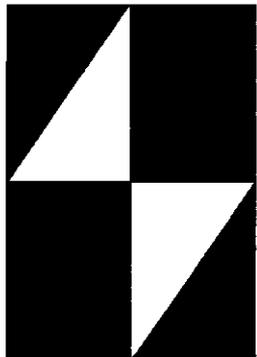


**MEGHALAYA POWER DISTRIBUTION  
CORPORATION LIMITED  
SHILLONG**



LIGHTING UP YOUR LIFE

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**Me PDCL**

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**STATEMENT OF ACCOUNTS  
2017-18**

**MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2018**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As At 31st March,	As At 31st March,	As At 1st April, 2016
<b>ASSETS</b>				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	1	20,911.76	13,684.71	14,142.63
Capital Work-in-Progress	2	65,428.05	57,323.68	53,742.90
Investment Property*	-	-	-	-
Goodwill*	-	-	-	-
Other Intangible assets*	-	-	-	-
Intangible assets under development*	-	-	-	-
Biological Assets other than bearer plants*	-	-	-	-
<u>Financial Assets-</u>				
(i) Investments*	-	-	-	-
(ii) Trade receivables*	-	-	-	-
(iii) Loans*	-	-	-	-
(iv) Others	3	64.40	19.80	1,340.19
Deferred tax assets*	-	-	-	-
Other non-current assets*	-	-	-	-
<b>Total Non-Current Assets</b>		<b>86,404.21</b>	<b>71,028.18</b>	<b>69,225.71</b>
<u>Current Assets</u>				
Inventories	4	3,194.10	3,936.70	3,231.43
<u>Financial Assets-</u>				
(i) Investments*	-	-	-	-
(ii) Trade receivables	5(a)	61,297.29	55,473.85	55,397.08
(iii) Cash and cash equivalents	5(b)	14,345.33	9,947.27	9,462.36
(iv) Bank balances other than (iii) above*	-	-	-	-
(v) Loans*	-	-	-	-
(vi) Others*	-	-	-	-
Current Tax Assets	6	4.02	3.82	3.82
Other current assets	7	1,30,422.45	73,147.95	52,773.22
<b>Total Current Assets</b>		<b>2,09,263.19</b>	<b>1,42,509.59</b>	<b>1,20,867.91</b>
<b>TOTAL ASSETS</b>		<b>2,95,667.40</b>	<b>2,13,537.78</b>	<b>1,90,093.62</b>



(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As At 31st March, 2018	As At 31st March, 2017	As At 1st April, 2016
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital	8	81,041.71	78,640.21	74,236.91
Other Equity	9	(1,70,456.76)	(1,43,058.34)	(1,05,237.69)
Equity attributable to owners		(89,415.05)	(64,418.13)	(31,000.78)
Non-controlling Interests*	-	-	-	-
<b>Total Equity</b>		<b>(89,415.05)</b>	<b>(64,418.13)</b>	<b>(31,000.78)</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities-</b>				
(i) Borrowings	10	49,209.01	50,568.39	20,896.61
(ii) Trade payables*	-	-	-	-
(iii) Other financial liabilities *	-	-	-	-
Grants and Subsidies**	11	24,290.54	9,168.06	7,087.63
Provisions*	-	-	-	-
Deferred tax liabilities*	-	-	-	-
Other non-current liabilities	12	4,830.61	4,352.13	3,597.21
<b>Total Non-Current Liabilities</b>		<b>78,330.17</b>	<b>64,088.58</b>	<b>31,581.45</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities-</b>				
(i) Borrowings	13(a)	711.28	2,104.38	5,267.47
(ii) Trade payables	13(b)	1,31,417.22	93,286.40	1,00,788.35
(iii) Other financial liabilities	13(c)	9,130.29	10,925.91	8,829.38
Provisions	14	3,945.89	4,294.80	1,750.00
Current tax liabilities	15	3,228.52	2,869.27	2,356.52
Other current liabilities	16	1,58,319.07	1,00,386.56	70,521.23
<b>Total Current Liabilities</b>		<b>3,06,752.27</b>	<b>2,13,867.32</b>	<b>1,89,512.95</b>
<b>Total Liabilities</b>		<b>3,85,082.44</b>	<b>2,77,955.90</b>	<b>2,21,094.40</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,95,667.40</b>	<b>2,13,537.78</b>	<b>1,90,093.62</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

\* Schedule III (Division II) of the Companies Act, 2013 requires these items to be presented on the face of the Financial Statements. They have been included as required by the formats specified as per the Companies Act, 2013 although no balances against the same are available in the financial statements of the Company.

\*\* Separate Line Items have been introduced for clarity in presentation of financial statements, in tandem with the guidelines as per Schedule III (Division II) of the Companies Act, 2013

As per our report of even date attached

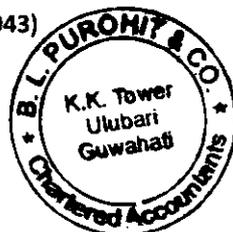
For and on behalf of the Board

For M/s B L Purohit & Co  
Chartered Accountants  
(Firm Regn. No.SPA043)

Shri Klailang Nalle War  
Director (Distribution)  
DIN: 08275249

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

For B. L. Purohit & CO.  
Chartered Accountants  
FRN: 311056E  
A SUBHASH PUROHIT  
Membership No-059631



Shri. G. S. Mukherjee  
Company Secretary  
M. No.: 20613

Place: Shillong  
Date: 08-11-2019

**MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b><u>Continuing Operations</u></b>			
<b>Incomes</b>			
Revenue From Operations	17	83,190.05	68,661.43
Revenue Subsidies and Grants**	18	-	2,250.12
Other Income	19	828.76	1,181.29
Prior Period Incomes**	20	3,601.76	957.05
<b>Total Income</b>		<b>87,620.57</b>	<b>73,049.90</b>
<b>Expenses</b>			
Cost of materials consumed*	-	-	-
Purchases of Stock-in-Trade*	-	-	-
Power Purchase Costs**	21	92,173.64	85,357.82
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress*	-	-	-
Employee benefits expense	22	12,849.90	13,213.82
Finance costs	23	6,515.30	3,829.92
Depreciation and amortization expense	24	1,797.27	1,506.12
Other expenses	25	2,318.35	3,437.35
Prior period expenses**	26	625.21	0.05
<b>Profit/(loss) before exceptional items, share of net profits (losses) of investments accounted for using equity method and tax</b>		<b>(28,659.09)</b>	<b>(34,295.18)</b>
Share of net profits (losses) of investments accounted for using equity method	-	-	-
<b>Profit/(loss) before exceptional items and Exceptional Items</b>		<b>(28,659.09)</b>	<b>(34,295.18)</b>
Exceptional Items	27	4.43	(25.39)
<b>Profit/(loss) before tax</b>		<b>(28,654.66)</b>	<b>(34,320.56)</b>
Tax Expense			
(i) Current tax	-	-	-
(ii) Deferred tax	-	-	-
<b>Profit (Loss) for the period from continuing</b>		<b>(28,654.66)</b>	<b>(34,320.56)</b>
<b><u>Discontinued Operations</u></b>			
Profit/(loss) from discontinued operations	-	-	-
Tax expense of discontinued operations	-	-	-
<b>Profit/(loss) from Discontinued operations</b>		-	-
<b>Profit (loss) for the year</b>		<b>(28,654.66)</b>	<b>(34,320.56)</b>
<b><u>Other Comprehensive Income</u></b>			
A (i) Items that will not be reclassified to	-	-	-
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	-	-	-
B (ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE</b>		<b>(28,654.66)</b>	<b>(34,320.56)</b>



<b>Profit (Loss) is attributable to:</b>			
Owners of Holding Company	-	(28,654.66)	(34,320.56)
Non-Controlling Interests	-	-	-
		<b>(28,654.66)</b>	<b>(34,320.56)</b>
<b>Other comprehensive income is attributable</b>			
Owners of Holding Company	-	-	-
Non-Controlling Interests	-	-	-
		-	-
<b>Total comprehensive income is attributable</b>			
Owners of Holding Company	-	(28,654.66)	(34,320.56)
Non-Controlling Interests	-	-	-
		<b>(28,654.66)</b>	<b>(34,320.56)</b>
<b>Total comprehensive income attributable to owners of Holding Company arises from:</b>			
Continuing operations	-	(28,654.66)	(34,320.56)
Discontinued operation	-	-	-
		<b>(28,654.66)</b>	<b>(34,320.56)</b>
<b>Earnings per equity share (for continuing</b>			
(i) Basic		(3.5358)	(4.3643)
(ii) Diluted		(3.3942)	(4.2286)
<b>Earnings per equity share (for discontinued operation) -</b>	29.2		
(i) Basic		-	-
(ii) Diluted		-	-
<b>Earnings per equity share (for discontinued</b>			
(i) Basic		(3.5358)	(4.3643)
(ii) Diluted		(3.3942)	(4.2286)
<b>Significant Accounting Policies</b>	28		
<b>Additional Information</b>	30		

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

\* Schedule III (Division II) of the Companies Act, 2013 requires these items to be presented on the face of the Financial Statements. They have been included as required by the formats specified as per the Companies Act, 2013 although no balances against the same are available in the financial statements of the Company.

\*\* Separate Line Items have been introduced for clarity in presentation of financial statements, in tandem with the guidelines as per Schedule III (Division II) of the Companies Act, 2013

As per our report of even date attached

For and on behalf of the Board

For M/s B L Purohit & Co  
Chartered Accountants  
(Firm Regn No. SPA043)  
FRN: 311A56E  
CA SUBHASH PUROHIT  
Membership No-050401  
Place: Shillong  
Date: 08-11-2019



Shri Klailang Nalle War  
Director (Distribution)  
DIN: 08275249

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

Shri. G. S. Mukherjee  
Company Secretary  
M. No.: 20613

**MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018**

(All amounts in INR Lakhs, unless otherwise stated)

A. Equity share capital	Note No.	(Amounts)
Balance as at 1st April, 2017		78,640.21
Changes in Equity Share Capital during the Financial Year 2017-18:		
Allotment of Shares to Holding Company (Meghalaya Energy Corporation Limited)	8.2	2,401.50
<b>Balance as at 31st March, 2018</b>		<b>81,041.71</b>

**B. Other Equity**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	Equity Share Capital Pending Allotment	Equity Component of Compound Financial Instruments	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Revaluation Surplus	Exchange Differences on Translating the Financial Statements of a Foreign Operation	Other Items of Other Comprehensive Income (Specify Nature)	Money Received against Share Warrants	(i) Sub- Total	Non-Controlling Interests	(ii) TOTAL OTHER EQUITY
				Capital Reserve	Securities Premium Reserve	Reserve against "Consumers Contribution Towards Cost of Capital Asset"	Retained Earnings										
Balance as at 1st April, 2017		2,521.94	-	-	-	3,623.69	(149,203.97)	-	-	-	-	-	-	-	(143,058.34)	-	(143,058.34)
Changes in Accounting Policies or Prior Period Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Restated Balance as at 1st April, 2017</b>		<b>2,521.94</b>	-	-	-	<b>3,623.69</b>	<b>(149,203.97)</b>	-	-	-	-	-	-	-	<b>(143,058.34)</b>	-	<b>(143,058.34)</b>
Total Comprehensive Income for the Year		-	-	-	-	-	(28,654.66)	-	-	-	-	-	-	-	(28,654.66)	-	(28,654.66)
Dividends*		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings*	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment made by Meghalaya Energy Corporation Limited (MeECL - Holding Company)		3,261.43	-	-	-	-	-	-	-	-	-	-	-	-	3,261.43	-	3,261.43
Transfer to Equity Share Capital		(2,401.50)	-	-	-	-	-	-	-	-	-	-	-	-	(2,401.50)	-	(2,401.50)
Net Additions made during the year		-	-	-	-	396.31	-	-	-	-	-	-	-	-	396.31	-	396.31
<b>Balance as at 31st March, 2018</b>		<b>3,381.87</b>	-	-	-	<b>4,020.00</b>	<b>(177,858.63)</b>	-	-	-	-	-	-	-	<b>(170,456.76)</b>	-	<b>(170,456.76)</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

\* Schedule III (Division II) of the Companies Act, 2013 requires these items to be presented on the face of the Financial Statements. They have been included as required by the formats specified as per the Companies Act, 2013 although there are no balances against the same in the financial statements of the

As per our report of even date attached

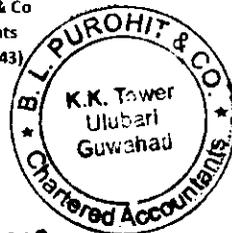
For and on behalf of the Board

For M/s B L Purohit & Co  
 Chartered Accountants  
 (Firm Regn. No.SPA043)

**For B.L. Purohit & Co**  
**Chartered Accountants**  
**FCN: 34056E**  
**CA SUBHASH PUROHIT**  
 Membership No-059631

Place: Shillong

Date: 08-11-2019



Shri Klailang Nalle War  
 Director (Distribution)  
 DIN: 08275249

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

Shri. G. S. Mukherjee  
 Company Secretary  
 M. No.: 20613

**MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax as per Statement of Profit and Loss	(28,654.66)	(34,320.56)
Adjustments for :		
Depreciation & Amortization of Assets	1,964.91	1,506.12
Amortization of Grants	(482.57)	(477.64)
Provisions created	(348.91)	2,544.80
Interest Income	(300.78)	(678.14)
Finance Costs	6,515.30	3,829.92
Operating Profit before Working Capital Changes	<b>(21,306.70)</b>	<b>(27,595.51)</b>
Adjustments for increase/decrease in:		
Inventories	742.60	(705.27)
Trade receivables	(5,823.44)	(76.77)
Other current assets	(57,274.70)	(20,374.74)
Current Borrowings	(1,393.10)	(3,163.09)
Trade payables	38,130.82	(7,501.95)
Other financial liabilities	(1,795.62)	2,096.53
Other current liabilities	58,291.76	30,378.08
Cash generated from Operations	<b>9,571.61</b>	<b>(26,942.71)</b>
Taxes Paid	-	-
<b>Net Cash from Operating Activities</b>	<b>9,571.61</b>	<b>(26,942.71)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Income	300.78	678.14
Other Non Current Financial Assets	(44.60)	1,320.39
Acquisition of Property, Plant and Equipment and Investment in Capital Work-in-Progress	(17,296.33)	(4,628.98)
<b>Net Cash from Investing Activities</b>	<b>(17,040.15)</b>	<b>(2,630.45)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Shares	2,401.50	4,403.30
Other Equities	1,256.24	(3,500.08)
Net Non-Current Borrowings	(1,359.38)	29,671.78
Grants and Subsidies	15,605.05	2,558.08
Other Non Current Liabilities	478.49	754.92
Finance Costs	(6,515.30)	(3,829.92)
<b>Net Cash from Financing Activities</b>	<b>11,866.60</b>	<b>30,058.07</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>4,398.06</b>	<b>484.91</b>
Inter Company Payable/(Receivable)		
Opening balance of Cash and Cash Equivalents	9,947.27	9,462.36
Closing balance of Cash and Cash Equivalents:	14,345.33	9,947.27
Consisting of:		
Balances with Banks	5,501.80	4,216.79
Cash on hand	348.71	335.26
Cash Imprest with Staff	92.89	89.84
Other Bank Balances (Term Deposits)	8,401.91	5,305.38
	<b>14,345.33</b>	<b>9,947.27</b>

As per our report of even date attached

For and on behalf of the Board

For M/s B L Purohit & Co  
 Chartered Accountants  
 Firm Regn. No. SP/4043  
**Mr B. L. Purohit & Co**  
**Chartered Accountants**  
 FRN 311056E  
**CA SUBHAS H PUROHIT**  
 Membership No. 059631  
 Date: 08-11-2019



*Kan*  
 Shri Klailang Nalle War  
 Director (Distribution)  
 DIN: 08275249

*S. Enrichwell Nongrum*  
 Shri Enrichwell Nongrum  
 Chairman-cum-Managing Director  
 DIN: 07499387

*G. S. Mukherjee*  
 Shri. G. S. Mukherjee  
 Company Secretary  
 M. No.: 20613

Note 1: PROPERTY, PLANT AND EQUIPMENT

(All amounts in INR Lakhs, unless otherwise stated)

Serial No.	Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT		
		As At 31st March, 2017	Additions during the year	Disposals and/ or Deductions during the year	As At 31st March, 2018	As At 31st March, 2017	Additions during the year	Adjustments or Deductions during the year	As At 31st March, 2018	As At 31st March, 2018	As At 31st March, 2017	As At 1st April, 2016
1	Land	46.51	81.09	0.05	127.55	-	-	-	-	127.55	46.51	40.79
2	Buildings	508.70	851.19	-	1,359.89	232.21	44.70	-	276.90	1,082.99	276.49	292.78
3	Plant and Equipment	3,788.28	1,393.16	-	5,181.44	1,980.61	242.27	-	2,222.89	2,958.55	1,807.67	1,876.08
4	Furniture and Fixtures	90.61	8.21	-	98.82	68.25	3.69	-	71.95	26.87	22.36	25.51
5	Vehicles	61.44	7.42	-	68.87	31.26	8.32	-	39.58	29.29	30.18	3.39
6	Office equipment	169.52	9.24	-	178.77	93.62	9.49	-	103.11	75.66	75.90	69.32
7	Bearer Plants	-	-	-	-	-	-	-	-	-	-	-
8	Others:	-	-	-	-	-	-	-	-	-	-	-
8 (a)	Hydraulic Works	8.70	-	-	8.70	0.92	0.43	-	1.35	7.35	7.78	0.07
8 (b)	Other Civil Works	304.66	-	-	304.66	89.10	10.03	-	99.13	205.53	215.56	224.95
8 (c)	Lines and Cable Network	29,955.09	6,856.72	15.03	36,796.78	18,752.83	1,648.75	2.77	20,398.82	16,397.96	11,202.26	11,609.74
9	Assets under lease	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>34,933.52</b>	<b>9,207.04</b>	<b>15.08</b>	<b>44,125.48</b>	<b>21,248.81</b>	<b>1,967.68</b>	<b>2.77</b>	<b>23,213.72</b>	<b>20,911.76</b>	<b>13,684.71</b>	<b>14,142.63</b>

Note 1.1- Land includes "Land and Land Rights", if any.



Note 1.2- The details of Disposals and/ or Deductions to Property, Plant and Equipment during the year are as under: -

(All amounts in INR Lakhs, unless otherwise stated)

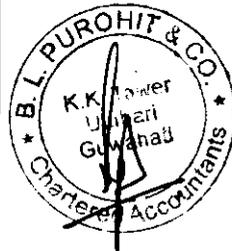
Serial No.	Particulars	Division	Date	Amount	Details	Adjustments on Accumulated Depreciation
1	Land	East Khasi Hills (D) Division	April 1, 2017	0.05	This pertains to a rectification entry made towards an amount inadvertently booked under the Accounting Code 10.141 pertaining to Land, on the 4th of September, 2014	-
3	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
4	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
5	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
<b>Total</b>				<b>15.08</b>		<b>2.77</b>

Note 1.3- With regards to 'Assets under lease', reference should be drawn to relevant para under 'Note 30- Additional Information'.

**Note 1.4- Reconciliation between 'Additions to Accumulated Depreciation' and 'Depreciation as per Statement of Profit and**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Amount
<b>Depreciation as per Statement of Profit and Loss</b>	<b>1,797.27</b>
Add: Prior Period Depreciation Expenses	169.64
Less: Prior Period Depreciation Incomes	1.99
Add: Deductions to Accumulated Depreciation	2.77
<b>Additions to Accumulated Depreciation as per Note 1</b>	<b>1,967.68</b>



**Note 2: CAPITAL WORK-IN-PROGRESS**

(All amounts in INR Lakhs, unless otherwise stated)

Serial No.	Particulars	As At 1st April,	As At 31st March,	Debits during the	Credits during the year	As At 31st March,
1	Capital Work-in-Progress	53,742.90	57,323.68	19,082.79	10,978.42	65,428.05

Note 2.1- 'Capital Work-in-Progress' mainly comprises of costs incurred towards execution of schemes and projects

Note 2.2- 'The Scheme-wise details of 'Capital Work-in-Progress (CWIP)' are stated as under:-

(All amounts in INR Lakhs, unless otherwise stated)

Serial No.	Schemes	As At 31st March, 2017	Debits during the year	Credits during the year	As At 31st March, 2018
1	Pradhan Mantri Garmodaya Yojna (PMGY)	2,634.49	112.85	280.16	2,467.19
2	REMNP (pertaining to Minimum Needs Programme)	2,026.63	-	-	2,026.63
3	Accelerated Power Development and Reforms (APDRP)	9,185.03	1,037.67	3,348.06	6,874.65
4	Supervisory Control and Data Acquisition (SCADA)	524.19	-	-	524.19
5	Restructured Accelerated Power Development and Reforms Programme (RAPDRP)	3,061.86	3,404.66	1,368.14	5,098.38
6	Rajiv Gandhi Grameen Viduytikaran Yojana (RGGVY)	36,211.52	2,961.20	5,776.69	33,396.03
7	Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	0.26	11,062.83	0.40	11,062.69
8	Normal Development Scheme	1,496.94	59.01	55.34	1,500.61
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	Others	1,162.18	444.56	149.63	1,457.11
	<b>Total</b>	<b>57,323.68</b>	<b>19,082.79</b>	<b>10,978.42</b>	<b>65,428.05</b>



**NON-CURRENT ASSETS****Note 3- FINANCIAL ASSETS (OTHERS)**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st	As At	31st	As At
	March, 2018	March, 2017	March, 2017	March, 2016	1st April, 2016
Recoverables From State Government		64.40		19.80	1,340.19
<b>Total</b>		<b>64.40</b>		<b>19.80</b>	<b>1,340.19</b>

Note 3.1- The balance as on 1st of April, 2013 with regards to the above recoverables 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 the Company and thereby recoverable from the State Government, which is purely connected to the Company. However, balances have been vested in the Financial Statements of the Related Parties of the Company viz., Meghalaya Power Generation Corporation Limited (MePGCL) and Meghalaya Power Transmission Corporation Limited (MePTCL) as well, vide the aforesaid notification. Thereby, the ascertainment of the actual status of the same is under reconciliation.

**CURRENT ASSETS****Note 4- INVENTORIES**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st	As At	31st	As At
	March, 2018	March, 2017	March, 2017	March, 2016	1st April, 2016
Capital Stock (Work-in-Progress)		2,220.74		3,017.35	1,981.10
Operational and Maintenance Stock		973.36		919.35	1,250.33
<b>Total</b>		<b>3,194.10</b>		<b>3,936.70</b>	<b>3,231.43</b>



**Note 5 (a)- FINANCIAL ASSETS (TRADE RECEIVABLES)**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st	As At	31st	As At
	March, 2018	March, 2017	March, 2017	March, 2017	1st April, 2016
Secured, considered good		17.94		39.92	39.92
Unsecured, considered good	61,279.35		55,433.93		55,357.16
Doubtful	1,181.42		1,090.32		786.63
Sub-Total	62,478.71		56,564.16		56,183.71
Less: Allowances for Doubtful Debts	1,181.42		1,090.32		786.63
<b>Total</b>	<b>61,297.29</b>		<b>55,473.85</b>		<b>55,397.08</b>

Note 5 (a).1- For details of 'Allowances for Doubtful Debts', reference should be drawn to Note 29.3.2

**Note 5 (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 :-

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Amount (₹)
Balance of DPS outstanding as on 31-03-2018 (a)	14,840.83
Less: Balance of March 2018 (b)	387.06
Remaining Outstanding DPS [c= (a-b)]	14,453.77
DPS to be written off for the month of March 2017 (d)	498.69
e=(c-d)	13,955.08
DPS to be written off (f=20% of e)	2,791.02
<b>Balance of Receivables towards DPS in the Books, if the proposal is approved (e-f)</b>	<b>11,164.06</b>

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 5 (a).3- Gross Trade Receivables comprise of the following:-**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st	As At	31st
	March, 2018	March, 2017	March, 2017	March, 2017
Sundry Debtors from Sale of Power, including FPPA (within the State)	38,607.95		31,820.56	
Receivables from Sale of Power- Inter State(Assam)	287.21		432.85	
Receivables from Sale of Power- Inter State(Mizoram)	13.69		13.69	
Receivables from Sale of Power- Outside the State (Unscheduled Interchange and others)	5,667.54		5,635.44	
Receivables from Sale of Power- Miscellaneous, including RRAS	17,047.97		18,042.35	
Electricity Duties Receivable	854.35		619.28	
<b>Total</b>	<b>62,478.71</b>		<b>56,564.16</b>	

**Note 5 (b)- CASH AND CASH EQUIVALENTS**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st	As At	31st	As At
	March, 2018	March, 2017	March, 2017	March, 2017	1st April, 2016
Balances with Banks	5,501.80		4,216.79		3,714.50
Cash on hand	348.71		335.26		191.20
Cash Imprest with Staff	92.89		89.84		76.37
Other Bank Balances (Term Deposits)	8,401.91		5,305.38		5,480.29
<b>Total</b>	<b>14,345.33</b>		<b>9,947.27</b>		<b>9,462.36</b>

Note 5 (b).1- During the Financial Year 2017-18, in certain instances, booking of redemption of 'Investments in Term Deposits' of the company had been erroneously passed in the books of other related parties within the MECL Group (i.e., the Holding Company and/or its other subsidiaries). Similarly, in certain instances, redemptions pertaining to the company had also been erroneously passed in the books of other related parties within the MECL 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.

Note 5(b).2- During the Financial Year 2015-16, 'Interest accrued' had not been taken into account. Prior period Adjustments to the same tune had been made during the Financial Year 2016-17.



**Note 6- CURRENT TAX ASSETS**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st	As At	31st	As At
	March, 2018	March, 2017	March, 2017	March, 2016	1st April, 2016
Direct Tax Asset		4.02		3.82	3.82
<b>Total</b>		<b>4.02</b>		<b>3.82</b>	<b>3.82</b>

Note 6.1- 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 7- OTHER CURRENT ASSETS**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st	As At	31st	As At
	March, 2018	March, 2017	March, 2017	March, 2016	1st April, 2016
Capital Advances		2,210.25		2,345.73	2,339.20
Advances other than capital advances:					
Operational and Maintenance Advances		437.43		81.32	80.62
Staff Related Advances		212.73		309.91	302.38
Related Party Receivables:					
i.) Meghalaya Energy Corporation Limited (MeECL)-					
Receivables against Remittances of Cash and Cash Equivalents		33,026.49		15,353.61	12,428.39
Receivables against Remittances of Fuel, Materials, Personnel and Others		1,233.86		602.52	643.22
Receivables against Operations, Capital and Others		71,817.49		36,471.42	18,995.96
ii.) Meghalaya Power Generation Corporation Limited (MePGCL)-					
Receivables against Operations, Capital and Others		3,500.77		-	-
iii.) Others		17,983.44		17,983.44	17,983.44
<b>Total</b>		<b>1,30,422.45</b>		<b>73,147.95</b>	<b>52,773.22</b>

Note 7.1- Related Party Receivables as stated in Note 7 and Related Party Payables as stated in Note 16 (Intra-group and intra-unit transactions) primarily comprise of the following transactions :-

Remittances of Cash and Cash Equivalents:

- 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.

Remittances of Fuel, Materials, Personnel and Others:

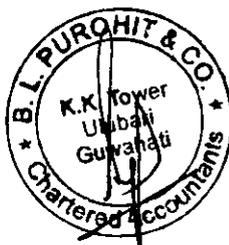
- i.) Transfer of fuel related expense of one underlying division on behalf of another such division, which may cut across underlying divisions of different companies within the group as well.
- ii.) Transfer of materials between underlying divisions of all the companies within the group and the Central 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 Assets' or 'Other Current Liabilities' as the case may be, and not under 'Cash and Cash Equivalents'.

Note 7.2- Operational and Maintenance Advance includes an amount of ₹ 1,516.75, which has been wrongly booked under the head 'Prepaid Expenses' by an underlying Division. The same is under reconciliation.



**EQUITY****Note 8- EQUITY SHARE CAPITAL**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	As At	As At
	31st March, 2018	31st March, 2017	1st April, 2016
(a) Authorised: 100,00,00,000 (Previous year 100,00,00,000) Equity Shares of ₹ 10 each	1,00,000.00	1,00,000.00	1,00,000.00
(b) Issued, subscribed and fully paid up: 81,04,17,119 (Previous year 78,64,02,119) Equity Shares of ₹ 10 each	81,041.71	78,640.21	74,236.91
<b>Total</b>	<b>81,041.71</b>	<b>78,640.21</b>	<b>74,236.91</b>

Note 8.1- The Company has only one class of equity shares (without differential rights), having par value of ₹ 10 per share. Each shareholder is eligible to one vote per share held.

**8.2- Reconciliation of the number of Equity Shares outstanding: -**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018		As At 31st March, 2017	
	No. of shares	Amount	No. of shares	Amount
	Equity Shares at the beginning of the year	7,864.02	78,640.21	7,423.69
Add:- Shares issued during the year	240.15	2,401.50	440.33	4,403.30
Equity Shares at the end of the year	<b>8,104.17</b>	<b>81,041.71</b>	<b>7,864.02</b>	<b>78,640.21</b>

**8.3- Details of shares held by the Holding Company:-**

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

**8.4- Details of the Equity Shares held by each shareholder holding more than 5% Equity Shares**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018		As At 31st March, 2017	
	No. of shares	% held	No. of shares	% held
Meghalaya Energy Corporation Limited (MeECL) and its nominees	8,104.17	100.00	7,864.02	100.00

**8.5- Aggregate number and class of shares allotted as fully paid-up pursuant to contract without payment being received in**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Number of Shares	Class of Shares	Amount
Financial Year 2017-18	240.15	Equity Shares	2,401.50
Financial Year 2016-17	440.33	(without	4,403.30
Financial Year 2015-16	7,423.19	differential	74,231.91
Financial Year 2014-15	-	rights), having	-
Financial Year 2013-14	-	par value of ₹	-
Financial Year 2012-13	-	10 per share	-



**Note 9- OTHER EQUITY**

(All amounts in INR Lakhs, unless otherwise stated)

Serial No.	Particulars	As At 1st April, 2016	As At 31st March, 2017	Additions during the year	Deductions during the year	As At 31st March, 2018
1	Capital Reserve	96.21	-	-	-	-
2	Retained Earnings	(1,15,325.46)	(1,49,203.97)	-	28,654.66	(1,77,858.63)
3	Reserve against "Consumers' Contribution Towards Cost of Capital Asset"	3,186.76	3,623.69	396.31	-	4,020.00
4	Equity Share Capital Pending Allotment	6,804.80	2,521.94	3,261.43	2,401.50	3,381.87
	<b>Total</b>	<b>(1,05,237.69)</b>	<b>(1,43,058.34)</b>	<b>3,657.74</b>	<b>31,056.16</b>	<b>(1,70,456.76)</b>

Note 9.1- Equity Share Capital Pending Allotment represents the amount of equity share capital to be allotted to Meghalaya Energy Corporation Limited (MeECL- Holding Company) in accordance with notification issued on the 29th of April, 2015 by the Government of Meghalaya and subsequent transactions thereafter.

Note 9.2- 2,40,15,000 (Two Crore, Forty Lakh and Fifteen Thousand) number of Equity Shares have been issued to Meghalaya Energy Corporation Limited (MeECL- Holding Company) amounting to ₹ 24,01,50,000.00 (Rupees Twenty Four Crore, One Lakh and Fifty Thousand) on the 24th of November, 2017 @ ₹ 10.00 per share, during the financial year. The balance pending shall be allotted on completion of due procedure along with completion of applicable audit procedures of the relevant preceding year.

Note 9.3- 'Retained Earnings' has been debited by the Total Comprehensive Loss of ₹ 2,86,54,65,843.19 incurred during the year.

Note 9.4- Reserve against "Consumers' Contribution Towards Cost of Capital Asset" has been created against capital receipts from consumers towards service connections.



**Note 9.5.1- Grants Towards Cost Of Capital Assets (State Government) converted to Equity Share Capital Pending Allotment during the Financial Year 2017-18:**

(All amounts in INR Lakhs, unless otherwise stated)

Date of Receipt of Grant	Grants received (by the Holding Company and subsequently invested in the Company) from Dy. Secy., Power Department, Government of Meghalaya	Released Under:	Amount
June 28, 2017	Grant and Equity Sanction for Ujwal Discom Assurance Yojana (UDAY) for Operational and Financial Turnaround of Power Distribution Companies	Ujwal Discom Assurance Yojana (UDAY)	3,125.00
January 10, 2018	Grant for construction of new 33 KV line on St Pole with Racoon Conductor from Khliehtyrshi to Wahiajetr 33KV/11 KV, 5MVA S/S with Control Room	North Eastern Council (NEC)	56.33
March 28, 2018	Grant for construction of New 33 KV Line from Byrnihat to Nongpoh with a provision for double circuit line (3rd & Final Installment)	North Eastern Council (NEC)	80.10
<b>Total</b>			<b>3,261.43</b>

**Note 9.5.2- Grants Towards Cost Of Capital Assets (State Government) converted to Equity Share Capital Pending Allotment during the Financial Year 2016-17:**

(All amounts in INR Lakhs, unless otherwise stated)

Date of Receipt of Grant	Grants received (by the Holding Company and subsequently invested in the Company) from Under Secy., Power Department, Government of Meghalaya	Released Under:	Amount
May 4, 2016	Grant for construction of new 33 KV line on wolf conductor from Dakopgre to Praharinagar and construction of 33/11 Kv, 2.5 MVA S/S at Praharinagar with control room.	Special Plan Assistance (SPA)	45.00
March 27, 2017	Grant for improvement of power supply in Dadenggre area, West Garo Hills	North Eastern Council (NEC)	75.44
<b>Total</b>			<b>120.44</b>



**NON-CURRENT LIABILITIES**  
**Note 10 - FINANCIAL LIABILITIES (BORROWINGS)**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	Period of Default in Repayment as at 31st March, 2018	Amount of Default in Repayment as at 31st March, 2018	As At 31st March, 2017	Period of Default in Repayment as at 31st March, 2017	Amount of Default in Repayment as at 31st March, 2017	As At 1st April, 2016
<b>Secured:</b>							
<b>(i) Term Loans:</b>							
<b>(a) From Banks:</b>							
11.95% Loan from Indian Overseas Bank (The loan has been availed for Power Purchase. The terms include monthly repayment in 3 Years with 18 months of moratorium from the date of disbursement with State Government Guarantees.)	-	-	-	-	-	-	1,110.04
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 ₹ 40358.00 per month for 84 months. The Loan carries a Floating Interest Rate)	19.47	-	-	22.90	-	-	-
<b>(b) From Others:</b>							
12.75% Loan from Rural Electrification Corporation (REC) Limited (MTL-I)  (The loan has been availed for Power Purchase. It has been secured vide State Government Guarantees and a charge on moveable assets)	-	-	-	-	-	-	10,000.00
12.75% Loan from Rural Electrification Corporation (REC) Limited (MTL-II)  (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.)	625.00	January, 2018, February, 2018 and March, 2018	625.00	2,916.67	February, 2017 and March, 2017	416.67	5,000.00
8% Loan from Rural Electrification Corporation (REC) Limited (Restructured)  (The terms of the loan include monthly repayments in 20 Years from the year 2002 with State Government Guarantees)	3,252.39	-	-	3,794.64	-	-	4,268.50



9% Loan from Power Finance Corporation (PFC) Limited (Restructured Accelerated Power Development and Reforms Programme, R-APDRP-Part A) (This loan has been availed for R-APDRP Part-A Works)	1,219.40	-	-	1,019.40	-	-	1,019.40
9% Loan from Power Finance Corporation (PFC) Limited (Restructured Accelerated Power Development and Reforms Programme, R-APDRP-Part B) (This loan has been availed for R-APDRP Part-B Works)	5,912.00	-	-	4,792.00	-	-	4,792.00
12.15% Loan from Power Finance Corporation (PFC) Limited (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)	32,500.00	-	-	32,500.00	-	-	-
<b>Unsecured:</b>							
(i) Term Loans:							
(a) From Banks:	-	-	-	-	-	-	-
(b) From Others:							
Loan from State Government	409.96	-	101.22	394.80	-	63.07	381.42
(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 10.4)							
(ii) Related Party:							
11.75% (11.00%-11.75%) Loan from Meghalaya Energy Corporation Limited, MeECL- Holding Company (The loan has been availed for a period of 5 years repayable in 60 equal monthly installments, without any moratorium period.)	9,839.05	January, 2018, February, 2018 and March, 2018	652.33	11,841.59	January, 2017, February, 2017 and March, 2017	569.54	-
<b>Sub-Total</b>	<b>53,777.27</b>	-	1,378.55	<b>57,282.00</b>	-	1,049.28	<b>26,571.36</b>
Less: Current Maturities of Long Term Debts	4,568.26	-	-	6,713.61	-	-	5,674.75
<b>Total</b>	<b>49,209.01</b>	-	-	<b>50,568.39</b>	-	-	<b>20,896.61</b>

Note 10.1- With regards to '8% Loan from REC (Restructured)', the following should be noted:

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	As At	31st
	31st March, 2018	31st March, 2017	
Amount of repayment due as per the books of accounts	(0.71)	-	(0.71)
Amount of default as per confirmation of actual balance obtained	-	-	-
<b>Difference</b>	<b>0.71</b>	-	<b>0.71</b>

The reconciliation of the aforementioned difference is under process.

Note 10.2- '11.75% Loan from Meghalaya Energy Corporation Limited, MeECL- Holding Company' has been primarily availed to meet Cash-gap within the entity, amongst other requirements. In line of the same it may be concluded that the Cash Flows from both availing as well as servicing this loan is representative of increase in and maintenance of operating capacity of the entity, in accordance with Para 51 of Ind AS 7- 'Statement of Cash Flows.' Furthermore, the purpose of obtention and retention of other non-current borrowings as detailed in Note 10 above, can also be construed to be partially representative of increase in and maintenance of operating capacity of the entity, (the absolute extent of which is practically not ascertainable).



Note 10.3 - The item-wise details of Current Maturities of Long Term Debts as at 31st March, 2018 are stated as under:-  
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Amount
<b>Secured:</b>	
(i) Term Loans:	
(a) From Banks:	
11.95% Loan from Indian Overseas Bank	-
Vehicle Loan from Central Bank of India	-
(b) From Others:	
12.75% Loan from Rural Electrification Corporation (REC) Limited (MTL-I)	-
12.75% Loan from Rural Electrification Corporation (REC) Limited (MTL-II)	625.00
8% Loan from Rural Electrification Corporation (REC) Limited (Restructured)	542.25
9% Loan from Power Finance Corporation (PFC) Limited (Restructured Accelerated Power Development and Reforms Programme, R-APDRP-Part A)	-
9% Loan from Power Finance Corporation (PFC) Limited (Restructured Accelerated Power Development and Reforms Programme, R-APDRP-Part B)	-
12.15% Loan from Power Finance Corporation (PFC) Limited	-
<b>Unsecured:</b>	
(i) Term Loans:	
(a) From Banks:	
(b) From Others:	
Loan from State Government	139.36
(ii) Related Party:	
11.75% Loan from Meghalaya Energy Corporation Limited, MeECL- Holding Company	3,261.65
<b>Total</b>	<b>4,568.26</b>

Note 10.4- As per the Financial Statements of the Financial Year 2016-17 'Current Maturities of Long Term Debts' had been wrongly stated as ₹ 35,59,42,297.00. The same has been correctly stated as ₹ 67,13,61,008.00 in the Current Financial Year, with regards to the balance as at 31st March, 2017.

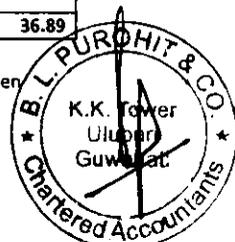


**Note 10.5- The details of 'Loans from State Government' are stated as under:-**

(All amounts in INR Lakhs, unless otherwise stated)

Serial No.	Particulars/ Purpose	As At 31st March, 2017	Rate of Interest	Additions during the Financial Year 2017-18	Amount of Default in Repayment during the Financial Year 2017-18	As At 31st March, 2018	Interest Accrued during the Financial Year 2017-18
1	Construction, Modification of Sub-Station at Mawngap	4.50	9.31%	-	0.45	4.50	0.42
2	Construction of New 33KV Line at Bajengdoba Sub-Station No. 2	22.00	9.31%	-	2.20	22.00	2.05
3	Shifting of 33KV line in Ri-Bhoi	6.30	9.31%	-	0.63	6.30	0.59
4	Construction of 33KV Double Circuit Line on Wolf Conductor KV, Mawphlang	32.00	9.31%	-	3.20	32.00	2.98
5	Construction of 33 KV Line on Wolf Conductor from Dakopgre to Praharinagar	12.00	9.31%	-	1.20	12.00	1.12
6	Renovation of 33KV Nangalbibra -Baghmara Line	4.50	9.31%	-	0.45	4.50	0.42
7	Smart Metering	68.80	9.31%	-	6.88	68.80	6.41
8	Construction of 33KV at Mokpara (Ampati)	14.70	9.31%	-	1.47	14.70	1.37
9	Construction of 33KV D/C Line, Mawphlang Air Force	38.00	9.31%	-	3.80	38.00	3.54
10	Construction of 33KV line from Killing to Khanapara	27.69	9.31%	-	2.77	27.69	2.58
11	Construction of 33/11 KV line with control room, Nangalbibra	32.10	9.31%	-	3.21	32.10	2.99
12	Rubber Matting for Sub-Station of the Company	30.00	9.31%	-	3.00	30.00	2.79
13	Construction of 33KV Line from Byrnihat to Nongpoh, with provision of Double Circuit Line	17.78	9.31%	-	1.78	17.78	1.66
14	Construction of 33KV line on ST Pole with Racocon conductor from Khliehtyrshi to Wahiajer (33/11 KV)	13.33	9.31%	-	1.33	13.33	1.24
15	Construction of 33KV Line on ST Pole with Racocon Conductor from Khliehtyrshi to Wahiajer	14.44	9.31%	-	1.44	14.44	1.34
16	Construction of new 33 KV Line along with 33/11 KV, 2.5 MVA , at Bajengdoba Sub-Station	7.35	8.59%	-	0.74	7.35	0.63
17	Construction of new 33 KV Wolf Conductor from Dakopgre to Praharinagar & Construction of 33/11 KV, 2.5 MVA Sub-Station at Praharinagar with Control Room	6.54	8.59%	-	0.65	6.54	0.56
18	Construction of new 33 KV Wolf Conductor from Dakopgre to Praharinagar & Construction of 33/11 KV, 2.5 MVA S/S at Praharinagar with Control Room	5.46	8.59%	-	0.55	5.46	0.47
19	Construction of new 33 Kv Line along with 33/11 KV, 2.5 MVA , at Bajengdoba Sub-Station	6.15	8.59%	-	0.62	6.15	0.53
20	Construction of new 33 KV Line from Byrnihat to Nongpoh with a provision for Double Circuit Line	17.78	9.31%	-	1.78	17.78	1.66
21	Construction of New 33 KV Line on Wolf Conductor from Dakopgre to Praharinagar & Construction of 33/11 KV, 2.5 MVA Sub-Station at Praharinagar with Control Room	5.00	8.09%	-	-	5.00	0.40
22	Construction of new 33 KV Single Circuit Line from Rongkhon to Dadenggre and strengthening of the 11 KV and LT network	8.38	7.18%	-	-	8.38	0.60
23	Construction of New 33KV Line Racocon Conductor from Khliehtyrshi to Wahiajer with Control Room	-	-	6.26	-	6.26	-
24	Construction of 33KV line Byrnihat - Nongpoh	-	7.43%	8.90	-	8.90	0.56
	<b>Total</b>	<b>394.80</b>	<b>-</b>	<b>15.16</b>	<b>38.14</b>	<b>409.96</b>	<b>36.89</b>

Note:- Interest Rate against Sl. No. 23 has not been indicated in the Sanction Letter for the said Loan. Therefore no interest calculation has been made.



**Note 11- GRANTS AND SUBSIDIES**

(All amounts in INR Lakhs, unless otherwise stated)

Serial No.	Particulars	As At 1st April, 2016	As At 31st March, 2017	Additions during the year	Deductions during the year	As At 31st March, 2018
1	Grants and Subsidies	7,087.63	9,168.06	15,605.05	482.57	24,290.54

Note 11.1- Details of 'Grants and Subsidies' received during the current year are as under:

(All amounts in INR Lakhs, unless otherwise stated)

Serial No.	Purpose of Grant	Date of Receipt	Released Under	Amount
1	Received from Rural Electrification Corporation (REC) Limited	May 24, 2017	Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY)	181.29
2	Received from Under Secy., Power Department, Government of Meghalaya towards sanction for construction of 11/0.4KV Sub-Station, realignment of 11KV line for uninterrupted power supply to Smit, Sohryngkham, Ummulong, Mawrong, Umkon and Mawranglang.	May 26, 2017	-	49.31
3	Received from Under Secy., Power Department, Government of Meghalaya towards sanction for 15% State Share.	May 26, 2017	Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY)	1,502.00
4	Received from Under Secretary, Power Department, Government of Meghalaya towards Grant sanction for operational & financial turnaround of power distribution companies.	June 28, 2017	Ujwal Discom Assurance Yojana (UDAY)	9,375.00
5	Received from Rural Electrification Corporation (REC) Limited for West Garo Hills District (₹ 11,50,70,791.00) and Ri-Bhoi District (₹ 57,92,550.00)	September 4, 2017	Rajiv Gandhi Grameen Viduytikaran Yojana (RGGVY)	1,208.63
6	Received from World Bank	November, 2017	North Eastern Region Power System Improvement Project (NERPSIP)	86.73
7	Received from Deputy Secy., Power Department, Government of Meghalaya towards grant for replacement of Distribution-Transformer.	January 2, 2018	-	527.00
8	Received from Deputy Secy., Power Department, Government of Meghalaya towards grant for payment of interest and repayment of principal dues to Rural Electrification Corporation (REC) Ltd.	January 4, 2018	Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY)	332.10
9	Received from Rural Electrification Corporation (REC) Limited	March 27, 2018	Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY)	1,878.16
10	Received from Rural Electrification Corporation (REC) Limited	March 28, 2018	Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY)	464.82
<b>Total</b>				<b>15,605.05</b>

Note 11.2- With regards to Grants received under 'Deen Dayal Upadhaya Gram Jyoti Yojana(DDUGJY)', amortisation procedure as mentioned in the Significant Accounting Policies of the Company have not been undertaken as the Scheme has not been closed and the conversion of Capital Works-in-Progress to Concerned Fixed Assets from the said Grant-fund has not yet been undertaken. Furthermore, amortisation of ₹ 86,73,215.00 received as Grant from World Bank (NERPSIP) during the year, has been amortised in deviation from amortisation procedure as mentioned in the Significant Accounting Policies of the Company.



**Note 12- OTHER NON CURRENT LIABILITIES**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st	As At	31st	As At
	March, 2018	March, 2018	March, 2017	March, 2017	1st April, 2016
Security Deposits and Retention Moneys Payable		4,830.61		4,352.13	3,597.21
<b>Total</b>		<b>4,830.61</b>		<b>4,352.13</b>	<b>3,597.21</b>

**CURRENT LIABILITIES**

**Note 13 (a) - FINANCIAL LIABILITIES (BORROWINGS)**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st	As At	31st	As At
	March, 2018	March, 2018	March, 2017	March, 2017	1st April, 2016
<b>Secured:</b>					
Overdraft Accounts with Central Bank of India (These borrowings have been secured against Term Deposits of the Company)		711.28		706.00	-
Overdraft Accounts with Punjab National Bank (These borrowings have been secured against Term Deposits of the Company)		(0.0016)		1,398.38	1,360.75
Overdraft Accounts with State Bank of India (These borrowings have been secured against Term Deposits of the Company)		-		-	3,906.72
<b>Total</b>		<b>711.28</b>		<b>2,104.38</b>	<b>5,267.47</b>

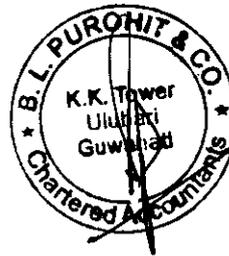
Note 13 (a).1- The aforementioned Borrowings have been serviced and retained for maintenance of operating capacity of the entity, in accordance with Para 51 of Ind AS 7- 'Statement of Cash Flows', amongst other requirements.

Note 13 (a).2- With regards to 'Overdraft Accounts with Punjab National Bank', the following should be noted:

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st
	March, 2018	March, 2018
Balance as per the books of accounts		(0.0016)
Balance as per confirmation of actual balance obtained		-
<b>Total</b>		<b>(0.0016)</b>

The reconciliation of the aforementioned difference is under process.



**Note 13 (b)- FINANCIAL LIABILITIES (TRADE PAYABLES)**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st	As At	31st	As At
	March, 2018	March, 2018	March, 2017	March, 2017	1st April, 2016
Payables against Purchase of Power from Related Party i.e., MePGCL (Meghalaya Power Generation Corporation Limited)		36,665.37		23,696.75	20,574.52
Payables against Transmission Charges from Related Party i.e., MePTCL (Meghalaya Power Transmission Corporation Limited)		12,134.52		8,328.00	8,099.61
Payables against Purchase of Power from Outside Parties		79,059.12		55,239.45	66,229.34
Payables against Wheeling Charges		3,558.21		6,022.20	5,884.88
<b>Total</b>		<b>1,31,417.22</b>		<b>93,286.40</b>	<b>1,00,788.35</b>

Note 13 (b).1- The Balances of 'Payables against Purchase of Power from Outside Parties' have the underlying differences, which have been placed under reconciliation: -

(All amounts in INR Lakhs, unless otherwise stated)

Party Name	Closing Balance as per Statement of Superintendent Engineer (EM), MePDCL as on 31st March, 2018	Closing Balance as per Financial Statements as on 31st March, 2018	Difference(s)
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 (APPCL)	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)
<b>Total</b>	<b>78,221.78</b>	<b>79,059.12</b>	<b>(837.34)</b>

Note 13 (b).2- The Balances of 'Payables against Wheeling Charges' have the underlying differences, which have been placed under reconciliation: -

(All amounts in INR Lakhs, unless otherwise stated)

Party Name	Closing Balance as per Statement of Superintendent Engineer (EM), MePDCL as on 31st March, 2018	Closing Balance as per Financial Statements as on 31st March, 2018	Difference(s)
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)
<b>Total</b>	<b>3,460.53</b>	<b>3,558.21</b>	<b>(97.68)</b>

Note 13 (b).3- The settlements of Liabilities arising during the previous Financial Year 2016-17 have not been booked, as the same are under reconciliation, with regards to (a) Payables against Purchase of Power from Related Party i.e., MePGCL (Meghalaya Power Generation Corporation Limited); and (b) Payables against Transmission Charges from Related Party i.e., MePTCL (Meghalaya Power Transmission Corporation Limited)



**Note 13 (c)- OTHER FINANCIAL LIABILITIES**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st	As At	31st	As At
	March, 2018	March, 2018	March, 2017	March, 2017	1st April, 2016
<b>Current maturities of long-term debts-</b>					
Related Party- Meghalaya Energy Corporation Limited (MeECL- Holding Company)		3,261.65		3,153.48	-
Others		1,306.61		3,560.13	5,674.75
<b>Interest accrued-</b>					
Related Party- Meghalaya Energy Corporation Limited (MeECL- Holding Company)		285.43		202.00	-
Interest payable to the Government		821.26		821.26	-
Others		3,455.35		3,189.04	3,154.63
<b>Total</b>		<b>9,130.29</b>		<b>10,925.91</b>	<b>8,829.38</b>

Note 13 (c).1- 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 13 (c).2- As per the Financial Statements of the Financial Year 2016-17 Total 'Current Maturities of Long Term Debts' had been wrongly stated as 35,59,42,297.00. The same has been correctly stated as ₹ 67,13,61,008.00 in the Current Financial Year, with regards to the balance as at 31st March, 2017. The break-up of the same is as under: -

(All amounts in INR Lakhs, unless otherwise stated)

<u>Current maturities of long-term debts from: -</u>	As per Financial Statements of the Year 2016-17		As per Financial Statements of the Year 2017-18	
	As At	31st	As At	31st
	March, 2017	March, 2017	March, 2017	March, 2017
Related Party- Meghalaya Energy Corporation Limited (MeECL- Holding Company)		405.94		3,153.48
Others		3,153.48		3,560.13
<b>Total</b>		<b>3,559.42</b>		<b>6,713.61</b>

**Note 14- PROVISIONS**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st	As At	31st	As At
	March, 2018	March, 2018	March, 2017	March, 2017	1st April, 2016
Provision for employee benefits		3,945.89		4,294.80	1,750.00
<b>Total</b>		<b>3,945.89</b>		<b>4,294.80</b>	<b>1,750.00</b>

Note 14.1 - For details with regards to the aforementioned Note, reference should be drawn to Note 29.3

**Note 15- CURRENT TAX LIABILITIES**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st	As At	31st	As At
	March, 2018	March, 2018	March, 2017	March, 2017	1st April, 2016
Direct tax Liabilities		78.22		67.15	76.83
Indirect Tax liabilities		3,150.30		2,802.12	2,279.69
<b>Total</b>		<b>3,228.52</b>		<b>2,869.27</b>	<b>2,356.52</b>

Note 15.1- With regards to the above, determination of actual status of Tax Liabilities and their corresponding reconciliation with book balances is under process. Theoretically, the aforesaid Tax Liabilities should be of current nature only. Thereby, the accurate distinction of such liabilities into Current and Non-current heads, if applicable, can only be conceived after the said reconciliation is completed.



**Note 16- OTHER CURRENT LIABILITIES**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st	As At	31st	As At
	March, 2018	March, 2018	March, 2017	March, 2017	1st April, 2016
Liabilities for Capital Supplies		7,294.12		1,971.19	1,164.06
Liabilities for Operational and Maintenance Related Supplies		118.87		201.98	128.74
Staff Related Liabilities		1,223.81		2,899.67	2,592.42
Security Deposits and Retention Moneys Payable		7,853.87		4,378.67	2,044.77
Liabilities for Expenses		1,869.52		1,694.96	1,330.16
Related Party Payables:					
i.) Meghalaya Energy Corporation Limited (MeECL)-					
Payables against Remittances of Cash and Cash Equivalents		22,402.11		5,839.97	2,827.70
Payables against Remittances of Fuel, Materials, Personnel and Others		12,167.68		11,013.58	9,031.89
Payables against Operations, Capital and Others		28,001.53		-	-
ii.) Meghalaya Power Generation Corporation Limited (MePGCL)-					
Payables against Operations, Capital and Others		54,382.40		44,634.85	30,316.04
iii.) Meghalaya Power Transmission Corporation Limited (MePTCL)-					
Payables against Operations, Capital and Others		23,005.15		15,983.47	9,317.26
iv.) Others		-		11,768.21	11,768.21
<b>Total</b>		<b>1,58,319.07</b>		<b>1,00,386.56</b>	<b>70,521.23</b>

Note 16.1- As on 31st of March, 2016, Staff Related Liabilities included a credit balance of ₹ 2,36,70,499.34 pertaining to the company's liabilities regarding Contributory Pension Scheme (CPS). However, the payments made to Pension Fund Regulatory and Development Authority (PFRDA) regarding transfer of such pension funds accumulated over the years had been cleared from a common pool in the Holding Company's books of accounts. Reconciliation of the same is under continuous process. During the Financial Year 2017-18, the cumulative payments made to PFRDA have been worked out for the company separately, and thereafter recorded in the books of the Company. Consequently, the book balance as on 31st of March, 2018, for the Company's liabilities regarding CPS stands at ₹1,52,23,980.34.

Note 16.2- 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 16.3- 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 in the books of the Company, are subject to reconciliation, which shall be undertaken in subsequent periods:-

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At	31st	As At	31st
	March, 2018	March, 2018	March, 2017	March, 2017
Provision For Gratuity		67.36		67.36
Provision For Pension		21.81		21.81
Provision For Bonus		1.23		1.23
<b>Total</b>		<b>90.40</b>		<b>90.40</b>

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).



**INCOMES**

**Note 17- REVENUE FROM OPERATIONS**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Sale of Power:</b>		
Inter-state sale of power to Assam	57.86	1,501.25
Inter-state sale of power to Mizoram	2.60	-
Unscheduled Interchange Sales	3,960.44	2,841.80
Interstate billing on sale of Power to MPPL, Revenue on Sale of Power to APPCL and HPPC	14,270.67	2,240.56
<u>Categories of other Consumers:</u>	-	-
Domestic and Residential	22,761.58	17,988.63
Commercial	9,129.76	6,942.45
Industrial Medium and Low Voltage	419.16	362.33
Industrial High and Extra High Voltage	21,746.41	20,820.12
Public Lighting	193.38	137.60
Irrigation and Agriculture	9.69	7.88
Public Water Works	3,073.42	2,248.51
Bulk Supply to others	5,661.63	4,114.61
Miscellaneous and General Purpose	122.46	121.81
Construction Project High Tension	26.81	36.94
Electricity Duty Recoveries	472.33	404.00
	81,908.20	59,768.50
Less: Electricity Duty	472.33	404.00
	81,435.87	59,364.50
<b>Other operating revenues-</b>		
Meter Rent	320.91	289.69
Margin Money from Regulated Power	-	3,555.06
Reconnection Fees	2.46	1.60
Delayed Payment Charges Collected From Consumers	387.06	488.56
Rebates on Purchase of Energy	1.97	3.01
Other Charges From Consumers	1,041.78	856.47
Related Party Transactions:	-	-
Adjustment of Purchase of Power from Meghalaya Power Generation Corporation Limited (MePGCL)	-	2,399.71
Adjustment of Wheeling (Transmission) Charges from Meghalaya Power Transmission Corporation Limited (MePTCL)	-	1,702.83
<b>Total</b>	<b>83,190.05</b>	<b>68,661.43</b>



Note 17.1- The break-up of the certain items under Sale of Power in Technical nomenclatures, along with Quantum of Sale is as under: -

Particulars (Categories of Consumers)		Quantum (in Million Units, MU)
In Technical Terms	In Financial Terms	Inside Sale (MU)
Domestic	Domestic and Residential	427.903
Kutir Jyoti		25.713
Crematorium		0.206
Commercial	Commercial	95.366
Public Lighting	Public Lighting	0.433
Irrigation and Agriculture	Irrigation and Agriculture	0.121
Public Water Works	Public Water Works	36.050
<u>Industries:-</u>		
Low Tension (LT)	Industrial Medium and Low Voltage	5.918
High Tension (HT) + Extra High Tension (EHT)	Industrial High and Extra High Voltage	333.931
Railway Traction	-	-
Bulk supply	Bulk Supply to	69.170
General purpose	Miscellaneous and General Purpose	20.805
Assam State Electricity Board (ASEB)	Inter-state sale of power to Assam	0.552

Note 17.2- Details of Revenue earned from Cross Subsidy is as under: -

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018
Green Valley Industries Ltd (GVIL)	729.62
RNB Cement Pvt Ltd	1.18
Shyam Century Pvt Ltd	238.03
Maithan Alloys Ltd	209.74
Pioneer Carbide Pvt Ltd (PCPL)	773.61
<b>Total</b>	<b>1,952.18</b>

The aforementioned 'Revenue earned from Cross Subsidy' forms a part of 'Unscheduled Interchange Sales' mentioned in Note 17 above.

Note 17.3- Quantum of Category-wise Sale of Power (Outside the State) during the Financial Year 2017-18 is stated as under:

Particulars	Quantum (MU)
Swapping	351.20
DSM	95.45
Exchange	402.67
Non-solar	30.22
Assam State Electricity Board (ASEB)	0.55
<b>Total</b>	<b>880.09</b>



Note 17.4- '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.

Note 17.5- With regards to (a) 'Adjustment of Purchase of Power from Meghalaya Power Generation Corporation Limited (MePGCL)' and (b) 'Adjustment of Wheeling (Transmission) Charges from Meghalaya Power Transmission Corporation Limited (MePTCL)' for the previous financial year 2016-17, and change in accounting policy of the same for the current financial year, reference should be drawn to Note 29.4.5.

#### Note 18- REVENUE SUBSIDIES AND GRANTS

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
R.E. Subsidies	-	2,050.12
Revenue Grants for Other Expenditures	-	200.00
<b>Total</b>	<b>-</b>	<b>2,250.12</b>

#### Note 19- OTHER INCOME

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Interest Income:</b>		
From Banks	298.94	678.14
From Others	1.84	-
<b>Other non-operating income:</b>		
Rental and Hiring Income	2.69	2.11
Discount Received	-	0.02
Fees and Penalties	0.66	0.18
Sale of scrap, tender forms and others	27.79	1.51
Miscellaneous receipts	14.27	21.69
Amortization of Grants and Subsidies	482.57	477.64
<b>Total</b>	<b>828.76</b>	<b>1,181.29</b>

#### Note 20- PRIOR PERIOD INCOMES

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest Income from Banks	-	812.48
Other Incomes	77.74	48.37
Amortization of grants	3,522.04	96.21
Depreciation	1.99	-
<b>Total</b>	<b>3,601.76</b>	<b>957.05</b>

Note 20.1- With regards to details of 'Prior Period Incomes' refer to Note 29.5



**EXPENSES****Note 21- POWER PURCHASE COSTS**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Power Purchase Costs	73,795.38	59,630.47
Surcharge on Power Purchases	1,290.70	5,684.17
<b>Total Power Purchase Costs</b>	<b>75,086.08</b>	<b>65,314.63</b>
<b>Total Power Purchase Costs consist of:</b>		
Related Party Purchases- Meghalaya Power Generation Corporation Limited (MePGCL)	35,614.46	23,696.75
Outside Party Purchases	39,471.62	41,617.88
<b>Wheeling Charges</b>		
Related Party Charges- Meghalaya Power Transmission Corporation Limited (MePTCL)	10,764.00	8,328.00
Outside Party Charges	6,323.56	11,715.19
<b>Total</b>	<b>92,173.64</b>	<b>85,357.82</b>

**Note 21.1- The details of Supplementary Bills received during the Financial Year 2017-18, are as under: -**

(All amounts in INR Lakhs, unless otherwise stated)

Name of Generating Licencee	Debit Bills	Credit Bills	Net effect
NEEPCO	2,084.18	70.46	2,013.72
NTPC	-	397.71	(397.71)
OTPC	2,653.77	980.97	1,672.80
<b>Total</b>	<b>4,737.95</b>	<b>1,449.13</b>	<b>3,288.82</b>

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 21.2- No supplementary bills have been received from Transmission Licencees during the Financial Year 2017-18****Note 21.3- Quantum of Source-wise Power Purchase during the Financial Year 2017-18:**

Name of Party	Quantum (MU)
North Eastern Electric Power Corporation (NEEPCO) Limited	1061.76
ONGC Tripura Power Company (OTPC)	390.83
Meghalaya Power Generation Corporation Limited, MePGCL (Related Party)	1217.13
<b>Total</b>	<b>2669.72</b>

**Note 21.4- Quantum of Open Access Charges for Power Purchase during the Financial Year 2017-18:**

Particulars	Quantum (MU)
Maithon Power Plant Limited (MPPL)	84.51
Arunachal Pradesh Power Corporation Private Limited (APPCPL)	102.87
Power Trading Corporation (PTC) of India	0.00
<b>Total</b>	<b>187.38</b>



**Note 22- EMPLOYEE BENEFITS EXPENSE**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries and wages	9,103.93	10,082.94
Contribution to provident and other funds	99.17	36.38
Staff welfare expenses	1.20	0.20
Apportionment of Employee Benefit Expenses (from Holding Company)	3,645.60	3,094.30
<b>Total</b>	<b>12,849.90</b>	<b>13,213.82</b>

Note 22.1- Apportionment of Employee Benefit Expenses (from Holding Company) has the following break-up:-

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries and wages	1,009.01	896.36
Contribution to provident and other funds	2,635.19	2,196.20
Staff welfare expenses	1.39	1.73
	<b>3,645.60</b>	<b>3,094.30</b>

**Note 23- FINANCE COSTS**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest:		
To related party (Meghalaya Energy Corporation Limited, i.e., Holding Company)- including Penal Interest	1,311.50	467.08
To Others- including Penal Interest	5,022.32	3,010.95
Other banking and guarantee charges	181.47	351.90
<b>Total</b>	<b>6,515.30</b>	<b>3,829.92</b>

Note 23.1- Penal Interest details are stated hereunder-

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Related Party (Meghalaya Energy Corporation Limited, i.e., Holding Company)	51.34	-
Others	147.97	61.61
	<b>199.32</b>	<b>61.61</b>

**Note 24- DEPRECIATION AND AMORTIZATION EXPENSE**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Depreciation	1,797.27	1,506.12
<b>Total</b>	<b>1,797.27</b>	<b>1,506.12</b>



**Note 25- OTHER EXPENSES**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Repairs and maintenance:</b>		
Buildings	21.92	16.61
Plant and Equipment	150.54	160.67
Hydraulic Works	1.60	0.19
Civil Works	6.74	5.13
Lines & Cables	768.91	751.36
Vehicles	27.44	32.04
Furniture and Fixtures	2.55	3.53
Office equipment	16.25	26.96
<b>Administration, Operating and General Expenses:</b>		
Insurance Charges	3.01	3.76
Bad debts written off	91.10	1,392.92
Rent, Rates and Taxes	6.53	5.05
Telegram, Postage, Telegraph and Telex charges	34.54	17.89
Training, conveyance and vehicle running expenses	613.03	520.14
Printing and stationery expenses	41.71	42.52
Auditors' remuneration	6.05	6.09
Consultancy Charges	274.47	292.81
License and Registration Charges	0.20	1.12
Technical fees	0.17	0.17
Books & Periodicals	0.44	0.48
Fees and subscription expenses	-	0.09
Advertisement charges	15.51	10.05
Legal and professional charges	90.81	31.91
Meghalaya State Electricity Regulatory Commission (MSERC) Fees	14.15	11.60
Electricity and Water Charges	0.73	0.80
Franchisee Commission	93.70	65.23
Discount allowed	19.87	20.67
Bank Charges	10.89	10.60
Entertainment expenses	0.70	0.14
RAPDRP Energy Charges	1.88	3.57
Miscellaneous expenses	2.91	3.27
<b>Total</b>	<b>2,318.35</b>	<b>3,437.35</b>



**Note 26 - PRIOR PERIOD EXPENSES**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Power Purchase Costs (Short Provisioning)	0.00	-
Depreciation	169.64	-
Administration, Operating and General Expenses	12.50	0.05
Other Expenses	443.02	-
Repairs and Maintenance to Works	0.05	-
<b>Total</b>	<b>625.21</b>	<b>0.05</b>

Note 26.1 - With regards to details of 'Prior Period Expenses' refer to Note 29.5

**Note 27- EXCEPTIONAL ITEMS**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Shortage on physical verification of stock	-	(1.27)
Compensation to staff for injuries, death and/or damages	(0.40)	(0.10)
Compensation to others for injuries, death and/or damages	0.02	(24.01)
Insurance received against Damaged Vehicle	1.81	-
Insurance Claims Received for Staff	3.00	-
<b>Total</b>	<b>4.43</b>	<b>(25.39)</b>

Note 27.1- The details of the above 'Exceptional Items' for the Current Year are as under: -

(All amounts in INR Lakhs, unless otherwise stated)

Details	For the year ended 31st March, 2018
<u>Compensation to staff for injuries, death and/or damages:</u>	
Ex-gratia Payment	(0.10)
Ex-gratia Payment	(0.30)
	<b>(0.40)</b>
<u>Compensation to others for injuries, death and/or damages:</u>	
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
	<b>0.02</b>
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
<b>Total</b>	<b>4.43</b>



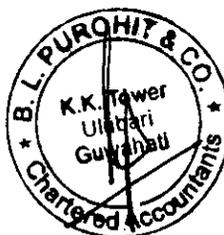
## **Note 28- SIGNIFICANT ACCOUNTING POLICIES**

### **I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- a) The financial statements are prepared under the historical cost convention, except where otherwise expressly specified in the disclosures hereunder.
- b) The financial statements up to the year ended 31<sup>st</sup> of March, 2016 were prepared in accordance with generally accepted accounting principles (GAAP) and in accordance with the provisions of the Companies Act, 2013.
- c) The financial statements with regards to the Financial Year 2016-17 and Financial Year 2017-18 have been prepared in accordance with Schedule III (Division II) of the Companies Act, 2013 and in coherence with the general instructions reflected therein, unless otherwise stated.
- d) Accordingly the Company has prepared and presented Financial Statements for the previous reporting period and current reporting period i.e., Financial Years 2016-17 and 2017-18, respectively and an Opening Balance Sheet as on 1<sup>st</sup> April, 2016.
- e) The financial statements with regards to the Financial Year 2016-17 were the first financial statements of the Company with Indian Accounting Standards (Ind AS).
- f) With regards to the Financial Year 2017-18, compliance with Ind AS has been an ongoing process. The scope and degree of implementation of the same in material aspects is disclosed separately herein, up to the extent pragmatic for the company.
- g) Furthermore, where there has been a deviation from the provisions of the Companies Act, 2013 in preparation of the financial statements, either the corresponding provisions of The Electricity Act, 2003 have been adopted or disclosures against the same have been made, to the tune feasible.

### **II. USE OF ESTIMATES**

The presentation of 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 company 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.

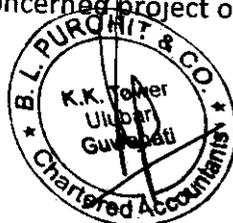


### III. PROPERTY, PLANT AND EQUIPMENT

- a) Property, Plant and Equipment which include depreciable fixed assets are stated at cost of acquisition or construction (i.e., historical cost) less accumulated depreciation.
- b) Property, Plant and Equipment which includes land is carried at historical cost.
- c) Subsequent costs are included in the carrying amounts or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with them shall flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs thereby are charged to the Statement of Profit & Loss during the reporting period in which they are incurred.
- d) 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.
- e) 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.
- f) On transition to Ind AS, the company had elected during the Financial Year 2016-17 to continue with the carrying value of its property, plant and equipment recognized as at 1<sup>st</sup> 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.
- g) The rates of depreciation or amortization and estimated lives thereon as prescribed by Central Electricity Regularity Commission (CERC) for the purpose of tariff are being followed by the company. These computations are significantly different from those prescribed under Schedule II of Companies Act, 2013.
- h) 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.

### IV. CAPITAL WORK-IN-PROGRESS (CWIP)

- a) 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.



- b) 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.
- c) Claims for price variation or exchange rate variation in case of capital contracts are accounted for on acceptance thereof by the Company.
- d) The costs incurred and revenues generated during the Trial Run Stages of Projects of Power Stations are capitalized.

#### V. BORROWINGS AND BORROWING COSTS

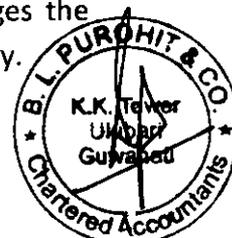
- a) Borrowings are initially recognised at fair value, net of transaction costs incurred. They are subsequently measured at amortized costs.
- b) Borrowing cost including interest, guarantee fees, commitment charges etc, that is directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset, up to the period of commissioning the project or the respective asset being put to use. Other borrowing costs are expensed in the period in which they are incurred.

#### VI. CASH AND CASH EQUIVALENTS

- a) Cash and Cash Equivalents is composed of, *inter alia*, cash-on-hand, Cash-at-bank and liquid term deposits.
- b) 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 Company are segregated based on available information.

#### VII. INVENTORIES

- a) 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.
- b) 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.
- c) 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.



- d) 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.

## VIII. REVENUE RECOGNITION

- a) Revenue is generally recognized at the value of consideration received or receivable. Amounts disclosed as revenues are in general practice inclusive of duties paid thereof and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.
- b) The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits shall flow to the entity and specific criteria have been met regarding the revenues so earned. Estimates, if any, are based on historical results, taking into consideration the type of customer, the type of transaction and specifics of each arrangement.

c) Revenue from Sale of Power:

The company 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 from sale of power is recognized on accrual basis at the time of billing of energy supplied. The same is done 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 incomes on term deposits are accounted for on accrual basis. Interest incomes other than that on term deposits are accounted for on actual realisation basis.
- iv) 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.



## IX. EXPENDITURE

All expenses of revenue nature are reflected under their natural heads. Expenses shown under power purchase costs, employee benefit costs (including allocation from the Holding Company- Meghalaya Energy Corporation Limited), depreciation, finance costs and other expenses are recognized on accrual basis except when ultimate incurrence of such expense is uncertain. The aforesaid expenses are disclosed as separate line items in the financial statements as well.

## X. GRANTS AND SUBSIDIES FROM THE GOVERNMENT

- a) Grants and Subsidies received from Government are recognised on reasonable assurance of them being realized and on completion of attached conditions, if any.
- 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.'

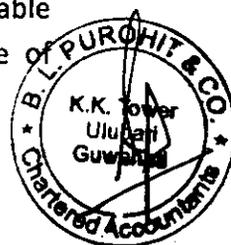
The related assets herein primarily include Plant and Equipment, Hydraulic Works, Lines and Cable Networks. Thereby, since the rates of depreciation as prescribed by Central Electricity Regularity Commission (CERC) for the purpose of tariff are being followed by the company, the same is being used for amortization of such related assets as well.

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.

- c) Grants and Subsidies on Revenue Accounts are disclosed separately as Income in the Statement of Profit & Loss.

## XI. TAXATION

- a) Tax expenses comprise of current income tax and deferred tax.
- b) Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961.
- c) Deferred tax is recognised, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of



reversal in one or more subsequent periods using the tax rates and laws that are substantively enacted as on the Balance Sheet date.

- d) Where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

## **XII. TRANSACTIONS IN FOREIGN CURRENCY**

- a) Items used in the financial statements of the company 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 company 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.

## **XIII. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

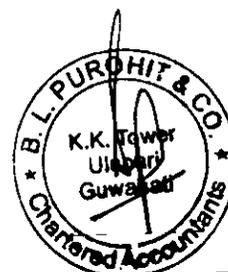
- a) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- b) Provisions are not recognized for future operating losses.
- c) Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

## **XIV. SEGMENT REPORTING**

The group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. 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.

## **XV. EMPLOYEE BENEFITS (INCLUDING TERMINAL BENEFITS)**

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



- b) Short term obligations – Liabilities for wages and salaries accrued as on the reporting date based on the recognition of services rendered by the employees, including non-monetary benefits are expected to be settled wholly within the subsequent reporting period.
- c) Provident fund – The contribution to Provident Fund is transferred to the Holding Company i.e., Meghalaya Energy Corporation Limited (MeECL). Thereafter, the said transferred contributions are deposited with the General Provident Fund (GPF) Trust Account of Meghalaya Energy Corporation Limited (MeECL).
- d) 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.
- e) 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.
- f) Leave encashment – 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 by the Holding Company, i.e., Meghalaya Energy Corporation Limited. Thereafter, the demand so raised is settled by the Company.
- g) The expenses relating to terminal benefits of employees comprising of provident fund, pension, Contributory Pension Scheme (CPS), gratuity, leave encashment etc. during the reporting period have been taken into consideration on the basis of allocation given by the holding company and the same has been paid or adjusted accordingly.

#### **XVI. OFFSETTING FINANCIAL INSTRUMENTS**

Financial assets and liabilities are offset and the net amount is represented in the Balance Sheet when there is an enforceable right to offset the recognized amounts or an intention to settle on a net basis or an intention of realising the asset and settling the liability thereon simultaneously or other reasonable grounds for such offsetting.

#### **XVII. PRIOR PERIOD ERRORS (PRIOR PERIOD INCOMES AND EXPENSES)**

Prior Period Errors (against adjustments towards incomes and expenses) represent omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use reliable information that:



(a) was available when financial statements for those periods were approved for issue; and

(b) Could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or inadvertent misinterpretations of facts.

Prospective restatement against such errors is made and disclosed.

#### **XVIII. EARNINGS PER SHARE**

- a) In tandem with the accounting policies used by the Company in the previous year, 'Basic earnings per share' as represented in the face of the Statement of Profit and Loss, has been calculated by dividing profit or loss attributable to ordinary equity holders of the company (the numerator) by the number of ordinary shares outstanding (the denominator) as at the end of the reporting period. The denominator has been so adopted as 100% Shares of the Company are held by the Holding Company, Meghalaya Energy Corporation Limited (MeECL) and its nominees.
- b) With similar reasons as in the aforementioned point, 'Diluted earnings per share' has been calculated by dividing profit or loss attributable to ordinary equity holders of the company (the numerator) by the number of ordinary shares outstanding along with the number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares (the denominator).
- c) Moreover, an additional calculation of 'Basic earnings per share' which has been computed by dividing profit or loss attributable to ordinary equity holders of the company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period has also been separately disclosed.
- d) Similar to the aforementioned point, an additional calculation of 'Diluted earnings per share' which has been calculated by dividing profit or loss attributable to ordinary equity holders of the company (the numerator) by the weighted average number of ordinary shares outstanding along with the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares (the denominator). The weighted average number of ordinary shares outstanding is increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.



**XIX. ROUNDING OFF**

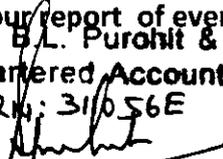
All amounts disclosed in the financial statements and notes thereof have been rounded off to the nearest lakh as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

**For and on behalf of the Board**

  
**Shri. G. S. Mukherjee**  
Company Secretary  
M. No.: 20613

  
**Shri Klailang Nalle War**  
Director (Distribution)  
DIN: 08275249

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

As per our report of even date attached  
For B.L. Purohit & CO.  
Chartered Accountants  
FRN: 31056E  
  
**CA SUBHASH PUROHIT**  
Membership No-059631  
For M/s B L Purohit & Co  
Chartered Accountants  
(Firm Regn. No.SPA043)



Place: Shillong

Date: 08-11-2019

**Note 29- OTHER SPECIFIC DISCLOSURES**

**Note 29.1- SEGMENT INFORMATION**

a) The company's 'single primary reportable business segment' is "Distribution of Power"

b) The operations of the Company are mainly carried out within the state of Meghalaya. Thereby, segment reporting for separate geographical segments is not necessary as all disclosures herein shall relate to the same geographical segment itself.

c) Adjusted EBDITA (Earnings before Depreciation, Interest, Tax and Amortization):

(All amounts in INR Lakhs, unless otherwise stated)

Particulars of Reportable Segment: "Distribution of Power"	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Operating Revenue from Distribution of Power	81,435.87	59,364.50
Other Operating Revenues relatable to Distribution	1,754.18	9,296.93
Revenue Grants and Subsidies allocated towards furtherance of Distribution of Power	-	2,250.12
	<b>83,190.05</b>	<b>70,911.56</b>
Power Purchase Costs	75,086.08	65,314.63
Wheeling and Open Access Charges	17,087.56	20,043.19
Other related Expenses allocated to Distribution	15,168.25	16,651.17
<b>Total Adjusted EBDITA</b>	<b>(24,151.84)</b>	<b>(31,097.43)</b>

Interest Incomes and Finance Costs are not allocated to the 'Single Primary Reportable Business Segment' as these are driven by the central treasury function, which manage the cash position and liquidity of the company. Similarly, certain items of income and expenditure which may have a significant impact on the quality of earnings have been excluded. These include, *inter alia*, prior period adjustments, depreciation expenses and exceptional items.



d) Reconciliation of Adjusted EBDITA to Profit/ (Loss) before Tax:

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Total Adjusted EBDITA</b>	(24,151.84)	(31,097.43)
Other Income	828.76	1,181.29
Prior Period Incomes	3,601.76	957.05
Finance costs	(6,515.30)	(3,829.92)
Depreciation and amortization expense	(1,797.27)	(1,506.12)
Prior Period Expenses	(625.21)	(0.05)
Exceptional Items	4.43	(25.39)
<b>Profit/(Loss) from Continuing Operation before Tax</b>	<b>(28,654.66)</b>	<b>(34,320.56)</b>

e) **Segment Revenue** is calculated in the same way as in the Statement of Profit and Loss

(All amounts in INR Lakhs, unless otherwise stated)

Particulars of Reportable Segment: "Distribution of Power"	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Operating Revenue from Sale of Power	81,435.87	59,364.50
Other Operating Revenues relatable to Distribution	1,754.18	9,296.93
Revenue Grants and Subsidies allocated towards furtherance of Distribution of Power	-	2,250.12
<b>Total Segment Revenue</b>	<b>83,190.05</b>	<b>70,911.56</b>

As the company's 'single primary reportable business segment' is "Distribution of Power," bifurcation of Segment Revenue between 'revenue from external customers' and 'inter-segment revenue' is not applicable.

f) **Segment Assets and Segment Liabilities-** As the company's 'single primary reportable business segment' is "Distribution of Power," it can be reliably concluded that all assets and outside liabilities of the company are either directly or indirectly relatable to "Distribution of Power."



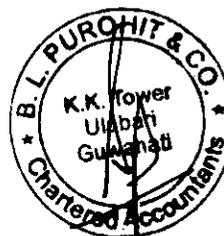
Note 29.2- EARNINGS PER SHARE

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
<b>a) Basic earnings per share</b>				
Profit or loss attributable to ordinary equity holders of the company (A)		(28,654.66)		(34,320.56)
Number of ordinary shares outstanding (B)		8,104.17		7,864.02
<u>Weighted average number of ordinary shares outstanding:</u>				
At the beginning of the reporting period	7,864.02		7,423.69	
Time-weighting factor	1.00		1.00	
(C)	7,864.02		7,423.69	
Issued during the reporting period	240.15		440.33	
Time-weighting factor	0.35		0.08	
(D)	83.56		33.78	
<b>Total weighted average number of ordinary shares (E)=(C+D)</b>		<b>7,947.58</b>		<b>7,457.47</b>
<b>Basic Earnings per share:</b>				
1st Method: (A/B)		(3.5358)		(4.3643)
2nd Method: (A/E)		(3.6055)		(4.6022)
<b>b) Diluted Earnings per share</b>				
Additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares (F)		338.19		252.19
<u>Weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares:</u>				
At the beginning of the reporting period	252.19		680.48	
Time-weighting factor	1.00		1.00	
(G)	252.19		680.48	
Issued during the reporting period:				
1st Issue	312.50		4.50	
Time-weighting factor	0.76		0.91	
	236.30		4.08	
2nd Issue	5.63		7.54	
Time-weighting factor	0.22		0.01	
	1.23		0.08	
3rd Issue	8.01		-	
Time-weighting factor	0.01		-	
	0.07		-	
Total issues during the reporting period (H)	237.60		4.16	
Conversions during the reporting period	240.15		440.33	
Time-weighting factor	0.35		0.08	
(I)	83.56		33.78	
<b>Total weighted average number of diluted shares (J)=(G+H-I)</b>		<b>406.24</b>		<b>650.86</b>
<b>Diluted Earnings per share:</b>				
1st Method: A/(B+F)		(3.3942)		(4.2286)
2nd Method: A/(E+J)		(3.4301)		(4.2328)

Note 29.2.1- The company has not discontinued any operations during the reporting period. Also, there are no extraordinary items during the reporting period.

Note 29.2.2- The company does not have any preference shares, outstanding warrants, stock options, share warrants and convertible bonds for the reporting period, causing any dilution effect in addition to the computation as stated above.



**Note 29.3- PROVISIONS**

(All amounts in INR Lakhs, unless otherwise stated)

Provision for employee benefits	As At	31st	As At	31st
	March, 2018	March, 2018	March, 2017	March, 2017
As at the beginning of the Financial Year		4,294.80		1,750.00
Add: Provisions for Revision of Pay (ROP) for the Year :		-		-
Estimated arrears to be drawn		-		1892.00
Apportionment from Holding Company (@30% of ₹ 21,76,00,000.00 for 2016-17)		-		652.80
Add: Adjustments during the Year		0.01		-
		4,294.81		4,294.80
Less: Settlements during the Financial Year		348.91		-
<b>As at the end of the Financial Year</b>		<b>3,945.89</b>		<b>4,294.80</b>

Note 29.3.1- With regards to the Financial Year 2015-16, no apportionment of provision for Revision of Pay (ROP) had been done from the Holding Company, i.e., only estimations expressly belonging to the company had been made for calculation of such provision. However, the apportionment with respect to the expense on such Revision of Pay (ROP) had been done. Thereby, the Holding Company had retained the provision, but apportioned the consequent estimated expenses. Furthermore, during the Financial Year 2016-17, provisioning had been done by the Company. For the Financial Year 2017-18, no further provisioning is required. Thereby, in the Financial Year 2017-18 settlements of payments against ROP to staff have been cleared from the afore-arrived balances of provision.

**Note 29.3.2- Allowances for Doubtful Debts in Trade Receivables: -**

(All amounts in INR Lakhs, unless otherwise stated)

Category of Trade Receivables	As At	31st March, 2018	As At	31st March, 2017
	Receivables as on 30th of September, 2017	3% Allowance for Doubtful Debts	Receivables as on 30th of September, 2016	3% Allowance for Doubtful Debts
Cable TV	1.19	0.04	1.13	0.03
Domestic High Tension	157.81	4.73	228.32	6.85
Domestic Low Tension	10,745.42	322.36	10,589.52	317.69
Delayed Payment Charges	503.91	15.12	897.00	26.91
Kutir Jyoti	1,597.54	47.93	1,594.41	47.83
Commercial High Tension	285.88	8.58	253.86	7.62
Commercial Low Tension	3,675.62	110.27	3,273.75	98.21
General Purpose	1,009.19	30.28	943.27	28.30
Industrial Low Tension	1,378.77	41.36	1,546.88	46.41
Extra High Tension	8,925.34	267.76	7,695.39	230.86
Industrial High Tension- A	6,317.83	189.53	5,204.68	156.14
Industrial High Tension- B	1,350.97	40.53	1,008.36	30.25
Public Lighting	296.41	8.89	288.06	8.64
Agricultural Purpose	34.25	1.03	25.25	0.76
Water Supply High Tension	1,542.18	46.27	1,325.51	39.77
Water Supply Low Tension	1,151.04	34.53	1,102.59	33.08
Bulk Supply	352.47	10.57	326.62	9.80
Construction Project	54.74	1.64	39.25	1.18
<b>Total</b>	<b>39,380.57</b>	<b>1,181.42</b>	<b>36,343.85</b>	<b>1,090.32</b>

Note 29.3.3- Allowances for Doubtful Debts have been calculated at 3% of Receivables as on the 30th of September of each year (in consonance with the accounting policies followed by the Company in the previous years, and also approved by the Board thereof). The values as mentioned *supra* have been obtained from the Office of the Additional Chief Engineer (Commercial), MePDCL, Shillong. The figures stated may be subject to reconciliation.

**Note 29.3.4- Bad debts written off: -**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Trade Receivables of Current Reporting period	39,380.57	36,343.85
Allowances for Doubtful debts @ 3% (A)	1,181.42	1,090.32
Trade Receivables of Previous Reporting period	36,343.85	26,221.04
Allowances for Doubtful debts @ 3% (B)	1,090.32	786.63
Excess Receivables against Delayed Payment Charges booked by under-lying Divisions (C)	-	1,089.23
<b>Bad-debts for the reporting period (A-B+C)</b>	<b>91.10</b>	<b>1,392.92</b>



**Note 29.4- RELATED PARTY TRANSACTIONS**

**Note 29.4.1- Compensation to Key Management Personnel (KMP) as disclosed in 'Additional Information' for the Financial Year 2017-18:**

Names of KMPs	Gross short term employee benefits	Employer's Contribution towards Contributory Pension Scheme, CPS (excluding Arrears, if any)	Post employment and termination benefits
Mr. Parmarsan Singh Thangkhiew	Allowances of ₹14,748.00 have been paid. Other employee benefits are borne by IAS Cadre.		
Mr. Abhishek Bhagotia	Allowances of ₹45,353.00 have been paid. Other employee benefits are borne by IAS Cadre.		
Mr. Timothy Passah	₹ 12,78,501.00	Not under CPS	Subject to Significant Accounting Policies disclosed
Mr. Gouri Sankar Mukherjee	₹10,77,929.00	₹ 98,111.00	

Note 29.4.2- The aforementioned benefits have been paid from the Holding Company i.e. MeECL and subsequently apportioned to the Company @ 30% of benefits due)

**Note 29.4.3- Information as a Government-related Entity:**

(All amounts in INR Lakhs, unless otherwise stated)

Dealings with the Government, excluding Taxation	Outstanding Balances		
	As At 31st March, 2017	During the year	As At 31st March, 2018
Capital Grants and Subsidies from the Government (including those routed through various government entities)	9,168.06	15,122.48	24,290.54
Recoverables From State Government	19.80	44.60	64.40
Non-current Borrowings from the Government	394.80	15.16	409.96
Interest payable to the Government	821.26	-	821.26

(All amounts in INR Lakhs, unless otherwise stated)

Dealings with the Government, excluding Taxation	Revenue transactions	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Electricity duty remittances to the Government	472.33	404.00
Revenue Grants and Subsidies received from the Government (including those routed through various government entities)	-	2,250.12
Interest on Government loans	36.89	35.70
Meghalaya State Electricity Regulatory Commission (MSERC) Fees	14.15	11.60

**Note 29.4.4- Transactions with the Holding Company and Subsidiaries within the group:**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Outstanding Balances		
	As At March, 2017	31st During the year	As At March, 2018
<b>Equity Share Capital:</b>			
Meghalaya Energy Corporation Limited (MeECL)	78,640.21	2,401.50	81,041.71
<b>Equity Share Capital Pending Allotment:</b>			
Meghalaya Energy Corporation Limited (MeECL)	2,521.94	859.93	3,381.87
<b>Receivables (Other Current Assets):</b>			
i.) Meghalaya Energy Corporation Limited (MeECL)- Receivables against Remittances of Cash and Cash Equivalents	15,353.61	17,672.88	33,026.49
Receivables against Remittances of Fuel, Materials, Personnel and Others	602.52	631.34	1,233.86
Receivables against Operations, Capital and Others	36,471.42	35,346.06	71,817.49
ii.) Meghalaya Power Generation Corporation Limited (MePGCL)- Receivables against Operations, Capital and Others	-	3,500.77	3,500.77
iii.) Others	17,983.44	-	17,983.44
<b>Trade Payables:</b>			
Payables against Purchase of Power from Related Party i.e., MePGCL (Meghalaya Power Generation Corporation Limited)	23,696.75	12,968.62	36,665.37
Payables against Transmission Charges from Related Party i.e., MePTCL (Meghalaya Power Transmission Corporation Limited)	8,328.00	3,806.52	12,134.52
<b>11.75% Loan:</b>			
Meghalaya Energy Corporation Limited (MeECL)	11,841.59	(2,002.54)	9,839.05
<b>Current maturities of long-term debts:</b>			
Meghalaya Energy Corporation Limited (MeECL)	3,153.48	108.17	3,261.65
<b>Interest accrued:</b>			
Meghalaya Energy Corporation Limited (MeECL)	202.00	83.42	285.43
<b>Related Party Payables:</b>			
i.) Meghalaya Energy Corporation Limited (MeECL)- Payables against Remittances of Cash and Cash Equivalents	5,839.97	16,562.14	22,402.11
Payables against Remittances of Fuel, Materials, Personnel and Others	11,013.58	1,154.10	12,167.68
Payables against Operations, Capital and Others	-	-	28,001.53
ii.) Meghalaya Power Generation Corporation Limited (MePGCL)- Payables against Operations, Capital and Others	44,634.85	-	54,382.40
iii.) Meghalaya Power Transmission Corporation Limited (MePTCL)- Payables against Operations, Capital and Others	15,983.47	7,021.67	23,005.15
iv.) Others	11,768.21	-	-



As per the Financial Statements of the Financial Year 2016-17 'Current Maturities of Long Term Debts' from MeECL had been wrongly stated as ₹ 4,05,94,477.00. The same has been correctly stated as ₹ 31,53,47,820.00 in the Current Financial Year, with regards to the afore-mentioned balance as at 31st March, 2017.

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Revenue transactions	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Remission of Liabilities: -</b>		
Adjustment of Purchase of Power from Meghalaya Power Generation Corporation Limited (MePGCL)	-	2,399.71
Adjustment of Wheeling (Transmission) Charges from Meghalaya Power Transmission Corporation Limited (MePTCL)	-	1,702.83
<b>Power Purchase Costs:</b>		
Meghalaya Power Generation Corporation Limited (MePGCL)	35,614.46	23,696.75
<b>Wheeling Charges:</b>		
Meghalaya Power Transmission Corporation Limited (MePTCL)	10,764.00	8,328.00
<b>Interest:</b>		
Meghalaya Energy Corporation Limited (MeECL)	1,311.50	467.08
<b>Apportionment of Employee Benefit Expenses, made by:</b>		
Meghalaya Energy Corporation Limited (MeECL)	3,645.60	3,094.30

Apportionment of Employee Benefit Expenses had not been disclosed in the previous Financial Year. The same has been reflected in the current Financial Year.

**Note 29.4.5-**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars with regards to Related Party Remission of Current Liabilities	For the year ended 31st March, 2018	
	MePGCL	MePTCL
Payables with regards to preceding year (A)	20,574.52	8,099.61
<b>Less: Expenses of MePGCL and MePTCL borne by the Company:</b>		
Employee benefits expense	6,570.15	5,438.38
Finance costs	9,410.37	654.94
Other expenses (including SLDC Charges)	2,216.86	294.95
Prior period items (net)	(22.56)	8.50
Total Expenses (B)	18,174.82	6,396.78
Difference (A-B)	<b>2,399.71</b>	<b>1,702.83</b>
<b>Remission of Liabilities: -</b>		
Adjustment of Purchase of Power from Meghalaya Power Generation Corporation Limited (MePGCL)	<b>2,399.71</b>	-
Adjustment of Wheeling (Transmission) Charges from Meghalaya Power Transmission Corporation Limited (MePTCL)	-	<b>1,702.83</b>

The expenses of the related parties as mentioned in the table *supra* are borne by the Company. In the Financial Year 2015-16, remission of the said liabilities have been made to the tune of the liabilities remaining unsettled (after bearing the aforementioned expenses) for the previous two Financial Years i.e., 2014-15 and 2013-14. The remission of liabilities have transpired as the company has been incurring substantial losses over many years, and the liabilities thereby cannot be settled. Moreover, in continuance with this accounting policy, for the remission of liabilities pertaining to the Financial Year 2016-17, the unsettled liabilities raised during the previous Financial Year 2015-16 (as tabulated *supra*) have been taken into account.

However, from the Current Financial Year onwards, a change in accounting policy has ensued. No 'remission of liabilities' have thereby been booked.

Note 29.4.6- The details of Related Party Transactions have been mentioned vide Note 29.4 *supra*. The names and details of Related Parties, however, have been stated under relevant para of 'Note- 30 Additional Information'.



**Note 29.5- PRIOR PERIOD ADJUSTMENTS**

**Prior Period Expenses  
Financial Year 2017-18**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Amount	Nature
Power Purchase Costs (Short Provisioning)	0.0045	It relates to short provision on Power Purchase made during yester-years
Depreciation	169.64	It relates to depreciation under-provided during yester-years, with regards to REC Nongstoin Division.
Other Expenses	180.55	It relates to an adjustment made due to MSERC Tariff revision dated 31.03.17 in respect of PCPL Cross-Subsidy
	243.74	It relates to an adjustment made due to MSERC Tariff revision dated 31.03.17 in respect of GVIL Cross-Subsidy
	18.73	It relates to an adjustment made due to MSERC Tariff revision dated 31.03.17 in respect of RNB Cross-Subsidy
	443.02	
Administration, Operating and General Expenses	0.14	It relates to Statutory Audit Fees of Financial Year 2015-16
	12.36	It relates to Administrative and General Expenses of Previous Years (REC Division, Shillong). This expense which relates to DDUGJY was erroneously booked under RGGVY's Head of A/c. Administrative and General Expenses are not admissible under DDUGJY.
	12.50	
Repairs and Maintenance to Works	0.05	It relates to rectification entry towards expenses booked to Assets in Previous Years in East Khasi (Distribution) Division
<b>Total</b>	<b>625.21</b>	

**Financial Year 2016-17**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Amount	Nature
Administration, Operating and General Expenses	0.05	It relates to short provisioning of Statutory Audit dues during the Financial Year 2013-14 (which has been subsequently paid vide Voucher No. 143 dated the 22nd of December, 2016) and the same has been duly adjusted
<b>Total</b>	<b>0.05</b>	



**Prior Period Incomes**

**Financial Year 2017-18**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Amount	Nature
Depreciation	1.99	This pertains to rectification made towards withdrawal of assets, which were inadvertently converted in Financial Year 2016-17 in Central Revenue Division even though originally converted in Financial Year 2013-14.
Excess Provisions	77.58	This pertains to reverse entry passed in respect of SCADA EMS of SLDC which was incorporated in Financial Year 2016-17 under the Accounting Code 46.410. The amount pertains to amounts paid to PGCIL for the Cost of Construction, Installation of New SCADA Energy Management System. The same had been booked erroneously under Power Purchase cost in earlier years.
	0.16	This pertains to corrections made against excess provision of Cost Audit Fees made in Financial Year 2013-14
	77.74	
Other Incomes	11.97	This pertains to refund made by POSOCO on account of Truing-up of NERLDC Fees during Financial Year 2017-18.
	3,509.99	This pertains to rectification entry passed in respect of Related Party Power Purchase bills issued by Meghalaya Power Generation Corporation Limited (MePGCL) for the Financial Year 2016-17 which was inadvertently taken as ₹ 2,36,96,75,107/- instead of ₹2,01,86,76,311/- (Reference may be drawn to Adjustment Voucher No. 24 of Financial Year 2016-17)
	0.01	This pertains to correction made on expenditure for opening of Bank Account for Revenue Sub-Division, Chokpot which was wrongly booked as Miscellaneous expenses (East Garo Hills Distribution Division)
	0.07	This pertains to recovery of excess pay of Previous Years (Jowai Revenue Division)
	3,522.04	
<b>Total</b>	<b>3,601.76</b>	



**Financial Year 2016-17**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Amount	Nature
Interest income from Banks	812.48	It relates to rectifications against under-booking of interests on 'Investments in Term Deposits' over prior periods.
<u>Other Income:</u>		
Head-Quarters, Compilation Section	47.36	It represents the amount refunded by NERLDC pertaining to yester-year(s), during the current reporting period
East Khasi Hills	0.01	It represents the amount refunded by Smti R.R.Wahlang against Internal Audit para '4C 'Sl.No 3' vide Rt No. 20527 dated 25th of August, 2016.
Garo Hills Revenue Division Tura	(0.02)	This amount represents outstanding electricity bill recovery from the pay-bill of Shri. Lepinson R Marak for April, 2016 ( paid in May 2016 ) vide DB Nos. 05/16 dated 6th of May, 2016 ; CB Voucher No. 30 dated 4th of May, 2016
Jowai Revenue Division	0.54	This represents the Arrear Revision of Pay (ROP) and Pay and Allowances of Officers and Staffs
Ri Bhoi	0.48	This represents the Suppliers' bill under Deposit-works and amount recovered thereon based on Audit Objection in previous year(s).
	48.37	
Amortization of grants	96.21	Capital Reserve is inclusive of grants received from the government during previous years, which subsequently had not been amortised earlier. The grants thereby have been amortised to the full in the current financial year.
<b>Total</b>	<b>957.05</b>	



**Note 29.6 -PAYMENTS TO AUDITORS**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Name of the Firm	During the Financial year 2017-18	Name of the Firm	During the Financial year 2016-17
Statutory Audit	M/s Subhasis Bosu & Co.	0.20	M/s Ajit Paul & Co. (For the Financial Year 2013-14)	5.75
Secretarial Audit (Allotment from Holding Company)				
<b>Total</b>		<b>0.20</b>		<b>5.75</b>

Note 29.6.1- Liabilities created for Audit Fees payable to Auditors during the Financial year 2017-18 are as under: -

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Amount (₹)
Cost Audit Fees	0.50
Statutory Audit Fees	4.50
Secretarial Audit Fees	0.31
Tax Audit Fees	0.58
<b>Total</b>	<b>5.89</b>



**Note- 29.7- CHANGES IN PRESENTATION DUE TO RE-GROUPING OF PREVIOUS YEAR'S FIGURES**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As per Financial Statements of the Year 2016-17		As Per Financial Statements of the Year 2017-18		Differences	
	As at 31st March 2017	As at 1st April 2016	As at 31st March 2017	As at 1st April 2016	As at 31st March 2017	As at 1st April 2016
<b>Note 7- Other Current Assets</b>						
Meghalaya Power Generation Corporation Limited (MePGCL)- Receivables against Operations, Capital and Others	5,578.40	3,178.70	-	-	5,578.40	3,178.70
<b>Note 16- Other Current Liabilities</b>						
Meghalaya Power Generation Corporation Limited (MePGCL)- Payables against Operations, Capital and Others	(73,910.01)	(54,069.26)	(44,634.85)	(30,316.04)	(29,275.15)	(23,753.22)
					(23,696.75)	(20,574.52)
<b>Note 13 (b)- Financial Liabilities (Trade Payables)</b>						
Payables against Purchase of Power from Related Party i.e., MePGCL (Meghalaya Power Generation Corporation Limited)	-	-	(23,696.75)	(20,574.52)	23,696.75	20,574.52
<b>Note 7- Other Current Assets</b>						
Meghalaya Power Transmission Corporation Limited (MePTCL)- Receivables against Operations, Capital and Others	4,102.14	2,399.31	-	-	4,102.14	2,399.31
<b>Note 16- Other Current Liabilities</b>						
iii.) Meghalaya Power Transmission Corporation Limited (MePTCL)- Payables against Operations, Capital and Others	(28,413.61)	(19,816.18)	(15,983.47)	(9,317.26)	(12,430.14)	(10,498.92)
					(8,328.00)	(8,099.61)
<b>Note 13 (b)- Financial Liabilities (Trade Payables)</b>						
Payables against Transmission Charges from Related Party i.e., MePTCL (Meghalaya Power Transmission Corporation Limited)	-	-	(8,328.00)	(8,099.61)	8,328.00	8,099.61
<b>Note 16- Other Current Liabilities</b>						
Liabilities for Expenses	7,717.16	7,215.04	1,694.96	1,330.16	6,022.20	5,884.88
<b>Note 13 (b)- Financial Liabilities (Trade Payables)</b>						
Payables against Wheeling Charges	-	-	6,022.20	5,884.88	(6,022.20)	(5,884.88)
<b>Note 22- Employee Benefits Expenses</b>						
Salaries and wages	10,979.30	9,996.90	10,082.94	-	896.36	-
Contribution to provident and other funds	2,232.58	2,035.74	36.38	-	2,196.20	-
Staff Welfare Expenses	1.93	5.97	0.20	-	1.73	-
					3,094.30	-
<b>Note 22- Employee Benefits Expenses</b>						
Apportionment of Employee Benefit Expenses	-	-	3,094.30	-	(3,094.30)	-
<b>Note 23- Finance Costs</b>						
Cost of raising finance	65.23	56.95	-	-	65.23	-
<b>Note 25- Other Expenses</b>						
Franchisee Commission	-	-	65,225.24	-	(65.23)	-
<b>Note 25- Other Expenses</b>						
Bank Charges	-	-	10.60	-	(10.60)	-
<b>Note 23- Finance Costs</b>						
Other banking and guarantee charges	362.50	48.43	351.90	-	10.60	-
<b>Cash Flow Statement</b>						
<b>Adjustments for:</b>						
Depreciation & Amortization of Assets	1,028.48	1,006.94	1,506.12	-	(477.64)	-
Amortization of Grants	-	-	(477.64)	-	477.64	-



<b>Cash Flow Statement</b>						
<u>Operating Profit before Working Capital Changes</u>						
Other current assets	(24,477.27)	(946.23)	(20,374.74)	Presentation is not required	(4,102.54)	-
Other current liabilities	37,968.56	12,147.60	30,378.08		7,590.48	-
					3,487.94	-
<u>Operating Profit before Working Capital Changes</u>						
Trade payables	(10,989.89)	14,102.99	(7,501.95)		(3,487.94)	-
<b>Cash Flow Statement</b>						
<u>Operating Profit before Working Capital Changes</u>						
Other financial liabilities	(1,057.65)	6,183.86	2,096.53	Presentation is not required	(3,154.19)	-
<u>Cash Flow from Financing Activities:</u>						
Net Non-Current Borrowings	32,825.97	841.29	29,671.78		3,154.19	-
<b>Note 29- Other Specific Disclosures</b>						
<u>Adjusted EBDITA (Earnings before Depreciation, Interest, Tax and Amortization):</u>						
Other related Expenses allocated to Distribution	(16,575.34)	(12,597.36)	(16,651.17)	Presentation is not required	75.83	-
<u>Reconciliation of Adjusted EBDITA to Profit/ (Loss) before Tax:</u>						
Finance costs	(3,905.75)	(3,418.31)	(3,829.92)		(75.83)	-
<b>Note 29.4- Related Party Transactions</b>						
Note 29.4.4- Transactions with the Holding Company and Subsidiaries within the group:						
<u>Receivables (Other Current Assets):</u>						
<u>Meghalaya Power Generation Corporation Limited (MePGCL)-</u>				Presentation is not required		
Receivables against Operations, Capital and Others	(5,578.40)	(3,178.70)	-		(5,578.40)	-
<u>Related Party Payables:</u>						
<u>Meghalaya Power Generation Corporation Limited (MePGCL)-</u>						
Payables against Operations, Capital and Others	73,910.01	54,069.26	44,634.85		29,275.15	-
					23,696.75	-
<u>Trade Payables:</u>						
Payables against Purchase of Power from Related Party i.e., MePGCL (Meghalaya Power Generation Corporation Limited)	-	-	23,696.75		(23,696.75)	-
<b>Note 29.4- Related Party Transactions</b>						
Note 29.4.4- Transactions with the Holding Company and Subsidiaries within the group:						
<u>Receivables (Other Current Assets):</u>						
<u>Meghalaya Power Transmission Corporation Limited (MePTCL)-</u>				Presentation is not required		
Receivables against Operations, Capital and Others	(4,102.14)	(2,399.31)	-		(4,102.14)	-
<u>Related Party Payables:</u>						
<u>Meghalaya Power Transmission Corporation Limited (MePTCL)-</u>						
Payables against Operations, Capital and Others	28,413.61	19,816.18	15,983.47		12,430.14	-
					8,328.00	-
<u>Trade Payables:</u>						
Payables against Transmission Charges from Related Party i.e., MePTCL (Meghalaya Power Transmission Corporation Limited)	-	-	8,328.00		(8,328.00)	-

Note 29.7.1- With respect to the accounting heads in the Tally Accounting Software used by the Company, certain duplicate heads of accounts have been created over the years. This has on occasions led to debit transactions being punched in one accounting head, and credit in another. Furthermore, on certain other occasions, entries have been scattered sporadically over such duplicate heads. The actual balances are reflected only when such heads are netted off, and not viewed individually, due to the said anomaly. The process of identifying such heads is in continuous progress. Certain such opening balances of accounting heads have either been merged into the correct accounting heads or corrected through entries wherever possible, thereby bringing the book balances of such heads to their closest correct statuses.



**Note 29.8- DEFERRED TAX ASSET**

(All amounts in INR Lakhs, unless otherwise stated)

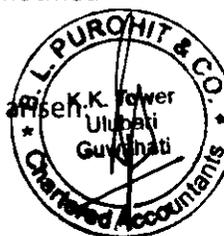
Particulars	Status as at the End of the Current Financial Year 2017-18	Status as at the Beginning of the Current Financial Year 2017-18
Business Loss/ Unabsorbed Depreciation	1,48,893.79	1,19,478.11
Substantively enacted Tax Rate	34.944%	34.944%
Deferred Tax Asset (a)	52,029.45	41,750.43
WDV of Depreciable 'Property Plant and Equipment' as per Books of Accounts	20,784.21	13,638.20
WDV of Block of Assets as per Income Tax Act, 1961	15,500.79	8,933.12
	5,283.42	4,705.08
Substantively enacted Tax Rate	34.944%	34.944%
Deferred Tax Liability (b)	1,846.24	1,644.14
<b>Net Deferred Tax Asset (a-b)</b>	<b>50,183.21</b>	<b>40,106.29</b>

Note 29.8.1- In accordance with IND-AS 12 (Income Taxes), 'Deferred Tax Asset' has emerged on account of the above computation; however, in absence of reasonable and virtual certainty to earn future profits sufficient to set off such assets, the same has not been recognized in the accounts.



### Note 30- ADDITIONAL INFORMATION

- I. Meghalaya Power Distribution Corporation Limited (MePDCL) was incorporated under the erstwhile Companies Act, 1956 on 18.12.2009. The company was entitled to commence business according to the Certificate for Commencement of Business issued by the Registrar of Companies, Meghalaya w.e.f. 17.03.2010. The authorized share capital of the company is ₹10,00,00,00,000.00 (Rupees One Thousand Crores) divided into 1,00,00,00,000.00 (One Hundred Crores) Equity Shares of ₹ 10.00 (Rupees Ten) each. The Company is a Government Company within the meaning of sub-section 45 of Section 2 of The Companies Act, 2013 and the entire Paid-up Equity Share Capital is held by the Holding Company i.e., Meghalaya Energy Corporation Limited (a company wholly owned by the Government of Meghalaya), except the equity shares allotted to Signatories of the Memorandum of Association of the company.
- II. At the time of formation of the Company, 50,000.00 (Fifty Thousand) Equity shares of ₹ 10.00 (Rupees Ten) each were allotted to various persons being the signatories of the Memorandum of Association of the company. However, the beneficial interests for all the shares lie with the Holding Company i.e., Meghalaya Energy Corporation Limited (MeECL). The names of the shareholders are available in the Memorandum of Association (MoA) and the Articles of Association (AoA) issued by the Company.
- III. In exercise of the power conferred under Section 131 of the Electricity Act, 2003 the Government of Meghalaya unbundled the Meghalaya State Electricity Board (MeSEB) into four companies i.e., Meghalaya Energy Corporation Limited (MeECL), the holding company, 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, vide "The Meghalaya Power Sector Reforms Transfer Scheme, 2010" notified by State Government of Meghalaya vide Notification No. Power-79/2009/290 dated 31.03.2010. Subsequently through an amendment in the Transfer Scheme, the State Government transferred all the assets and liabilities of Meghalaya State Electricity Board (MeSEB) to the holding company only. The subsidiaries which comprise of the generation utility, transmission utility and distribution utility were made operational w.e.f. 01.04.2012 after re-vesting of assets and liabilities by the holding company as per Notification No. Power-79/2009/Pt-1/422 dated 29.04.2015.
- IV. The company is continuing the process of getting its name incorporated in the various assets and liabilities transferred to it from the Holding company, i.e. Meghalaya Energy Corporation Limited (MeECL), as per the provisions of "The Meghalaya Power Sector Reforms Transfer Scheme, 2010". The charge or mortgage created against the assets of the company as securities in respect of the borrowings of the erstwhile Meghalaya State Electricity Board (MeSEB) and/or the holding company or vice versa, which have been subsequently transferred to the company as on 1<sup>st</sup> April, 2012 pursuant to the aforementioned Transfer Scheme notified by the State Government continue to be valid and binding on the company.
- V. No requirements for capitalization of Borrowing Costs during the reporting period have



## VI. Related Parties

Details of related parties as defined under sub-section 76 of section 2 of the Companies Act, 2013:

Description of relationship	Names of related parties
Holding Company	Meghalaya Energy Corporation Limited (MeECL)
Other subsidiaries of Holding Company	1. Meghalaya Power Generation Corporation Limited (MePGCL) 2. Meghalaya Power Transmission Corporation Limited (MePTCL)
Key Management Personnel (KMP)	1. Mr. Parmarsan Singh Thangkhiew, IAS, Chairman-cum-Managing Director (Date of Cessation – 30 <sup>th</sup> November, 2018) 2. Mr. Enrichwell Nongrum Chairman-cum-Managing Director (Date of Appointment – 13 <sup>th</sup> of December, 2018) Chairman-cum-Managing Director
	Mr. Abhishek Bhagotia, Director (Finance) & Chief Financial Officer (CFO) (Date of Cessation - 3 <sup>rd</sup> of November, 2017)
	1. Mr. Timothy Passah, Director (Distribution) (Date of Cessation – 31 <sup>st</sup> of December, 2017) 2. Mr. Klailang Nalle War, Director (Distribution)
	Mr. Gouri Sankar Mukherjee, Company Secretary

100% shares of the company are held by the Holding Company, Meghalaya Energy Corporation Limited (MeECL) and its nominees. All the shares of the Holding Company have been issued to the Hon'ble Governor, Government of Meghalaya. In light of the same, the company is a 'government-related entity' (with regards to the Government of Meghalaya) as defined by "Ind AS 24 (Related Party Disclosures)" i.e., an entity that is controlled, jointly controlled or significantly influenced by a government.

## VII. Foreign Currency Transactions

Particulars	As on 31.03.2018	As on 31.03.2017
Value of imports on CIF basis	Nil	Nil
Earnings in Foreign Currency	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil

VIII. Previous reporting periods' figures have been regrouped, recast and rearranged wherever possible and necessary to comply with the requirements of presentation as per Division



Schedule III to the Companies Act, 2013 and also to correspond with the current reporting period's other requisite classifications.

#### IX. Prior Period Adjustments

Ind AS 8- 'Accounting Policies, Changes in Accounting Estimates and Errors,' specifically states that, "A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error." In line with the same, the retrospective restatement of Prior Period Incomes and Prior Period Expenses of the Company have been rendered impracticable, due to *inter alia* the following reasons: -

- a) Data has not been collected in the prior periods in a way that allows retrospective application of any new accounting policy or gauging the impact of prospective application to prior periods or retrospective restatement to correct the concerned prior period errors.
- b) It is neither cost-effective nor practically feasible to recreate the information necessary for retrospective restatement of prior period errors.
- c) Even though cumulative effect of the errors can be reasonably established, the period-specific errors cannot be ascertained.

The aforementioned circumstances hold true for any changes in accounting policies and changes in accounting estimates during the year, unless expressly stated otherwise in the disclosures herein.

As a consequence of the above, the company has restated the balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable, i.e., for the current financial year 2016-17. The same policy has been followed with regards to the current financial year 2017-18. Details of the Prior Period Errors rectified during the period are stated vide the Notes *supra*.

#### X. Reconciliation

The books of accounts of the Company are reflective of certain negative balances. The reasons for the same having arisen, *inter alia*, include the following: -

- a. On occasions, negative balances have been carried over from yester years or vide Transfer Notifications during Restructure, Unbundling and/or Trifurcation as stated in Point I of this Note *supra* and remain subject to on-going reconciliation.
- b. Certain negative balances are subject to aggregation (i.e., recovery, payment, deduction, provisions, etc., have separate ledger heads created for the same cluster of activities).



c. In some cases negative balances have occurred due to inaccurate grouping or classification of ledger heads in the computerised books of accounts at the levels of underlying units under the Company's hierarchy. The process of reconciliation of the same is undergoing.

The reconciliation of the above shall be envisaged keeping in view both the cost-effectiveness and practical feasibility of undertaking the said reconciliation in subsequent periods.

Furthermore, certain balances of Outside Payables, Outside Receivables and Inter-unit Accounts remain subject to both confirmations from third-party or underlying units and/or subsequent reconciliations with respective third parties or underlying units. The ascertainment of the practical feasibility and cost-effectiveness of assuming the procedure is also under consideration. Thereby, figures pertaining to the said items as mentioned in financial statements are in confirmation with the books of accounts but remain subject to the said procedures.

In the light of the aforementioned bottlenecks existent during the process of preparation of financial statements, ascertainment of fair values in accordance with the relevant Indian Accounting Standards (Ind-AS) on a ledger-to-ledger basis has been rendered incapacitated. Remedial action to mitigate this problem is under process.

Amongst other things, following correspondences have been struck to sort out certain such issues: -

Reference	Subject sought to be reconciled or resolved
Letter No. ACT/ COMP/ POSITION/ 99-2008/ 81/ 101 sent from the Accounts Section on the 31 <sup>st</sup> of March, 2017 addressed to the Chief Engineer (Distribution)	Unadjusted heads of accounts viz., Inventories, Capital-work-in-Progress, Advances to Suppliers/ Contractors and Revenue Accounts.
Letter No. ACT/ COMP/ STOCK/ 2018/ 375/ 1 sent from the Accounts Section on the 13 <sup>th</sup> of April, 2018 addressed to All Drawing and Disbursing Officers of the Company	Outstanding Inventories, which have remained unadjusted in the books, with regards to: a.) Capital Stock (Work-in-Progress). b.) Operational and Maintenance Stock.
Letter No. ACT/ COMP/ ATD-ATC/ 2017-18/ 374/ 1 sent from the Accounts Section on the 29 <sup>th</sup> of March, 2018 addressed to All Drawing and Disbursing Officers of the Company	Long pending Outstanding ATDs (Advice Transfer Debits) in the books of accounts.
Letter No. ACT/ COMP/ CWIP/ PT-II/ 37/ 86/ 72 sent from the Accounts Section on the 29 <sup>th</sup> of October, 2018 addressed to The Executive Engineer, West Khasi Hills Distribution Division, Nongstoin	Deputation of Officers towards Conversion of Capital Works-in-Progress in the Division.
Letter No. ACT/ COMP/ CWIP/ PT-II/ 37/	Pending Conversion of Capital



86/ 69 sent from the Accounts Section on the 29 <sup>th</sup> of October, 2018 addressed to The Chief Engineer (RE), Shillong U/o	Progress with regards to RGGVY (Rajiv Gandhi Grameen Vidyutikaran Yojana) Scheme.
Letter No. ACT/ COMP/ CWIP/ PT-II/ 37/ 86/ 61 sent from the Accounts Section on the 24 <sup>th</sup> of August, 2018 addressed to All Drawing and Disbursing Officers of the Company	Pending Conversion and Status of Capital Works-in-Progress in all underlying Divisions.
Letter No. ACT/ COMP/ MePDCL/ FA/ 2017-18/ 368/ 20 dated the 5 <sup>th</sup> of December, 2018, addressed to the Chief Engineer (Distribution) and the Chief Engineer (Commercial) of the Company.	a.) Confirmation of Debtors Ledgers of Institutional Buyers. b.) Confirmation of Trade Payables from Outside Parties. c.) Reconciliation of Power Purchase Liabilities, Power Sale Receivables, Payables to PGCIL and ASEB. d.) Other related matters.

#### XI. Disclosures based on the Statement of Cash Flows:

- The components of cash and cash equivalents have been reflected in the Cash Flow Statement, and the amounts of the same are in tandem with those presented in the Balance Sheet.
- All significant cash and cash equivalents held by the entity are available for use by it, with the exception of certain balances which are subject to reconciliation and procedural modifications in accordance with Point No. X and IV of this Note.
- Separate disclosures have been made in related Notes *supra* in cases where cash flows have been representative of increase in operating capacity or for maintenance of operating capacity.
- As already stated, the company's 'single primary reportable business segment' is "Distribution of Power." In such a scenario, Segmental Cash Flows shall be synonymous with the Cash Flow Statement in entirety, and can be also be read in congruence with the Segment Information disclosed.

#### XII. Assets under Lease

In line with the last formal information presented by the Land Cell within the Holding Company, plots of land belonging to the group (parent and/or subsidiaries) have been taken on lease from various third parties. A summary of certain such instances is depicted hereunder: -

District	Location of the Land	Year of Acquisition	Area (in acres)
East Khasi Hills	Keating Road Sub-Station	1995	0.12
	NEHU Sub-Station	1986	12.3



	SE Fall Sub-Station	1995	0.35
South West Garo Hills	Garobadha	1990	1.00

The Company is undertaking the process of ascertaining all such similar assets which it has taken on lease. Furthermore, the proper bifurcation of such assets amongst the respective companies within the group is also under reconciliation, which is also in consonance with Point No. IV of this Note mentioned *supra*. Besides, determination of book values against all assets on lease is an ongoing process. In light of this, under Note 1- Property Plant and Equipment, no value-wise details of 'Assets on Lease' have been provided. The implementation of requirements in accordance with relevant Ind AS' also remains subject to the same impediment and shall be undertaken in subsequent years on mitigation of the same. Letter No. ACT/COMP/MeECL/FA/2017-18/369/14 dated the 04<sup>th</sup> of December, 2018 has been addressed to the Joint Secretary, MeECL, Shillong, towards furtherance of the aforesaid matter.

### XIII. Investment Properties

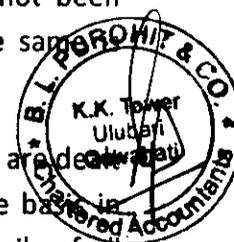
In line with the last formal information presented by the Land Cell within the Holding Company, plots of land belonging to the group (parent and/or subsidiaries) have been given on lease to various third parties. A summary of certain such instances is depicted hereunder: -

District	Location of the Land	Year of Acquisition	Area (in square meters)
Ri-Bhoi	Umiam Hydro-electric Project	1961	468
		1961	600
		1961	802.45

Company is undertaking the process of ascertaining all such similar assets which it has given on lease, and earning lease rentals thereon. Furthermore, the proper bifurcation of such assets amongst the respective companies within the group is also under reconciliation, which is also in consonance with Point No. IV of this Note mentioned *supra*. Besides, determination of book values against all such investment properties is an ongoing process. Moreover, the Notes to the Statement of Profit and Loss of the group is subject to inclusion of incomes which are of the nature of rental receipts, against unascertained investment properties. Proper bifurcation of such incomes amongst the correct companies within the group is also under reconciliation. Letter No. ACT/COMP/MeECL/FA/2017-18/369/14 dated the 04<sup>th</sup> of December, 2018 has been addressed to the Joint Secretary, MeECL, Shillong, towards furtherance of the aforesaid matter.

XIV. Requisite details of capital commitments and allied contractual obligations have not been entirely forthcoming from the underlying divisions. Thereby, ascertainment of the same is under progress.

XV. With regards to Contingent liabilities, it must be noted that cases against the company are decided by the Holding Company, and treatment thereafter meted out on case-to-case basis in accordance with the guidelines specified by the Holding Company itself. Hence, details of all

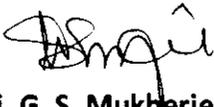


such cases are enumerated in the Annexures to the Separate Financial Statements of the Holding Company and the Consolidated Financial Statements of the group thereon. The Annexures enumerate the status of pending litigations and compensation along with status of theft of electricity, and other related matters.

With regards to income tax related issues, all cases of the company are being represented by the parent company, Meghalaya Energy Corporation Limited (MeECL). However, recognition of any liability thereon pertaining to unfavourable orders or judgments shall be passed on to the company.

XVI. In addition to the Significant Accounting Policies related to Property Plant and Equipment, it must be noted that ascertainment of impairment against any such asset has been deliberated to be taken up in course of subsequent reporting periods.

For and on behalf of the Board

  
Shri. G. S. Mukherjee  
Company Secretary  
M. No.: 20613

  
Shri Klailang Nalle War  
Director (Distribution)  
DIN: 08275249

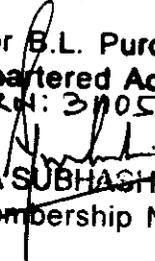
  
Shri Enrichwell Nongrum  
Chairman-cum-Managing Director  
DIN: 07499387

As per our report of even date attached

For M/s B L Purohit & Co  
Chartered Accountants  
(Firm Regn. No.SPA043)



Place: Shillong  
Date: 08/11/2019

For B.L. Purohit & CO.  
Chartered Accountants  
FRN: 31056E  
  
CA SUBHASH PUROHIT  
Membership No-059631