



MEGHALAYA ENERGY CORPORATION LIMITED
"ACCOUNTS DEPARTMENT"
" Lum Jingshai", Short Round Road, Shillong – 793001

Phone No ::: 0364 - 2592155 ::: Fax No. ::: 0364 - 2591344

No. ACT/COMP/MeECL-BONDS/2019-20/402/13

14th November 2019.

To,
The Sr. General Manager
Listing Compliances
BSE Limited
24th Floor, P.J. Towers
Dala Street, Mumbai – 400001

Subject: Half yearly Accounts as on 30.09.2019 along with Limited Review Report in compliance of Regulation 52(1) and 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ref: MeECL Bonds issued vide ISIN: INE760107011 (BSE Code: 958831) and ISIN: INE760107029 (BSE code: 958968).

Sir/Madam,

In compliance of Regulation 52(1) and 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the half yearly annual accounts (Consolidated) of the Company as on 30th September, 2019 approved by the Board of Directors in its meeting held on 14th November, 2019 along with the Limited Review Report of the Statutory Auditor of the Company.

It is requested to take the above on record.

Encl: Half yearly accounts as on 30.09.2019 along with Limited Review Report

Thanking You,

B.P. Singh
Chief Financial Officer
Compliance Officer

14-11-19

AMIT JAIN, FCA, LLB, DISA(ICAI), A.I.I.I
PARTNER
MEMBERSHIP No. 061870

AMIT HEMRAJ JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
G.R. KALITA COMMERCIAL COMPLEX,
ULUBARI, GUWAHATI- 781007
PHONE: 98640-23853, 2461621
Email: jainamit26aug@hotmail.com

CA

Independent Auditor's Review Report On the Half yearly Consolidated Financial Results of the Company Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To

The Board of Directors
Meghalaya Energy Corporation Ltd
Regd Office: Lumjingshai, Short Round Road, Shillong
Meghalaya-793001

Dear Sirs,

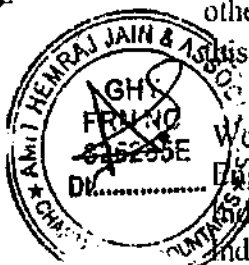
Re: Limited Review Report of the unaudited Consolidated Financial Results for the half yearly ended 30th September, 2019.

- We have reviewed the accompanying Statement of unaudited Consolidated Financial Results of Meghalaya Energy Corporation Ltd. ("the Parent") and its subsidiaries, (collectively referred to as "the Group") and its share of the net profit/(loss) after tax and total comprehensive income / loss of its subsidiaries for the quarter ended September 30, 2019 ("the Statement"), attached herewith, being submitted by the Parent pursuant to the requirement of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('the Regulation') as amended. **Attention is drawn to the fact that the consolidated figures for the corresponding half yearly ended September 30, 2018 is not reported in these unaudited consolidated financial results and have not been subject to review.**

This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been compiled from the related interim consolidated financial results / interim consolidated financial information which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with applicable Indian Accounting standards and other accounting procedure and policies. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited



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primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

- This Statement includes the results of the following entities: -

Parent Company:

- Meghalaya Energy Corporation Ltd

Subsidiaries:

- Meghalaya Power Transmission Corporation Ltd
 - Meghalaya Power Generation Corporation Ltd
 - Meghalaya Power Distribution Corporation Ltd
- Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with applicable Indian Accounting Standards specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis on matter paragraph

- A) *The consolidated unaudited financial results includes the interim financial information of above three subsidiaries which have not been reviewed by their auditors .*
- B) *Corresponding previous period figures is not reported in the unaudited Financial Statement (Our conclusion is not modified in respect of this matter)*

- The consolidated unaudited financial results includes the interim financial statements/ financial information/ financial results of three subsidiaries (as mentioned above) which have not been reviewed/audited by their auditors, whose interim financial statements/ financial information/ financial results standalone (without adjusting the inter group company transaction) reflect total assets of Rs 787558.48 Lakhs as at 30 september, 2019 and total revenue of Rs. 72732.29 Lakhs , total net loss after tax of Rs. 15897.94 Lakhs and total comprehensive loss of Rs. 15897.94 Lakhs for the half yearly ended 30 September, 2019 and cash flows (net) of Rs. 34387.50 Lakhs for the period from 1st April, 2019 to 30 september, 2019 as considered in the consolidated unaudited financial results. We have not reviewed these interim financial statements / financial information / financial results which forms material part of this group.

Our conclusion on the Statement is modified in respect of the this matter

For AMIT HEMRAJ JAIN & ASSOCIATES.

(CHARTERED ACCOUNTANTS)

CA AMIT JAIN

(Partner)

M.No.: 061870

FRN: 325285E

UDIN: 19061870AAAACU1143

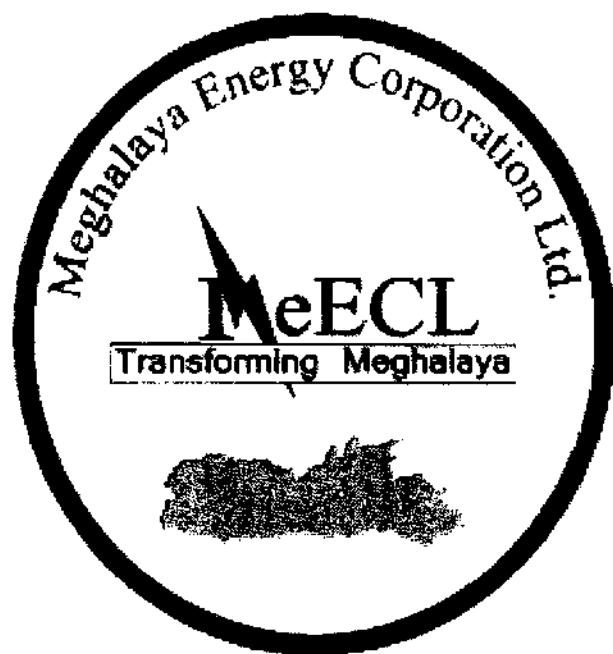


Place: Guwahati

Date: 14.11.2019



**MEGHALAYA ENERGY CORPORATION
LIMITED SHILLONG**



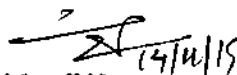
**HALF YEARLY CONSOLIDATED
STATEMENT OF ACCOUNTS
ENDING 30TH SEPTEMBER 2019**

MEGHALAYA ENERGY CORPORATION LIMITED
CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2019

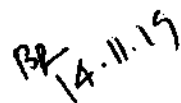
(Amounts in Lakhs)

Particulars	Note No.	As at 30th September, 2019	As at 31st March, 2019
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant and Equipment	2	2,00,243.87	2,07,028.61
Capital Work-in-progress	3	1,52,230.15	1,36,150.41
<u>Financial Assets-</u>			
(i) Investments	4 (a)	407.01	408.98
(ii) Other	4 (b)	1.67	199.15
Other Non Current Assets	5	2,722.67	6,136.01
Total Non-Current Assets		3,81,412.42	3,49,923.16
<u>Current Assets</u>			
Inventories	6	6,025.68	3,420.28
<u>Financial Assets-</u>			
(i) Trade receivables	7 (a)	58,457.17	59,135.81
(ii) Cash and cash equivalents	7 (b)	3,599.22	9,823.48
(iii) Bank Balances other than cash and cash equivalents	7 (c)	16,326.37	11,891.69
(iv) Loan to Staff	7 (d)	8.22	79.65
(v) Others	7 (e)	77,665.01	83,916.59
Current Tax Assets	8	72.44	71.23
Other current assets	9	3,182.50	2,631.78
Total Current Assets		1,65,336.63	1,70,970.52
TOTAL ASSETS		5,46,749.05	5,20,893.68
EQUITY AND LIABILITIES			
<u>EQUITY</u>			
Equity Share Capital	10	2,03,349.86	2,03,349.86
Other Equity	11	(2,40,703.13)	(2,38,961.49)
		(37,353.27)	(35,611.63)
Total Equity		(37,353.27)	(35,611.63)
<u>LIABILITIES</u>			
<u>Non-Current Liabilities</u>			
<u>Financial Liabilities-</u>			
(i) Borrowings	12	1,71,651.75	1,47,447.97
Deferred Revenue	13	1,01,304.64	80,693.34
Deferred Tax Liabilities	14	836.87	836.87
Total Non-Current Liabilities		2,73,793.26	2,28,978.18
<u>Current Liabilities</u>			
<u>Financial Liabilities-</u>			
(i) Borrowings	15 (a)	711.27	711.43
(ii) Trade payables	15 (b)	1,12,032.49	1,11,588.65
(iii) Other financial liabilities	15 (c)	1,98,563.79	2,06,324.94
Provisions	16	2,608.52	5,783.59
Current Tax Liabilities	17	-	-
Other current liabilities	18	(5,047.92)	1,199.60
Deferred Revenue	19	1,440.92	1,918.91
Total Current Liabilities		3,10,309.06	3,27,527.12
Total Liabilities		5,84,102.32	5,56,505.30
TOTAL EQUITY AND LIABILITIES		5,46,749.05	5,20,893.68

For and on behalf of the Board


 Shri Enrichwell Nongrum
 Chairman-cum-Managing Director
 DIN: 07499387

Place: Shillong
 Date: 14/11/2019

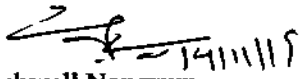

 Bishwanath Prasad Singh
 Chief Financial Officer

MEGHALAYA ENERGY CORPORATION LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30TH SEPTEMBER, 2019

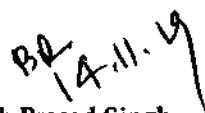
(Amounts in Lakhs)

Incomes			
Revenue From Operations	20	49,151.66	89,662.54
Other Income	21	1,312.75	11,958.30
Prior Period Incomes	22	-	-
Total Income		50,464.41	1,01,620.84
Expenses			
SLDC (State Load Dispatch Centre) Charges	23	-	-
Power Purchase Cost	24	31,986.41	60,099.04
Employee benefits expense	25	9,762.00	31,709.10
Finance costs	26	13,165.54	24,025.79
Depreciation and amortization expense	27	6,740.87	14,712.95
Other expenses	28	2,156.02	3,564.92
Prior period expenses	29	-	-
Total		63,810.84	1,34,111.80
Profit/(loss) before exceptional items and tax		(13,346.42)	(32,490.96)
Exceptional Items	30	-	(9.83)
Profit/(loss) before tax		(13,346.42)	(32,500.78)
Tax Expense			
(i) Current tax	-	-	-
(ii) Deferred tax	31	-	0.03
Profit (loss) for the year		(13,346.42)	(32,500.81)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	-	-	-
A (ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
B (i) Items that will be reclassified to profit or loss	-	-	-
B (ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(13,346.42)	(32,500.81)
Earnings per equity share -			
(i) Basic		(0.66)	(1.06)
(ii) Diluted		(0.66)	(2.91)

For and on behalf of the Board


Shri Enrichwell Nongrum
 Chairman-cum-Managing Director
 DIN: 07499387

Place: SHILLONG
 Date: 14/11/2019


Bishwanath Prasad Singh
 Chief Financial Officer

MEGHALAYA ENERGY CORPORATION LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER, 2019

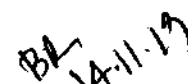
(Amounts in Lakhs)

A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Statement of Profit and Loss	(13,346.42)	(32,500.78)
Adjustments for :		
Depreciation and Amortization	6,740.87	14,712.95
Amortization of Grants	-	(2,609.58)
Provisions	(3,175.07)	(2,881.96)
Interest Income	(212.40)	(447.56)
Finance Costs	13,165.54	24,025.79
Operating Profit before Working Capital Changes	3,172.51	298.85
Adjustments for increase/decrease in:		
Inventories	(2,605.41)	(244.11)
Trade Receivables	678.64	2,161.48
Bank Balances other than cash and cash equivalents	(4,434.68)	796.90
Loan to Staff	71.43	5.84
Other current assets	(550.72)	(1,587.43)
Other Financial Assets	6,251.58	122.71
Current Tax Assets	(1.21)	(28.91)
Trade Payables	443.84	28,004.42
Other financial liabilities	(25,369.29)	(24,661.22)
Other current liabilities	(6,247.52)	(2,644.57)
Deferred tax liabilities	-	-
Net Cash from Operating Activities	(28,590.82)	2,223.97
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of PPE	43.87	(5,057.68)
Investment in CWIP	(16,079.74)	(28,458.10)
Investment	1.97	(100.48)
Other Financial Assets	197.48	(133.09)
Other Non Current Assets	3,413.34	(3,002.05)
Interest income	212.40	447.56
Net Cash from Investing Activities	(38,018.04)	(36,303.82)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Equity Share Capital Pending allotment	11,604.78	943.01
Non Current Borrowings	30,355.37	20,590.27
Deferred Revenue	20,133.46	35,326.57
Finance Costs	(1,709.00)	(20,036.47)
Net Cash from Financing Activities	60,384.61	36,823.38
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(6,224.26)	2,743.54
Opening balance of Cash and Cash Equivalents	9,823.48	7,079.94
Closing balance of Cash and Cash Equivalents	3,599.22	9,823.48
Consisting of:		
Balances with Banks	3,153.22	9,371.07
Cash on hand	209.01	207.76
Cash Imprest with Staff	236.99	244.65
Overdraft	0.00	0.00

For and on behalf of the Board


 Shri Enrichwell Nongrum
 Chairman-cum-Managing Director
 DIN: 07499387

Place: Shillong
 Date: 14/11/2019


 Bishwanath Prasad Singh
 Chief Financial Officer

MEGHALAYA ENERGY CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH, 2019

(Amounts in Lakhs)

Balance as at 1st April, 2019	2,03,349.86
Additions during the period 01.04.19 to 30.09.19:	
Allotment of Equity Shares	(0.00)
Balance as at 30th September, 2019	2,03,349.86

(Amounts in Lakhs)

Balance as at 1st April, 2018	2,00,440.67
Additions during the Financial Year 2017-18:	
Allotment of Equity Shares	2,909.19
Balance as at 31st March, 2019	2,03,349.86

B. Other Equity

(Amounts in Lakhs)

Balance as at 1st April, 2019	4,680.32	(2,43,641.80)	(2,38,961.49)
(Profit/Loss) during the year		(13,346.42)	(13,346.42)
Other Comprehensive Income			
Total Comprehensive Income for the Year	4,680.32	(2,56,988.22)	(2,52,307.91)
Investment made	11,604.78	-	11,604.78
Transfer to Equity Share Capital	-	-	-
Balance as at 30th September, 2019	16,285.10	(2,56,988.22)	(2,40,703.13)

MEGHALAYA ENERGY CORPORATION LIMITED


CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH, 2019

B. Other Equity

(Amounts in Lakhs)

Balance as at 1st April, 2018	6,646.47	(2,11,141.00)	(2,04,494.53)
(Profit/Loss) during the year	-	(32,500.80)	(32,500.80)
Other Comprehensive Income			
Total Comprehensive Income for the Year	6,646.47	(2,43,641.80)	(2,36,995.34)
Investment made	943.04	-	943.04
Transfer to Equity Share Capital	(2,909.19)	-	(2,909.19)
Balance as at 31st March, 2019	4,680.32	(2,43,641.80)	(2,38,961.49)

For and on behalf of the Board


 Shri Enrichwell Nongrum
 Chairman-cum-Managing Director
 DIN: 07499387


 Bishwanath Prasad Singh
 Chief Financial Officer

Place: Shillong

Date:

Note: - 1 Group Information and Significant Accounting Policies

A. Group Corporate Information of reporting entity

Group consist of Meghalaya Energy Corporation Ltd (MeECL) which is a Government Company, wholly owned by the Government of Meghalaya, incorporated under the Companies Act, 2013 in the year 2009 and inherited its business from the erstwhile Meghalaya State Electricity Board (MeSEB) in the year 2010 and its wholly owned three subsidiary Companies namely, Meghalaya Power Generation Corporation Ltd, Meghalaya Power Transmission Corporation Ltd and Meghalaya Power Distribution Corporation Ltd responsible for Generation, Transmission and Distribution of Electricity respectively throughout the State as State Utilities.

B. Basis of preparation and presentation

i. Statement of Compliance

These Group consolidated financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 1956 (to the extent notified and applicable), applicable provisions of the Companies Act, 2013, and the provisions of the Electricity Act, 2003 to the extent applicable.

ii. Basis of Measurement

These Group consolidated financial statements are prepared on the accounting principles of going concern on accrual basis of accounting, under historical cost convention except for certain financial instruments which are measured at fair value.

iii. Functional and presentation currency

These Group consolidated financial statements are presented in Indian Rupees (INR), which is the Group's functional currency. All financial information presented INR has been rounded to nearest lakh (upto two decimal) except as stated otherwise.

iv. Current and non-current classification

The Group's presents assets and liabilities in the balance sheet based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in normal operating cycle;

- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

v. Use of estimates and judgment

The presentation of Group consolidated financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Estimates and judgments are evaluated on regular intervals. They are based on historical factors and include expectations of future events that may have a financial impact on the Group and are believed to be reasonable under the present circumstances. Any differences between actual results and estimates are recognized in the period in which the actual results are known, ascertained or materialized.

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the Group consolidated financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the Group consolidated financial statements.

1. Basis of consolidation

The financial statements of subsidiary companies are drawn up to the same reporting date as of the Company for the purpose of consolidation.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is acquired by the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2. Property, plant and equipment

2.1 Initial recognition and measurement

The Group has adopted cost model of recognition under Ind AS 16 to measure the Property, Plant and Equipment. Consequently, all the items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, Plant and Equipment acquired as replacement of the existing assets/ component are capitalized and its corresponding replaced assets/ component removed/ retired from active use are derecognized.

Property, Plant and Equipment of the transferred undertaking of erstwhile Meghalaya State Electricity Board (MeSEB) are stated as specified in notification No.POWER-79/2009/290 dated 31st March 2010 issued by the Government of Meghalaya notifying "The Meghalaya Power Sector Reforms Transfer Scheme 2010," as amended.

In case of Property, Plant and Equipment for new projects, extensions, renovation or modernization, the related expenses and interest costs up to the date of commissioning, attributable to the same, are capitalised.

On transition to Ind AS, the Group had elected during the Financial Year 2016-17 to continue with the carrying value of its property, plant and equipment recognized as at 1st of April, 2015 measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment for furtherance of recognition and presentation thereon.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

2.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

2.3 Derecognition

Property, plant and equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

2.4 Spare parts

Spare parts procured along with the Plant & Machinery or subsequently which meets the recognition criteria of Property, Plant and Equipment are capitalised and added in the carrying amount of such item. The carrying amount of spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

Inventories earmarked for Capital Work-in-Progress acquired by the Central Store are initially recognized at cost, computed as Ex-works price plus freight, insurances and applicable taxes.

Issuance of inventories earmarked for Capital Work-in-Progress to underlying units or projects, is made at an Issue Rate which is the approved tender or quotation rate applicable as on the date of such issue. In addition to the Issue Rate, the Central Store charges the concerned underlying unit @ 7.5% towards storage and handling of inventory.

3. Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from its current use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised. Investment properties, other than free hold land, are depreciated using straight line method over their estimated useful lives.

4. Intangible assets and intangible assets under development

An intangible asset is recognised if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Group, which have finite useful lives, are recognised at cost. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

5. Capital work-in-progress

Cost of materials consumed, erection charges and the incidental expenses incurred for a project or capital asset, pending for capitalization is shown as Capital Work-in-Progress (CWIP) till the capitalization of the concerned project or asset.

In case of Capital Work-in-Progress (CWIP), for works against deposits or works contracts, where the final settlement of bills with contractors are yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Claims for price variation or exchange rate variation in case of capital contracts are accounted for on acceptance thereof by the Group.

The costs incurred and revenues generated during the Trial Run Stages of Projects of Power Stations are capitalized. The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Cost incurred in Investigation, Research and Surveys have been shown under the line item Capital Work-in-Progress, as they are converted into the same on successful completion of the concerned investigation, research and/or survey, which primarily pertain to long-term envisaged projects. If, however, on conduct of such investigation, research and/or survey, the project envisioned is found to be not viable, then the Group follows a process of systematically writing off the cost so incurred over an ascertained period of time.

A portion of overhead expenses of Corporate Office and Site Office determined on rational basis is allocated to the project, pro-rata to their capital expenditure for the reporting period and the same are apportioned to respective Capital Work-in-Progress (CWIP) accounts on the basis of accretion thereto.

6. Depreciation/amortization

The rates of depreciation or amortization and estimated useful life thereon as prescribed by central electricity regularity commission (CERC) for the purpose of tariff are being followed by the Group.

With effect from 1 April 2014, Schedule II of the Companies Act, 2013 has been notified and in accordance with part B of schedule II, the rate or useful life given in CERC regulation are applied for computing depreciation on assets. However, in case of assets where no useful life is prescribed in CERC regulations, the useful life and residual value as given in part C of Schedule II of the companies Act, 2013 is followed.

In line with the above point, computer softwares and other selective intangible assets, if any, are treated under Property, Plant and Equipment and depreciated thereby as per CERC norms.

Major overhaul and inspection costs which have been capitalised are depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.

Depreciation on the assets is charged on straight line method following the rates and methodology notified by the CERC up to 90% of the original cost of assets after taking 10% as residual value referred below :-

Buildings	3.34%
Hydraulic Works	5.28%
Others Civil Works	3.34%
Plant and Machinery	5.28%
Lines and Cable Network	5.28%
Vehicles	6.33%
Furniture and Fixtures	6.33%
Office Equipment	6.33%
Computer and Accessories	15.00%

7. Non-current Asset held for Sale

Group has classified a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Group has

measured a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

8. Inventories

The Group engaged in the business of generation, transmission and distribution of electricity and the Inventories shown in the books of accounts are consumables.

Inventories of Operational and Maintenance Stock acquired by the Central Store are initially recognized at cost, computed as Ex-works price plus freight, insurances and applicable taxes.

Issuance of Operational and Maintenance Stock to underlying units is made at an Issue Rate which is the approved tender or quotation rate applicable as on the date of such issue. In addition to the Issue Rate, the Central Store charges the concerned underlying unit @ 7.5% towards storage and handling of inventory.

9. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction/exploration/development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use or till the time borrowing cost being incurred.

Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

10. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash-on-hand, cash-at-bank and liquid term deposits(with an original maturity of three months or less from the date of acquisition), which are subject to an insignificant risk of changes in value.

11. Government grants

- a) Government grants received are recognized when there is reasonable assurance that Group will comply with the conditions associated with the grant. Government Grants are classified as capital assets and revenue based on the nature of the grant.

- b) Grants and Subsidies received for specific assets (property, plant and equipment) are disclosed as 'Grants and Subsidies' (Deferred Incomes) on the Liabilities side of the Balance Sheet as a separate line item. They are amortized in proportion of depreciation on related assets (thereby, amortized based on the expected lives of the related assets), and presented within 'Other Income.'
- c) The related assets herein primarily include Plant and Equipment, Hydraulic Works, Lines and Cable Networks. Thereby, since the rates of depreciation as prescribed by Central Electricity Regularity Commission (CERC) for the purpose of tariff are being followed by the Group, the same is being used for amortization of such related assets as well.
- d) The rate so arrived at is 5.28% as per CERC guidelines for the related assets mentioned. In tandem with the operations of previous years, it has been observed that creation of assets against capital grants received during the period generally take more than a year for completion. The same are thereby booked under capital work-in-progress. Hence, grants and subsidies have been amortized at 5.28% of their opening balance for the reporting period.
- e) Grants and Subsidies on Revenue Accounts are disclosed separately as Income in the Statement of Profit & Loss.

12. Provisions, contingent liabilities and contingent asset

A provision is recognized when the Group has a present obligation (Legal or Constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are not recognized but disclosed in Notes when the Group has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the Group.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the Group consolidated financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

13. Foreign currency transactions

- a) Items used in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates, i.e., the functional currency. The functional and presentation currency for the Group is Indian Rupee (INR).
- b) Foreign currency transactions, if any, are translated into the functional currency using the exchange rates at the date of such transactions.
- c) The exchange difference arising out of transactions through foreign currencies are recognised in the Statement of Profit & Loss.

- d) Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

14. Leases

- Lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

As a lessee

- Finance leases are capitalised at the lease's inception date at lower of fair value of the leased property or at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
- Operating lease payments are charged to the profit or loss on a straight-line basis over the lease term.

As a lessor

- Lease income from operating leases is recognized in income on a straight-line basis over the lease term of relevant lease.

15. Revenue from Operations

The MeECL has been incorporated with the objectives of acting as a Holding company of the Distribution, Generation and Transmission utilities and for co-ordination and smooth functioning by providing ancillary services to the subsidiaries as defined in "The Meghalaya Power Sector Reforms Transfer Scheme 2010". With effect from 1st April, 2012, the activities of 'distribution of power', 'generation of power' and 'transmission of power' of the company have been transferred to the respective subsidiaries, namely, Meghalaya Power Generation Corporation Limited (MePGCL), the Generation Utility, Meghalaya Power Transmission Corporation Limited (MePTCL), the Transmission Utility and Meghalaya Power Distribution Corporation Limited (MePDCL), the Distribution Utility, respectively.

Group's revenues arise from Generation, transmission and distribution of power and other income. Revenue is regulated and governed by the applicable MeSERC Tariff Regulations under Electricity Act, 2003. Revenue from other income comprises interest from banks, employees, contractors etc., surcharge received from customers for delayed payments, sale of scrap, other miscellaneous income, etc.

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Group recognises revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

The incentives/disincentives are accounted for based on the norms notified/approved by the MeSERC as per principles enunciated in Ind AS 115. Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

a) Revenue from Sale of Power:

The Generation Utility is engaged in the business of generation of power as defined in "The Meghalaya Power Sector Reforms Transfer Scheme 2010". It supplies the entirety of its generated power to Meghalaya Power Distribution Corporation Limited (MePDCL).

Timing of Recognition and Measurement of Revenue: The revenue for the above had been determined as per tariff order passed by Meghalaya State Electricity Regulatory Commission (MSERC), up to the previous financial year.

b) Revenues of Transmission Utility:

The Transmission Utility is engaged in the business of transmission of power as defined in "The Meghalaya Power Sector Reforms Transfer Scheme 2010". It provides transmission services to Meghalaya Power Distribution Corporation Limited (MePDCL) and other consumers as well. It also charges Meghalaya Power Generation Corporation Limited for its operation in-sync with grid system through State Load Dispatch Centre (SLDC) unit. Furthermore, State Load Dispatch Centre (SLDC) Charges are charged from the Company too.

Timing of Recognition and Measurement of Revenue: The revenue for the above had been determined in accordance with tariff orders awarded by Meghalaya State Electricity Regulatory Commission (MSERC), as applicable to the consumers.

c) Revenue from Distribution of Power:

The Distribution Utility is engaged in the business of distribution of power as defined in "The Meghalaya Power Sector Reforms Transfer Scheme 2010"

Timing of Recognition and Measurement of Revenue: The revenue for the above had been determined in accordance with tariff orders awarded by Meghalaya State Electricity Regulatory Commission (MSERC), as applicable to the consumers.

d) Other Income:

- i. Other operating revenues from consumers: Meter rents, Delayed Payment Charges, Rebates, etc are recognized on accrual basis, except other charges from consumers which are recognized on actual realisation basis.

- ii. Income from sale of scrap, fees, penalties and miscellaneous receipts are accounted for on the basis of actual realisation.
- iii. Interest income on term deposit is recognised, when no significant uncertainty as to measurability or collectability exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).
- iv. Profit on sale of mutual funds is accounted as per Ind AS 109.
- v. Other incomes (unless mentioned above) are recognised on accrual basis except when ultimate realisation of such incomes are uncertain or details are not readily available.

16. Expenditure

Group has classified expenses recognised in profit or loss based on the nature of expense method. Expenses shown under employee benefit costs (including allocation from the Holding Company-Meghalaya Energy Corporation Limited), depreciation, finance costs and other expenses are recognized on accrual. The aforesaid expenses are disclosed as separate line items in the Group consolidated financial statements as well.

Item of income or expenditure are disclosed separately if it exceeding one percent of the revenue from operations or Rs. 10,00,000, whichever is higher,

17. Employee benefits

Employee benefits include inter alia wages and salaries, General Provident Fund (GPF), gratuity, pension, Contributory Pension Scheme (CPS), leave encashment and post-employment medical benefits.

In accordance with "The Meghalaya Government Power Sector Reforms Transfer Scheme 2010," the Group has all its employees on deputation from the Holding Company, i.e., Meghalaya Energy Corporation Limited (MeECL).

• Defined contribution plans

- a) Provident Fund – The contribution to the same made at the level of the subsidiaries is transferred to the Company. Thereafter, the said transferred contributions are deposited with the General Provident Fund (GPF) Trust Account of the Company.
- b) Contributory Pension Scheme (CPS) - The contribution to the same made at the level of the subsidiaries is transferred to the Company. Thereafter, the said transferred contributions are deposited with the Contributory Pension Scheme (CPS) Cell of the Company. The company has over the years invested the same in financial instruments. In the current reporting period however, it is undergoing the process of transferring the balances of the subscribers to the scheme to Pension Fund Regulatory and Development Authority (PFRDA). Settlements also are dealt with accordingly.

• Defined benefits plans

For defined benefit plans, the computation of the actual amount of pension and gratuity payment is based on the provisions of 'Meghalaya Civil Services Pension Rules' (as amended from time to time by the State Government).

- a) Pension – The liability of pension is accounted on the basis of demand raised by Meghalaya Energy Corporation Limited Pension Cell. Thereafter, the demand so raised is settled by the said Cell.
- b) Gratuity – The liability of gratuity is accounted on the basis of demand raised by Meghalaya Energy Corporation Limited Gratuity Cell. Thereafter, the demand so raised is settled by the said Cell.

- **Other long-term employee benefits**

Leave encashment at the end of the service period in which the employee renders the related service is computed based on 'Leave Rules' adopted by Meghalaya Energy Corporation Limited (MeECL). The encashment of leave is given to the employees of the company on retirement. The company accounts for leave encashment liability on the basis of demand raised against each such employee based on the said computation method. Thereafter, the demand so raised is settled.

- **Short term obligations**

Short term employee benefits obligations are measured on an undiscounted basis and are expenses as the related services are provided. A liability is recognized for the amount expected to be paid under short-term employee benefits if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

18. Income tax

Income tax expense for the year represents the sum of the current tax and deferred tax. Current tax expenses is recognised in profit & loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in OCI or equity.

Current tax is the expected tax payable / receivable on the taxable income / loss for the year calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purpose.

Deferred tax liability is generally recognized for all taxable temporary differences.

Deferred tax asset is generally recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

19. Operating segments

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Group's 'Chief

Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

The operating segments are the segments for which separate financial information is available and for which operating profit or loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

20. Prior period errors

Material prior period(s) errors are corrected retrospectively by restating the comparative amounts for the prior periods to the extent practicable along with change in basic and diluted earnings per share. However, if the error relates to a period prior to the comparative period, opening balances of the assets, liabilities and equity of the comparative period presented are restated.

21. Earnings per share

Basic earnings per equity share are computed by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Group 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.

22. Cash flow statement

In the Cash Flow Statement, cash flows are reported using the indirect method, whereby profit or loss before extraordinary items and tax is adjusted for the effects of necessary adjustments. The net inflows and/or outflows from operating, investing and financing activities of the Group are segregated based on available information.

23. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

23.1 Financial assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument and are initially recognised at fair value and directly attributable transaction costs towards acquisition or issue of the financial asset are added to or deducted from the fair value on initial recognition except for financial assets which are recognised at fair value through profit and loss.

Financial assets are classified as those measured at:

- Amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest
- Fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and/or interest but also from the sale of such assets. Such assets are subsequently measured at FVOCI.

- Fair value through profit or loss (FVTPL), where the financial assets are not classified either at amortised cost or FVTOCI.

Financial assets include trade receivables, advances, security deposits, cash and cash equivalents etc and are classified for measurement at amortised cost. Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired.

Impairment of Financial Assets:

Allowances for Doubtful Debts have been calculated at 3% of outstanding receivables as on the 30th of September of each year.

Derecognition of Financial Assets:-

Financial assets are derecognized when the contractual right to receive cash flows from the financial assets expires, or corporation transfers the contractual rights of such financial assets to receive the cash flows from the asset.

23.2 Financial Liabilities

Initial recognition and measurement

Financial liabilities include long and short-term loans and borrowings, bank overdrafts, other payables, eligible current and non-current liabilities.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

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

Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Group may

transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

The Company has not designated any financial liability as at fair value through profit and loss.

De-recognition

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 statement of profit and loss.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Note 2: PROPERTY, PLANT AND EQUIPMENT

(Amounts in Lakhs)

(A)										
1	Land	4,257.63	17.28	-	4,274.91	-	-	-	4,274.91	4,257.63
2	Buildings	26,103.75	29.61	-	26,133.36	3,004.17	476.65	3,480.82	22,652.54	23,099.58
3	Plant and Equipment	80,059.60	64.22	-	80,123.82	17,815.22	2,481.71	20,296.93	59,826.89	62,244.37
4	Furniture and Fixtures	315.45	1.53	-	316.99	106.18	13.31	119.48	197.50	209.28
5	Vehicles	369.59	0.06	-	369.65	137.71	12.24	149.95	219.71	231.89
6	Office equipment	917.09	8.12	-	925.20	193.47	32.65	226.12	699.08	723.61
7	Others:	-	-	-	-	-	-	-	-	-
(a)	Hydraulic Works	87,518.76	88.43	-	87,607.19	18,026.14	2,599.65	20,625.79	66,981.40	69,492.62
(b)	Other Civil Works	16,983.90	74.23	-	17,058.13	2,296.30	325.03	2,621.32	14,436.81	14,687.61
(c)	Lines and Cable Network	43,095.93	286.88	-	43,382.81	11,029.46	1,413.86	12,443.31	30,939.50	32,066.48
8	Assets not in use	15.55	-	-	15.55	-	-	-	15.55	15.55
	Total	2,59,637.25	570.35	-	2,60,207.61	52,608.65	7,355.09	59,963.73	2,00,243.87	2,07,028.61

Note 2: PROPERTY, PLANT AND EQUIPMENT

(Amounts in Lakhs)

(A)

1	Land	4,100.59	81.18	0.05	4,181.73	-	-	-	-	4,181.73	4,100.59
2	Buildings	15,343.37	10,458.44	-	25,801.81	1,191.59	865.94	-	2,057.53	23,744.28	14,151.78
3	Plant and Equipment	61,424.47	17,570.20	40.11	78,954.56	7,850.62	5,047.36	8.65	12,889.33	66,065.22	53,573.85
4	Furniture and Fixtures	300.39	11.42	0.05	311.77	51.89	27.24	-	79.13	232.64	248.50
5	Vehicles	337.94	27.89	-	365.83	65.07	42.11	-	107.18	258.65	272.87
6	Office equipment	350.94	539.41	0.05	890.30	62.52	66.14	-	128.67	761.63	288.41
7	Others:	-	-	-	-	-	-	-	-	-	-
(a)	Hydraulic Works	55,585.85	31,060.67	38.58	86,607.93	7,769.63	5,116.30	8.32	12,877.62	73,730.32	47,816.22
(b)	Other Civil Works	13,543.99	3,197.41	-	16,741.41	1,035.10	616.23	-	1,651.33	15,090.08	12,508.89
(c)	Lines and Cable Network	32,944.51	7,782.26	15.03	40,711.74	5,130.98	2,979.73	2.77	8,107.95	32,603.80	27,813.53
8	Assets not in use	15.55	-	-	15.55	-	-	-	-	15.55	15.55
	Total	1,83,947.60	70,728.88	93.87	2,54,582.61	23,157.41	14,761.06	19.73	37,898.73	2,16,683.88	1,60,790.20

Note 2.1- Land includes 'Land and Land Rights', if any.

Note 2.2- The details of Disposals and/ or Deductions to Property, Plant and Equipment during the year are as under :-

(Amounts in Lakhs)

1	Land	East Khasi Hills (D) Division	April 1, 2017	0.05	This pertains to a rectification entry made towards an amount inadvertently booked under the Accounting Code 10.141 pertaining to Land, on the 4th of September, 2014	-
2	Lines and Cable Network	Adjustment Voucher passed at the Head Quarter Level	March 31, 2018	7.69	This pertains to a reversal entry in respect of the concerned Fixed Asset which had been already converted in 2013-14 of Central Revenue Division (CRD) but inadvertently converted again in 2016-17. The same has been duly rectified.	2.03
3	Lines and Cable Network	Adjustment Voucher passed at the Head Quarter Level	March 31, 2018	6.88	This pertains to a reversal entry in respect of the concerned Fixed Asset which had been already converted in 2013-14 of Central Revenue Division (CRD) but inadvertently converted again in 2016-17. The same has been duly rectified.	0.73
4	Lines and Cable Network	Revenue, Shillong	February 1, 2018	0.46	This pertains to a reversal entry against a wrong provision created against DB No. 200 dated December 20, 2017.	0.01
5	Hydraulic Works	Myntdu Leshka Hydro Electric Project (MLHEP)	January 18th, 2018	0.14	This pertains to a deduction done towards excess carriage charges made against Voucher No. 102 dated the 12th of March, 2012 and capitalised on March, 2014.	0.03
6	Hydraulic Works		March 28th, 2018	38.44	This pertains to an adjustment against the concerned Fixed Asset being Capitalised in the month of March, 2014 against an advance allowed on a claim which was paid vide Voucher No. 559 dated the 29th of December, 2008. The same has been incorporated in the Current Year.	8.29
7	Plant and Equipment		January 1st, 2018	0.00	This pertains to Andritz Hydro, where excess provisioning has been made.	-
8	Plant and Equipment		March 28th, 2018	40.11	This pertains to an adjustment from the concerned Fixed Asset capitalised on March, 2014 against lump-sum advance, which was not adjusted earlier. The same has been incorporated in the Current Year.	8.65
9	Furniture and Fixtures	Transmission and Transformation, Shillong	January 18, 2018	0.05	Adjustment towards excess payment of Goods and Service Tax(GST) vide voucher no. 19, returned by the supplier.	-
10	Furniture and Fixtures	Transmission and Transformation, Shillong	August 10, 2017	0.05	Compound adjustment entry at the divisional office.	-
	Total			93.87		19.73

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CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 2019

Note 2.3- With regards to 'Assets not in use', Letter NO.ACT/COMP/MePGCL/FA/2017-18/370/6, dated the 14th of November, 2018 has been forwarded to the Director (Generation) of the Group from the Accounts Section, for ascertainment of the current status of the same. The Written Down Value (WDV) of Rs. 15,54,504.14 has been appearing in the Financial Statements of the Group from prior to the Financial Year 1994-95. The same pertains to the 'Building Containing Diesel Electric Generating Plant and Residential Colony for Staff' at Nangalbibra Thermal Power Plant.

Note 2.4- With regards to 'Assets under lease', reference should be drawn to relevant para under 'Note 54'.

Note 2.5- Reconciliation between 'Additions to Accumulated Depreciation' and 'Depreciation as per Statement of Profit and Loss'

(Amounts in Lakhs)

Depreciation as per Statement of Profit and Loss	14,712.95
Add: Prior Period Depreciation Expenses	-
Less: Prior Period Depreciation Incomes	-
Deductions to Accumulated Depreciation	19.73
Add: Depreciation expense capitalised	0.04
Additions to Accumulated Depreciation as per Note 1	14,732.72

Note 2.6- The Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as of 01 April 2015 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Details of gross block, accumulated depreciation and net block as per Indian GAAP on April 1, 2017 are given below :-

(Amounts in Lakhs)

1	Land	4,100.59		4,100.59	-	-	-
2	Buildings	18,614.81	3,271.44	15,343.37	4,463.03	3,271.44	1,191.59
3	Plant and Equipment	80,019.30	18,594.82	61,424.47	26,445.44	18,594.82	7,850.62
4	Furniture and Fixtures	638.48	338.09	300.39	389.98	338.09	51.89
5	Vehicles	1,098.94	761.00	337.94	826.07	761.00	65.07
6	Office equipment	700.70	349.76	350.94	412.28	349.76	62.52
7	Others:	-		-	-	-	-
7(a)	Hydraulic Works	75,244.90	19,659.05	55,585.85	27,428.66	19,659.05	7,769.63
7(b)	Other Civil Works	16,432.54	2,888.55	13,543.99	3,923.65	2,888.55	1,035.10
7(c)	Lines and Cable Network	55,466.47	22,521.95	32,944.51	27,652.94	22,521.95	5,130.98
8	Assets not in use	15.55		15.55	-	-	-
	Total	2,52,332.27	66,384.67	1,83,947.60	91,542.06	66,384.67	23,157.41

MEGHALAYA ENERGY CORPORATION LIMITED
CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2019

Note 3- CAPITAL WORK IN PROGRESS

(Amounts in Lakhs)

Capital Work-in-Progress				
1)	Balance at the beginning of the year	1,23,566	97,385	139480.6511
	Add: Additions during the year	2,874	42,743	
	Less: Deductions during the year	17	16,562	(13,057.29)
	Balance at the end of the year	1,26,423.36	1,23,566.50	
Capital Stock				
2)	Balance at the beginning of the year	6,038.96	4,474.28	
	Add: Additions during the year	13,060.99	4,659.31	
	Less: Deductions during the year	248.63	3,094.64	
	Balance at the end of the year	18,851.32	6,038.96	5794.022701
Cost of Investigation				
3)	Balance at the beginning of the year	6,544.95	5,832.75	
	Add: Additions during the year	442.06	712.30	
	Less: Deductions during the year	31.54	0.09	
	Balance at the end of the year	6,955.48	6,544.95	
Total		1,52,230.15	1,36,150.41	

Note 3.1-With regards to the nature of Cost incurred in Investigation, Research and Surveys, it can be reasonably concluded that such costs do not meet both the conditions of definition of 'Intangible Assets' as per Ind-AS 38 (Intangible Assets). Such Costs have been shown under the line item Capital Work-in-Progress, as they are converted into the same on successful completion of the concerned investigation, research and/or survey, which primarily pertain to long-term envisaged projects. If, however, on conduct of such investigation, research and/or survey, the project envisioned is found to be not viable, then the Group follows a process of systematically writing off the cost so incurred over an ascertained period of time. In light of the same, to ascertain the current status of the aforesaid head, Letter No.ACT/COMP/MePGCL/FA/2017-18/370/5 dated the 14th of November, 2018 has been issued to the Director (Generation) of the Group, from the Accounts Section of the Group. Reconciliation procedures if needed, shall be undertaken in subsequent periods taking into consideration any feedbacks when received against the letter cited above.

Note 3.2- 'Capital Work-in-Progress' mainly comprises of costs incurred towards set-up of major projects relating to generation of power within the State.

Note 3.3 (a)- The Unit-wise details of 'Capital Work-in-Progress (CWIP)' for CY are stated as under: -

(Amounts in Lakhs)

1	Pradhan Mantri Garmodaya Yojna (PMGY)	2,467.19	-	-	2,467.19
2	REMNP (pertaining to Minimum Needs Programme)	2,026.63	-	-	2,026.63
3	Accelerated Power Development and Reforms (APDRP)	6,874.65	0.00	822.19	6,052.46
4	Supervisory Control and Data Acquisition (SCADA)	524.19	-	-	524.19
5	Restructured Accelerated Power Development and Reforms Programme (RAPDRP)	5,098.38	6,284.06	0.34	11,382.10
6	Rajiv Gandhi Gramen Viduytkaran Yojana (RGGVY)	33,396.03	118.71	831.17	32,683.57
7	Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	11,062.69	10,717.55	3,826.77	17,963.47
8	Normal Development Scheme	1,500.61	30.29	-	1,530.89
9	SPMNP (pertaining to Minimum Needs Programme)	169.95	-	-	169.95
10	Non-Lapsable Central Pool of Resources (NLCPR)	850.55	-	-	850.55
11	North Eastern Region Power System Improvement Project (NERPSIP)	0.08	-	-	0.08
12	(Ganol Small Hydro Project- I & II Lines and Cables Network)	37.83	-	-	37.83
13	NEC (CAP (NEC) Constrn. of Line & S/Station - Wahiajer)	10.69	-	-	10.69
14	IPDS (INTEGRATED POWER DEVELOPMENT SCHEME)	28.91	769.84	6.75	792.00
15	14.740 (CWIP- 14.740)	6.04	-	-	6.04
16	14.81T (CWIP-14.81T)	0.73	-	-	0.73
17	14.866 (PM Package Lines and Cables HV)	351.29	-	-	351.29
18	CRE (CWIP-CRE)	428.99	-	-	428.99
19	14.946 TIS (CWIP - TIS)	13.17	-	-	13.17
20	14.9X2,9X4,9X5,9X6,9X7)	269.86	27.22	-	297.08

21	SCA (Special Central Assistance)	32.82	1.36	-	34.18
22	SPA (State Plan Assistance)	276.79	175.93	6.90	445.82
23	Saubhagya	-	11,790.22	5,220.97	6,569.25
24	Ganol Small Hydro Project	15,150.32	5,663.28	660.19	20,153.40
25	Mvntdu Leshka Hydro Electric Project (Leshka)	-	-	-	-
26	New Umtru Hydro Electric Project (NUHEP)	-	-	-	-
27	Small Hydro Division	2,149.95	648.77	2,587.51	211.21
28	Tyrsaw Mini Hydro Project (MHP)	0.01	0.04	-	0.05
29	Khri Mini Hydro Project (MHP)	0.18	0.14	-	0.33
30	Kvnshi Small Hydro Project (SHP)	0.04	0.15	-	0.19
31	Micro Mini Hydel Cell	0.01	-	-	0.01
32	Nan Ramian Small Hydro Division-Stage II	0.02	2.56	0.00	2.58
33	Riangdo Small Hydro Division	9.36	-	-	9.36
34	Risaw Small Hydro Division	5.59	-	-	5.59
35	Sanglet Small Hydro Division	13.68	-	-	13.68
36	Umsohra Small Hydro Division	0.08	-	-	0.08
37	Amkshar Mini Hydel Project	5.64	-	-	5.64
38	Nan Ramnian Small Hydro Project	8.34	0.23	-	8.57
39	Phudmawtala Small Hydro Project (SHP)	0.09	-	-	0.09
40	Rongbeng Small Hydro Project (SHP)	0.09	-	-	0.09
41	Sabar Small Hydro Project (SHP)	3.86	3.22	-	7.07
42	Sanglet Mini Hydro Project (MHP)	0.63	1.06	-	1.70
43	Umiam Khwan Mini Hydel Project	7.96	0.07	-	8.04
44	Works For Umkenrem Small Hydel Project	8.32	0.13	-	8.45
45	Ummynrat Small Hydro Project (SHP)	3.57	3.04	-	6.60
46	Umrina Small Hydro Division	8.19	0.15	-	8.34
47	Umsiang Small Hydro Project (SHP)	0.11	-	-	0.11
48	14194 Amsshlar Stage II(S&I) (Amkshiar Stage II (S&I))	-	0.04	-	0.04
49	S& I Umsangot (Survey & Investigation Umsangot MHP)	-	0.55	-	0.55
50	UMSIANG RI-BHOI (14.194 UMSIANG Mhp RIBHOI(S&I))	-	2.02	-	2.02
51	Wahrew Small Hydro Project (SHP)	4.67	3.02	-	7.69
52	Wahrymben Small Hydro Project (SHP)	0.09	-	-	0.09
53	Wahsohlang Small Hydro Project (SHP)	0.10	-	-	0.10
54	Wahrilang Mini Hydel Project	0.31	1.35	-	1.66
55	Sidiguri Mini Hydel Project	2.19	-	-	2.19
56	Um-Niang Siang Mini Hydro Project (MHP)	0.09	-	-	0.09
57	Generation-System Protection	0.37	-	-	0.37
58	Generation System Protection (Sumer), (PSDF)	-	1,264.07	-	1,264.07
59	Generation-I	-	4.76	-	4.76
60	Generation II, Kyrdemkulai	57.07	-	-	57.07
61	Generation III, Byrnihat	4.94	-	-	4.94
62	Hydraulic Structure Maintenance Division	1.50	-	-	1.50
63	Others	52.05	-	-	52.05
64	T & T Umiam (211)	467.61	984.33	14.83	1,437.12
65	T & T Shillong (221)	1,755.70	354.46	-	2,110.16
66	T & T Byrnihat (231)	1,343.08	12.46	1,330.47	25.07
67	T & T Tura (242)	3,654.99	319.42	39.04	3,935.38
68	System Protection (802)	970.31	-	-	970.31
69	System Protection Umiam (PSDF)	2,276.03	3,553.46	1,214.86	4,614.63
70	901(B)-M/P	2,947.73	-	-	2,947.73
71	Others	1,042.35	5.25	-	1,047.60
	Total	97,385.29	42,743.19	16,561.96	1,23,566.50

NON-CURRENT ASSETS

Note 4(a)- FINANCIAL ASSETS (INVESTMENTS)

(Amounts in Lakhs)

Investments in Mutual Funds:		
Investments made out of Staff Pension Fund- Quoted	158.53	160.50
Investments made out of Contributory Pension Scheme, (measured at Fair Value through Profit and Loss, FVTPL)- Quoted	248.48	248.48
Total	407.01	408.98

Note 4(a).1- As per Notification No. POWER-101//2014/190 dated the 24th of March, 2015, grants-in-aid released by the State Government under Special Plan Assistance (SPA), Special Central Assistance (SCA), North Eastern Council (NEC) and Non-Lapsable Central Pool of Resources (NLCPR) Schemes shall be converted into equity. In accordance to the same, they are initially transferred to Equity Share Capital Pending Allotment. In tune with the purpose of the grants-in-aid, they are respectively booked against the concerned subsidiaries as 'Investments in Equity Instruments with Subsidiary Companies Pending Allotment'.

Note 4(a).2- After Reconciliation procedures being implemented for 'Investments made out of Staff Pension Fund' during the year, the unreconciled difference stands at ` Rs. 1.53 Lakhs' (As on 31st March, 2019- Book Value is `Rs. 160.50 Lakhs ' and Historical Cost is `Rs. 158.97 Lakhs'). The proposal for treatment of the same has been put vide Letter U/o No. MeECL/PEN-35AG-Audit/2017/17 dated 25th of October, 2018 addressed to the Company Secretary, MeECL, Shillong. Resolving of the same is under process.

Note 4(a).3- 'Investments made out of Contributory Pension Scheme' had been inadvertently reflected as 'Investments made out of Contributory Provident Fund' in the Financial Statements of the previous Financial Year 2016-17.

MEGHALAYA ENERGY CORPORATION LIMITED
 CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2019
 Note 4(b)- FINANCIAL ASSETS (OTHERS)

(Amounts in Lakhs)

Recoverables From State Government - (Unsecured Considered Goods)	1.67	199.15
Total	1.67	199.15

Note 4(b).1- The above recoverable have been taken as per Transfer Notification No. Power-79/2009/Pt-1/422 dated 29.04.2015 towards re-vesting of assets and liabilities by the holding company, i.e., Meghalaya Energy Corporation Limited (MeECL). This head pertains to RGGVY (Rajiv Gandhi Grameen Vidyutikaran Yojana) Loan along with Interest of the Government of Meghalaya, borne by MePDCL and thereby recoverable from the State Government, which is purely connected to the Related Party of the Company i.e., Meghalaya Power Distribution Corporation Limited (MePDCL). However, balances have been vested in the Financial Statements of the Company as well, vide the aforesaid notification. Thereby, the ascertainment of the actual status of the same is under reconciliation.

Note 5- OTHER NON CURRENT ASSETS

(Amounts in Lakhs)

Capital Advances	2,722.67	6,136.01
Total	2,722.67	6,136.01

CURRENT ASSETS
 Note 6- INVENTORIES

(Amounts in Lakhs)

Operational and Maintenance Stock	6,025.68	3,420.28
Total	6,025.68	3,420.28

Note 7(a)- FINANCIAL ASSETS (TRADE RECEIVABLES)

(Amounts in Lakhs)

Secured, considered good	-	(0.02)
Unsecured, considered good	58,457.17	59,135.83
Doubtful	-	1,216.39
Sub-Total	58,457.17	60,352.21
Less: Allowances for Doubtful Debts	-	1,216.39
Total	58,457.17	59,135.81
Total	58,457.17	59,135.81

Note 7 (a).1- For details of 'Allowances for Doubtful Debts', reference should be drawn to Note 51(XIII).

Note 7 (a).2- Receivables towards 'Delayed Payment Surcharges (DPS)'

In accordance with Point No. 1 of the Minutes (dated 7th of February, 2017) of the Meeting held on the 17th of November, chaired by the Chief Engineer (Distribution) pertaining to Receivables towards 'Delayed Payment Surcharges (DPS)', Letter No. /COMP/MePDCL/FA/2017-18/368/18, dated 26-10-2018 had been addressed to the Company Secretary. The said Letter has proposed for the approval of the Board, regarding the following: -

1. The outstanding DPS be written off in a phase manner @ 20% per year [As per Point No. 1 (ii) of the aforesaid minutes].
2. The calculation of remaining outstanding DPS for the Financial Year 2017-18 has been proposed as under :-

(Amounts in Lakhs)

Balance of DPS outstanding as on 31-03-2018 (a)	11,164.06
Less: Balance of March 2018 (b)	
Remaining Outstanding DPS [c= (a-b)]	11,164.06
DPS to be written off for the month of March 2017 (d) e=(c-d)	11,164.06
DPS to be written off (f=20% of e)	
Balance of Receivables towards DPS in the Books, if the	11,164.06

Consequent to the above matter being raised, the Board has decided to constitute a committee with Director (Distribution), Company Secretary and Officers from Commercial and Accounts wing to examine the proposal and furnish a report thereof to the Board, for a final decision. Report on the same is yet to be furnished.

Note 7 (a).3- Gross Trade Receivables comprise of the following: -

(Amounts in Lakhs)

Sundry Debtors from Sale of Power, including FPPA (within the State)		37,464.29
Receivables from Sale of Power- Inter State(Assam)		-145.76
Receivables from Sale of Power- Inter State(Mizoram)		13.69
Receivables from Sale of Power- Outside the State (Unscheduled Interchange and others)		5,128.90
Receivables from Sale of Power- Miscellaneous, including RRAS		16,829.95
Electricity Duties Receivable		1,061.14
Total	-	60,352.21

Note 7 (b)- FINANCIAL ASSETS (CASH AND CASH EQUIVALENTS)

(Amounts in Lakhs)

Balances with Banks	3,153.22	9,371.07
Cash on hand	209.01	207.76
Cash Imprest with Staff	236.99	244.65
Others - Overdraft Accounts with Punjab National Bank	0.00161	0.00161
Total	3,599.22	9,823.48

Note 7 (b).1- With regards to 'Overdraft Accounts with Punjab National Bank', the following should be noted:

(Amounts in lakhs)

Balance as per the books of accounts	0.00161	0.00161
Balance as per confirmation of actual balance obtained		-
Total	0.00161	0.00161

The reconciliation of the aforementioned difference is under process.

Note 7 (c)- FINANCIAL ASSETS (BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS)

(Amounts in Lakhs)

Other Bank Balances (<i>Term Deposits - original maturity more than 3 month but less than 12 month</i>)	16,326.37	11,891.69
Total	16,326.37	11,891.69

Note 7 (c).1- During the Financial Year 2017-18, in certain instances, booking of redemption of 'Investments in Term Deposits' of the group had been erroneously passed in the books of other related parties within the MeECL Group (i.e., the Holding Company and/or its other subsidiaries). Similarly, in certain instances, redemptions pertaining to the group had also been erroneously passed in the books of other related parties within the MeECL Group (i.e., the Holding Company and/or its other subsidiaries). Furthermore, during the Financial Year 2017-18, inadvertent errors had also surfaced in booking of interests on such investments, initial booking of investments, etc. Consequent to the said discrepancies, reconciliation of 'Investments in Term Deposits' for the Financial Year 2017-18 have been undertaken, to rectify the aforementioned errors.

MEGHALAYA ENERGY CORPORATION LIMITED
 CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2019
 Note 7 (d)- FINANCIAL ASSETS (LOANS)

(Amounts in Lakhs)

(Amounts in Lakhs)		
Unsecured, Considered Good-		
Loan to Employees	8.22	79.65
Total	8.22	79.65

Note 7 (e)- FINANCIAL ASSETS (OTHER FINANCIAL ASSETS)

(Amounts in Lakhs)

(Amounts in Lakhs)		
Unsecured, Considered Good-		
Receivables from State Government against Terminal Benefits of Staff	84,004.24	84,004.24
Other Income- Accrued And Due	231.87	235.98
Claims Receivable	1.52	0.67
Inter Unit and company Balance	(6,572.63)	(324.30)
Total	77,665.01	83,916.59

Note 7 (e).1- Related Party Receivables as stated in 7 (e) and Related Party Payables as stated in Note 15 (C) (Intra-group and intra-unit transactions) primarily comprise of the following transactions :-

- i.) 'Transfers in Transit' inclusive of allotment of fund from Head Quarters and/or Holding Company to underlying Divisions.
- ii.) 'Remittances in Transit' inclusive of transfers of revenue and other collections from underlying Divisions to relevant Head Quarters and/or Holding Company.

MEGHALAYA ENERGY CORPORATION LIMITED
CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2019

Remittances of Fuel, Materials, Personnel and Others:

- i.) Transfer of fuel related expense of one underlying division on behalf of another such division, which may cut across underlying divisions of different companies within the group as well.
- ii) Transfer of materials between underlying divisions of all the companies within the group and the Central Stores administered by the Holding Company.
- iii.) Transfer of Capital Asset related expenditures or capital incomes of one underlying division on behalf of another such division, which may cut across underlying divisions of different companies within the group as well.
- iv) Transfer of stock of stationery between underlying divisions of all the companies within the group and the Central Stores administered by the Holding Company.
- v.) Record of any other inter-division transactions, including personnel related balances.

Operations, Capital and Others:

- i) Intra-group receipts and expenses related to segregation of Principal Accounts of cash and banking transactions.
- ii) Recognition of Equity of Holding Company in the company.
- iii) Transfer of Intra-group Loans.
- iv) Transfer of Investments in term deposits and interest thereof from Holding Company to relevant subsidiary companies.
- v) Apportionment of Holding Company's expenses to the related subsidiaries.

Any differences between Receivables and Payables against 'Remittances of Cash and Cash Equivalents' amidst the Company and its Related Parties mainly constitute of figures which are still under reconciliation. Thereby, the same have been grouped under 'Other Current financial Assets' or 'Other Current financial Liabilities', as the case may be, and not under 'Cash and Cash Equivalents'.

Note 8- CURRENT TAX ASSET

(Amounts in Lakhs)

Direct Tax	72.44	71.23
Indirect Tax	-	-
Total	72.44	71.23

Note 8.1- With regards to the above, determination of actual status of Tax Assets and their corresponding reconciliation with book balances is under process. Theoretically, the aforesaid Tax Assets should be of current nature only. Thereby, the accurate distinction of such assets into Current and Non-current heads, if applicable, can only be conceived after the said reconciliation is completed.

Note 9 - OTHER CURRENT ASSETS

(Amounts in Lakhs)

Unsecured, Considered Goods:		
Advances other than capital advances:		
Operational and Maintenance Advances	539.31	660.91
Staff Related Advance	1,089.99	484.83
Balance with Government Authorities	1,553.20	1,486.05
Total	3,182.50	2,631.78

Note 9.1- With regards to the above, reconciliation of GST Tax returns with the book balances is under progress. Input availed under GST is yet to be adjusted from the output liability of the same in the books. All the GST inputs have been transferred to signal account as on March 31, 2019

Note 9.2- In P.Y. 2017-18 Operational and Maintenance Advance includes an amount of R.s 0.0001516 Lakhs, which has been wrongly booked under the head 'Prepaid Expenses' by an underlying Division. The same is under reconciliation.

Note 10- EQUITY SHARE CAPITAL

(Amounts in Lakhs)

(a) Authorised: 3,00,000.00 Lakhs (Previous year 3,00,000.00 Lakhs) Equity Shares of INR 10.00 each	3,00,000.00	3,00,000.00
(b) Issued, subscribed and fully paid up: 20,334.99 lakhs (Previous year 20,044.07 lakhs Equity Shares of Rs. 10.00 each	2,03,349.86	2,03,349.86
Total	2,03,349.86	2,03,349.86

Note 10.1- The Group has only one class of equity shares (without differential rights), having par value of INR 10 per share. Each shareholder is eligible to one vote per share held.

Note 10.2- Reconciliation of the number of Equity Shares outstanding

(Amounts in Lakhs)

Equity Shares at the beginning of the year	20,334.99	2,03,349.86
Add:- Shares issued during the year	(0.00)	(0.00)
Equity Shares at the end of the year	20,334.99	2,03,349.86

(Amounts in Lakhs)

Equity Shares at the beginning of the year	20,044.07	2,00,440.67
Add:- Shares issued during the year	290.92	2,909.19
Equity Shares at the end of the year	20,334.99	2,03,349.86

Note 10.3- Details of shares held by the Holding Company:-

100% Shares are held by the Holding Company, Meghalaya Energy Corporation Limited (MeECL) and its nominees.

MEGHALAYA ENERGY CORPORATION LIMITED
CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2019

Note 10.4- Details of Equity Shares held by each shareholder holding more than 5% Equity Shares

Meghalaya Energy Corporation Limited (MeECL) and its nominees	20,334.99	100.00%
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Meghalaya Energy Corporation Limited (MeECL) and its nominees	20,334.99	100.00%
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Note 10.5- Aggregate number and class of shares allotted as fully paid-up pursuant to contract without payment being received in cash

(Amounts in Lakhs)

Equity shares allotted towards conversion of Grants received (which were Pending Allotment) in accordance with Notification No. POWER-101//2014/190 dated the 24th of March, 2015 :		Equity Shares (without differential rights), having par value of Rs. 10 per share	
Financial Year 2018-19	290.92		2,909.19
Financial Year 2017-18	4,277		42,774.29
Financial Year 2016-17	-		-
Financial Year 2015-16	8,081		80,811.53
Financial Year 2014-15	-		-
Financial Year 2013-14	7,675.48		76,754.85
Financial Year 2012-13	-		-

MEGHALAYA ENERGY CORPORATION LIMITED
CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2019

Note 11- OTHER EQUITY

(Amounts in Lakhs)

Retained Earnings			
1)	Balance at the beginning of the year	(2,43,641.80)	(2,11,141.00)
	Add: Additions during the year	(13,346.42)	(32,500.80)
	Less: Deductions during the year		
	Balance at the end of the year	(2,56,988.22)	(2,43,641.80)
Equity Share Capital Pending Allotment			
2)	Balance at the beginning of the year	4,680.32	6,646.47
	Add: Additions during the year	11,604.78	943.04
	Less: Deductions during the year	-	2,909.19
	Balance at the end of the year	16,285.10	4,680.32
Total		(2,40,703.13)	(2,38,961.49)

Note 11.1- Equity Share Capital Pending Allotment has been created as per Grants received and allotted from or by the State Government with respect to Notification No. POWER-101//2014/190 dated the 24th of March, 2015.

Note 11.2- Equity capital pending allotment represents the amount of shares to be allotted to the Hon'ble Governor of Meghalaya in Financial Year 2010-11 and onwards (including notification issued on the 29th of April, 2015 by the Government of Meghalaya).

Note 11.3- State Government Grants to the tune of Rs 943.04 Lakhs (P.Y. Rs. 3,737.27 Lakhs) shall be converted into 94.30 Lakhs (P.Y. 373.72 Lakhs) Equity shares @ Rs.10.00 each on completion of due procedure, in accordance with Notification No. POWER-101//2014/190 dated the 24th of March, 2015 along with completion of applicable audit procedures of the relevant preceding year. During the C.Y. Rs. 2,909.19 Lakhs (P.Y. 42,774.29 Lakhs) has been converted into '290.91 Lakhs (P.Y. 4,277.42 Lakhs)' Equity shares @ Rs.10.00 each.

Note 11.4- As per CAG Audit Observations, 'Equity Share Capital Pending Allotment' includes Rs.750.00 Lakhs towards equity participation by Government of Meghalaya (GoM) in ONGC Tripura Power Company Limited (OTPC). The matter has been put under reconciliation.

Note 11.5- 'Retained Earnings' has been debited by the following total comprehensive Income/(loss) incurred during the current and previous year.

(Amounts in Lakhs)

Income/(Loss)	(13,346.42)	(32,500.81)
Total	(13,346.42)	(32,500.81)

Note 11.6 - Grants Towards Cost Of Capital Assets (State Government) converted to Equity Share Capital Pending Allotment during the Financial Year 2018-19 and 2017-18:

(Amounts in Lakhs)

(a)

July 11, 2018	Deputy Secretary, Power Deptt, Govt. Of	NEC	200.00
July 11, 2018	System Improvement Works Under	RAPDRP B	62.22
July 11, 2018	Sanction For Survey And Investigation Of		100.00
July 11, 2018	Sanction For Survey And Investigation Of		50.00
November 20, 2018	Survey And Investigation And Preparation		50.00
March 27, 2019	Const Of Lakroh Mini Hydel Project	North Eastern	53.00
March 27, 2019	Survey And Investigation Of Nongkohlait	Council (NEC)	75.00
March 27, 2019	Survey And Investigation Of Umngi Hep		75.72
March 30, 2019	Survey And Investigation And Preparation		50.00
March 30, 2019	Survey And Investigation And Preparation		50.00
July 11, 2018	CONST OF 132/33 KV, 2X20 MVA S/S AT	NEC	76.80
	MENDIPATHAR		
March 7, 2019	CONST OF 220 KV MISA BYRNIHAT	DONER UNDER	100.30
	LINE ALONG WITH 220/132 KV, 2X160	NLCPR	
	MVA S/S OF KILLING AND BAY EXT AT		
	MISA		
Total			943.04

(b)

June 28, 2017	Grant and Equity Sanction for Ujwal	Ujwal Discom	3,125.00
	Discom Assurance Yojana (UDAY) for	Assurance Yojana	
	Operational and Financial Turnaround of	(UDAY)	
January 10, 2018	Grant for construction of new 33 KV line on	North Eastern	56.33
	St Pole with Racocon Conductor from	Council (NEC)	
March 28, 2018	Grant for construction of New 33 KV Line	North Eastern	80.10
	from Byrnihat to Nongpoh with a	Council (NEC)	
September 27, 2017	Grant received from Under Secy., Power	North Eastern	59.31
	Department, Government of Meghalaya,	Council (NEC)	
October 21, 2017	Grant received from Deputy Secy., Power	North Eastern	100.00
	Department, Government of Meghalaya,	Council (NEC)	
October 21, 2017	Grant received from Deputy Secy., Power	North Eastern	53.94
	Department, Government of Meghalaya,	Council (NEC)	
May 26, 2017	Grant for construction of Lilo Line of One	Non-Lapsable	153.9
	Circuit of Palatana- Bangaigaon 400 KV	Central Pool of	
	Line at Killing with 400/220 KV, 2X315	Resources (NLCPR)	
	MVA GISS/S		
December 15, 2017	Grant for construction of 1X100 MVA,	North Eastern	108.7
	220/132 KV Auto Transformer at Agia Sub-	Council (NEC)	
	Station (Assam) for Meghalaya- 4th & Final		
	Installment.		
Total			3,737.28

NON-CURRENT LIABILITIES
Note 12 - FINANCIAL LIABILITIES (BORROWINGS)

(Amounts in Lakhs)

Secured:				
(i) Bonds:				
(a) MeECL Bond Issue 1st Series 11.64% These Bonds are intended to be used to repay/restructure the loans obtained from the PFC and / or REC so that the interest burden of the MeECL/MePGCL/MePDCL is reduced. The balance of the proceeds will be utilised the outstanding dues of MePDCL Bullet repayment in the 10th year.	4,030.00			
(b) MeECL Bond Issue 2nd Series 11.45% These Bonds are intended to be used to repay/restructure the loans obtained from the PFC and / or REC so that the interest burden of the MeECL/MePGCL/MePDCL is reduced. The balance of the proceeds will be utilised the outstanding dues of MePDCL Bullet repayment in the 10th year.	5,000.00			
(c) (The bonds have been issued for Myntdu Leshka Hydro Electric Project (MLHEP). The bonds are guaranteed by the State Government. The terms attached to the bonds include semi-annual interest payment for 10 years with bullet repayment on November 18, 2018)				
(ii) Term loans:				
(a) From Banks:				
11.98% Term Loan from Federal Bank (The loan has been availed for Myntdu Leshka Hydro Electric Project (MLHEP). The loan is secured against hypothecation charge on assets of the Group and is also guaranteed by the State Government. The Loan is repayable in 7 years in monthly installments starting from April 01, 2012)	(212.00)		(212.00)	
11.15% Term Loan from Central Bank of India (The loan has been availed for Myntdu Leshka Hydro Electric Project (MLHEP). The loan is secured against hypothecation charge on assets of the Group and is also guaranteed by the State Government. The loan is repayable in 9 years in monthly installments starting from April 01, 2012)	1,274.78		1,691.45	208.33 Lakhs
9.75% Vehicle Loan from Central Bank of India (The loan has been availed for procurement of Distribution Vans. It has been taken on the personal guarantee of erstwhile Director-Corporate Affairs, Shri V.Kr. Mantri, IAS. The loan is repayable through Equated Monthly Installments amounting to Rs 40358.00 per month for 84 months. The Loan carries a Floating Interest Rate)	16.93		16.93	

MEGHALAYA ENERGY CORPORATION LIMITED
CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2019

(b) From Others:			
12.75% Term Loan from Power Finance Corporation (PFC) Limited	14,494.16	15,299.53	
(The loan has been availed for Myntdu Leshka Hydro Electric Project (MLHEP). The loan is secured against hypothecation charge on 'Property, Plant and Equipment'. The loan is repayable in 15 years from July, 2014 in Quarterly installments).			
12.65% (12.15%-12.65%) Term Loan from Power Finance Corporation (PFC) Limited	38,526.46	40,885.21	786.25 Lakhs January'19
(The loan has been availed for New Umtru Hydro Electric Project (NUHEP). The loan is secured against hypothecation charge on 'Property, Plant and Equipment'. The loan is repayable in 15 years from its C.O.D. in Quarterly installments).			
11.25% (10.00%-11.25%) Term Loan from Power Finance Corporation (PFC) Limited Green Energy Ltd	608.00	534.10	
(The loan has been availed for Lakroh Small Hydro Project. The loan is secured against hypothecation charge on 'Property, Plant and Equipment'. The loan is repayable in 15 years from its C.O.D. in Quarterly installments).			
14% (8.50%-14%) Loan from Rural Electrification Corporation (REC) Limited	14,549.94	15,815.15	632.60 Lakhs March'19
(The loan has been availed for Myntdu Leshka Hydro Electric Project (MLHEP). The loan is guaranteed by the State Government. The loan is repayable in Quarterly installments for 10 years commencing from June 2015).			
11.75% Loan from Power Finance Corporation (PFC) Limited	14,661.90	15,476.45	
(The loan has been availed for Myntdu Leshka Hydro Electric Project (MLHEP), for the re-financing of Bonds. The loan is guaranteed by the State Government. The terms of the loan include Quarterly repayments in 10.75 years commencing from January 2018, with no moratorium period)			
11.25% Loan from Rural Electrification Corporation (REC) Limited	4,758.62	5,172.41	206.89 Lakhs March'19
((The loan has been availed for Myntdu Leshka Hydro Electric Project (MLHEP). The Loan is guaranteed by the State Government. The terms include Quarterly repayments in 7 years commencing from March 2018, with no moratorium period)			
11.75% (11.00% to 11.75%) Special Term Loan from Rural Electrification Corporation (REC) Limited-	11,613.17	14,193.88	
The loan has been availed as a Special Term Loan for meeting cash-gap. The loan is for a period of 5 years repayable in 60 equal monthly installments, without any moratorium period. Corporate Guarantee has been given on behalf of the Company by Meghalaya Power Transmission Corporation Limited (MePTCL) for the purpose of this loan			

MEGHALAYA ENERGY CORPORATION LIMITED
 CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2019

12.75% Loan from Rural Electrification Corporation (REC) Limited (MTL-II)	1,166.00	-	
(The loan has been availed for Power Purchase. It has been secured vide State Government Guarantees and a charge on moveable assets. The terms include monthly repayments in 3 Years with 1 year of moratorium period.)			
8% Loan from Rural Electrification Corporation (REC) Limited (Restructured)	2,356.55	2,666.73	
(The terms of the loan include monthly repayments in 20 Years from the year 2002 with State Government Guarantees)			
9% Loan from Power Finance Corporation (PFC) Limited (Restructured Accelerated Power Development and Reforms Programme, R-APDRP-Part A)	3,287.40	3,287.40	
(This loan has been availed for R-APDRP Part-A Works)			
9% Loan from Power Finance Corporation (PFC) Limited (Restructured Accelerated Power Development and Reforms Programme, R-APDRP-Part B)	6,583.64	6,583.64	
(This loan has been availed for R-APDRP Part-B Works)			
12.15% Loan from Power Finance Corporation (PFC) Limited	32,500.00	32,500.00	
(This loan has been availed for power Purchase. It is guaranteed by the State Government, with 3 years moratorium period and quarterly repayments in 7 years)			
11.00% Term Loan from Rural Electrification Corporation (REC) Limited	936.99	1,070.84	
(The loan is secured against hypothecation charge on 'Property, Plant and Equipment'. The loan is repayable in 10 years on an annual basis)			
Loan from PFC	4,762.26		
Loan from PFC	2,944.13		
Repayment due on Rec	133.86		
Unsecured:			
(i) Term loans:			
(a) From Others:			
Loans from State Government	15,654.81	15,643.70	1,259.62
(The terms of these loans include the clause of semi annual repayment in 10 Years with 2 years of moratorium from the date of disbursement. For details of the same, reference should be drawn to Note 12.4.1).			
Loan from State Government	532.18	532.18	39.48
(These loans have been availed with terms of semi-annual repayments in 10 Years with 2 years of moratorium from the dates of disbursement. For details of the same, reference should be drawn to Note 12.4.1)			

MEGHALAYA ENERGY CORPORATION LIMITED
 CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2019

Loan from State Government (Against these loans, semi annual repayments in 10 Years with 2 years of moratorium from the date of disbursement have been struck upon. For details of the same, reference should be drawn to Note 12.4.1)	4,148.35		4,148.35	406.06
Loan from State Government (OECF) (The loan has been availed for Renovation & Modernization of Umiam Stage-I through additional central assistance scheme)	1,377.20		1,377.20	
Loan from State Government (JBIC) (The loan has been availed for Renovation & Modernization of Umiam Stage-II through additional central assistance scheme)	1,128.03		1,128.03	
Sub-Total	1,86,833.34		1,77,811.16	-
Less: Current Maturities of Long Term Debts	15,181.59		30,363.19	
Total	1,71,651.75	-	1,47,447.97	-

MEGHALAYA ENERGY CORPORATION LIMITED
 CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2019

Note 13- DEFERRED REVENUE

(Amounts in Lakhs)

1	Government Grants	1,01,304.64	75,660.18
2	Consumers Contribution Towards Cost of Capital Asset	-	5,033.16
	Total	1,01,304.64	80,693.34

Note 13.1 Details of movement in 'Grants and Subsidies' (read with note 13 and 19)

(Amounts in Lakhs)

Government Grants			
1)	Balance at the beginning of the year	-	45,875.40
	Add: Additions during the year	-	34,313.27
	Less: Deductions during the year	-	2,609.58
	Balance at the end of the year	-	77,579.09
Consumers Contribution Towards Cost of Capital Asset			
2)	Balance at the beginning of the year	-	4,020
	Add: Additions during the year	-	1,013
	Less: Deductions during the year	-	-
	Balance at the end of the year	-	5,033.16
	Total	(1,440.92)	80,693.34

NON CURRENT LIABILITIES
Note 14- DEFERRED TAX LIABILITIES

(Amounts in Lakhs)

Deferred Tax Liabilities	836.87	836.87
Total	836.87	836.87

CURRENT LIABILITIES
Note 15 (a) - FINANCIAL LIABILITIES (BORROWINGS)

(Amounts in Lakhs)

Secured:		
Overdraft Accounts with Central Bank of India (These borrowings have been secured against Term Deposits)	711.27	711.43
Total	711.27	711.43

Note 15 (a).1- The aforementioned Borrowings have been serviced and retained for maintenance of operating capacity of the entity, in accordance with Para 51 of Ind AS 7- 'Statement of Cash Flows', amongst other requirements.

Note 15 (b)- FINANCIAL LIABILITIES (TRADE PAYABLES)

(Amounts in Lakhs)

Payables against Purchase of Power from Outside Parties	1,13,735.65	1,07,071.74
Payables against Wheeling Charges	1,460.46	3,484.80
Payables for Operational and Maintenance Related Supplies	4,893.20	1,032.11
Total	1,12,032.49	1,11,588.65

Note 15 (b).1- The Balances of 'Payables against Purchase of Power from Outside Parties' have the underlying differences, which have been placed under reconciliation: -

(Amounts in lakhs)

North Eastern Electric Power Corporation (NEEPCO) Limited	62,489.87	62,489.87	-
National Thermal Power Corporation (NTPC) Limited	28,522.56	28,522.56	-
National Hydroelectric Power Corporation (NHPC) Limited	2,649.80	2,649.80	-
Power Trading Corporation of India Limited (PTCIL)	(20.00)	(26.67)	6.66
SCF	-	718.34	(718.34)
Arunachal Pradesh Power Corporation Private Limited (APPCPL)	236.23	236.23	-

MEGHALAYA ENERGY CORPORATION LIMITED

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2019

Deviation (Inter) / Unscheduled Interchange (Inter)	-	-	-
NTPC Vidyut Vyapar Nigam (NVVN) Limited	29.65	29.65	(0.00)
VAR- Pool	-	3.22	(3.22)
VAR- Assam State Electricity Board (ASEB)	-	62.00	(62.00)
Power System Operation Corporation (POSOCO) Limited	23.12	23.12	-
Maithon Power Plant Limited (MPPL)	51.87	51.87	(0.00)
ONGC Tripura Power Company (OTPC)	12,251.29	12,251.29	0.00
Unscheduled Interchange (Intra)	-	60.44	(60.44)
Total	1,06,234.40	1,07,071.74	(837.34)

(Amounts in lakhs)

North Eastern Electric Power Corporation (NEEPCO) Limited	53,474.10	53,474.10	-
National Thermal Power Corporation (NTPC) Limited	14,782.07	14,782.07	-
National Hydroelectric Power Corporation (NHPC) Limited	2,649.61	2,649.61	-
Power Trading Corporation of India Limited (PTCIL)	25.00	18.33	6.66
SCF	-	718.34	(718.34)
Arunachal Pradesh Power Corporation Private Limited (APPCPL)	60.98	60.98	-
Deviation (Inter) / Unscheduled Interchange (Inter)	-	-	-
NTPC Vidyut Vyapar Nigam (NVVN) Limited	29.65	29.65	(0.00)
VAR- Pool	-	3.22	(3.22)
VAR- Assam State Electricity Board (ASEB)	-	62.00	(62.00)
Power System Operation Corporation (POSOCO) Limited	7.57	7.57	-
Maithon Power Plant Limited (MPPL)	-	-	-
ONGC Tripura Power Company (OTPC)	7,192.79	7,192.79	-
Unscheduled Interchange (Intra)	-	60.44	(60.44)
Total	78,221.78	79,059.12	(837.34)

Note 15 (b).2- The Balances of 'Payables against Wheeling Charges' have the underlying differences, which have been placed under reconciliation: -

(Amounts in lakhs)

Assam State Electricity Board (ASEB)	1,460.46	1,460.46	-
Power Grid Corporation of India Limited (PGCIL)	1,926.66	2,024.34	(97.68)
Total	3,387.13	3,484.80	(97.68)

(Amounts in lakhs)

Assam State Electricity Board (ASEB)	1,460.46	1,460.46	-
Power Grid Corporation of India Limited (PGCIL)	2,000.07	2,097.75	(97.68)
Total	3,460.53	3,558.21	(97.68)

MEGHALAYA ENERGY CORPORATION LIMITED
 CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2019

Note 15 (c)- OTHER FINANCIAL LIABILITIES

(Amounts in Lakhs)

Current maturities of long-term debts- for loans	30,363.19	30,363.19
Interest accrued-	15,181.59	
(a) Interest payable to the Government	821.26	2,968.17
(b) Others	30,997.08	17,393.62
	21,967.08	
Liabilities for Capital Supplies	19,245.52	19,954.74
Interest payable to the Government	-	-
Staff Related Liabilities	1,00,382.29	98,985.16
Security deposits and Retention Moneys Payable	29,517.15	28,652.63
Claim Received from Insurance of Fixed Assets, pending reconciliation	343.78	343.78
Liabilities for Expenses	11,081.96	7,640.50
Other Liabilities	-	-
Provision for Loss (Pending Investigations)	23.15	23.15
Inter Unit and company balance	-	-
Total	2,22,775.38	2,06,324.94

1,98,563.79

=

9030
 15181.59

24,1211.59 diff

MEGHALAYA ENERGY CORPORATION LIMITED
CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2019

Note 15(c).1- With regards to the Financial Year 2017-18, all the liabilities towards General Provident Fund (GPF) have been transferred to the Holding Company (Meghalaya Energy Corporation Limited, MeECL), as MeECL holds all rights and liabilities towards settlements of dues to staffs, against GPF.

Note:- 15(c).2- Since the Holding Company (Meghalaya Energy Corporation Limited, MeECL) holds all rights and liabilities towards settlements of dues to staffs against Pension, Gratuity and Bonus. Ideally the books of the Company should not have balances against payables of such items. Therefore, the following ledger balances which exist against the books of the Company, are subject to reconciliation, which shall be undertaken in subsequent periods:

(Amounts in Lakhs)

Provision For Gratuity	-	112.54
Provision For Pension	-	36.44
Provision For Bonus	-	2.06
Total	-	151.04

It must be stated that the above balances have been taken as per Transfer Notification No. Power-79/2009/Pt-1/422 dated 29-04-2015 towards re-vesting of assets and liabilities by the Holding Company, i.e. Meghalaya Energy Corporation Limited (MeECL)

Note 15(c).3- 'Liabilities for Supplies (against Temporary Sale of Power)' pertains to the amount deducted from the works-bills of construction companies or contractors for the power supplied by the company and used by them in the execution of their works for the company. The said deduction is payable by the concerned divisions (where the works take place) to the concerned Revenue sub-division. Therefore, the said head relates to an Inter-unit or Inter-company payable. Furthermore, reconciliation of the balances under this head has been initiated vide Letter No. ACT/COMP/MePGCL/FA2017-18 Dated 06-12-2018, addressed to The Executive Engineer, New Umtru Hydro Electric Project Byrnihat, Meghalaya.

Note 15(c).4- 'Claim Received from Insurance of Fixed Assets, pending reconciliation' is inclusive of the following:-

i.)Rs. 36.74 Lakhs (i.e., sum of Rs. 8.50 Lakhs and Rs. 27.97 Lakhs respectively):

Insurance Claim had been lodged for Rs. 59.53 Lakhs towards Damage to Radial Gate No. 2, Stage II at Kyrdemkulai in Financial Year 2016-17. The claim amount had been finalised at Rs. 36.47 Lakhs Out of this, Rs. 8.50 Lakhs had been received on 12th of April, 2016, but erroneously not accounted for. The same had been reflected in the Bank Reconciliation Statement. Furthermore, the remaining balance of Rs. 27.97 Lakhs had been received on 10th of March, 2017 and had been considered as an Exceptional Item in the books of the Financial Year 2016-17. During the Current Financial Year 2017-18, the said two amounts have been brought under 'Claim Received from Insurance of Fixed Assets, pending reconciliation' head. The actual 'Loss on Settlement of Insurance Claim' could not be ascertained due to the Written Down Value (WDV) of the concerned damaged fixed asset not being readily available. Consequently, the matter has been referred for resolving to the Office of the Executive Engineer (C), Hydraulic Structure Maintenance Division (Sumer, Meghalaya) vide letter no. ACM (II)/904/Part I/2011/209. The detail thereof is awaited, and is expected to be reconciled in future course of time.

ii.) Rs. 198.57 Lakhs

Insurance Claim had been lodged on account of Damage due to Flood at Myntdu Leshka Hydro Electric Project (MLHEP). The Claim amount of Rs. 198.57 Lakhs had been received on 20th of December, 2017. During the Current Financial Year 2017-18, the amounts has been shown as 'Claim Received from Insurance of Fixed Assets, pending reconciliation' head.

iii.) Rs. 108.73 Lakhs

Insurance Claim had been lodged on account of Damage at Umiam Stage III Hydro Electric Project. The Claim amount of Rs. 108.73 Lakhs had been received on 14th March 2018. During the Current Financial Year 2018-19, the amounts has been shown as 'Claim Received from Insurance of Fixed Assets, pending reconciliation' head.

The actual 'Loss on Settlement of Insurance Claim' amounting Rs. 198.57 lakhs and Rs. 108.73 lakhs could not be ascertained due to the Written Down Value (WDV) of the concerned damaged fixed asset not being readily available. Furthermore, it has come to light that component costing was not done during initial booking. Consequently, the matter has been kept under reconciliation for resolving in future course of time.

Note 15 (c).5- With regards to 'Interest accrued on Others', in certain cases, the Book values do not tally with the actual balance as per Third Party Confirmation. The same is under reconciliation.

Note 16 - PROVISIONS

(Amounts in Lakhs)

Provision for employee benefits	2,608.52	5,783.59
Total	2,608.52	5,783.59

Note 16.1- For details with regards to the aforementioned Note, reference should be drawn to Note 51(VIII).

Note 16.2- The balances of Pension Payables and Gratuity Payables in the books have not been in tandem with the actual balances payable to the concerned pensioners, for quite a few Financial Years. The differences so arrived have been placed under a continuous process of reconciliation. The reconciliation process is expected to spill over to subsequent periods as well.

Note 17- CURRENT TAX LIABILITES

(Amounts in Lakhs)

Direct Tax Liabilities	-	-
Indirect Tax liabilities	-	-
Total	-	-

MEGHALAYA ENERGY CORPORATION LIMITED
CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2019

Note 18- OTHER CURRENT LIABILITES

(Amounts in Lakhs)

Statutory Dues	(5,047.92)	1,199.60
Total	(5,047.92)	1,199.60

Note 18.1- With regards to the above, determination of actual status of taxes and their corresponding reconciliation with book balances is under process. Theoretically, the aforesaid taxes should be of current nature only. Thereby, the accurate distinction of such assets into current and non-current heads, if applicable, can only be conceived after the said reconciliation is completed.

Note 19- DEFERRED REVENUE

(Amounts in Lakhs)

Government Grant	1,440.92	1,918.91
Total	1,440.92	1,918.91

Note 20- REVENUE FROM OPERATIONS

(Amounts in Lakhs)

Sale of Power:		
Inter-state sale of power to Assam	3.68	33.28
Inter-state sale of power to Mizoram	-	-
Unscheduled Interchange Sales	1,751.39	4,800.08
Interstate billing on sale of Power to MPPL, Revenue on Sale of Power to APPCL and HPPC	43,349.15	14,124.03
Margin Money from Regulated Power	3,017.14	-
NTPC PRAS	442.94	1,054.17
Categories of other Consumers:		
Domestic and Residential	-	21,700.68
Commercial	-	8,374.30
Industrial Medium and Low Voltage	-	573.30
Industrial High and Extra High Voltage	-	27,677.01
Public Lighting	-	122.16
Irrigation and Agriculture	-	4.43
Public Water Works	-	2,703.60
Bulk Supply to others	-	5,348.06
Miscellaneous and General Purpose	142.24	132.03
Construction Project High Tension	-	21.33
Electricity Duty Recoveries	148.20	443.17
	48,854.74	87,111.65
Less: Electricity Duty	-	443.17
	48,854.74	86,668.48
Other operating revenues-		
Meter Rent	-	366.79
Margin Money from Regulated Power	-	-
Reconnection Fees	-	1.54
Delayed Payment Charges Collected From Consumers	-	329.42
Rebates on Purchase of Energy	-	1.80
Other Charges From Consumers	44.82	871.16
Other operating revenues-		
State Transmission Utility (STU) and Open Access Charges	232.39	552.66
State Load Dispatch Centre (SLDC) Charges	19.71	45.50
Point of Connection Charges (Inter State Transmission System, ISTS) from Power Grid Corporation of India Limited, PGCIL	-	825.17
Total	49,151.66	89,662.54

Note 20.1 Amount outstanding as per PGCIL as per the statement submitted by the PGCIL is Rs. 63.61 Lakhs and as per the financial statement Rs.46.74 Lakhs. The difference of Rs.16.87 Lakhs is under reconciliation.

Note 20.2- The break-up of the certain items under Sale of Power in Technical nomenclatures, along with Quantum of Sale is as under: -

Domestic	Domestic and Residential	392.48
Kutir Jyoti	Residential	24.77
Crematorium		0.20
Commercial	Commercial	66.46
Public Lighting	Public Lighting	0.20
Irrigation and Agriculture	Irrigation and Agriculture	0.13
Public Water Works	Public Water Works	40.81
Industries:-		
Low Tension (LT)	Industrial Medium and Low Voltage	9.43

MEGHALAYA POWER GENERATION CORPORATION LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2019

High Tension (HT) + Extra High Tension (EHT)	Industrial High and Extra High Voltage	476.14
Railway Traction	-	
Bulk supply	Bulk Supply to others	73.16
General purpose	Miscellaneous and General Purpose	20.79
Assam State Electricity Board (ASEB)	Inter-state sale of power to Assam	0.44

Domestic	Domestic and Residential	427.90
Kutir Jyoti		25.71
Crematorium		0.21
Commercial	Commercial	95.37
Public Lighting	Public Lighting	0.43
Irrigation and Agriculture	Irrigation and Agriculture	0.12
Public Water Works	Public Water Works	36.05
Industries:-		
Low Tension (LT)	Industrial Medium and Low Voltage	5.92
High Tension (HT) + Extra High Tension (EHT)	Industrial High and Extra High Voltage	333.93
Railway Traction	-	
Bulk supply	Bulk Supply to others	69.17
General purpose	Miscellaneous and General Purpose	20.81
Assam State Electricity Board (ASEB)	Inter-state sale of power to Assam	0.55

MEGHALAYA POWER GENERATION CORPORATION LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2019

Note 20.3- Details of Revenue earned from Cross Subsidy is as under: -

(Amounts in Lakhs)

Green Valley Industries Ltd (GVIL)	609.44	729.62
RNB Cement Pvt Ltd	0.01	1.18
Shyam Century Pvt Ltd	615.57	238.03
Maithan Alloys Ltd	590.58	209.74
Pioneer Carbide Pvt Ltd (PCPL)	394.59	773.61
Meghalaya Power Ltd.	381.18	-
Dalmia Cement	67.85	-
Total	2,659.22	1,952.18

The aforementioned 'Revenue earned from Cross Subsidy' forms a part of 'Unscheduled Interchange Sales' mentioned in Note 20 above.

Note 20.4.1- Quantum of Category-wise Sale of Power (Outside the State) during the Financial Year 2018-19 is stated as under:

Swapping	247.21
DSM	68.82
Exchange	298.29
Non-solar	18.94
Assam State Electricity Board (ASEB)	0.47
Total	633.73

Note 20.4.2- Quantum of Category-wise Sale of Power (Outside the State) during the Financial Year 2017-18 is stated as under:

Swapping	351.20
DSM	86.30
Exchange	402.67
Non-solar	30.22
Assam State Electricity Board (ASEB)	0.55
Total	870.94

Note 20.5- 'Other Charges From Consumers' primarily include Disconnection and Reconnection Charges (Temporary and Permanent), Load Enhancement Charges, Charges towards Shifting of Poles, Meter Testing Fees, Compensation Bills, Rentals of Poles, etc.

MEGHALAYA POWER GENERATION CORPORATION LIMITED
 NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2019
 Note 21- OTHER INCOME

(Amounts in INR)

Interest Income		
From Banks	211.87	334.32
From Others	0.53	113.24
Other non-operating income		
Profit on Sale of Mutual Fund Units	-	-
Dividend Income	-	-
Increase in Fair Value	50.00	4.16
Rental and Hiring Income	24.04	66.38
Training Fees	-	0.14
Discount Received	0.97	1.80
Rebates	-	0.63
Fees and Penalties	7.75	15.51
Sale of scrap, tender forms and others	7.64	10.77
Miscellaneous receipts	84.40	440.61
Amortization of Grant	725.43	2,609.58
Revenue Grants for Other Expenditures	-	1,784.85
Refund from IT department	200.11	-
Refund of Surcharge from NEEPCO	-	6,576.31
Total	1,312.75	11,958.30

Note 22- PRIOR PERIOD INCOMES

(Amounts in Lakhs)

Interest Income from Banks	-	-
Depreciation	-	-
Excess provisions of interest	-	-
Income from Investment	-	-
Amortization of grants	-	-
Other Incomes	-	-
Total	-	-

Note 22.1- With regards to details of 'Prior Period Incomes' refer to Note 33.

Note 23- SLDC (STATE LOAD DISPATCH CENTRE) CHARGES

(Amounts in Lakhs)

State Load Dispatch Centre (SLDC) Charges	-	-
Total	-	-

Note 24- POWER PURCHASE COSTS

(Amounts in Lakhs)

Power Purchase Costs	41,097.78	49,232.45
Surcharge on Power Purchases	3,296.31	4,902.07
Total Power Purchase Costs	44,394.09	54,134.52
Total Power Purchase Costs consist of:		
Outside Party Purchases	31,986.41	54,134.52
Wheeling Charges	-	-
Outside Party Charges	-	5,964.52
Total	31,986.41	60,099.04

Note 24.1.1- The details of Supplementary Bills received during the Financial Year 2018-19, are as under: -

(Amounts in Lakhs)

NEEPCO	94.43	94.43
NTPC	-	-
OTPC	-	-
NHPC	0.47	0.47
Total	94.90	94.90

(Amounts in Lakhs)

NEEPCO	94.42
NTPC	(1,734.17)
OTPC	(216.95)
NHPC	0.47
Total	(1,856.23)

Note 24.1.2- The details of Supplementary Bills received during the Financial Year 2017-18, are as under: -

(Amounts in Lakhs)

NEEPCO	2,084.18	70.46
NTPC	-	397.71
OTPC	2,653.77	980.97
Total	4,737.95	1,449.13

(Amounts in Lakhs)

NEEPCO	2,013.72
NTPC	(397.71)
OTPC	1,672.80
Total	3,288.82

Debit bills pertain to increase in Power Purchase Costs, due to revision of earlier bills.

Credit bills pertain to decrease in Power Purchase Costs, , due to revision of earlier bills.

Note 24.2- No supplementary bills have been received from Transmission Licensees during the Financial Year 2017-18

MEGHALAYA POWER GENERATION CORPORATION LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2019

Note 24.3.1- Quantum of Source-wise Power Purchase during the Financial Year 2018-19:

North Eastern Electric Power Corporation (NEEPCO) Limited	544.24
ONGC Tripura Power Company (OTPC)	489.53
Meghalaya Power Generation Corporation Limited, MePGCL (Related Party)	971.36
DSM	6.62
Total	2,011.76

Note 24.3.2- Quantum of Source-wise Power Purchase during the Financial Year 2017-18:

North Eastern Electric Power Corporation (NEEPCO) Limited	670.93
ONGC Tripura Power Company (OTPC)	390.83
Meghalaya Power Generation Corporation Limited, MePGCL (Related Party)	1,217.13
Total	2,278.89

Note 24.4.1- Quantum of Open Access Charges for Power Purchase during the Financial Year 2018-19:

Maithon Power Plant Limited (MPPL)	111.95
Arunachal Pradesh Power Corporation Private Limited (APPCPL)	269.59
NTPC Vidyut Vyapar Nigam Ltd. (NVVN)	0.49
Power Trading Corporation (PTC) of India	-
Total	382.04

Note 24.4.2- Quantum of Open Access Charges for Power Purchase during the Financial Year 2017-18:

Maithon Power Plant Limited (MPPL)	84.51
Arunachal Pradesh Power Corporation Private Limited (APPCPL)	102.87
Power Trading Corporation (PTC) of India	-
Total	187.38

Note:- 24.5 Group has received the refund of surcharge from NEEPCO amounting Rs. 6,576.31 lakhs during the current year after resolution of dispute.

Note 25- EMPLOYEE BENEFITS EXPENSE

(Amounts in Lakhs)

Salaries and wages	9,556.18	21,046.74
Contribution to provident and other funds	624.34	11,482.79
Staff welfare expenses	26.10	4.20
Sub Total	10,206.62	32,533.74
Less: Employee benefits expense capitalised	444.62	824.64
Total	9,762.00	31,709.10

MEGHALAYA POWER GENERATION CORPORATION LIMITED
 NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2019
 Note 26- FINANCE COSTS

(Amounts in Lakhs)

Interest:		
Interest - including Penal Interest	13,165.05	23,733.76
Cost of raising finance	0.05	-
Other banking and guarantee charges	0.44	344.33
	13,165.54	24,078.10
Less: Finance costs capitalised	-	52.31
Total	13,165.54	24,025.79

Note: 26.1 Penal details are stated hereunder-

(Amounts in Lakhs)

Penal Interest		
Penal Interest		86.58
Others		519.87
Total	-	606.45

Note 27- DEPRECIATION AND AMORTIZATION EXPENSE

(Amounts in Lakhs)

Depreciation		
Depreciation	6,740.87	14,712.99
Less: Depreciation expense capitalised	-	0.04
Total	6,740.87	14,712.95

Note 28- OTHER EXPENSES

(Amounts in Lakhs)

Repairs and maintenance:		
Buildings	44.25	70.54
Plant and Equipment	461.89	579.42
Hydraulic Works	40.78	129.17
Civil Works	162.83	34.37
Lines & Cables	279.67	659.43
Vehicles	16.39	29.75
Furniture and Fixtures	24.21	4.86
Office equipment	20.00	91.98
Lubricants and Consumable Stores	0.15	3.01
CPS (Annual Maintenance Fees)	0.07	-

MEGHALAYA POWER GENERATION CORPORATION LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2019

Administration, Operating and General Expenses		
Insurance Charges	3.26	322.56
Bad debts written off	-	34.98
Rent, Rates and Taxes	13.48	17.98
Telegram, Postage, Telegraph and Telex charges	15.76	71.28
Training, conveyance and vehicle running expenses	459.86	1,009.09
Printing and stationery expenses	23.73	88.80
Auditors' remuneration	12.66	20.03
Consultancy Charges	69.28	44.86
Franchisee Commission	25.89	66.89
Technical fees	0.18	0.72
License and Registration Charges	8.46	0.45
Books & Periodicals	0.44	1.23
Fees and subscription expenses	-	1.00
Advertisement charges	21.06	77.90
Legal and professional charges	431.12	152.87
Meghalaya State Electricity Regulatory Commission (MSERC) Fees	5.70	35.34
Electricity and Water Charges	0.08	6.80
Lab Testing Expenses	-	4.15
Discount allowed	11.74	27.78
Bank Charges	0.66	7.25
Entertainment expenses	4.24	9.67
RAPDRP Energy Charges	-	1.23
Freight charges	-	-
Miscellaneous expenses	16.27	21.41
Compensation to others	8.04	-
Prior period expense	9.92	-
	2,192.06	3,626.75
Less: Other Expenses Capitalised	36.04	61.83
	2,156.02	3,564.92
Total	2,156.02	3,564.92

Note 29- PRIOR PERIOD EXPENSES

(Amounts in Lakhs)

Employee Benefit Expenses	-	-
Depreciation (under-provided in previous years)	-	-
Other Expenses	-	-
Administration Expenses - Relating To Previous Years	-	-
Interest and Other Finance Charges	-	-
Repairs and Maintenance to Works	-	-
Power Purchase Costs (Short Provisioning)	-	-
Total	-	-

Note 29.1- With regards to details of 'Prior Period Expenses' refer to Note 33.

Note 30- EXCEPTIONAL ITEMS

(Amounts in Lakhs)

Insurance Claims received against Fixed Assets	-	-
Insurance received against Damaged Vehicle	-	-
Insurance Claims Received for Staff	-	-
Shortage on physical verification of stock	-	-
Compensation to staff for injuries, death and/or damages	-	(1.00)
Compensation to others for injuries, death and/or damages	-	(8.83)
Total	-	(9.83)

MEGHALAYA POWER GENERATION CORPORATION LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2019

Note 30.1.1- The details of the above 'Exceptional Items' for the Year 2018-19 are as under: -
 (Amounts in Lakhs)

Compensation to staff for injuries, death and/or damages:	
Ex-gratia Payment	-1.00
Ex-gratia Payment	
	(1.00)
Compensation to others for injuries, death and/or damages:	
Paid to N kharian	-0.35
Paid to Smt S khyllap	-1.00
Electrocution	-0.12
supply of electricity for lighting of coal mine for rescue operation flooded of coal mine	-0.10
	(1.57)
Total	(2.57)

Note 30.1.2- The details of the above 'Exceptional Items' for the Year 2017-18 are as under: -
 (Amounts in Lakhs)

Compensation to staff for injuries, death and/or damages:	
Ex-gratia Payment	-0.10
Ex-gratia Payment	-0.30
	(0.40)
Compensation to others for injuries, death and/or damages:	
Electrocution of 12 Cows	-0.36
Compensation Under NEC scheme	-0.18
Receipt back of Cheque for payment made for Compensation in Previous Year, but not en-cashed	0.57
	0.02
Received from Insurance Company towards Minor Damage of Vehicle No. ML-05-D-1751 at West Garo Hills (D) Division, Tura.	1.81
Received from United India Insurance Corporation towards Insurance Claim against Policy No. 1308004216p-104482036 for (L) Ratan Choudhury (Lineman & Jugali)	3.00
Total	4.81

Note 31- DEFERRED TAX

(Amounts in Lakhs)

Deferred tax Expenses (Prior Period)	-	0.03
Total	-	0.03

Note 31.1- With regards to details of 'Deferred Tax Items' reference should be drawn to Note 55.

Information as per Rule 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on 30.09.2019 (Amount in lakh)

NCD Series	first Series	Second Series						
ISIN	INE760I07011	INE760I07029						
Credit Rating	BWR A-(SO)	BWR A-(SO)						
Asset Cover available as on 30.09.2019	NA	NA						
Previous date of interest payment	10/Sep/2019	10/Sep/2019						
Next date of interest payment	10/Dec/2019	10/Dec/2019						
Previous date of Principal payment	Nil	Nil						
Next date of Principal Payment	nil	nil						
Debenture Redemption Reserve			599.00					
Debt Service Coverage Ratio for the half-year ended 30.09.2019			-0.23					
Interest Service Coverage Ratio for half-year ended 30.09.2019			-0.50					
Debt Equity Ratio for the half year ended 30.09.2019			0.84					
Net Worth for the half-year ended 30.09.2019			-37353.26					
Net Profit After Tax for the half-year ended 30.09.2019			-13346.42					
Earnings per Share for the half-year ended 30.09.2019			-0.66					

For Meghalaya Energy Corporation Ltd.


E. W. Nongrum, Chairman-cum-Managing Director


B. P. Singh, Chief Financial Officer

Date: 14.11.2019

Place: Shillong

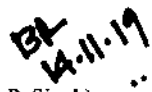
Annexure I				
Half yearly unaudited financial results (Consolidated) of M/S Meghalaya Energy Corporation Limited for the period ended on 30 th September 2019				
[Regulation 52 (8), read with Regulation 52 (4), of the SEBI (LODR) Regulations, 2015]				
Rs. in lakhs				
Sl. No.	Particulars	Consolidated		
		Half year ended		Year ended
		30th Sept' 2019	30th Sept' 2018	31st March 2019
		(Unaudited)		(un-Audited)
1	Total Income from Operations	50464.41	NA	101620.84
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	-13346.42	NA	-32490.96
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	-13346.42	NA	-32500.78
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	-13346.42	NA	-32500.81
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	-13346.42	NA	-32500.81
6	Paid up Equity Share Capital	203349.86	NA	203349.86
	Share Application Money Pending Allotment	16285.10	NA	4680.32
7	Reserves (excluding Revaluation Reserve)	-256988.22	NA	-243641.80
8	Net worth	-37353.26	NA	-35611.62
9	Paid up Debt Capital / Outstanding Debt	171651.75	NA	147447.97
10	Outstanding Redeemable Preference Shares	nil	NA	nil
11	Debt Equity Ratio	0.84	NA	0.73
12	Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations) -			
	a. Basic:	-0.66	NA	-1.06
	b. Diluted:	-0.66	NA	-2.91
13	Capital Redemption Reserve	-	-	-
14	Debenture Redemption Reserve	599.00	NA	nil
15	Debt Service Coverage Ratio	-0.23	NA	-0.33
16	Interest Service Coverage Ratio	-0.50	NA	-0.74

Note:

- 1) The above is an extract of the detailed format of half yearly financial results filed with the Stock Exchanges under Regulation 52 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the half yearly financial results is available on the websites of the Stock Exchange(s) and the listed entity at www.meecl.nic.in.
- 2) For the items referred in sub-clauses (a), (b), (d) and (e) of the Regulation 52 (4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015, the pertinent disclosures have been made to the BSE and can be accessed on the URL: www.meecl.nic.in.
- 3) The Board of Directors in their meeting held on the 14th of November 2019 has approved the half yearly financial results as on 30.09.2019. Further the results have also been reviewed by the Statutory Auditors of the Company.
- 4) MeECL is the holding company of power generation utility, power distribution utility and power transmission utility of the Government of Meghalaya.
- 5) The Corporation has power stations located within the State of Meghalaya.
- 6) Sale of energy is accounted for based on tariff approved by the Meghalaya State Electricity Regulatory Commission.
- 7) Income from operations includes Other Income amounting to Rs. 1312.75 lakhs (Previous year Rs. 11958.30 lakhs).
- 8) Formula used for computation of Ratio :
a. "Debt Service Coverage Ratio" (DSCR) = [Profit before interest, Depreciation and Tax]/(Principal repayment + Interest)
b. "Interest Service Coverage Ratio" (ISCR) = [Profit before interest, Depreciation and Tax]/ Interest

For Meghalaya Energy Corporation Ltd.

Date: 14th November, 2019
Place: Shillong


(B. P. Singh)
Chief Financial Officer