undisputed Trade Receivable- credit impaired								-
iv) Disputed Trade receivable- considered good								-
v) Disputed Trade Receivable- which have significant increase in credit risk								-
vi) Disputed Trade Receivable- credit impaired				3,263.27				3,263.27
Less: Allowance for Expected Credit Loss				3,263.27				3,263.27
Balance	6,095.06	7,937.63	10,231.94	7,090.42	17.77	20.31	156.40	31,549.53



Notes to the Financial Statements as at 31st March, 2026		(Rs. Crores)
	31.03.2026	31.03.2025
7 Current Assets-Cash and Cash Equivalents		
Balances with Banks: -		
- on Saving Accounts*	4.27	4.27
- on Current Accounts	3.19	-
Cash Equivalents:-		
Cash on Hand	0.00	0.01
	7.47	4.28
*Note: As per the directives received from the Industry, Energy and Labour Department, Government of Maharashtra, vide letter dated 17.04.2023, the interest earned on funds disbursed under the Special Assistance Scheme is required to be transferred to the original State Government account (parent account).		
7A Current Assets - Bank balances other than cash and cash equivalents		
ESCROW A/c Balance (Refer Note 43H)	12.55	-
Deposits with original maturity of more than three months and maturing within one year	99.75	94.51
	112.30	94.51
8 Current Assets-Current Loans		
Unsecured, considered good		
Employee loans and advances	1.18	1.35
Related Party Loan	1,544.77	-
	1,545.94	1.35
(Note: Loan provided to Sinnar Thermal Power Limited to repaid entirely at the end of 6 months @ 8.00% p.a.)		
9 Other Current Financial Assets		
Unsecured, considered good		
Recoverables from Employees	5.15	5.33
Rent Receivable	4.24	12.72
Claims receivable	118.52	118.80
Deposit paid	216.46	217.92
Recoverable from Contractors	56.92	56.92
	401.29	411.69
10 Current Assets-Other Assets		
Prepaid Expenses	49.27	44.55
Deferred Govt. Guarantee fees	2.76	-
Tax claims	25.84	26.15
Advances for O & M supplies / works	88.56	59.75
Advances for fuel supplies/Others	359.33	958.45
	525.77	1,088.92



Note No. 11									
SHARE CAPITAL									
i) Authorised Capital									
Class of Share	Face value	Balance as at 31.03.2026		Balance as at 31.03.2025					
Equity Shares	10	No. of Shares	(Amount in Rs. Crores)	No. of Shares	(Amount in Rs. Crores)				
		40,00,00,00,000	40,000.00	40,00,00,00,000	40,000.00				
ii) Issued,Subscribed and paid up Capital (Fully Paid-up)									
Class of Share	Face value	Balance as at 31.03.2026		Balance as at 31.03.2025					
Equity Shares	10	No. of Shares	(Amount in Rs. Crores)	No. of Shares	(Amount in Rs. Crores)				
		26,30,41,86,341	26,304.19	26,30,41,86,341	26,304.19				
iii) Reconciliation of Number of Shares Outstanding									
Class of Share	Balance as at 31.03.2026		Balance as at 31.03.2025						
	Equity Shares		Equity Shares						
Outstanding at the beginning of the year	No. of Shares	(Amount in Rs. Crores)	No. of Shares	(Amount in Rs. Crores)					
Addition during the period	26,30,41,86,341	26,304.19	26,11,53,97,229	26,115.40					
Outstanding at the end of the year	26,30,41,86,341	26,304.19	18,87,89,112	188.79					
iv) The rights, preferences, restrictions including restrictions on the distributions of dividends and repayment of capital									
(1) The Company is having only one class of shares i.e Equity carrying a nominal value of Rs. 10/- per share.									
(2) Company is 100% subsidiary of MSEB Holding Company Ltd., which is entitled to 100% vote. The dividend, proposed by Board of Directors is subject to approval of the shareholders in the Annual General Meeting, if any.									
(3) Shareholders of the Company have a right to receive dividend whenever such dividend is approved.									
(4) In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution / repayment of all creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder									
v) Shares in respect of each class held by Holding Company									
Name of Shareholder	Balance as at 31.03.2026		Balance as at 31.03.2025						
	Equity Shares		Equity Shares						
MSEB Holding Company Ltd. (Nos.)	26,30,41,86,341		26,30,41,86,341						
MSEB Holding Company Ltd. (Amount in Rs. Crores)	26,304.19		26,304.19						
vi) Details of shares in the company held by each shareholder holding more than 5% shares and shares held by Holding company :									
Name of Shareholder		Balance as at 31.03.2026		Balance as at 31.03.2025					
		Equity Shares	% of Shares	% change during the year	Equity Shares				
MSEB Holding Company Ltd.		26,30,41,86,341	100.00	-	26,30,41,86,341				
SHAREHOLDING OF PROMOTERS									
Promoter Name		Balance as at 31.03.2026		Balance as at 31.03.2025					
		No of Shares	% of total shares	No of Shares	% of total shares				
MSEB Holding Company Ltd.		26,30,41,86,341	100.00	26,30,41,86,341	100.00				



Notes to the Financial Statements as at 31st March, 2026		(Rs. Crores)
	31.03.2026	31.03.2025
12 Other Equity		
(a) Retained Earnings		
As per last Balance Sheet	(9,901.66)	(10,205.72)
Add : Profit/(loss) for the year Non-OCI	426.70	359.97
Add : Profit/(loss) for the year OCI	25.28	(55.92)
	(9,449.68)	(9,901.66)
(b) Share Application Money Pending Allotment	-	-
(c) Deemed Capital Contribution (Refer Note 43M)	39.09	
Grand Total	(9,410.59)	(9,901.66)
13 Non Current Borrowings		
Term loans		
Secured		
Term Loan From Financial Institutions		
Power Finance Corporation Ltd	4,341.60	9,050.12
Rural Electrification Corporation Limited	10,623.16	12,820.51
Housing Urban Development Corporation	1,346.19	79.82
Indian Railway Finance Corporation	5,476.96	
Term Loan From Banks	4,613.89	2,059.38
Un - secured		
Loan from World Bank	239.39	233.98
Loan from Clean Sustainable Solar Energy Pvt Ltd.	117.78	134.91
Government of Maharashtra -Central Financial Assistance	8.01	7.32
	26,766.99	24,386.03
a) Refer Annexure A-Long term Borrowing for details regarding Nature of loan, security offered, mode of repayment etc.		
b) The outstanding Long term loans from banks carry fixed interest rate ranging between 7.49% to 11.40% (P.Y. 8.40% to 11.28%) p.a. repayable on due dates, in line with respective arrangements with the lender banks.		
c) Refer Note no 33 for Assets hypothecated / mortgaged as security for current and non-current borrowings		
13A Non Current Lease Liabilities		
Lease Liability-Ind AS 116 (Refer Note 45)	2,466.43	2,673.82
	2,466.43	2,673.82
14 Non Current Provisions		
Provision for Gratuity	836.34	818.69
Provision for Leave Encashment	942.41	867.76
	1,778.75	1,686.45



Tax Reconciliation

Note : 15 - Deferred tax liabilities (Net)

(a) Tax Expense recognised in profit and loss

Rs. in Crores

	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax expense		
Current year	-	-
Changes in estimates relating to prior years	-	-
Total (A)	-	-
Deferred tax expense		
Origination and reversal of temporary differences	261.92	235.97
Change in tax rate	-	-
Changes in estimates relating to prior years	-	-
Total (B)	261.92	235.97
Tax expense recognised in the income statement (A+B)	261.92	235.97

(b) Tax expense recognised in other comprehensive income

	For the year ended March 31, 2026		
	Before tax	Tax expense/ (benefit)	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	33.78	8.50	25.28
	33.78	8.50	25.28

	For the year ended March 31, 2025		
	Before tax	Tax expense/ (benefit)	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(74.72)	18.81	(55.92)
	(74.72)	18.81	(55.92)

(c) Reconciliation of effective tax rate

	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	688.64	595.95
Applicable tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	173.32	149.99
Change in tax rate	-	-
Tax effect of:		
Non-deductible expenses	4.51	6.96
Timing Difference on account of		
- For Depreciation and other items	31.69	41.15
- Impairment of financial assets	(905.54)	(700.56)
- Expenditure allowable on actual payment basis	924.11	694.49
- Amortisation of lease liabilities	46.49	43.77
Deferred Tax adjustment for earlier years	(4.15)	(20.90)
CSR Expenditure not deductible	-	2.28
Tax expense	270.43	217.17
Effective tax rate	39.27%	36.44%



(d) Movement in deferred tax balances

Rs. in Crores

	March 31, 2026					
	Net balance April 1, 2025	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(4,008.58)	41.68	-	(3,966.91)	-	(3,966.91)
Investments	(0.34)	12.65	-	12.31	12.31	-
Inventories	-	-	-	-	-	-
Unwinding of Fair valuation of Trade Receivable	65.44	(62.06)	-	3.37	3.37	-
Lease Liabilities	719.43	(46.49)	-	672.95	672.95	-
Provisions	489.13	26.13	(8.50)	506.76	506.76	-
Unabsorbed Depreciation	1,518.86	(1,120.28)	-	398.58	398.58	-
Loans and Advances / Receivables	941.92	886.44	-	1,828.36	1,828.36	-
Tax assets (Liabilities)	(274.15)	(261.92)	(8.50)	(544.58)	3,422.33	(3,966.91)

	March 31, 2025					
	Net balance April 1, 2024	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(4,085.33)	76.75	-	(4,008.58)	-	(4,008.58)
Investments	24.74	(12.45)	-	(0.34)	(0.34)	-
Inventories	-	-	-	-	-	-
Unwinding of Fair valuation of Trade Receivable	199.93	(134.50)	-	65.44	65.44	-
Lease Liabilities	763.20	(43.77)	-	719.43	719.43	-
Provisions	449.70	8.00	18.81	489.13	489.13	-
Unabsorbed Depreciation	2,403.40	(884.54)	-	1,518.86	1,518.86	-
Loans and Advances / Receivables	187.38	754.54	-	941.92	941.92	-
Tax assets (Liabilities)	(56.98)	(235.97)	18.81	(274.15)	3,734.43	(4,008.58)



Notes to the Financial Statements as at 31st March, 2026		(Rs. Crores)
	31.03.2026	31.03.2025
16 Other Non-Current Liabilities		
Deferred Grant-Govt of Maharashtra (Refer Note no.30)	571.58	556.76
Income Tax Provisions (net of Advance tax)	62.73	62.92
Retentions & Payables	289.46	289.46
Deposit for Mine Closure Activity	12.55	-
Mine Closure Liability GP-II	4.32	-
	940.64	909.14
17 Current Borrowings		
Loans repayable on demand		
Secured		
from banks		
Working Capital	4,530.88	8,671.54
Overdraft	0.88	25.86
Current maturities of Long Term Borrowings	6,635.15	6,010.72
Unsecured		
from banks		
Working Capital	2,583.33	2,246.67
Other Short Term Loans		
	13,750.24	16,954.79
a) Refer Annexure B-Short term Borrowing for details regarding Nature of loan, security offered, mode of repayment etc.		
b) The outstanding short term working capital loans from banks carry fixed interest rate ranging between 7.65% to 11.40% (P.Y. 7.78% to 11.10%) p.a. repayable on due dates, in line with respective arrangements with the lender banks.		
c) Refer Note no 33 for Assets hypothecated / mortgaged as security for current and non-current borrowings		
17A Current Lease Liabilities		
Lease Liability-Ind AS 116 (Refer Note 45)	207.38	184.71
	207.38	184.71
18 Current Trade Payables		
Micro, Small and Medium Enterprises (MSME) (Refer Note 35)	0.16	1.07
Other than MSME	10,160.52	10,605.67
	10,160.68	10,606.73



Note No 18 A): Trade Payables

1) Trade Payables aging schedule as on 31.03.2026 (Rs. crores)

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
i) MSME	0.16	-	-	0.16
ii) Others	5,544.12	450.74	387.11	3,778.51
iii) Disputed dues-MSME				10,160.47
iv) Disputed dues-Others				

2) Trade Payables aging schedule as on 31.03.2025 (Rs. crores)

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
i) MSME	1.07			1.07
ii) Others	5,851.23	885.53	350.82	3,518.09
iii) Disputed dues-MSME				10,605.67
iv) Disputed dues-Others				



19 Other Current Financial Liabilities		
Retentions & Payables	1,827.54	1,390.92
Other Deposits	269.99	224.13
Interest accrued but not due	93.72	125.61
Payables for Capital goods	107.44	134.09
Related Party Payables for expenses	806.69	798.08
Provision for Fly ash utilisation Fund (Refer Note 31)	536.80	401.75
Special Allowance Asset Fund (Refer Note 43N)	63.32	-
Payable to Government	741.11	709.04
Payable to employees	127.68	303.89
Others	274.69	178.78
	4,848.96	4,266.30
20 Other Current Liabilities		
Statutory Dues		
TDS and TCS Payable	64.59	95.18
Tax on Sale of Electricity & Electricity Duty Payable	0.19	0.18
GST Liabilities	59.84	57.27
Professional Tax Liability	0.16	0.16
Other Payables	90.05	-
	214.83	152.79
21 Current Provisions		
Provision for Gratuity	71.89	99.79
Provision for Leave Encashment	142.72	157.21
	214.61	257.00



Notes to the Financial Statements for the year ended 31st March, 2026		(Rs. Crores)
	For the year ended 31.03.2026	For the year ended 31.03.2025
22 Sale of Products		
Sale of Power	35,691.85	34,463.71
Fuel Adjustment Charges	(529.40)	(107.93)
	35,162.45	34,355.78
(Note for C.Y : The above sale of power Rs 35691.39 crores includes Supplementary Energy bill of Rs 1815.63 crores, allowed by MERC order in case No. 336 dt.03.11.2025 in pursuance of APTEL' Judgment)		
(Note for P.Y.: The above sale of power Rs 34463.71 crores includes Net True -up bill of Rs 2814.42 crores, allowed by MERC order in case No.187 dt. 28.03.2025)		
23 Other Operating Revenues		
Rejected Coal	30.91	78.47
IPP Sale of Coal	186.59	193.26
Sale of Fly Ash	174.49	135.72
Less:- Transferred to Fly Ash Liability	(174.49)	(135.72)
	217.50	271.73
24 Other Income		
Interest Income on Financial Assets carried at amortized cost:		
Interest income	23.29	3.91
	23.29	3.91
Late payment surcharge (Refer Note No.43(A))	3,534.84	3,149.83
Income from rent, hire charges etc.	5.82	5.37
Sale of stores/scrap	43.23	29.54
Sale of tender forms	3.00	1.58
Sundry Credit balance write Back	46.66	81.79
Reversal of Provision	41.77	10.78
Other receipts	242.08	423.27
	3,917.41	3,702.16
Total Other Income	3,940.70	3,706.07
25 Cost of Materials Consumed		
Coal	19,955.04	20,800.96
Gas	1,550.50	1,326.36
Oil	399.62	483.55
Water	632.58	527.52
	22,537.74	23,138.38
25A IPP Power/Coal Purchased		
Purchase of Power	472.32	531.36
IPP Purchase of coal	180.32	193.33
	652.63	724.68
26 Employee Benefits Expense		
Salaries, Wages, Bonus, etc.	1,643.69	1,630.19
Less Salaries capitalised	(68.62)	(78.67)
Contribution to Provident Fund	170.27	164.19
Gratuity, Leave Encashment and Other Employee Benefits	297.60	260.45
Employee Welfare Expenses	149.90	180.01
	2,192.84	2,156.17
26A Employee Benefits Expense under OCI		
Remeasurements of the defined benefit plans	(33.78)	74.72
27 Finance costs		
Interest on Lease Liability	293.00	310.81
Interest on Long term Loan	3,119.22	3,065.64
Interest on Working Capital	571.34	684.31
Exchange difference regarded as an adjustment to borrowing cost	9.37	6.23
Less:- Interest Capitalised	(223.17)	(453.49)
Other borrowing costs	88.07	12.52
	3,857.83	3,626.03



	For the year ended 31.03.2026	For the year ended 31.03.2025
28 Other Expenses		
Rent	1.80	1.51
Hydro Lease rent	78.92	80.17
Repairs and Maintenance on:-		
- Plant & machinery & Building	1,881.62	1,761.30
- Repair & Maintenance - Others	0.96	0.71
Insurance charges	32.23	26.82
Rates and taxes	50.65	50.43
Lubricants, consumables & stores	3.52	9.31
Domestic water	0.21	0.23
Legal and professional charges	85.52	74.96
Commission to agents	0.02	-
Bank charges	9.48	14.86
Environmental Clearence/Welfare activity(Refer Note 40)	22.99	9.05
Provision for doubtful advances	(0.84)	170.71
Allowance for Expected Credit Loss	3,534.84	2,833.00
Security Expenses	279.08	173.45
Upkeep of office	71.11	66.31
Expenditure on hire charges of Taxi / Vehicle for	56.31	51.97
Other general expenses	98.76	98.00
Loss due to theft or natural calamities(Refer Note 43K)	2.91	-
Loss due to scrapping	27.98	0.01
Loss on foreign exchange variance (Net)	15.89	6.83
Deviation Settlement Mechanism (DSM) Charges	183.45	216.93
Payments to the auditors for:		
- Audit fees	0.90	0.81
- Other services	0.02	-
- Reimbursement of expenses	0.01	0.03
- Reimbursement of tax	0.16	0.09
Total	6,438.50	5,647.50
28A Deferred Tax Expenses		
Non OCI Deferred Tax gain /(Expenditure)	261.92	235.97
OCI Items Deferred Tax gain /(Expenditure)	8.50	(18.81)
	270.43	217.17
28B Exceptional Item		
Fair Value Adjustment	-	-
Unwinding of Interest	(246.59)	(534.39)
	(246.59)	(534.39)



Note No:- 29

Notes to the financial statements

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

Defined Benefit Plans

(i) Provident Fund:

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

(b) The provident fund plan of the Company is operated by the "MSEB Contributory Provident Fund Trust" (the "Trust"). Eligible employees receive benefits from the said Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plans equal to a specified percentage of the covered employee's salary. The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any. During the year, based on unaudited account liabilities recognised in Profit & Loss account is Rs. 20.13 Crores (P.Y. Rs. Nil crores)

Description of Plan Assets as per Management Accounts

Particulars	31st March, 2026	31st March, 2025
Category - i (a) GOI & SDL	56.66%	46.62%
Category - i (b) State / Central Govt. Guaranteed	0.00%	9.95%
Category - ii (a) Debt Instrument	21.34%	20.95%
Category - ii (b) Perpetual bank Bond	0.00%	1.82%
Category - iii SBI Overnight fund	0.36%	0.00%
Category - iv (c) Exchange Traded Funds	8.52%	5.98%
Category - v Investment Trust Bonds	0.11%	0.00%
SDS	13.01%	14.68%

(ii) Gratuity & Leave encashment:

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



GRATUITY**A. Movement in net defined benefit (asset) liability**

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

(Rs. Crores)

Defined benefit obligation		
Particulars	31st March, 2026	31st March, 2025
Opening balance	918.48	836.96
Interest Cost Included in profit or loss	62.73	60.26
Current service cost	50.88	44.68
Past service cost	-	-
Interest cost (income)	-	-
Total	1,032.09	941.90
Included in OCI		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Demographic assumptions		
Financial assumptions	(16.25)	25.96
Experience adjustment	(17.71)	48.76
Return on plan assets excluding interest income		
Total	(33.96)	74.72
Other		
Contributions paid by the employer		
Benefits paid	(89.90)	(98.14)
Closing balance	908.23	918.48
Represented by		
Net defined benefit asset	-	-
Net defined benefit liability	908.23	918.48
Total	908.23	918.48

B. Defined benefit obligations**i. Actuarial assumptions**

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

Particulars	31st March, 2026	31st March, 2025	31st March, 2024	31st March, 2023	31st March, 2022
Expected Return on Plan Assets	N.A.	N.A.	N.A.	N.A.	N.A.
Rate of Discounting	7.06%	6.83%	7.22%	7.52%	7.23%
Rate of Salary Increase	5.00%	5.00%	5.00%	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%	2.00%	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Ultimate)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)



ii. Sensitivity analysis

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

(Rs. Crores)

Particulars	31st March, 2026		31st March, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(33.66)	35.94	(33.04)	35.40
Future salary growth (0.5% movement)	36.53	(34.42)	35.86	(33.75)
Employee Turnover (0.5% movement)	5.78	(6.08)	5.00	(5.27)

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

iii. Maturity Analysis of Defined Benefit Obligation

Defined Benefits Payable in Future Years From the Date of Reporting

(Rs. Crores)

Particulars	31st March, 2026	31st March, 2025
1st Following Year	71.89	99.79
2nd Following Year	84.22	71.22
3rd Following Year	81.35	100.28
4th Following Year	93.09	82.19
5th Following Year	75.71	75.84
Sum of Years 6 To 10	331.98	334.85
Sum of Years 11 and above	1036.78	971.19

LEAVE ENCASHMENT

A. Movement in net defined benefit (asset) liability

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

(Rs. Crores)

Defined benefit obligation		
Particulars	31st March, 2026	31st March, 2025
Opening balance	1,024.97	949.84
Included in profit or loss (Interest Cost)	70.01	67.42
Current service cost	25.20	21.65
Past service cost	-	-
Interest cost (income)	-	-
Total	1,120.18	1,038.91
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Demographic assumptions		
Financial assumptions	(21.23)	30.30
Experience adjustment	88.93	86.13
Return on plan assets excluding interest income		
Total	67.70	116.43
Other		
Contributions paid by the employer		
Benefits paid	(102.76)	(130.36)
Closing balance	1,085.13	1,024.97
Represented by		
Net defined benefit asset	-	-
Net defined benefit liability	1,085.13	1,024.97
Total	1,085.13	1,024.97



B. Defined benefit obligations**I. Actuarial assumptions**

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

Particulars	31st March, 2026	31st March, 2025	31st March, 2024	31st March, 2023	31st March, 2022
Expected Return on Plan Assets	N.A.	N.A.	N.A.	N.A.	N.A.
Rate of Discounting	7.23%	6.83%	7.22%	7.52%	7.23%
Rate of Salary Increase	5.00%	5.00%	5.00%	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%	2.00%	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Ultimate)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)



Note NO. 30		(Rs. Crores)
Capital / Government grants		
As on 01.04.2024		578.46
Received during FY 2024-25		0.00
Less: Grant returned / adjusted against Asset & Expenditure		18.25
Less: Government Grant amortised during FY 2024-25		3.45
As at 31.03.2025		556.76
Received during FY 2025-26		16.24
Less: Grant returned / adjusted against Asset & Expenditure		
Less: Government Grant amortised during FY 2025-26		1.41
As at 31.03.2026		571.58
Particulars	As at 31.03.2026	As at 31.03.2025
Current	-	-
Non-current	571.58	556.76
Total	571.58	556.76

(Refer Note no.16 and 20 - Capital / Government grants)

Note No. 31		(Rs. Crores)
Provision for Fly Ash Utilization		
Particulars	As at 31.03.2026	As at 31.03.2025
Opening balance	401.75	319.36
Add: Revenue from Sale of Fly ash	174.49	135.72
Less: Utilised during the year:		
- Capital expenditure	14.75	28.46
- Other Expenses	24.69	24.87
Closing balance	536.80	401.75

Note : Company transfers the revenue earned from sale of ash to a separate account head named Ash Utilisation Fund (GL 46433). Expenses in relation to ash utilization, are incurred through Ash Utilisation Fund.
In view of Government Resolution dated 19 Sep 2025 in respect of Mahagenco Ash Policy, the company has been permitted to utilise the Ash utilization fund for infrastructure facilities within premises of the company. In view of the company, the said GR does not stipulate parking of funds in separate bank account for this purpose.

Note No. 31 A

The details of quarterly returns / statement of stock and debtors filed by the company with banks / financial institutions

(Rs. Crores)							
Name of the Bank	Aggregate working capital limits sanctioned	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement	Amount as per books of account	Difference	Reasons for difference
Consortium Banks	10,500	Refer Note below	June 30,2025	28,780.20	33,184.04	(4,403.84)	Supplementary/ differential bills towards supply of energy get issued and accounted for in subsequent periods. Value adjustment in inventory
Consortium Banks	10,500	Refer Note below	September 30, 2025	30,866.66	33,817.17	(2,950.51)	Supplementary/ differential bills towards supply of energy get issued and accounted for in subsequent periods. Value adjustment in inventory
Consortium Banks	10,500	Refer Note below	December 31, 2025	30,900.87	34,838.62	(3,937.75)	Supplementary/ differential bills towards supply of energy get issued and accounted for in subsequent periods. Value adjustment in inventory
Consortium Banks	10,500	Refer Note below	March 31, 2026	30,414.93	34,107.63	(3,692.70)	Supplementary/ differential bills towards supply of energy get issued and accounted for in subsequent periods. Value adjustment in inventory

Note:- Pari-passu charge on the Company's entire current assets namely stock of raw materials, consumables stores and spares and book debts at its plant sites or anywhere else, in favour of the bank, by way of hypothecation.



Note No. 32**Investment in Related Party:****(Rs. Crores)**

Details of Transactions	MahaGuj Collieries Limited	Dhopave Coastal Power Limited	Mahagenco Renewable Energy Limited	UCM Coal Company Limited	Mahagenco NTPC Green Energy Private Limited	Sinnar Thermal Power Limited
As on 01.04.2024						
- Equity investement	0.03	0.05	0.05	0.03	-	-
-Quasi Equity investment	41.25	6.20	2.10	0.56	-	-
Equity investment during the year	-	-	10.00	-	0.05	-
Quasi Equity investment during the year	0.18	0.00	1.96	-	-	-
As at 31.03.2025						
- Equity investement	0.03	0.05	10.05	0.03	0.05	-
-Quasi Equity investment	41.43	6.20	4.06	0.56	-	-
Equity investment during the year	-	-	-	-	2.45	380.01
Quasi Equity investment during the year	0.10	0.00	4.79	-	0.00	-
As at 31.03.2026						
- Equity investement	0.03	0.05	10.05	0.03	2.50	380.01
-Quasi Equity investment	41.54	6.21	8.85	0.56	0.00	-

(Refer Note No. 3)

Note No. 33**Assets hypothecated / pledged as security**

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

(Rs. Crores)

Particulars	As at 31.03.2026	As at 31.03.2025
Security created in respect of Non-current Borrowings		
Property, plant and equipment excluding leasehold land	32,553.06	32,928.69
i) Inventories	3,444.53	3,653.62
ii) Trade receivables	27,639.93	30,413.65
Total assets as security	31,084.45	34,067.27

Note No. 33 A : Note on pending Creation/Satisfaction of Charge**(Rs. In Crores)**

Sr. No.	Name of Lender / Charge Holder	Amount of Charge	Date of Charge Creation / Modification	Charge ID / SRN (if available)	Reason for delay / Current Status
1	HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED	28.40	15/03/2013	B71955868	Charge will be satisfied upon receipt of No due certificate from lender
2	IL & FS TRUST COMPANY LIMITED	168.75	10/10/2014	C32014599	Charge will be satisfied upon receipt of No due certificate from lender
3	INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED	39.39	26/03/2013	B74496266	Charge will be satisfied upon receipt of No due certificate from lender
4	Union Bank of India	916.65	Charge not Created		Will be created before 31.10.2026
5	Indian Railway Finance Corporation	5000	Charge not Created		Will be created before 31.10.2026



Note No. :- 34

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

Note No. :- 35

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

(Rs. Crores)			
Sr. No.	Particulars	2025-26	2024-25
1	Amounts payable to "suppliers" under MSMED Act, as on 31/03/26: -		
	- Principal	0.16	1.07
	- Interest	0.41	2.18
2	Amounts paid to "suppliers" under MSMED Act, beyond appointed day during Current year (irrespective of whether it pertains to current year or earlier years) -		
	- Principal	32.18	82.50
	- Interest	0.11	0.31
3	Amount of interest due / payable on delayed principal which has already been paid/ adjusted during the current year (without interest or with part interest)	-	-
4	Amount accrued and remaining unpaid at the end of Accounting Year	0.57	3.25
5	Amount of interest which is due and payable, which is carried forward from last year	2.07	1.38

Note No. :- 36**Related Party Disclosure:****A. Names of and Relationship with Related Parties****1. Holding Entity**

- i. M/s MSEB Holding Company Limited

2. Associate entities

- i. M/s. UCM Coal Company Limited
- ii. M/s. Chhattisgarh Katghora Dongargarh Railway Limited (Refer Note No. 43(D))

3. Subsidiaries:

- i. M/s. Dhopave Coastal Power Limited
- ii. M/s. Mahagenco Renewable Energy Limited
- iii. M/s. Mahaguj Collieries Limited

4. Joint Venture

- i. M/s Mahagenco NTPC Green Energy Pvt. Ltd.
- ii. Sinnar Thermal Power Limited (w.e.f. 24.02.2026)

5. Fellow subsidiaries:

- i. M/s Maharashtra State Electricity Distribution Company Ltd.
- ii. M/s Maharashtra State Electricity Transmission Company Ltd.
- iii. MSEB Solar Agro Power Limited



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

1. Holding Entity

i. M/s MSEB Holding Company Limited

2. Associate entities

i. M/s. UCM Coal Company Limited

ii. M/s. Chhattisgarh Katghora Dongargarh Railway Limited (Refer Note No. 43(D))

3. Subsidiaries:

i. M/s. Dhopave Coastal Power Limited

ii. M/s. Mahagenco Renewable Energy Limited

iii. M/s. Mahaguj Collieries Limited

4. Joint Venture

i. M/s Mahagenco NTPC Green Energy Pvt. Ltd.

ii. Sinnar Thermal Power Limited (w.e.f. 24.02.2026)

5. Fellow subsidiaries:

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

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

iii. MSEB Solar Agro Power Limited

6. Key Management Personnel

Sr No	Executive Directors	Designation
1	IAS Shri Radhakrishnan B.	Chairman & Managing Director (w.e.f. 26.12.2024)
2	Shri. Balasaheb B. Thite	Director (Finance) (till 09.07.2025)
3	Shri. Manesh Waghirkar	Director (Finance) (w.e.f. 09.07.2025)
4	Shri. Abhay Harné	Director (Projects)
5	Shri. Sanjay Marudkar	Director (Operation) (till 06.02.2026)
6	Shri. Abhay Harné	Director (Operation) (l/c w.e.f. 07.02.2026)
7	Shri. Abhay Harné	Director (Fuel) (l/c w.e.f. 25.09.2024)
8	Shri Rahul Dubey	Company Secretary

7. Non Executive Directors

Sr No	Designation	Key Management Personnel Name
1	Director	Smt. Abha Shukla
2	Director	Shri. Vishwas Pathak



C. Remuneration paid to Related Party / Key Management Personnel

(Rs. Crores)

Sr No	Name of Related Party	Nature of Relationship	2025-26	2024-25
1	IAS Shri Radhakrishnan B.	Chairman & Managing Director	0.36	0.10
2	IAS DR P Anbalagan	Chairman & Managing Director	-	0.26
3	Shri. Balasaheb B. Thite	Director (Finance)	0.10	0.34
4	Shri. Manesh Waghirkar	Director (Finance)	0.28	-
5	Shri. Sanjay Marudkar	Director (Operation)	0.59	1.40
6	Shri. Abhay Harne	Director (Projects) /(Fuel)/ (Operation)	0.59	0.55
Remuneration to Key Managerial Persons				
1	Shri. Rahul Dubey	Company Secretary	0.60	0.51
2	Shri.Dhananjay Sawalkar	Executive Director (HR)	-	0.22
3	Shri. Nitin Chandurkar	Executive Director	0.66	0.60
4	Shri. Nitin Wagh	Executive Director	0.55	0.52
5	Shri. Rajesh Patil	Executive Director	0.47	0.56
6	Shri. Pankaj Sapate	Executive Director	0.52	0.56

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

D. Sitting Fee paid to Non-Executive Directors:

(Rs. Crores)

Details of Meeting	FY 2025-26	FY 2024-25
Shri. Vishwas Pathak		
Board	0.0025	0.002
Audit Committee	0.0015	0.0015
Total Sitting Fees Paid	0.0040	0.0035

Note No. :- 37

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

Particulars	Country of In Company	Nature of Investments	Percentage of ownership interest as on	
			As at 31.03.26	As at 31.03.25
M/s. Mahaguj Collieries Ltd	India	Subsidiary	60.00%	60.00%
M/s. Dhopave Coastal Power Ltd	India	Subsidiary	100.00%	100.00%
M/s. Mahagenco Renewable Energy Limited	India	Subsidiary	100.00%	100.00%
M/s. UCM Coal Company Ltd	India	Associates	18.75%	18.75%
M/s. Chhattisgarh Katghora Dongargarh Railway Limited (Refer Note No. 43(D))	India	Associates	26.00%	26.00%
M/s Mahagenco NTPC Green Energy Pvt. Ltd.	India	Joint Venture	50.00%	50.00%
Sinnar Thermal Power Ltd	India	Joint Venture	50.00%	0.00%



Note No. : - 38

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

Particulars	As at 31.03.2026			As at 31.03.2025		
	Investment including advance	Percentage to the total Loans and Advances in the nature of loans	Provision for Impairment	Investment including advance	Percentage to the total Loans and Advances in the nature of loans	Provision for Impairment
Subsidiary						
M/s. Mahaguj Collieries Limited	41.57	2.59%	41.57	41.46	79.11%	41.46
M/s. Dhopave Coastal Power Limited	6.26	0.39%	6.26	6.25	11.93%	6.25
Associates						
M/s. UCM Coal Company Limited	0.59	0.04%	0.59	0.59	1.12%	0.59

B) Loans & Advances granted to Related Parties without specifying any terms or period of repayment other than above

Particulars	FY 2025-26		FY 2024-25	
	Loans & advances	Percentage to the total Loans and Advances in the nature of loans	Loans & advances	Percentage to the total Loans and Advances in the nature of loans
Subsidiary				
M/s. Mahagenco Renewable Energy Limited	8.85	0.55%	4.06	7.74%
Mahagenco NTPC Green Energy Private Limited	0.00	0.00%	0.05	0.10%

C) Loans & Advances granted to Related Parties with specifying terms or period of repayment other than above

Particulars	FY 2025-26		FY 2024-25	
	Loans & advances	Percentage to the total Loans and Advances in the nature of loans	Loans & advances	Percentage to the total Loans and Advances in the nature of loans
Joint Venture				
Sinnar Thermal Power Limited	1,544.77	96.43%	-	0.00%
Grand Total (A) + (B) + (C)	1,602.02	100%	52.41	100%

Note No. : - 39

Trade Receivable from Related Party

Particulars	As at 31.03.26	As at 31.03.25
Maharashtra State Electricity Distribution Company Ltd	30,285.50	28,411.91
Maharashtra State Electricity Transmission Company Ltd	206.46	190.37

Note No. : - 39A

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

Particulars	As at 31.03.26	As at 31.03.25
Payable to Maharashtra State Electricity Distribution Company Ltd	543.69	545.26
Receivable from Maharashtra State Electricity Transmission Company Ltd	171.80	154.54



Note No. : - 40

Environmental Clearance/Welfare Activities

(Rs. Crores)

Sr No	Head of Expenses	2025-26	2024-25
1	Stipend to security guards	3.74	-
2	Pond Beautification at koradi TPS & Kkheda TPS	8.91	-
3	NPCA Scheme	3.76	-
4	PAP Compensation	0.05	-
5	Death Compensation	0.04	-
6	Prov as per MoEF Con'n for U6 Clearance	4.03	-
7	Domestic Water Adm & Environmental Clearance	0.08	-
8	Other Welfare activities	2.38	-
	Grand Total (A) + (B)	22.99	-

Note No. : - 40 A

Corporate Social Responsibilities (CSR)

In the year 2025-26 and 2024-25 Section 135 of Companies Act is applicable to the Company. However, since there is no average profit in preceeding three years, Company is not liable to spend under CSR expenditure. However in the year 2024-25 CSR expenditure has been incurred as per Company Policy.

(Rs. Crores)

Sr No	Head of Expenses	2025-26	2024-25
1	Stipend to security guards	-	3.75
2	Work of supply , Erection testing & commissioning , fixing structural glazing false ceiling work & Darshan Bari shed at Devi Mandir at Koradi.	-	3.28
3	Water Supply for Fekri , Nimbhore, Kapilvasti & Fulgaon Village (FY 23-24 & at Khapri village, at Mahadulla (FY 24-25)	-	1.81
4	Pond Beautification at koradi TPS & Kkheda TPS	-	0.21
5	National school outdoor sport	-	-
6	Construction of Yatri Shed	-	-
	Total	-	9.05

Note No. : - 41

Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

Movements in Provisions :

Particulars	Provision for Gratuity		Provision for Leave Encashment	
	For the year ended		For the year ended	
	As at 31.03.26	As at 31.03.25	As at 31.03.26	As at 31.03.25
Carrying amount at the beginning of the year	918.48	836.96	1,024.97	949.84
Additions during theyear	79.65	179.66	162.91	205.50
Amounts Paid during the year	(89.90)	(98.14)	(102.76)	(130.36)
Reversal/adjustmentsduring the year				
Carrying amount at theend of the year	908.23	918.48	1,085.13	1,024.97



Note No. :- 41A

Contingent Liabilities & Commitments

(Rs. Crores)

Sr. No.	Particulars	As at 2025-26	As at 2024-25
1	<p>Maharashtra State Power Generation Company Ltd may be contingently liable for interest claim of (CIL) SECL,WCL and MCL amounting to Rs 3799.70 Crores (P.Y. interest claim of SECL,WCL and MCL Rs 2523.16 Crores) & interest claim for Singaraeni Rs. 108.38 Crores (P.Y. Rs.108.38 Crores), plus performance incentive Rs. 1052.21 Crores (P.Y. Rs.908.86 Crores) and short lifting Rs. 1009.19 Crores (P.Y. Rs. 1001.82 Crores.) and Other Billing (DRN) Rs. 7.59 crores (P.Y. Rs. Nil) plus Penalty claim of CIL Rs. Nil (P.Y. Penalty claim of WCL Rs. 29.62 Crores) and debit note rebet reversal for Singaraeni Rs. 40.81 Crores (P.Y. Rs. 40.81 Crores) .Total Contingent Liability RS. 6017.88 Crores. (P.Y. Rs 4612.65 Crores.)</p> <p>[Note : Maharashtra State Power Generation Company Ltd has lodged counter claims with coal companies and washery operators, which that companies has not considered as receivable. Stone claims of Rs. 55.00 Crores (P.Y. Rs. 56.3 Crores), SRN Claims Rs. 100.81 Crores (P.Y. Rs. 100.81 Crores), Interest claims of Rs. 2588.38 Crores (P.Y. Rs. 2207 Crores),Grade Slippage claims of Rs. 1688.99 Crores (P.Y. Rs. 1990.68 Crores), Moisture Claims of Rs. 282.79 Crores (P.Y. Rs. 281.50 Crores), Short Delivery of Rs. 2154.65 Crores(P.Y Rs.2154.65 Crores), Royalty, DMF & NMET on Grade Slippage Rs. 571.20 Crores (P.Y 592.40 Crores), Credit Notes for Crushing Charges towards supply of lumpy coal and Reversal of Debit Note of Base Price Rebate Rs. 381.37 Crore (PY 377.22 Crores), Excess Premium FY 23-25 for KTPS and Parli TPS Rs. 68 Crores, Rebate/Discount on offtake of G14/G15 and lower grade coal Rs. 4.24 Crores, Refund of Sampling charges levied towards use of infrastructure Rs. 2.70 Crores and Interest claim in respect of non-receipt of credit notes Rs. 2456.74 Crores(PY Rs. 2126.73 Crores).Total Counter Claim of RS. 10354.87 Crores. (P.Y. Rs 9887.29 Crores.)]</p>	6,017.88	4,612.65
2	Contingent liability for demand from Irrigation Department for excess water charges, establishment charges, Penalty, Interest & Late fees amounted to Rs. 422.51 (P.Y. Rs. 505.96 Crores)	422.51	505.96
3	Case No 84/MP/2024- VSE charges raised by MSLDC for deviations against Schedules given to Maharashtra State Power Generation Company Ltd stations, out of which Rs. 365.40 Crores bills were raised against Koyana HPS Maharashtra State Power Generation Company Ltd has challenged the billing modality through a petition filed before Hon'ble Commision. First E-Hearing carried out on Dtd. 15.10.2024. Next E-Hearing date yet to be deleared.	365.40	365.40
4	Arbitration between M/s Sunil Hitech Engineers Ltd, Nagpur & Maharashtra State Power Generation Company Ltd regarding various disputes of Contract for Civil, Supply, Erection, Testing & Commissioning of Balance of Plant packages for Parli Unit-8 Project amounting Rs. 196.89 Crores (P. Y. 169.62 Crores). Final Arbitration Award is declared on 10.03.2023. As per the award Maharashtra State Power Generation Company Ltd has to pay RS. 144.72 Crores + 8% Interest from the date of award (10.03.2023) till final payment to M/s SHEL. Accordingly, considering the interest up to 31.03.2027, the interest amount has been calculated as Rs. 52.17 crore. Therefore, a total contingent liability of Rs. 196.89 crore. (Note: counterclaim of Rs. 1,531.05 crore was dismissed by the Arbitrator.)	196.89	169.62
5	MSPGCL has challenged the methodology regarding supplemetary DSM bills. Contingent Liability towards MSLDC for FY 2024-25 is Rs 193.43 Crores from FY 2022-23 onwards.	-	193.43
6	<p>Arbitration before Justice Shri. V. G. Palshikar Mumbai. ABN/C/No.63/2014 – Sole Arbitrator - Adv. Rathod – Asian Natural Resources Ltd(erstwhile M/s. Bhatia International Ltd. Indore) vs Maharashtra State Power Generation Company Ltd Major pending issue is change in railway freight and 16 referee sample and subsequent other claims on various accounts for contract of import coal for the year 2010-11. Arbitration between M/s Aavya Real Estate (Asian Natural Resources (India) Ltd.(Mr. Abhishek Nagori, Liquidator-Original claimant) and Maharashtra State Power Generation Co. Ltd, regarding dispute in payment in supply of non-coking (steam) coal of foreign origin to Bhusawal,Chandrapur & Khaparkheda TPS's of Maharashtra State Power Generation Company Ltd against contracts for the year 2010-11. Arbitration is under process</p> <p>Sole Arbitrator justice V.G. Palahikar (Retd). Appointed with mutual consent on 17.04.2014. Claim and counterclaim filed. Arbitrator justice D.B. Bhosale vide Award dated 20.11.2025 dismissed the claims and counter claim. on which petition filed by M/S Aavya Real Estate LPP u/s- 34 of arbitration & conculation Act 1996. Case NO: CARBPL/11043/2026 ON DATED 26.03.2026.</p> <p>The claim amount is Rs. 127.45 crores (P.Y. Rs. 127.45 crores)(FMC) [Note : Maharashtra State Power Generation Company Ltd has lodged counter claims Asian Natural Resources Ltd(erstwhile M/s. Bhatia International Ltd. Indore) on 31.01.2017 which has not considered as receivable. Counter Claim includes AFC disallowance due to short supply Rs. 47.26 Crores, Loss due to increase in Heat Rate Rs. 23.03 Crores, Loss due to Auxiliary power consumption Rs. 28.55 Crores & Demmurgage Charges of 3.06 Crores. Total Counter Claim of Rs. 101.90 Crores (P.Y Rs. 101.90 Crores)]</p>	127.45	127.45



Sr. No.	Particulars	As at 2025-26	As at 2024-25
7	There is a disputed claim of Rs 120.98 Crores (P.Y. 74.71 Crores) towards water royalty charges demanded by irrigation Department in respect of CSTPS.	120.98	74.71
8	Contingent liability is related to work of construction of RCC lower Mun Barrage with associated works including manufacturing, providing, erection, testing and commissioning of radial gates, stoplog gates, goliath crane and rope drum hoist etc. claimed by M/s Mahalaxmi Infra Project Ltd., Pune. Agency has been requested to submit claim amount based on which the members in arbitration tribunal would be decided, as provided in tender conditions. Arbitration award is declared on 20-11-2014. The sole Arbitrator Shri. S.P. Kurdukar, Mumbai directed Maharashtra State Power Generation Company Ltd to pay Rs. 56 crores. Award is challenged at High Court on vide OSARBP/466/2015. The claimants have filed petition vide no. 5260/2015. New advocate Shri. S.R. Nargolkar is appointed to represent Maharashtra State Power Generation Company Ltd in this matter. Bombay High Court appointment Shri Thakkar as Sole Arbitrator for further proceedings. As per H.C Bombay Order DT.16.10.2020, Maharashtra State Power Generation Company Ltd has deposited Rs.57 Crores. And BG amounting to Rs.48.49 Crores is submitted. Total contingent liability Rs. 285.64 Crores. (407.99+45.38-57-48.49 = 347.49 Crores) Arbitration proceedings are over and final award is declared on 01.09.2023. Award amounting to Rs. 25.44 Crores (Plus 14% interest per annum) is to be paid by Maharashtra State Power Generation Company Ltd. The award is challenged in the High court. Amount claimed by Vendor is Rs. 106.77 crores (61.39 crores +45.38 crores) Final hearing completed on 13.02.2025 and the result is awaited.	106.77	106.77
9	Maharashtra State Power Generation Company Ltd may be contingently liable for Counter claims lodged by Washery Operator (Rs. 41.82 Crores) & M/s Gupta (Rs. 33.15 Crores) Amounting Rs 74.97 crores. (Rs. 41.82 Crores + Rs. 33.15 Crores)	74.97	74.97
10	Arbitration between M/s. TATA Projects Ltd., and Maharashtra State Power Generation Company Ltd for Bhusawal 2x500 MW project. M/s. TATA claimed for prolongation cost, Bank Guarantee charges for BG submitted, payment against performance Guarantee tests & extra BG charges incurred towards furnished BG, wrongful recoveries made by Maharashtra State Power Generation Company Ltd from contractual payments, additional work and return of contract performance Bank Guarantee: The Arbitration tribunal pronounced Award on 16.07.2022 & further rectified Arbitration award is received on Dt. 30.08.2022. Advocate of Maharashtra State Power Generation Company Ltd challenged the award on dt. 29.11.2022 in the Hon'ble High Court. Commercial Arbitration Petition (Lodging) No. 37054 of 2022. M/s Tata Projects Ltd has filed the Canveat. Interim Application has been filed & numbered as IA (St.) No. 37984 of 2022. Expected burden on Maharashtra State Power Generation Company Ltd Prolongation cost Rs.4.80 Crores Additional work Rs. 9.15 Crores Arbitration Cost Rs. 0.11Crores BG Charges (To be paid at actual) Rs 3.69 Crores Retention amount is to be returned against wrongful recoveries worth Rs. 15.19 Crores & Rs. 9.92 Crores. As per award BG released Rs 189 Crores & also ordered to deposit Rs. 46 Crores, thus Rs. 46 Crores deposited in Bombay High Court on 04.07.2023. Now the case is pending in High Court. Total- Rs.46.00/- Crores. (P.Y. Rs 46.00 Crores) The matter was heard on 10.06.2026. The next hearing is on 03.07.2026.	46.00	46.00
A	Other miscellaneous claims lodged against the company but not acknowledged as debt.	266.58	235.11
11	The company has been contingently liable for non payment (Building & other Construction workers welfare cess act) 1% BOCW cess on the civil construction of new projects i.e.on Koradi 3x6060 MW project, CSTPS 2x500MW project & Parli 1x250 MW project.	4.46	5.93
B	Total Claims	7,749.88	6,517.99
12	Direct & Indirect Tax Demands Outstanding and disputed by the company	3,693.57	3,707.03
13	Guarantees extended by the company	1,438.16	1,500.21
C	Total Contingent Liabilities	12,881.61	11,725.23
Note: Amount payable for indirect tax cases is Rs. 112.40 Crores. Out of that predeposit tax is Rs.6.39 Crores. Coal Mine Agreement provides that Mine Developer and Operator (MDO) is required to undertake a final mine closure of the Mines and restoration of the Site in accordance with the applicable requirements, during the Contract Period, at its sole cost and expense. Company shall be responsible for undertaking the final mine closure at its cost and expense in the event that such final mine closure occurs at any time after Termination of this Agreement. However, cost of such mine closure shall be recovered from the MDO. Consequently, Company shall be contingently liable for the liabilities arising on account of decommissioning and closure of mine, in the event of failure to conduct these activities by MDO.			
(Rs. Crores)			
II	Capital Commitments		
A	Estimated amount of contracts remaining to be executed on Capital Account not provided for	3,896.05	2,314.98



III Other Significant Commitments

Other Significant Commitments

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

(b) Coal linkage (including Bridge Linkage and MOU) of 55.091 Million MT has been allocated to company, consequently company is committed to purchase coal from allocated coal companies at the relevant market price.

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

Note No. :- 42

Segment reporting

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

Note No. :- 43(A)

Note on Late Payment Surcharge:-

Company has accounted for late payment surcharge in the books of accounts as per industry standard methodology for LPS calculation and accounting by appropriating receipts from MSEDCL first towards late payment surcharge and remaining balance towards principal arrears till 2020-2021 which was regularly informed to MSEDCL vide LPS bills.

During 2021-22, due to urgency mentioned by MSEDCL for participation in the late payment surcharge scheme of ministry of power, Government of India, in meeting Principal Secretary energy and Managing Director of Holding Company directed MSPGCL to compute arrears by adopting MSEDCL methodology of diverting receipts from MSEDCL first towards principal and remaining balance towards late payment surcharge as MSEDCL has to adopt in late payment surcharge scheme.

Reconciliation of balances and consensus could not be achieved between MSPGCL and MSEDCL till the final date of participation in the late payment surcharge scheme by MSEDCL. Therefore MSPGCL has accounted amount of late payment surcharge by modified methodology on the arrears arrived by it, on receipt of confirmation from MSEDCL that reconciliation is under process.

During 2022/23 MSPGCL observed that MSEDCL is not complying with the conditions specified in late payment Surcharge scheme and inconsistency of methodology, so management of MSPGCL decided to start Levying late payment surcharge by adopting "Prudent Industrial Practices" methodology and accordingly raised bill of late payment charge for 2022-23 as well as for the balance of 2021-22 in which short billing was happened due to change in methodology and non adoption of LPS rule conditions. Continuing the same principle, the LPS Bills have been prepared and issued to MSEDCL in FY 2023-24 as well. During 2022/23 MSPGCL observed that MSEDCL is not complying with the conditions specified in late payment Surcharge scheme, so management of MSPGCL decided to start Levying late payment surcharge by adopting "Prudent Industrial Practices" methodology and accordingly raised bill of late payment charge for 2022-23 as well as for the balance of 2021-22 in which short billing was happened due to change in methodology and non adoption of LPS rule conditions. Continuing the same principle, the LPS Bills have been prepared and issued to MSEDCL in FY 2025-26 as well.

During the year the Company has accounted for LPS to be bill to MSEDCL amounting Rs. 3,534.84 Crores (Previous Year Rs.3149.83 Crores) and accounted same under Unbilled Revenue, as per the methodology consistently followed by the Company.

Difference in LPS by MSEDCL & claimed by MSPGCL on account of the LPS billed in earlier years as at March 31, 2026 is Rs. 20,143.15 crores (Previous year Rs. 16,996.19 crores).

In addition to the above, difference in Energy and Supplementary bills admitted by MSEDCL and claimed by MSPGCL and Past Period adjustment by MSEDCL not acknowledged by MSPGCL amounting to Rs.345.60 crores (Previous year 338.08 Crores) and Rs. 137.56 Crores (Previous year 137.61 Crores) respectively

As per consistently practice followed by the Company except to the extend payment term agreed upon by MSEDCL the amount recoverable disclosed under Current Financial Assets.

Note No. :- 43(B)

- 1) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year FY 25-26.
- 2) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- 3) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- 4) The Company does not have material transactions with the struck off companies during the current & previous year
- 5) The company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

Note No. :- 43(C)

The Company has been supporting the State Grid by supplying reactive energy since F.Y. 2013-2014 and the company has raised invoices for the same amounting to Rs 143.52 Crores to the Maharashtra State Electricity Transmission Company Limited till the F.Y. 2020-21. However Maharashtra Electricity Regulatory Commission in its tariff order has stated that the mechanism for settlement of the reactive energy has not been implemented in the past and as the true up of the previous years has already been carried out including FY 2017-18 and FY 2018-19, Commission has not allowed any recovery of reactive energy charges for the past period (i.e. upto FY 2018-19). Company has made provisions for bad debts amounting to Rs. 143.52 Crores (equivalent to Reactive energy charges upto FY 2020-21). However, the decision passed as per this order is in dispute and thus the company has filed an appeal against the order of Maharashtra Electricity Regulatory Commission to the Appellate Tribunal for Electricity.



Note No. : - 43(D)

Company vide Board Resolution No. 2024/3898 dated 12/07/2024 has resolved to exit from Chhattisgarh Katghora Dongargarh Railway Limited as shareholder and In FY 2024-25, Company has decided to pay off its obligations of Rs.4.34 Crores to settle the matter permanently. Consequently, in FY 2025-26, Company has discharged this payment.

Company does not have any representative on the Board of Directors of Chhattisgarh Katghora Dongargarh Railway Limited. Further, since the investment has been classified as held for sale, the Company has not consolidated the financial statements of Chhattisgarh Katghora Dongargarh Railway Limited in its consolidated financial statements from previous year.

Note No. : - 43(E)

Coal Benefication and delivery contract has been entered into with M/s. Maharashtra State Mining Corporation Ltd. The Scope of benefication work with M/s. MSMC includes taking delivery of raw coal from mine authority as per release order issued by coal companies on behalf of MSPGCL, transporting raw coal to washery, processing/benefication of raw coal to obtain specified parameters, transportation of beneficiated coal to railway siding, loading of beneficiated coal into railway wagons and delivery of such beneficiated coal to designated Thermal Power Station. As the beneficiated coal with improved quality (GCV and Ash Content) is utilised to mitigate the shortfall in quality of raw coal and fulfill the demand of generation of state within MOD (Merit Order Despatch) concept, the failure on account of quality and quantity has adverse effect on generation of electricity. Therefore, MSMC shall deliver the beneficiated coal as per technical specification (in terms of Ash Content, Moisture, etc), failing which penalties specified in the agreement shall be recovered from MSMC. As per the clause of penalty for higher ash Content, if ash content increases beyond the prescribed limit, MSMC has to recoup the quantity of raw coal equivalent to the difference in yield i.e. difference between revised correspondence yield and the revised normative yield due to increase in ash content. Accordingly the Company has accounted for recovery on account of such Coal under the head Coal stock with third parties (Note No. 5). The details of such coal is as under

Particulars	2025-26		2024-25	
	Quantity in Metric Tonnes	Rs. In Crores	Quantity in Metric Tonnes	Rs. In Crores
Raw Coal	29.26 lac	783.89	21.32 lac	571.00
(in terms of Washed Coal)	23.00 lac		16.82 lac	

Note No. : - 43(F)

The Company has voluntarily constituted Audit Committee consisting of One Independent Director as its Chairman. As per Articles of Association of Maharashtra State Power Generation Company Ltd (MSPGCL), appointment of Directors (including Independent Directors) is done by Maharashtra State Electricity Board Holding Company Limited(MSEBHL) which is 100% owned and controlled by GoM. Therefore the appointment of another director on the Audit Committee as per section 177 of the Companies Act will be done after appointment of Independent Director by GoM. Hence the mandatory function of the Audit Committee, such as review of annual financial statement, approval of related party transaction etc. have been directly carried out by the Board of Directors of the company.

Note No. : - 43(G) Ultimate beneficiary

No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

No funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note No. : - 43(H) Escrow Account

Company has following Bank Accounts with Bank of India and Indian Bank as of 31.03.2026

Sr. No.	Bank Name	A/c No.	Purpose
1	Bank of India	16020110000400	Escrow Account for 50 MLD water opened by the Company for Chandrapur location in respect of contract of converting sewage water into useable water.
2	Bank of India	16020110000412	Escrow Account opened by the Company for Gare Palma II MINE CLOSURE Activity
3	Bank of India	16020910000031	Escrow Account opened by the Company for debt servicing of HUDCO loan for Solar purpose
4	Indian Bank	8132526207	Escrow Account opened by the Company for debt servicing of Indian Bank for refinancing purpose



Note No. : - 43(I) Write up on Gare Palma -II Coal Mine

Ministry of Coal (MoC), Govt has allotted GP-II Coal Mine to Mahagenco on 24.03.2015. The mine is located at Mand Raigarh Coalfield, Tahasil-Tamnar, District Raigarh, Chhattisgarh State. Total area of the Mine is 2583 Hectre covered under 14 nos. of villages. The total estimated Extractable Reserves is 655 Million Metric Tonnes (MMT) (Open Cast 553 MMT and Under Ground 102 MMT), Peak Rated Capacity of Mine 23.6 MMTPA.

End Use Project is primarily Koradi Unit No. 8, 9 & 10 (3 X 660 MW) and depending upon viability other Units can be explored.

On 31.03.2021, Coal Mining Agreement (CMA) was executed between Mahagenco (Mine Owner/Allottee), M/s. Gare Palma II Collieries Ltd. [Mine Developer and Operator (MDO)] and M/s. Adani Enterprises Limited (Selected Bidder) for Open Cast Mining. M/s. Gare Palma II Collieries Ltd. (GPIICL) is a SPV of M/s. Adani Enterprises Ltd.

Various Approvals /clearances have been received for GP-II including Mine Plan & Mine Closure Plan Approval, Forest Clearance Stage -I and Stage-II approval, Environmental Clearance, Grant of Mining Lease (on 13-11-2024) etc. The Mining Lease Deed has been executed on 05-02-2025 and Consent to Establish and Consent to Operate has been received along with mine opening permission (17-07-2025).

After receipt of all the required approvals/ clearances, Box cut (i.e. opening of mine) was done on 18.09.2025. Coal Production got started in March 2026. Coal production for FY 2025-26 (i.e. upto 31.03.2026) was 80,895 Tonne. Based on GPIICL (MDO) confirmation the Company has declare the date of COD as 01.03.2026.

Note No. : - 43(J) Write up on Solar projects

Projects under Mukhyamantri Sour Krishi Vahini Yojana (MMSKVY -2.0) Scheme: Mahagenco has published tenders for the development of 1071 MW cumulative capacity solar power projects under the MSKVY 2.0 scheme. For the 569 MW tender, MSPGCL will provide land to the successful bidder and also facilitate unloading of PV modules supplied by Mahagenco at the project site. For the 502 MW tender, MSPGCL will provide land to the successful bidder for project execution. Further, certain section of assets in Business Areas which are spread geographically at Pune, Ahilyanagar, Sangli, Solapur, Nashik, Jalgaon, Nandurbar, Ch. Sambhaji Nagar, Amaravti etc., have been commissioned during the year and recognised in the Books of Accounts of the Company. The said Business Areas have been created for the purpose of monitoring and control of solar assets. Whereas, Construction work is in progress for substations, land acquisition related work and handing over is underway at the remaining sites and marking significant progress in the implementation of MSKVY 2.0.

Note No. : - 43(K) Write up on siphoning of funds at Koradi Civil

During the year, Company has come across a fraudulent activity conducted by one of its employees. Company observed that Finance & Accounts Incharge at Koradi Civil location had diverted the Company funds to certain personal Bank Accounts by misusing the authorisation provided by the Company for handling banking transactions. Company carried out the internal investigation through its senior officers in respect of the matter and it was revealed that such transactions were carried out bypassing the SAP system and official protocols. Most of these transactions were not recorded in the Books of Accounts. The amount involved works out to Rs.2.91 Crores. Company has lodged First Information Report (FIR) with the local Police Station and has also initiated departmental action against the concerned employee. Subsequently, Company has corrected the Books of Accounts and pending recovery, Company has also recognized the provision against the said funds amounting to Rs. 2.91 crores. Further, Company has also initiated measures to prevent such activities in the future through strengthening of internal control.

Note No. : - 43(L) Write up on New Labour Codes

The Government of India (GOI) has notified implementation of the four new Labour Codes – The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020, and The Occupational Safety, Health & Working Conditions, 2020, on 21st November 2025, rationalising existing 29 labour laws.

In order to assess the applicability and financial impact of the said Labour Codes, Company had approached the Labour Laws Consultant, during the year. The Consultant has perused Company labour profile along with their wage structure and related data. Based on consultant report stipulates that there has not been any additional financial impact on the Company in pursuance to the said Labour Codes. The Rules under the said Codes, are being framed by the appropriate Government. Consequently, further impact on account of notification of such Rules, if any, will be known at that stage.

However, Company is of the view that the overall impact, if any, is not expected to be of material nature, considering the regulated environment in which the Company operates.



Note No. : - 43(M) Corporate Guarantee and Accounting of Benefit Arising Therefrom

The Company has availed Term loans from REC Limited and Bank of Baroda, having contractual tenures ranging from 36 months to 96 months. The loans are secured, inter alia, by Corporate Guarantees provided by MSEB Holding Company Limited. The Corporate Guarantees provided by MSEB Holding Company Limited have not resulted in any reduction in the rate of interest or other financing costs applicable to the aforesaid loans. However, MSEB Holding Company Limited has not charged any guarantee fee for providing such Corporate Guarantees. Company has non-fund based limits sanctioned by its Consortium Banks. These Banks levy guarantee commission on Financial Bank Guarantees. For the purpose of determining the guarantee fee attributable to the benefit received, the Company has considered the highest rate of guarantee commission/fees ordinarily levied by banks for comparable guarantees which is 1.10% p.a.

Accordingly, the economic benefit accruing to the Company from the Corporate Guarantees is limited to the saving in guarantee fees that would otherwise have been payable had the guarantees been obtained from a third-party financial institution or bank.

Considering the above, and in accordance with the requirements of Ind AS 109, Financial Instruments, the Company has recognised the present value of the benefit arising from the saving in guarantee fees as a "Deemed capital contribution", with a corresponding debit recognised as "Deferred Guarantee Fees". The Deferred Guarantee Fees are subsequently amortised over the respective tenure of the underlying loans.

Note No. : - 43(N) Special Allowance

In accordance with Clauses 44.1 and 44.3 of the MERC MYT Regulations, 2024, the Company is entitled to avail of Special Allowance, subject to approval of the Maharashtra Electricity Regulatory Commission ("Commission") and the prescribed regulatory limits and conditions. The Special Allowance is intended to meet expenditure towards specified additional capital expenditure requirements of generating stations that have completed their prescribed useful life.

The Special Allowance approved by the Commission is recognised as income on a monthly basis through billing to the concerned Distribution Licensee and is thereafter transferred to the Special Allowance Asset Fund in accordance with the applicable regulatory provisions.

Expenditure incurred from the Special Allowance Asset Fund towards creation/acquisition of assets is initially capitalised in the books for the purpose of identification, tracking and control of such assets. Such assets are fully depreciated, with the corresponding depreciation being charged to the Special Allowance Asset Fund. Balance utilised as on the last day of financial year in this special allowance fund is disclosed under other current Financial Liabilities in Financial Statement. Accordingly, no depreciation, Return on Equity or interest on loan in respect of such assets is claimed through the tariff, in accordance with the MERC MYT Regulations, 2024.



Note No. : 44

Classification of Financial Assets and Financial Liabilities:

The following table shows the carrying amount

Particulars	31.03.2026			31.03.2025		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
(i) Trade Receivables	855.84		26,784.09	4,084.72		27,464.81
(ii) Cash and Cash Equivalents			7.47			4.28
(iii) Bank Balances other than (ii) above			112.30			94.51
(iv) Loans			1,545.94			1.35
(v) Other Financial Assets			401.29			411.69
Total	855.84	-	28,851.09	4,084.72	-	27,976.64
Financial liabilities						
(i) Borrowings			40,517.23			41,340.82
(ii) Trade Payables			10,160.68			10,606.73
(iii) Lease Liabilities			2,673.82			2,858.52
(iv) Other Financial Liabilities			4,848.96			4,266.30
Total	-	-	58,200.69	-	-	59,072.37

Financial risk management

Risk management framework

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

44A. Regulatory risk

The company submits the annual revenue requirement to Maharashtra Electricity Regulatory Commission, based on these approved tariffs the company raises monthly energy bills to its customers. The tariff so determined by MERC are based on the MERC (Mutly Year Tariff) regulations which get revised periodically. These tariff are determined based on normative parameters as set out in the said regulations. Any change in the normative parameters or guiding regulatory provisions will have impact on the income from sale of the power of the company.

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

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

44B.1 - Credit risk ;

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customer and investment securities. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

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

Trade receivables

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

	31.03.2026		31.03.2025	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Past due 0-180 days	23,518.70		24,264.62	
Past due 180-360 days	3,632.00		10,353.69	3,263.27
More than 360 days	7,054.16	6,564.93	194.48	
Total	34,204.86	6,564.93	34,812.80	3,263.27

Note : The above includes Unbilled revenue

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

Balance as at 01-04-2024	718.07
Add : Expected Credit loss recognised	2,833.00
Less : Amounts written off	(287.80)
Balance as at 31.03.2025	3,263.27
Add : Expected Credit loss recognised	3,534.84
Less : Amounts written off	(233.18)
Balance as at 31.03.2026	6,564.93

Cash and cash equivalents:

	Balance as at 31.03.2026	Balance as at 31.03.2025
Cash and cash equivalents	7.47	4.28



44B.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Company has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. The Company has adequate borrowing limits in place duly approved by its shareholders and board. Company sources of liquidity includes operating cash flows, cash and cash equivalents, fund and non-fund based lines from banks. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

(i) Financing arrangements

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

(ii) Maturities of financial liabilities

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

(Rs. Crores)

Particulars	Contractual cash flows					
	31.03.2026			31.03.2025		
	Upto 1 year	1-3 years	more than 3 years	Upto 1 year	1-3 years	more than 3 years
Non-derivative financial liabilities						
Long Term Borrowings	6,635.15	8,777.30	17,989.69	6,010.72	12,567.83	11,818.21
Short Term Borrowings	7,115.10			10,944.07		
Trade payables	10,160.68			10,606.73		
Lease Liabilities	207.38	417.77	2,048.66	184.71	430.47	2,243.34
Other financial liabilities	4,848.96			4,266.30	-	-
Total	28,967.27	9,195.07	20,038.35	32,012.52	12,998.30	14,061.55

44C. Market Risk - Market Risk is further categorised in (i) Currency risk , (ii) Interest rate risk & (iii) Commodity risk:**44C.1. Currency risk:**

The Company is exposed to currency risk mainly on account of its borrowings from KfW Germany and IBRD (World Bank) in foreign currency. Our exposures are 2.73 Crores U.S. dollars (P.Y.2.91 Crores U.S. dollars). However, Company operates in rate regulatory environment. Consequently, any variation in the foreign exchange rate is allowed to be recovered from consumers at actuals. Hence, company doesn't have significant risk on account of variation in foreign currencies.

44C.2. Interest rate risk

Interest rate risk exposure:

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Carrying amount in Rs. crores	
	31.03.2026	31.03.2025
Fixed-rate instruments		
Financial assets	-	-
Financial liabilities	-	-
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	40,517.23	41,340.82

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 100 basis point (1%) movement is directional and does not reflect management forecast on interest rate movement. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss			
	31.03.2026		31.03.2025	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Floating rate borrowings	405.17	(405.17)	413.41	(413.41)
Interest rate swaps (notional principal amount)	-	-	-	-
Cash flow sensitivity (net)	405.17	(405.17)	413.41	(413.41)

44C.3. Commodity Risk

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



Note No. : 45**Leases****A. Leases as lessee**

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

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

A) Movement in Lease Liabilities

(Rs in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance as on 1st April, 2025	2,858.52	3,032.43
Additions/(Deletion)		(0.10)
Finance cost accrued during the period	293.00	310.81
Payment of lease liabilities	477.71	484.63
Balance as on 31st March, 2026	2,673.82	2,858.52

B) Maturity Analysis of Lease Liabilities

(Rs in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Maturity Analysis - Contractual undiscounted Cash Flows		
Less than one year	207.38	184.71
One to five years	1,077.62	1,051.13
More than five years	1,388.81	1,622.69
Total Undiscounted Lease Liabilities	2,673.82	2,858.52

C) Amount Recognized in the Statement of Profit & Loss

(Rs in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on Lease Liabilities	293.00	310.81
Depreciation on Lease Asset	257.55	257.55

D) Lease agreements with the Government of Maharashtra, in respect of various hydro power generation facilities are yet to be executed.



Ascertainment of Lease in the Power Purchase Arrangement:

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

Note 46 : Earnings per share (EPS)

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

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

Particulars	31.03.2026	31.03.2025
Profit attributable to equity holders for basic earnings per share (Rupees)	426.70	359.97
Profit attributable to equity holders for diluted earnings per share (Rupees)	426.70	359.97
ii. Weighted average number of ordinary shares		
	31.03.2026	31.03.2025
Number of Equity shares of Rs 10 each	26,30,41,86,341	26,30,41,86,329
Weighted average number of shares for basic and diluted earnings per shares	26,30,41,86,341	26,30,41,86,329
Basic and Diluted earnings per share (Rupees)	0.16	0.14

Note 47 : Capital management

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

Capital Structure

Particulars	31.03.2026	31.03.2025
Long term borrowings (Rs. Crores)	26,766.99	24,386.03
Equity share Capital (Rs. Crores)	26,304.19	26,304.19

Note 48 : Dividends

The Company has not declared/ paid dividend during the year.

Note 49 :- Company prepares the Annual Financial Statements after rounding off the amount in Rupees Crores. All figures, in full, are matching with totals and sub-totals, however, any casting errors may appear while presenting them in crores. No adjustment is made by the company for the same for removing such notional casting errors.



Note No: 50 Ratio Analysis

Sr No	Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025	% variation	Reason for Variance more than 25%
	Current Assets (A)	33,677.10	35,667.22		
	Current Liabilities (B)	29,396.71	32,422.31		
1	Current Ratio (A)/(B)	1.15	1.10	4%	
	Debt	40,517.23	41,340.82		
	Equity	16,893.60	16,402.52		
2	Debt Equity Ratio	2.40	2.52	(5%)	
	EBDITA (A)	7,745.52	7,201.24		
	Repayment + Interest (B)	10,994.70	8,832.87		
3	Debt Service Coverage Ratio (A/B)	0.70	0.82	(14%)	
	Profit After Tax (A)	426.70	304.06		Late payment Surcharge increased by Rs.385 crores.
	Equity (B)	16,648.06	16,250.49		
4	Return on Equity (A/B)	2.56%	1.87%	37%	
	Cost of Goods Sold (Cost of material Consumed) (A)	22,537.74	23,863.06		
	Inventory (B)	3,549.02	3,298.60		
5	Inventory Turnover Ratio (A/B)	6.35	7.23	(12%)	
	Turnover (A)	35,162.45	34,355.78		
	Trade Receivables (B)	29,026.39	28,668.45		
6	Trade Receivables Turnover Ratio (A/B)	1.21	1.20	1%	
	Cost of Goods Sold (Cost of material Consumed) (A)	22,537.74	23,863.06		
	Trade Payables (B)	10,383.71	10,211.01		
7	Trade Payables Turnover Ratio (A/B)	2.17	2.34	(7%)	
	Turnover (A)	35,162.45	34,355.78		
	Net Capital (B)	16,893.60	16,402.52		
8	Net Capital Turnover Ratio(A/B)	2.08	2.09	(1%)	
	Turnover (A)	35,162.45	34,355.78		
	Net Working Capital (B)	4,280.40	3,244.91		
8A	Net Working Capital Turnover Ratio(A/B)	8.21	10.59	(22%)	
	Profit After Tax (A)	426.70	304.06		Late payment Surcharge increased by Rs 385 crores.
	Turnover (B)	35,162.45	34,355.78		
9	Net Profit Ratio (A/B)	1.21%	0.89%	37%	
	EBIT (A)	4,546.47	4,221.98		
	Capital Employed (B)	43,660.58	40,788.56		
10	Return on Capital Employed (A/B)	10.41%	10.35%	1%	

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

Hiten H Vira
(CA Hiten Vira)
Partner (ICAI M No. 142691)

For Kalyaniwalla & Mistry LLP
Chartered Accountants
(FRN - 104607W/W100166)

Sai Venkata Ramana Damarla
(CA Sai Venkata Ramana Damarla)
Partner (ICAI M No.107017)
Mumbai, 28th, September, 2026



For Maharashtra State Power Generation Co. Ltd.

Manish Waghirkar
Manish Waghirkar
Director (Finance) & CFO
DIN No. 11202039

Vishwanath Kulkarni
Vishwanath Kulkarni
Chief General Manager (A/c)



Radhakrishnan B.
Radhakrishnan B.
Chairman & Managing Director
DIN No 07781330

Rahul Dubey
Rahul Dubey
Company Secretary
M No. A14213

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHARASHTRA STATE POWER GENERATION CO. LTD

Report on the Audit of the Standalone Financial Statements for the year ended on
March 31, 2026.

Qualified Opinion

1. We have audited the accompanying standalone financial statements of **MAHARASHTRA STATE POWER GENERATION COMPANY LTD** ('MSPGCL'/'MAHAGENCO'/'the Company'), which comprise the balance sheet as at March 31, 2026, and the statement of profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone financial statements")
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects/possible effects of the matters described in the 'Basis for Qualified opinion' section of our report read together with the matters described in the "Emphasis of Matter" paragraph, the aforesaid Standalone financial statements, give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its Profit, total comprehensive income (financial performance), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

3. We draw attention to:
 - a) As stated in note no 43(A), the Company has accounted for Late Payment Surcharge (LPS) income to be billed to Maharashtra State Electricity Distribution Company Limited (MSEDCL) amounting to Rs.3,534.84 crores (Previous year Rs.3,149.83 crores) being the Interest for late payment of dues. Such income has not been partly accepted by MSEDCL in earlier years. The total amount not accepted by MSEDCL on account of the LPS billed as at March 31, 2026 is Rs.20,143.15 crores (Previous year Rs. 16,996.19 crores). In addition to the above, MSEDCL has disputed other bills with respect to Energy & Supplementary bills and Past Period adjustment, the balance of disputed bills as at March 31, 2026 with respect to Energy & Supplementary bills and Past Period adjustment amounting to Rs. 345.60 crores (Previous year Rs. 338.08 crores) and Rs. 137.56 crores (Previous



year Rs.137.61 crores). Due to the uncertainty surrounding the recovery of these disputed amounts we are unable to comment on the impact on Profit and Equity of the Company and the consequential impact on the Trade Receivables and unbilled Receivables (Note 6). The Company has accounted a provision of Rs. 6,564.93 crores (Previous year Rs. 3,263.27 crores) against the said receivable. No basis of such provision has been made available to us. In addition to the above, the Company has not considered the above bills as disputed trade receivable under "Non-Current Assets" but has disclosed such receivables under "Current Asset" Trade Receivables (Note 6), which is contrary to disclosure requirements outlined in Ind AS 1 "Presentation of Financial Statements" Further the Company has disclosed the above receivables as undisputed which is not as per Schedule III to the Companies Act, 2013. The Statutory Auditors of the Company have expressed a qualified opinion in respect of the above matter in earlier years.

- b) The Company has accounted for Rs. 0.41 crore (Previous year Rs. 2.18 crores) being interest payable to Micro, Small and Medium Enterprises (MSME) on account of delay payments beyond the period required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act). The Company has not paid such interest to the respective vendors as required by section 16 of the MSME Act (Refer Note no 35). Further the Company does not have a proper system of identification of enterprises covered under the MSME Act. In absence of proper system to identification of Micro, Small and Medium Enterprises and necessary system to capture the status of enterprises identified under the MSME Act in the accounting software, we are unable to comment on the provision of interest accounted for such enterprises, the impact on the profit of the Company and the disclosure made in Note no 35 to the Standalone financial statements. The Statutory Auditors of the Company have expressed a qualified opinion in respect of the above matter in earlier years.
- c) The balances Trade Payable, Trade Receivables, Advances to Suppliers, Security Deposit, Retentions and Accounts of Government of Maharashtra and Borrowings are subject to confirmations/reconciliations. In the absence of such confirmations/reconciliations, we are unable to ascertain the impact of the adjustments or disclosure, if any, that may arise, on the Standalone financial statements for the year. The Statutory Auditors of the Company have expressed a qualified opinion in respect of the above matter in earlier years.
- d) The Company is required to account for "Expected credit loss" (ECL) on financial assets as required by Ind AS 109 on "Financial Instruments". The Company does not use a provision matrix for calculation of ECL on 'trade receivables', nor does it consider any credit assessment and life time credit assessment in assessing credit risk on such receivables, and in respect of 'other financial assets', it has not followed general approach for calculating ECL, as required by the principles set out in the provisions of Ind AS 109.

However, the Company accounts for ECL based on specific provisions and based on the best estimates of the Company. In view of the above, we are unable to



comment on the consequential impact of the same on the Standalone financial statements of the Company. The Statutory Auditors of the Company have expressed a qualified opinion in respect of the above matter in earlier years.

- e) The Company is required to disclose expected date of completion of projects and actual cost of an asset/project has already exceeded the estimated cost as per original plan or actual timelines for completion of an asset/project have exceeded the estimated timelines as per original plan, if any, of Capital Work in Progress as at March 31, 2026. The Company has not made such disclosures in the Standalone financial statements, which is not in strict compliance of the requirements of division II of Schedule III to the Act. The Statutory Auditors of the Company have expressed a qualified opinion in respect of the above matter in earlier years.
4. The effects of these matters on the Standalone financial statements, individually or in aggregate, that are unidentified in some cases due to inability to obtain sufficient and appropriate audit evidence, are material. We are unable to comment whether any adjustments are necessary.
5. We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the Standalone financial statements.

Emphasis of Matter:

6. Attention is invited to:
- a) Note no 41A regarding various claims made by the Coal companies towards performance incentive, short lifting of coal and interest on delay payments, etc shown as contingent liability and counter claims lodged by the Mahagenco like short delivery, grade slippages, interest etc. are shown as contingent assets. A summary of reconciliation statement made with respective coal companies:

Name of Coal Company	Claims of Coal Companies shown as Contingent liability * (Rs. In crores)	Counter Claims by Company * (Rs. In crores)
Western Coalfields Limited	4,555.03 (3,305.11)	4,821.22 (4,663.94)
South Eastern Coalfield Ltd.	945.99 (945.99)	4,313.99 (4,012.67)
Mahanadi Coalfields Ltd.	367.67 (212.36)	949.77 (898.54)



Singareni Collieries Company Ltd.	149.19 (149.19)	269.89 (312.14)
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*Previous year figures in bracket

- b) Note No. 43(F) which states that the Company's Board has only one independent director during the year. Accordingly, the constitution of its subcommittees, which inter-alia includes the Audit Committee is not in accordance with section 177 of the Companies Act 2013. As implied from the said Note, the mandatory functions of the Audit Committee, such as review of annual financial statements, approval of related party transactions etc., have been directly carried out by the Board of Directors of the Company. Accordingly, the enclosed Standalone financial statements have been directly approved by the Board of Directors.
- c) Note no 1D, with respect to the lease of various hydro power generation facilities from the Government of Maharashtra, where the renewal of the lease agreement is yet to be executed.
- d) Pursuant to the Gazette Notification dated 3 November 2009 issued by the Ministry of Environment and Forests, Government of India, subsequent amendments and clarifications thereto, and the Government Resolution dated 19 September 2025 issued by the Government of Maharashtra, amounts realised from the sale of fly ash are required to be credited to a separate accounting head and utilised for activities relating to promotion, facilitation, infrastructure creation and other measures for fly ash utilisation and management. The Company has accumulated a Fly Ash Utilisation Fund amounting to Rs.536.80 crores as at 31 March 2026 (Previous Year: Rs.401.75 crore), which is disclosed under "Other Current Financial Liabilities". During the year, the Company utilised certain amounts from the said fund towards expenditure incurred in connection with handling and disposal of fly ash generated from its operations.

Pending further clarification from Government of Maharashtra (GOM) in view of the Company such funds are not required to be maintain in a separate bank account. Accordingly, no such separate bank account maintained by the Company (Refer Note No. 31).

Our opinion is not qualified in respect of above matters

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

7. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Standalone financial statements, Consolidated financial statements and our auditor's reports thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.
8. Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



9. In connection with our audit of the Standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
10. When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

11. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.
12. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
13. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.
14. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone financial statements

15. Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually



or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
17. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
18. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Other Matters:

19. We have placed reliance on technical / commercial evaluation by the management in respect of categorization of mine as exploratory, development, producing and dry mines, allocation of cost incurred on them, production profile, proved (developed and undeveloped) / probable coal reserves, and depletion thereof on Mine Assets, impairment, liability for decommissioning costs, evaluation and timelines for completion of projects under progress, liability for Mining lease / License for mining and nominated mines for under performance against agreed Minimum Work Programme.

Our opinion is not qualified in respect of above matters

Report on Other Legal and Regulatory Requirements

20. As required under section 143(5) of the Companies Act, 2013, we give in "Annexure I", Statement on the Directions issued by the Comptroller and Auditor General of India after complying with the suggested methodology of Audit, the action taken thereon and its impact on the accounts and Standalone financial statements of the Company.
21. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure II", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
22. As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit, except for the third parties balance confirmations, reconciliation and adjustments that may be required as described in the 'Basis for Qualified Opinion' paragraph above. The consequential effect of which, if any, on Standalone financial statements is uncertain.
 - In our opinion, except for
 - the effects/possible effects of the matters as described in the 'Basis for Qualified Opinion' paragraph above to the Standalone financial statements,
 - the matters stated in the paragraph i (vi) below on reporting under Rule 11(g).

proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) Subject to the effects/possible effects of the matters described in the 'Basis for Qualified Opinion' paragraph, Emphasis of Matters paragraph and Other Matters paragraph, in our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant applicable Rules.
- e) The matters described in the Basis for Qualified Opinion and Emphasis of Matters paragraphs and other matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) Being a Government Company, pursuant to the notification number GSR 463(E) dated 5th June, 2015 issued by the Government of India, the provisions of Section 164(2) regarding disqualification of a director, of the Companies Act, 2013 are not applicable to the Company.
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 of the Basis for Qualified Opinion section, paragraph 22(b) above on reporting under section 143(3)(b) of the Act and paragraph 22(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- h) With respect to the adequacy of the internal financial controls with reference to Standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Qualified Report in "Annexure III".
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us we report as under:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note no 41A to the Standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;
 - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.
 - iv. (a) The management has represented that, as stated Note no 43(G), to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;



- (b) The management has represented that, as stated Note no 43(G), to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended March 31, 2026 and hence reporting in respect of compliance under section 123 of the Act is not applicable.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account, which has a feature of recording an audit trail (edit log), and the same has been operated throughout the year under audit for all relevant transactions recorded in the software except the feature of recording audit trail (edit log) facility was not retained at the database level. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.
- Except for the periods of previous financial years where the audit trail feature was not enabled at the databases level, the Company has preserved the audit trail in accordance with statutory record retention requirement.
- j) Being a Government Company, pursuant to the notification number GSR 463(E) dated 5th June, 2015 issued by the Government of India, the provisions of section 197 of the Act are not applicable to the Company.

For G M Kapadia & Co.

Chartered Accountants

FRN: 104767W

Hiten H Vira

Hiten Vira

Partner

M No. 142691

UDIN: 26142691OGEIOG9796



Place: Mumbai

Date: September 28, 2026

For Kalyaniwalla & Mistry LLP

Chartered Accountants

FRN: 104607W/W100166

Sai Venkata Ramana Damarla

Sai Venkata Ramana Damarla

Partner

M. No. 107017

UDIN: 26107017FYHONY8184



Annexure I referred to in the paragraph 21 to the Independent Auditors' report of even date to the members of Maharashtra State Power Generation Co. Ltd as of and for the year ended March 31, 2026, under "the heading "Report on other Legal and Regulatory requirements"

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

- 1) **Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulation, reporting any material deviations or misstatements.**

The Company does not make direct investments for the post-retirement benefits of the employees.

The Company has one post-employment plans managed through a separate trust operated by the MSEB contributory provident fund trust (the trust) for all the group companies. This plans pertaining to Provident Fund (PF). In respect of other post-employment benefits such as Gratuity and leave encashment, such benefits are unfunded.

The audited financial statements of the trust have not been provided to us. We have been provided the provisional and unaudited Balance Sheet as on March 31, 2026

As per the accounting policy of the trust for the year ended March 31, 2025, All long-term investments made through Trusts for post-retirement benefits of employees have been accounted for at cost in the financial statements of the Trust. However, when there is a decline, other than temporary, in the value of long term investments, the carrying amount is reduced to recognize the decline. Since the Trust prepare their financial statements in accordance with the applicable Accounting Standards (not as per Indian Accounting Standards), such valuation of investments at cost is considered appropriate and in compliance with the applicable financial reporting framework and relevant regulations.

The Valuation of investments has been carried-out by the registered valuer for determining the fair market value of investments as on March 31, 2026.

The valuation approach and methodologies adopted by the valuer for such fair valuation assessment is as under:

The fair valuation of investments as at March 31, 2026 has been carried out in accordance with generally accepted valuation principles and prevailing market practices.

The valuation has primarily been based on observable market inputs and quoted market prices available for the respective securities as on the valuation date.

For listed and actively traded securities, fair value has been determined using quoted closing market prices obtained from recognized stock exchanges and financial market platforms.



For debt instruments and securities where direct quoted prices were not actively available, valuation has been carried out using:

- Yield-based valuation approach
- Observable market yields
- Pricing matrices
- FBIL rates
- CCIL valuation inputs
- Market comparable data

The management has considered the fair value determined by the valuer for purpose of accounting the shortfall in the liability towards provident fund.

Since the details of the investments and the documents are not available to us for our verification we are unable to opine on the valuation approach, its reasonability, and compliance with applicable regulation. Further we are also unable to comment on compliance of Indian Accounting Standards with respect to the valuation methodologies used.

- 2) **Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies' financial reporting process as well as cyber security has been done by Information Security Auditing Organisations empanelled by Cert-in at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.**

The Company has an adequate system i.e., System Applications and Products in Data Processing (SAP-ERP) in place to process all the accounting transactions through its implemented IT system. Based on the audit procedures performed, as well as relying upon the exercise conducted by the management to check the design of internal controls, and its operating effectiveness including the IT systems and controls, we have not come across any accounting transactions processed outside IT systems which would have an impact on the integrity of accounts or any financial implications, and there are no material weakness in such IT systems and controls, which may result in material misstatement of the financial statements of the Company. However, the SAP-ERP does not have a feature of recording audit trails for direct changes at the data base level refer paragraph i (vi) above on reporting under Rule 11(g) of our main audit report.

Review of the system and controls as well as cyber security has been done by Information Security Auditing Organisation empanelled by Cert-In at a minimum frequency of once in a year. However, few material discrepancies have been found which has been resolved up to the date of this report.



Apart from the above, there are few accounting processes being undertaken through work sheets like inventory valuation of certain coal stocks, computation of Expected Credit Loss, calculation of ROU assets, consolidation etc., wherein sufficient controls for data integrity have been observed in our review of general IT controls. There is however a need of automation of such processes to ensure complete data integrity.

- 3) Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the funds received were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation**

Based on the audit procedures performed and as per the information and explanations given to us, The Company has properly accounted for funds (grants / subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies, as the case may be, as per the applicable accounting standards or norms. The received funds were utilized as per its terms and conditions. Further, the company has not earned/ accrued interest on grants received.

- 4) Whether the Company has identified the Key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?**

Based on the audit procedures performed and as per the information and explanations given to us, the Company has identified key risk areas and has formulated a Risk Management Policy. The Policy incorporates generally accepted practice principles, but specific alignment with identified global best practices is not expressly documented in the Policy.

Since no data asset has been recognized by the Company in the financial statements, reporting on whether such data assets have been appropriately valued is not applicable.

- 5) Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.**

Based on the information and explanations given to us, secretarial audit report of the



company (where applicable), and audit procedures carried out by us with respect to audit of the Financial Statements, we report us under:

- a) The Company is not a listed Company thus the compliance of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI are not applicable to the Company
- b) The Company is a Maharashtra State Government Company thus Department of Investment and Public Asset Management and Department of Public Enterprises is not applicable to the Company.
- c) As informed to us, Department of Public Enterprises, Telecom Regulator Authority of India, and National Payments Corporation of India etc. are not applicable to the Company being unlisted State Public Sector Undertaking and not dealing in the areas of telecom and electronic payments etc.
- d) Based on the representations given to us, except as reported para 6 under Comments on sector specific sub-directions are as below the Company is complying with Ministry of Corporate Affairs, Reserve Bank of India, CERT-In and Ministry of Electronics and Information Technology, wherever applicable. There is no material impact on the financial statements for the year ended March 31, 2026.

Comments on sector specific sub-directions are as below:-

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

To the best of our knowledge, information and explanation given to us, the Company has a system for reconciliation of bills raised by the Coal companies and Bills received by Company. However, in respect of the quantity/quality of coal ordered and received, the current process of reconciliation needs to be strengthened. The Company has appointed recognized coal Analyst Companies. These companies do technical analysis of Coal Grade from the loading points of the coal company. On the basis of the analysis report, Company's coal office, Nagpur reconciles grade mentioned in invoice with grade mentioned in said report and raises grade slippage claims to coal companies.

The coal companies have claimed an amount of Rs. 6,017.88 crores (Previous year Rs.4,612.65 crores) from the Company for short lifting of material, performance incentive, interest, etc which are disputed by the Company. The Company has made counter claims against coal companies, on account of grade slippages, short delivery claims, moisture claims, under-loading claims, interest, etc claims as per terms of agreement amounted to Rs. 10,354.87 crores (Previous year Rs. 9,887.29 crores). Due to non-availability of sufficient and appropriate audit evidence, it is difficult to reach a conclusion on correctness of claims by either party. The Company has disclosed these claims by coal companies as 'contingent liability' as at March 31, 2026.

Coal Beneficiation and delivery contract has been entered into with Maharashtra State Mining Corporation Ltd (MSMC) by the Company. The Scope of beneficiation work



with MSMC includes taking delivery of raw coal from mine authority as per release order issued by coal companies on behalf of Mahagenco, transporting raw coal to washery, processing/beneficiation of raw coal to obtain specified parameters, transportation of beneficiated coal to railway siding, loading of beneficiated coal into railway wagons and delivery of such beneficiated coal to designated Thermal Power Station. As the beneficiated coal with improved quality (GCV and Ash Content) is utilised to mitigate the shortfall in quality of raw coal and fulfil the demand of generation of state within MOD (Merit Order Despatch) concept, the failure on account of quality and quantity has adverse effect on generation of electricity. Therefore, MSMC shall deliver the beneficiated coal as per technical specification (in terms of Ash Content, Moisture, etc), failing which penalties specified in the agreement shall be recovered from MSMC. As per the clause of penalty for higher ash Content, if ash content increases beyond the prescribed limit, MSMC has to recoup the quantity of raw coal equivalent to the difference in yield i.e. difference between revised correspondence yield and the revised normative yield due to increase in ash content. The Company has accounted the recouped quantity receivable of Rs. 783.89 crores as at March 31, 2026 (Previous year Rs. 571.00 crores). As stated in note no 43(E) to the financial statements, MSMC has confirmed the quantity of coal to be supplied to Mahagenco upto March 31, 2024. Thereafter the quantiles of coal to be supplied is subject to approval of the referee (third party sampling). However no physical verification of the said coal has been carried out by the management during the year.

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

To the best of our knowledge, information and explanation given to us, the Company has not entered into any agreement with the State Government for supply of free power.

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

To the best of our knowledge, information and explanation given to us the Scrap and obsolete material are identified by the Company, however the same are not accounted at the time of their identification. Metal Scrap is not valued and not accounted in the Books of Accounts and its realization is accounted for as and when the auction takes place. Obsolete materials are valued at historical cost and simultaneously 100% provision for obsolescence is made in the Books of Accounts as per the policy of the Company (Refer Schedule 5 "Inventories" and Material Accounting Policy no 9). The provision so created is adjusted upon the auction of the said obsolete item. The Company identifies inventory items as obsolete based on the age of the inventory.

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

We have issued our Audit report in terms of Standard on Auditing (SA) 700 (Revised) "Forming an Opinion and Reporting on Financial Statements" read with Standard on Auditing (SA) 705 (Revised) Modifications to the Opinion in the Independent Auditor's



Report as prescribed under the Companies Act, 2013. The standards does not require the Auditor to state the figure of profit / loss of the Company for the year in the Audit report. The profit referred to in Paragraph 2 of the report is the profit for the year after tax without considering the items reported in other comprehensive income (OCI) is Rs. 426.70 crores

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

To the best of our knowledge, information and explanation given to us water discharge is governed by Water Resource Department (WRD) of State Government and as informed to us, the Company has no role in the same. No penalty has been paid/payable towards water discharge to maintain biodiversity.

- 6) **Examine whether the provisions of the Companies Act were followed w.r.t. reporting and disclosure of CSR activities, Corporate Governance and formation of Audit Committee and conduct of meetings thereon.**

a) **CSR Activities**

The provisions of the section 135 of the Companies Act, 2013 with respect to reporting and disclosure of Corporate Social Responsibility (CSR) activities are applicable to the Company. However, in view of the losses in the previous years, the Company is not required to spend any amount towards CSR for the year (Previous year Nil). However, based on the internal policy, the Company has incurred Rs. Nil crores (Previous year Rs. 9.05 crores) towards expenses under for CSR activity. In addition to the above, as stated in note 40, the Company has incurred expenses under environment clearance/welfare activities of Rs. _22.99 crores being expenses incurred under the obligation of various agreements entered into by the Company under the environment clearance permission.

As required by section 135 of the Companies Act, 2013, the Company has formed a CSR Committee. One meeting of the Committee have been held during the year. No meetings were held during the previous year.

b) **Corporate Governance**

As informed to us, since the Company is not a listed Company provisions of Regulations 17 to 27, clauses (b) to (i) of Sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") are not applicable to the Company. In addition, the Company has informed us that no such disclosure are required in the Standalone financial statements under the Companies Act, 2013 or under any Accounting Standards. Certain disclosures are mandated in Board of Directors report. As stated in para 10 of our independent audit report, the Annual Report including the Board of Directors Report is expected to be made available to us after the date of this auditor's report.



The details of the committees formed by the Company and the number of meetings held are as under:

Committee	No of Meeting Held during the Year
Audit Committee	3
Corporate Social Responsibility (CSR) Committee	1

c) Audit Committee

Mandatory Constitution of audit committee and nomination and remuneration committee is not required by virtue of exemption given under notification GSR 880(E) dated 13.07.2017 issued by Ministry of Corporate Affairs Govt of India. The Company has formed Audit Committee comprising of only one independent directors. However, as stated in para 6 (d) of our independent audit report the constitution of the Committee is not in accordance with section 177 of the Companies Act, 2013. Accordingly certain mandatory functions of the Audit Committee, such as review of annual financial statements, approval of related party transactions etc., have been directly carried out by the Board of Directors of the Company. Accordingly, the enclosed Standalone financial statements have been directly approved by the Board of Directors.

During the year, 3 Audit committee meetings were held.

For G M Kapadia & Co.

Chartered Accountants

FRN: 104767W

Hiten Vira

Hiten Vira

Partner

M No. 142691

UDIN: 261426910GEIOG9796



For Kalyaniwalla & Mistry LLP

Chartered Accountants

FRN: 104607W/W100166

Sai Venkata Ramana Damarla

Sai Venkata Ramana Damarla

Partner

M. No. 107017

UDIN: 26107017FYHONY8184



Place: Mumbai

Date: September 28, 2026

Annexure II referred to in the paragraph 22 to the Independent Auditors' report of even date to the members of Maharashtra State Power Generation Co. Ltd as of and for the year ended March 31, 2026 under "the heading "Report on other Legal and Regulatory requirements"

- i. In respect of its Property, Plant and Equipment:
To the best of our knowledge, information and explanation given to us and on the basis of our examination of the records:

- a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment and relevant details of right-of-use assets.
- B. The Company has maintained proper records of Intangible assets showing full particulars of such assets;
- b) According to the information and explanation given to us and on the basis of our examination of the records, the Company does not have any documented policy for conducting physical verification of Property, Plant and Equipment. As per the consistent practice followed by the Company physical verification of Property, Plant and Equipment is conducted once in three years. The Company has conducted physical verification of Property, Plant and Equipment in the financial year 2025-2026. No material discrepancies were noticed during the verification. /The discrepancies observed have been properly dealt with in the books of account.
- c) According to the information and explanations given to us and on the basis of our examination of the records, the Company is in the process to obtain title deeds for certain immovable properties to determine whether they are held in the name of the Company. To the extent information available, following title deeds of immovable properties are not held in the name of Company i.e. Maharashtra State Power Generation Company Ltd.:

Details of Immoveable properties including properties where the Company is a lessee and Right to use Assets not in the name of the Company are as under:

Sr.no	Description of property	Gross carrying value (Crores)	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range where appropriate	Reason for not being held in name of the Company
1	Land at Bhusawal	0.24	Office of Mahagenco	No	Since inception	Transferring of title in the registered name of the Company is in process.



Sr.no	Description of property	Gross carrying value (Crores)	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range where appropriate	Reason for not being held in name of the Company
2	Land at Chandrapur	1.24	--Do--	No	Since inception	--Do--
3	Land at Nashik	3.75	--Do--	No	Since inception	--Do--
4	Land at Paras	22.75	--Do--	No	Since inception	--Do--
5	Land at Parli	25.09	Landowner	No	Since inception	--Do--
6	Land at Kaparkheda	23.71	Office of Mahagenco	No	Since inception	--Do--
7	S.E.(GEN) COAL NAGPUR	0.01	--Do--	No	Since inception	--Do--
8	Land at Bhatghar	0.03	--Do--	No	Since inception	--Do--
9	Land at HO solar project and civil	12.95	--Do--	No	Since inception	--Do--
10	Land at Sakri Solar	42.03	--Do--	No	Since inception	--Do--
11	Shirsuphal	12.22	--Do--	No	Since inception	--Do--
12	Uran	69.76	MSEB	No	Since inception	--Do--
13	Uran	61.26	Lease deed not executed	No	Since inception	--Do--
14	Koyna Stage I	68.24	Lease deed not executed	No	Since inception	--Do--
15	Koyna Stage IV	2190.85	Lease deed not executed	No	Since inception	--Do--
16	Terwanmedhe	4.35	Lease deed not executed	No	Since inception	--Do--
17	Dudhganga	107.44	Lease deed not executed	No	Since inception	--Do--
18	Manikodh	37.50	Lease deed not executed	No	Since inception	--Do--
19	Dimbhe	29.49	Lease deed not executed	No	Since inception	--Do--



Sr.no	Description of property	Gross carrying value (Crores)	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range where appropriate	Reason for not being held in name of the Company
20	Ujjani	74.01	Lease deed not executed	No	Since inception	--Do--
21	Warna	68.72	Lease deed not executed	No	Since inception	--Do--
22	Surya	52.25	Lease deed not executed	No	Since inception	--Do--
23	Surya RB	15.43	Lease deed not executed	No	Since inception	--Do--
24	Ghatghar	1815.64	Lease deed not executed	No	Since inception	--Do--

- d) The Company has not revalued its Property, Plant and Equipment (including Right to Use assets) or intangible assets or both during the year. Accordingly, paragraph 3(i)(d), of the Order are not applicable;
- e) As represented by the management there are no proceedings initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. In respect of its inventories:
- a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. The physical verification of inventory was carried out during the year by external agencies appointed by the management whose reports have been provided to us. However, no physical verification report were available for coal lying with coal washeries, transporters and Maharashtra State Mining Company Ltd (MSMC). In our opinion the coverage and procedure of such verification by the management is appropriate except for the verification of coal lying with coal washeries, transporters and with Maharashtra State Mining Company Ltd. (MSMC). The discrepancies noticed have been properly dealt with in the books of accounts.
- b) As informed to us, Company has been sanctioned working Capital limits of Rs.10,500 crores, in aggregate from banks on the basis of security of current assets and necessary quarterly returns have been filed with the by the Company with such banks, the details of the same are as follows:



Name of the Bank	Aggregate working capital limits sanctioned (Rs. crores)	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/statement (Rs. crores)	Amount as per books of account (Rs. crores)	Difference (Rs. crores)	Reasons for difference
Consortium Banks	10,500	Refer Note below	June 30, 2025	28,780.20	33,184.04	(4403.84)	Supplementary/differential bills towards supply of energy get issued and accounted for in subsequent periods. Value adjustment in inventory
Consortium Banks	10,500	--Do--	September 30, 2025	30,866.66	33,817.17	(2950.51)	--Do--
Consortium Banks	10,500	--Do--	December 31, 2025	30,900.87	34,838.62	(3937.75)	--Do--
Consortium Banks	10,500	--Do--	March 31, 2026	30,414.93	34,10795.63	(3,692.70)	Surcharge bill issued after end of financial year. Similarly unbilled revenue is recognised in the



							books of account. Value adjustment in inventory
--	--	--	--	--	--	--	---

Note:- Pari-passu charge on the Company's entire current assets namely stock of raw materials, consumables stores and spares and book debts at its plant sites or anywhere else, in favour of the bank, by way of hypothecation.

iii. The Company has provided loans and made investments in, companies, and granted unsecured loans to other parties, during the year. The Company has provided any loans to firms and Limited Liability Partnerships,

a) As per the information and explanations given to us, the company has granted loans to its Subsidiaries, Associates and Joint Ventures Companies and other entities as per details below:

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year	Nil	Nil	Rs. 1556.14 crores	Nil
-Subsidiaries	Nil	Nil	-	Nil
- Joint Ventures			Rs. 1544.77 crores	
- Associates			-	
- Employee Loan			Rs. 11.37 crores	
Balance outstanding as at balance sheet date in respect of above cases	Nil	Nil		Nil
- Subsidiaries			-	
- Joint Ventures			Rs. 1544.77 crores	
- Associates			-	
- Employee Loan			Rs. 1.18 crores	

b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest. No terms have been specified with respect to loans granted to Subsidiaries and Associates. Further such loans have been granted as interest free loans which is significantly lower than the cost of funds to the Company

c) As per the explanation and information given to us, the schedule of repayment of principal and payment of interest in respect of aforesaid loans has not been stipulated. Thus, we are unable to comment whether the repayments or receipts are regular;



- d) In absence of schedule of repayment of principal and payment of interest, we are unable to comment the amount overdue if any with respect to such loans. No steps have been taken by the management for recovery of such loans.
- e) As informed to us, in absence of schedule of repayment of loans or payment of interest, no amount has become due / renewed during the year.
- f) The details of loans granted without any specifying terms or period of repayment are as under:

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans	-	-	-
- Repayable on demand (A)	-	-	-
- Agreement does not specify any terms or period of repayment (B)	-	-	Rs. 57.16 crores
Total (A+B)	-	-	Rs. 57.16 crores.
Percentage of loans/ advances in nature of loans to the total loans	-	-	4%

- iv. As informed to us, the Company has directly or indirectly not advanced loans, given guarantees, or providing security for loans to parties as specified in section 185 of the Act. Accordingly, section 185 is not applicable. Since the Company is engaged in providing infrastructure facilities as specified in Schedule VI to the Act, provisions of section 186 except sub-section (1) of the Act, are not applicable to the Company. In our opinion and according to information and explanation provided to us, the provisions of Section 186 (1) of the Act have been complied with
- v. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, to the extent applicable. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal in this regard.
- vi. The Central Government has prescribed maintenance of cost records u/s 148(1) of the Companies Act, 2013. We have broadly reviewed such relevant records of the Company and in our opinion and according to the information and explanation given to us prima facie the Company has made and maintained the prescribed records. We have, however not made an examination of the cost records required to be maintained under Companies (Cost Accounting Records) Rules 2014 with a view to determine whether these are accurate or complete.



vii. In respect of statutory dues:

- a) According to the information & explanation given to us and according to the books & records, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax (GST) and cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, GST and cess, were outstanding, as at March 31, 2026 for a period of more than six months from the date of becoming payable.
- b) According to the information and explanation given to us, there are no dues of income-tax, wealth-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, GST and cess which have not been deposited on account of any dispute except the following: -

Sr. No.	Name of the Statute	Nature of Dues	Gross Amount (Rs. crores)	Amount deposited (Rs. crores)	Amount payable (Rs. crores)	Period to which amount relates	Forum at which dispute is pending
1	Income Tax Act	TDS on Service Tax (Rs. 895000/-)	0.09	-	0.09	AY 2006-07 & 2007-08	ITAT Pune Bench
2	Income Tax Act	Penalty U/s 143(3)	3.17	-	3.17	AY 2014-15	CIT (A), Mumbai
3	Income Tax Act	Demand appearing on TRACE (MAHAGENCO as a Whole)	0.43	-	0.43	AY 2008-09 to 2025-26	AO Mumbai
4	Income Tax Act	AO under section 143(3) dtd 08.04.2021 Erroneously considering the total loss short Rs. 208232182/-, Credit for tax deducted at source granted short Rs. 397670/-, Erroneous levy of interest u/s. 234A Rs. 6087034/-, Erroneous excessive charge of	21.64	-	21.64	AY 2018-19	CIT(A) - NFAC



Sr. No.	Name of the Statute	Nature of Dues	Gross Amount (Rs. crores)	Amount deposited (Rs. crores)	Amount payable (Rs. crores)	Period to which amount relates	Forum at which dispute is pending
		interest u/s. 234B Rs. 1685837/- and Erroneous excessive charge of interest u/s. 234C Rs. 20085/-.					
5	Income Tax Act	Disallowance of deduction claimed u/s. 32AC of the Income-tax Act, 1961 Order passed u/s Section 143(3) on 30th December, 2019. Submission in this respect has been filed online. Order of CIT(A) is still awaited.	2,558.49	-	2,558.49	AY 2017-18	CIT(A) - NFAC
6	Central Service TaX	Service Tax demand on Water Royalty Charges and Civil maintenance charges payable to GoM-WRD at Pophali HPS (Koyna Stage I&II, III, IV and KDPH), CGST Division V, Kolhapur Commissionerate. Kolhapur.	5.60	0.42	5.18	April 2016 to June 2017	(CESTAT) Mumbai
7	Central Service TaX	Commissioner CGST, CX Nagpur. E/ 86034/219 SM (Rs.221820/-)	0.02	-	0.02	2019	CESTAT Mumbai
8	Central Service TaX	M/s BSN Joshi filed application to pay an Interest on service tax Rs. 5,83,235/- .Mahagenco deposited an amount Rs. 4,28,076/ in the	0.02	-	0.02		Commissioner of Service Tax (Appeals) Mumbai



Sr. No.	Name of the Statue	Nature of Dues	Gross Amount (Rs. crores)	Amount deposited (Rs. crores)	Amount payable (Rs. crores)	Period to which amount relates	Forum at which dispute is pending
		Dist. Court, Nagpur.					
9	Goods and Service Tax (GST)	Interest payable for delay in filing of GSTR-3B Return	0.01	-	0.01	Aug-17	Jt. Commissioner of State Tax (Appeal)
10	Goods and Service Tax (GST)	Interest payable for delay in filing of GSTR-3B Return	0.02	-	0.02	Dec-19	Jt. Commissioner of State Tax (Appeal)
11	CESTAT Mumbai	Paid against excise duty towards order raised by central excise office vide no. 32/2009/1 dtd. 27.11.2009 & 28-30/2009/c dtd. 24.11.2009. The matter is under protest.	0.27	-	0.27	2023	CESTAT Mumbai
12	Income Tax Act	TRACES TDS demand because delay in payment made by BOB bank FY 21-22 4th Quarter Bank has filed appeal at CIT (Commissioner of Income Tax) but hearing of CIT is not opened yet.	0.04	-	0.04	AY 2022-23	CIT(A) - NFAC
13	Income Tax Act	Disallowance of prior period expenditure Rs. 1,79,42,265/-, Disallowance of depreciation claimed @ 10% on buildings used as staff quarters Rs. 6,63,84,094/- and	51.07	-	51.07	FY 2012-13	CIT(A) - NFAC



Sr. No.	Name of the Statute	Nature of Dues	Gross Amount (Rs. crores)	Amount deposited (Rs. crores)	Amount payable (Rs. crores)	Period to which amount relates	Forum at which dispute is pending
		Disallowance of Rs. 42,63,94,751/- being gain on foreign exchange variation. Hearing yet to be fixed by CIT(A)					
14	Income Tax Act	Not considering the revised return of income filed by the Company - Loss considered less (Rs.914606401), Disallowance u/s. 14A of the Income-tax Act, 1961 (Rs. 133000) and Disallowance of prior period expenditure (Rs. 1524020857). Hearing date is fixed as 15.05.2025 by CIT(A).	243.88	-	243.88	FY 2013-14	CIT(A) - NFAC
15	Central Service Tax	Service tax demand on water Royalty and civil maintenance charges for 27 hydro power stations	19.27	1.44	17.83	Oct 2012 to Mar 2016	(CESTAT) Mumbai
16	Central Service Tax	Service tax demand on water Royalty and civil maintenance charges for 27 hydro power stations	7.50	0.56	6.94	Apr 2016 to June 2017	(CESTAT) Mumbai
17	Central Service Tax	Service tax demand on water charges paid to Irrigation Department and to Nagpur Municipal Corporation-Koradi	3.13	0.25	2.88	April 2016 to June 2017	(CESTAT) Mumbai



Sr. No.	Name of the Statute	Nature of Dues	Gross Amount (Rs. crores)	Amount deposited (Rs. crores)	Amount payable (Rs. crores)	Period to which amount relates	Forum at which dispute is pending
		TPS & K'kheda TPS.					
18	Central Service Tax	Service Tax demand on Guarantee fees paid to Govt. of Maharashtra for loans availed from Financial Institutions. (HO)	3.19	0.24	2.95	July 2012 to March 2017	(CESTAT) Mumbai
19	Goods and Service Tax (GST)	Demand of GST on retention made for Liquidate Damages. (HO)	58.30	3.30	55.00	July 2017 to March 2022	CESTAT Mumbai
20	Goods and Service Tax (GST)	GST Audit 2018-19. GST payable on annual charges received for usage of Eklahare, barrage and land at Nashik TPS and Interest earned on making early payment to vendors. Interest and penalty on GST demanded. (HO)	1.05	0.05	1.00	April 2018 to March 2019	Jt. Commissioner of State Tax (Appeal)
21	M-VAT	Demand for excess refund of VAT due to retrospective amendment in VAT Rules and interest thereon	-	-	-	April 2006 to March 2007	Maharashtra Sales Tax- Appeal withdrawn for availment benefit under Amnesty Scheme- Aug 2025.



Sr. No.	Name of the Statute	Nature of Dues	Gross Amount (Rs. crores)	Amount deposited (Rs. crores)	Amount payable (Rs. crores)	Period to which amount relates	Forum at which dispute is pending
22	Income Tax Act	Re-assessment proceeding u/s 148 regarding Disallowance of prior period expenditure and Reduction on account of the reversal of excess billing which is already taxed in the earlier year. Validity of the re-assessment proceedings u/s 148 of Income Tax Act is pending.	399.92	-	399.92	AY 2007-08	High Court, Mumbai
23	Income Tax Act	Disallowance of depreciation claimed @ 10% on buildings used as staff quarters Rs. 3,19,30,349/- and Not considering the 'total income' as assessed in terms of Order dated 20 September 2011 giving effect to the Order dated 06 June 2011 passed by the Commissioner of Income-tax(Appeals). the Tax Tribunal in terms of its Order dated 23 August 2022 has sent the matter back to the file of the CIT(A) for adjudication on merits. The relevant written submissions have been filed with the CIT(A) and the	158.25	-	158.25	AY 2008-09	CIT(A) - NFAC



Sr. No.	Name of the Statute	Nature of Dues	Gross Amount (Rs. crores)	Amount deposited (Rs. crores)	Amount payable (Rs. crores)	Period to which amount relates	Forum at which dispute is pending
		appeal is pending adjudication.					
24	Income Tax Act	Disallowance under section 40(a)(ia) Rs. 82,65,57,704/-, Disallowance of prior period expenditure Rs. 19,15,87,803/-, Disallowance u/s. 14A of the Income-tax Act, 1961 Rs. 11196 and Disallowance regarding Purchase from hawala operators Rs. 4,97,432/-. Earlier Issues is decided in favour of Company vide order dated 20 September, 2021 passed by ITAT. Now the tax department has filed an appeal against the Order of the ITAT to the Bombay High Court.	101.87	-	101.87	AY 2010-11	High Court, Mumbai
25	Income Tax Act	Disallowance of prior period expenditure of Rs. 14,78,47,332/-. Earlier Issue was decided in favour of Company vide order dated 22 April, 2021 passed by ITAT. Now the tax department has filed an appeal against the Order of the ITAT to the	14.78	-	14.78	AY 2011-12	High Court, Mumbai



Sr. No.	Name of the Statute	Nature of Dues	Gross Amount (Rs. crores)	Amount deposited (Rs. crores)	Amount payable (Rs. crores)	Period to which amount relates	Forum at which dispute is pending
		Bombay High Court.					
26	Income Tax Act	Levy of penalty of Rs.10,000/- u/s. 272A(1)(d) of the Income-tax Act, 1961. Appeal is pending before CIT(A). Submission has filed online and Order of CIT (A) is still awaited.	-	-	0.00	AY 2017-18	CIT(A) - NFAC
27	Central Service Tax	Appeal against the Order in Mumbai Court of Additional Commissioner of Central Goods and Service Tax and Central Excise (Nagpur court has passed order dated 03.01.2022 for payment of service tax amounting to Rs. 59,12,768/- with Interest and Penalty for non - payment of service tax under RCM	0.59	0.06	0.53	Apr 2016 to June 2017	(CESTAT) Mumbai
28	Income Tax Act	CIT(A) has passed an order under section 250 vide order no. ITBA/ITBA/APL/S/250/2024-25/1069370918(1) dated 04.10.2024	26.63	-	26.63	AY 2022-23	CIT(A) - NFAC
29	Goods and Service	Compensation cess due on sale of washery coal rejects. The cess	12.10	-	12.10	Oct 2021 to Sept 2022	GST Appellate Tribunal



Sr. No.	Name of the Statue	Nature of Dues	Gross Amount (Rs. crores)	Amount deposited (Rs. crores)	Amount payable (Rs. crores)	Period to which amount relates	Forum at which dispute is pending
	Tax (GST)	has been paid through ITC. Show cause notice received for payment of interest and penalty. (HO). Appeal yet to filed on start of Tribunal working.					
30	Goods and Service Tax (GST)	GST Audit 2020-21. GST demand on short payment of tax under RCM on payment of legal fees and penalty for wrong filing of GSTR-9	0.67	0.03	0.64	Apr 2020 to Mar 2021	Jt. Commissioner of State Tax (Appeal)
31	Income Tax Act	201(1)/201(1A)/TD S Tax not deducted in respect of Capital Expenditure and Employee Costs	13.11	5.81	7.30	AY 2009-10	High Court (HC)
32	Goods and Service tax (GST)	GST Audit 2021-22. GST demand on short payment of tax under RCM on payment of legal fees.	0.66	0.04	0.62	April 2021 to March 2022	Jt. Commissioner of State Tax (Appeals)
		TOTAL	3,705.77	12.20	3,693.57		

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix. (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.



- (c) In our opinion, term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) In our opinion and according to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) In our opinion and according to the information and explanation given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies
- x. a) As informed to us, during the year the Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit.
- xi. a) As stated in note no. 43(K) an employee of the Company allegedly misappropriated funds amounting to Rs. 2.91 crore during the year under audit. The Company has filed an FIR and also initiated departmental action against the concerned employee. Except as stated above, and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- b) Report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 in respect of (a) above as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- c) As informed to us, no whistle-blower complaints have been, received during the year by the Company;
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3 (xii) of the Order is not applicable.
- xiii. According to the information and explanations given by the management and based on our examination, the transactions with the related parties are in compliance with section 188 of the Act, where applicable. As stated in Note no 43(F) of the Standalone financial statements read together with para 6(b) of our Independent Auditors' Report, as 3 meetings of the Audit Committee have been convened during the year, the mandatory function of review/ approval of related party transactions as required under section 177 of the Act to be performed by the Audit Committee, has been directly carried out by the Board of Directors. The Company has disclosed the details of the related party transactions in the Notes to the Standalone financial statements, as required by the applicable Indian Accounting Standards to the extent applicable



- xiv. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them as per section 192 of Companies Act, 2013. Accordingly, reporting under clause 3 (xv) of the Order is not applicable.
- xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- d) In our opinion, and according to the information and explanation given to us, in the group (in accordance with Core Investment Companies (Reserve Bank) Directions, 2016) there are no companies forming part of the promoter/promoter group of the Company which are CICs
- xvii. On the basis of examination of records, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has not been any resignation of statutory auditors during the year. Hence, reporting under clause 3 (xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans except for the recovery of trade receivables as per our qualification in Audit Report on Standalone financial statements, we are of the opinion that no material uncertainty exists as on the date of the audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of 1 year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanation given to us, the Company is not liable for incurring expenditure under Corporate Social Responsibility as required by the provisions of Section 135 of the act and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act.



- xxi. The reporting under clause (xxi) is not applicable in respect of audit of Standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For G M Kapadia & Co.

Chartered Accountants

FRN: 104767W

Hiten H Vira

Hiten Vira

Partner

M No. 142691

UDIN: 26142691OGEIOG9796



For Kalyaniwalla & Mistry LLP

Chartered Accountants

FRN: 104607W/W100166

Sai Venkata Ramana Damarla

Sai Venkata Ramana Damarla

Partner

M. No. 107017

UDIN: 26107017FYHONY8184



Place: Mumbai

Date: September 28, 2026

Annexure III referred to in the paragraph 23(h) to the Independent Auditors' report of even date to the members of Maharashtra State Power Generation Co. Ltd as of and for the year ended March 31, 2026 under "the heading "Report on other Legal and Regulatory requirements"

Report on the Internal Financial Controls with reference to Standalone financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

Qualified Opinion:

1. We have audited the internal financial controls with reference to Standalone financial statements of Maharashtra State Power Generation Company Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.
2. In our opinion, except for the effects/possible effects of the material weaknesses described at paragraph on "Basis for Qualified Opinion" below on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to Standalone financial statements and such internal financial controls with reference to Standalone financial statements were operating effectively as of March 31, 2026.
3. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Standalone financial statements of the Company for the year ended March 31, 2026.
4. The material weakness stated at paragraph 6 (i), (vii), & (viii) of 'Basis for qualified opinion' below with respect to timely adjustments of advances to suppliers and provision for liabilities made there against and with respect to physical verification report of coal lying with washeries/third parties has affected our opinion on the Standalone financial statements of the Company and we have issued a qualified opinion in our main audit report.
5. The other material weaknesses stated in the paragraph 6 (ii) to (vi), & (ix) of the "Basis for qualified opinion" below, do not affect our opinion on the Standalone financial statements of the Company.

Basis for Qualified Opinion

6. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2026 wherein the internal financial controls were not operating effectively:
 - i. In respect of timely adjustments of advances to suppliers and provision for liabilities made there against; adjustment/ reconciliation / clearance of entries parked in various accounts such as identified vendor, unidentified vendor, liabilities reg. Unsuccessful bank transactions; adjustment/ reconciliation / clearance of old open balances.
 - ii. In respect of non-issuance of LPS bills timely i.e. monthly bills for LPS as per Power Purchase Agreement for Thermal Power Stations.



- iii. In respect of timely finalisation and levying the liquidated damages.
- iv. In relation to system base ageing report relating to loans and advances, retention money and creditors.
- v. Mapping of Debit balance accounts at liabilities side and credit balance accounts at assets side in the Standalone financial statements
- vi. Based on the process of the management, the Internal auditors have carried out the verification of risk assessment process and Internal Financial Control (IFC). However, we have observed that at certain locations Risk Control Matrix (RCM) or Standard Operating Procedures (SOPs) need to be updated or is not available. Thus, we are unable to comment on the effectiveness of such controls.
- vii. No physical verification report of coal lying with washeries/third parties.
- viii. No proper system to identification of Micro, Small and Medium Enterprises and necessary system to capture the status of enterprises identified under the MSME Act in the accounting software.
- ix. The Company does not have a maker checker control with respect to recording of entries in the books of accounts and preparing and verification of Bank Reconciliation Statement in certain units. Such processes are currently handled by a single individual. Further the policy for recording transactions entered by the Company and the maker checker of such transactions needs to be strengthened.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to Standalone financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

8. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed



under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

9. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone financial statements included obtaining an understanding of internal financial controls with reference to Standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.
10. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone financial statements

11. A company's internal financial control with reference to Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Statement financial statements includes those policies and procedures that:
 - a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
 - c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone financial statements

12. Because of the inherent limitations of internal financial controls with reference to Standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may



occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone financial statements to future periods are subject to the risk that the internal financial control with reference to Standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Hiten H Vira

Hiten Vira
Partner
M No. 142691
UDIN: 26142691OGEIOG9796



For Kalyaniwalla & Mistry LLP
Chartered Accountants
FRN: 104607W/W100166

Sai Venkata Ramana Damarla

Sai Venkata Ramana Damarla
Partner
M. No. 107017
UDIN: 26107017FYHONY8184



Place: Mumbai
Date: September 28, 2026