

FINANCIAL STATEMENT
2014-15

**MAHARASHTRA ENERGY
GENERATION LIMITED**

INDEPENDENT AUDITOR'S REPORT

**To the Members of Maharashtra Energy Generation Limited
Report on the Financial Statements**

1. We have audited the accompanying financial statements of Maharashtra Energy Generation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

7. We draw attention to Note 4 of the Financial Statements regarding Company's decision not to pursue the project and informed the Government of Maharashtra (GoM), vide letter dated September 6, 2011 of its decision. The financial statements of the Company have not been prepared on a going concern basis as there are no operations in the Company and accordingly, assets and liabilities have been stated at their net realisable value or cost, whichever is less.

Our opinion is not qualified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

To the Members of Maharashtra Energy Generation Limited
Report on the Financial Statements
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Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The going concern matter described in para 7 under Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed impact of pending litigations on financial position of the Company in financial statement (refer note no 4 of the financial statement).
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi and Shah
Chartered Accountants
Firm Registration No. 101720W

Vijay Napawalliya
Partner
Membership No. 109859

Place: Mumbai
Date: May 23, 2015.

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Re: Maharashtra Energy Generation Limited

Referred to in Paragraph 8 of our report of even date

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- 1 (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- 2 The Company does not have any inventory. Therefore the provisions of clause 3 (ii) of the Companies (Auditor's Report) Order, 2015 are not applicable.
- 3 The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- 4 In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase fixed assets. During the year, the Company did not undertake any activity of purchase of inventory, sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- 5 The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified. During the year under audit, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Tribunal.
- 6 The Central Government of India pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2014, ('Rules') has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act to the Company.
- 7 (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no undisputed amounts payable in respect of such applicable statutory dues as at March 31, 2015 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (c) According to the information and explanations given to us, there is no outstanding amount, which is required to be transferred to investor education and protection fund in accordance with the relevant provision of the Companies Act, 1956 and rules made there under.
- 8 The Company's accumulated losses as at March 31, 2015 are less than fifty percent of its net worth. The Company has not incurred cash losses in the financial year ended on that date but incurred cash losses in the immediately preceding financial year.
- 9 According to the records of the Company examined by us and the information and explanation given to us, the company has no dues to financial institutions banks and debentures holders; hence, question of default in repayment does not arise.
- 10 In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Re: Maharashtra Energy Generation Limited

Referred to in Paragraph 8 of our report of even date

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- 11 According to the information and explanations given to us, no term loans have been raised by the Company during the year.
- 12 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Chaturvedi & Shah
Firm Registration Number: 101720W
Chartered Accountants

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 23, 2015

Maharashtra Energy Generation Limited
Balance Sheet as at March 31, 2015

Particulars	Note	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3.1	1,000,000	1,000,000
Reserves and Surplus	3.2	142,493,208	141,962,540
Current Liabilities			
Other Current Liabilities	3.3	64,980	56,180
Short Term Provisions	3.4	207,910	-
		<u>143,766,098</u>	<u>143,018,720</u>
Assets			
Non Current assets			
Fixed Assets			
Tangible Assets	3.5	5,154,750	5,154,750
Long Term Loans and Advances	3.6	123,992,017	124,042,145
Current Assets			
Cash and Cash Equivalents	3.7	8,166	21,825
Short Term Loans and Advances	3.8	14,611,165	13,800,000
		<u>143,766,098</u>	<u>143,018,720</u>

The notes are an integral part of these financial statements.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No 101720W

For and on behalf of the Board of Directors

Vijay Napawaliya
Partner
Membership No. 109859

Ramaswami Kalidas
Director
(DIN: 00203913)

Nimish Chitalia
Director
(DIN: 03483266)

Place : Mumbai
Date: May 23, 2015

Place : Mumbai
Date: May 23, 2015

Maharashtra Energy Generation Limited
Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Note	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
Other Income	3.9	1,234,627	-
Total Revenue		1,234,627	-
Expenses:			
Other Expenses	3.10	322,459	176,226
Depreciation		-	20,339
Total Expenses		322,459	196,565
Profit / (Loss) before tax		912,168	(196,565)
Tax expense:			
Current Tax		381,500	-
Profit / (Loss) for the year		530,668	(196,565)
Earnings per equity share: (Face value of Rs. 10 each)			
- Basic		7.08	(2.62)
- Diluted		7.08	(2.62)

(Refer Note 7)

The notes are an integral part of these financial statements.

As per our attached report of even date.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No 101720W

For and on behalf of the Board of Directors

Vijay Napawaliya
Partner
Membership No. 109859

Ramaswami Kalidas
Director
(DIN: 00203913)

Nirish Chitalia
Director
(DIN: 03483266)

Place : Mumbai
Date: May 23, 2015

Place : Mumbai
Date: May 23, 2015

Maharashtra Energy Generation Limited
Cash Flow Statement for the year ended March 31, 2015

Particulars	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
A. Cash Flow from/(used in) Operating Activities:		
Net Profit/(Loss) Before Tax	912,168	(196,565)
Adjusted for:		
Interest on Inter-Corporate Deposit	(1,234,627)	-
Depreciation	-	20,339
Loss on sale / discarding of assets	-	79,721
Operating Loss before working capital changes	<u>(322,459)</u>	<u>(96,505)</u>
Adjustments for working capital changes		
Long-Term Loans and Advances	-	-
Current Liabilities	8,800	(254,201)
	<u>8,800</u>	<u>(254,201)</u>
Net Cash (used in) Operating Activities	<u><u>(313,659)</u></u>	<u><u>(350,706)</u></u>
B. Cash Flow from Investing Activities:		
Refund of Inter Corporate Deposits	300,000	100,000
Net Cash from Investing Activities	<u>300,000</u>	<u>100,000</u>
C. Cash Flow from Financing Activities:		
	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(13,659)	(250,706)
Cash and Cash Equivalents at the beginning of the year:		
Bank Balance - Current Accounts	21,825	272,531
Cash and Cash Equivalents at the end of the year:		
Bank Balance - Current Accounts	8,166	21,825

Previous year figures have been regrouped and recast wherever necessary to the current year

As per our attached report of even date.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No 101720W

For and on behalf of the Board of Directors

Vijay Napawaliya
Partner
Membership No. 109859

Ramaswami Kalidas
Director
(DIN: 00203913)

Nandish Chitalla
Director
(DIN: 03483266)

Place : Mumbai
Date: May 23, 2015

Place : Mumbai
Date: May 23, 2015

1 General Information

Maharashtra Energy Generation Limited is a wholly owned subsidiary of Reliance Power Limited. The Company has been set up as a special purpose vehicle to develop a thermal power project at Shahpur, Taluka Allbag, District Raigad, Maharashtra. Also, refer Note 4 below.

2 Significant accounting policies

a) Basis of preparation:

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the relevant provisions of the Companies Act, 2013 (The "Act") and the Accounting Standards notified under the Act. The Financial Statements are prepared on accrual basis under the historical cost convention and are presented in Indian Rupees round off to the nearest rupee.

b) Use of estimates:

The preparation and presentation of Financial Statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on the date of the Financial Statements and reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised.

c) Tangible Assets and Capital Work-in-Progress:

Tangible assets are stated at cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment of loss, if any. The cost of Tangible Assets comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use. Subsequent expenditure related to an item of Tangible assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standards of performance. Expenditure incurred on assets which are not ready for their intended used comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed as Capital Work in Progress.

d) Impairment of assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss.

e) Depreciation :

Tangible assets:

Depreciation on Tangible Assets is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013.

f) Investments:

Long term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined of value of long-term investments and made for each investment individually. Current investments are valued at lower of cost and fair value.

g) Provisions, Contingent Liabilities and Contingent Assets:

Provisions:

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

Contingent Liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made as specified in Accounting standard 29 – "Provisions, Contingent Liability and Contingent Assets".

Contingent Assets:

A contingent asset is neither recognised nor disclosed in the Financial Statements.

h) Borrowing Costs:

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

i) Revenue recognition:

Profit on sale/redemption of investment is accounted on sale/redemption of such investments. Dividend on investment is accounted when the right to receive payment is established in the entity's favour. Interest on deposits is accounted for on an accrual basis.

j) Accounting for taxes on income:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

k) Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash Equivalents are short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

l) Cash Flow Statement:

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

m) Earnings per share:

Basic earnings per share are computed by dividing the net profit or loss by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year after deducting preference share dividend and attributable tax for the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

	As At March 31, 2015 Rupees	As At March 31, 2014 Rupees
3.1 Share Capital		
Authorised		
1,49,50,00,000 (Previous Year: 1,49,50,00,000) equity shares of Rs. 10 each	14,950,000,000	14,950,000,000
5,00,00,000 (Previous Year: 5,00,00,000) preference shares of Re. 1 each	50,000,000	50,000,000
	<u>15,000,000,000</u>	<u>15,000,000,000</u>
Issued, subscribed and fully paid-up		
75,000 (Previous Year: 75,000) equity shares of Rs. 10 each fully paid-up	750,000	750,000
250,000 (Previous Year: 2,50,000) preference shares of Re. 1 each fully paid-up	250,000	250,000
[Refer Note 3.1.2 (b)]	<u>1,000,000</u>	<u>1,000,000</u>

3.1.1 Reconciliation of number of shares

Equity shares		
Balance at the beginning of the year	750,000	750,000
75,000 (Previous Year : 75,000) shares of Rs. 10 each		
Balance at the end of the year	<u>750,000</u>	<u>750,000</u>
75,000 (Previous Year : 75,000) shares of Rs. 10 each		
Preference shares [Refer Note 3.1.2 (b)]		
Balance at the beginning of the year	250,000	250,000
2,50,000 (Previous Year: 2,50,000) preference shares of Re. 1 each		
Balance at the end of the year	<u>250,000</u>	<u>250,000</u>
2,50,000 (Previous Year: 2,50,000) preference shares of Re. 1 each		

3.1.2 Terms/rights attached to shares

Equity Shares

The company has only one class of equity shares having face value of Rs. 10 per share. Each holder of the equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

Preference Shares

As on March 31, 2014 - 7.5% Non-Cumulative Non-Convertible Redeemable Preference Shares (NCRPS)
NCRPS have been issued at a premium of Rs. 999 per share and have a maturity period of twenty years from the date of allotment. NCRPS can be redeemed early on completion of fifteen years at the option of the Company or shareholder at the issue price of Rs. 1,000. Dividend on NCRPS is payable on declaration on the issue price of Rs. 1,000.

As on March 31, 2015- 7.5% Compulsorily Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)

Pursuant to the special resolutions passed by the Preference Share Holders and the equity share holders on March 31, 2015, the Company has made modifications in the terms and conditions of NCRPS issued which are summarized below. Consequent to the modification/variations, NCRPS are termed now as 7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)

The Company shall have a call option on CCRPS which can be exercised by the Company in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, CCRPS shall be redeemed at an issue price (i.e. face value and premium). The holders of CCRPS however, shall have an option to convert CCRPS into equity shares at any time during the tenure of such shares. At the end of tenure and to the extent the Company or the shareholder has not exercised their options, CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into one fully paid equity share of Rs. 10 each at a premium of Rs. 990 per share. If during the tenure of CCRPS, the Company declares equity dividend, CCRPS holders shall also be entitled to dividend on their shares at the same rate as the equity dividend and this dividend will be over and above the coupon rate of 7.5%. These preference shares shall continue to be non cumulative.

	As At March 31, 2015 Rupees	As At March 31, 2014 Rupees
3.1.3 Shares held by Holding Company		
Equity Shares		
Reliance Power Limited - 75,000 (Previous Year : 75,000) equity shares of Rs. 10 each fully paid-up	750,000	750,000
(Of the above 74,940 (Previous Year : 74,940) equity shares are by Reliance Power Limited, the Holding Company and 60 Equity Share was jointly held by Reliance Power Limited and its Nominees)		
Preference Shares		
Reliance Power Limited - 2,50,000 (Previous Year : 2,50,000) Preference Shares of Re. 1 each fully paid-up	250,000	250,000

3.1.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As At March 31, 2015		As At March 31, 2014	
	Percentage of share holding	No. of Shares	Percentage of share holding	No. of Shares
Equity Shares				
Reliance Power Limited	100%	75,000	100%	75,000
	<u>100%</u>	<u>75,000</u>	<u>100%</u>	<u>75,000</u>
Preference Shares				
Reliance Power Limited	100%	250,000	100%	250,000
	<u>100%</u>	<u>250,000</u>	<u>100%</u>	<u>250,000</u>

	As At March 31, 2015 Rupees	As at March 31, 2014 Rupees
3.2 Reserves and Surplus		
Securities Premium Account		
Balance at the beginning of the year	249,750,000	249,750,000
Balance at the end of the year	<u>249,750,000</u>	<u>249,750,000</u>
Surplus/(Deficit) in the statement of Profit and Loss		
Balance at the beginning of the year	(107,787,460)	(107,590,895)
Profit / (Loss) for the year	530,668	(196,565)
Balance at the end of the year	<u>(107,256,792)</u>	<u>(107,787,460)</u>
	<u>142,493,208</u>	<u>141,962,540</u>
3.3 Other Current Liabilities		
Creditors for services (Refer Note 8)	51,180	39,326
Statutory dues	13,800	16,854
	<u>64,980</u>	<u>56,180</u>
3.4 Short Term Provisions		
Provision for Taxation	207,910	-
(Net of Advance Tax of Rs.173,590 (Previous Year: NIL))	<u>207,910</u>	<u>-</u>

Maharashtra Energy Generation Limited
Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

3.5 Tangible Assets

Particulars	Gross Block		Depreciation				Net Block		Rupees
	As at April 1, 2014	Deletions/ adjustments during the year	As at March 31, 2015	As at April 1, 2014	For the year	Deletions/ adjustments during the year	Upto March 31, 2015	As at March 31, 2015	
Freehold Land	5,154,750	-	5,154,750	-	-	-	-	5,154,750	5,154,750
Total	5,154,750	-	5,154,750	-	-	-	-	5,154,750	5,154,751
Previous year	5,327,089	172,339	5,154,750	72,280	20,339	92,619	-	5,154,750	

Rupees

	As At March 31, 2015 Rupees	As at March 31, 2014 Rupees
3.6 Long Term Loans and Advances (Unsecured, considered good unless stated otherwise)		
Capital Advances	123,992,017	123,992,017
Advance Tax and Tax Deducted at Source	-	50,128
	<u>123,992,017</u>	<u>124,042,145</u>
3.7 Cash and Cash Equivalents		
Bank balance in Current Account	8,166	21,825
	<u>8,166</u>	<u>21,825</u>
3.8 Short term loans and advances (Unsecured, considered good unless stated otherwise)		
Inter Corporate Deposits to related parties (Refer Note 6)	13,500,000	13,800,000
Other Receivable (Refer Note 6)	1,111,165	-
	<u>14,611,165</u>	<u>13,800,000</u>

	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
3.9 Other Income		
Interest on Inter Corporate Deposit	1,234,627	-
	<u>1,234,627</u>	<u>-</u>
3.10 Other expenses		
Legal and Professional Charges	177,529	82,842
Rates and Taxes	134,772	13,663
Loss on discarding of assets	-	79,721
Miscellaneous Expenses	10,158	-
	<u>322,459</u>	<u>176,226</u>

4 Project status:

The Company had signed Memorandum of Understanding with Government of Maharashtra (GoM) to set up 4000 MW power project at Shahapur, Raigad District. The Company expected that the Shahapur project will require 2,500 acres of land for the Power Project.

However, the land acquisition procedures could not be completed within the stipulated period and hence the Company informed the GoM, vide letter dated September 6, 2011, of its decision not to pursue the project. Based on the Honorable High Court Order dated February 7, 2013, the Company has received Rs. 37.16 Crore in the financial year ended March 31, 2013, out of the total advance of Rs. 43.60 Crore paid to the GoM for acquisition of land. The balance amount of Rs. 6.44 Crore receivable from the GoM is in the process of recovery. Shetkari Sangharsh Samitee has filed Special Leave Petition in the Honorable Supreme Court against the Company, requesting for the stay on the Bombay High Court Order, directing refund of MEGL deposits by the GoM.

Further the Company had given an advance of Rs. 5.96 Crore to the Land Owners towards direct purchase of land and has issued Legal Notice for the refund of the amount paid to them.

As there are no operations in the Company as of now, the financial statements of the Company have not been prepared on a going concern basis and accordingly, assets and liabilities have been stated at their net realisable value or cost, whichever is less.

The Company's operations were planned only for the said project, which is not being pursued now. Accordingly, the required disclosures under Accounting Standard – 24: Discontinuing Operations are as is reflected in the financial statements.

5 Details of remuneration to auditors

Particulars	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
As Statutory Auditors		
- Audit Fees	50,000	50,000

6 Related Party Disclosures

As per Accounting Standard - 18 Related Party transaction as prescribed by the Companies (Accounting Standards) Rules, 2006, the Company's related parties and transactions are disclosed below:

A. Parties where control exists:

Holding Company:
Reliance Power Limited (RPower)

B. Investing Parties/Promoters having significant influence on the Holding Company directly or indirectly:

Companies
Reliance Infrastructure Limited

Individual
Shri Anil D Ambani

C. Details of transactions during the year and closing balance at the end of the year

Particulars	Year ended March 31, 2015	Rupees Year ended March 31, 2014
(i) Transactions during the year :		
Reimbursement on behalf of R Power	-	79,416
Interest on Inter-corporate deposits R Power	1,234,627	-
Inter-corporate deposits refund received R Power	300,000	-
Inter-corporate deposits given to R Power	-	100,000
(ii) Closing Balance		
Equity share capital (excluding premium) R Power	750,000	750,000
Preference share capital (excluding premium) R Power	250,000,000	250,000,000
Inter corporate deposits given R Power	13,500,000	13,800,000
Other receivables R Power	1,111,165	-
(iii) The above disclosure does not include transactions with public utility service providers, viz. electricity, telecommunications in the normal course of business.		

Maharashtra Energy Generation Limited

Notes to the financial statements as of for the year ended March 31, 2015 (Continued)

7 Earnings Per share

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Loss available for Equity Shareholders		
Profit / (Loss) after Tax (A) (Rs.)	530,668	(196,565)
Number of Equity Shares		
Weighted Average Number of Shares for Equity Shares outstanding (Basic) (B)	75,000	75,000
Add: Adjustment on account of Compulsory Convertible Non-Cumulative Non Redeemable Preference Shares (C)	137	-
Weighted Average Number of Shares for Equity Shares outstanding (Diluted) (D=B+C)	75,137	75,000
Basic (Rupees) (A/B)	7.08	(2.62)
Diluted (Rupees) (A/D)	7.06	(2.62)
Nominal value of an Equity Share (Rs.)	10	10

8 Micro and small scale business entities

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the information available with the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the balance sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

9 In accordance with Accounting Standard 17 "Segment Reporting" as prescribed under the Companies (Accounting Standard) Rules, 2006, the Company has determined its business segments as power generation. Since, there are no other business segments in which the Company operates, there are no primary reportable segments. Therefore, the segment revenue, segment results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charged are all as reported in the financial statements.

10 Previous year figures have been regrouped and recast wherever necessary to the current year classification.

As per our attached report of even date.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No 10170004

For and on behalf of the Board of Directors

Vijay Napawaliya

Partner

Membership No. 109859

Ramaswami Kalidas

Director

(DIN: 00203913)

Nimish Chitalia

Director

(DIN: 03483266)

Place : Mumbai

Date: May 23, 2015

Place : Mumbai

Date: May 23, 2015