

**MEGHALAYA ENERGY CORPORATION
LIMITED
SHILLONG**



**STATEMENT OF ACCOUNTS
2013-2014**


MEGHALAYA ENERGY CORPORATION LIMITED
BALANCE SHEET AS AT 31st MARCH 2014


Particulars		Note No.	As At 31st March 2014	As At 31st March 2013
I.	EQUITY AND LIABILITIES			
(1)	Shareholders' funds	2	7,68,54,84,580	1,00,00,000
(a)	Share capital	3	(84,83,55,235)	(86,08,30,117)
(b)	Reserves & surplus		6,83,71,29,345	(85,08,30,117)
(2)	Equity Capital pending allotment	4	10,70,01,66,557	17,59,75,11,137
(3)	Non-current liabilities	5	-	-
(a)	Long-term borrowings	6	-	-
(b)	Other Long term liabilities		-	-
(4)	Current liabilities	7	-	-
(a)	Short-term borrowings	8	61,01,442	1,15,60,310
(b)	Trade payables	9	2,19,83,59,763	2,66,21,80,462
(c)	Other current liabilities	10	8,96,14,44,338	8,96,07,12,902
(d)	Short term provisions		11,16,59,05,543	11,63,44,53,674
	TOTAL		28,70,32,01,446	28,38,11,34,694
II.	ASSETS			
(1)	Non-current assets			
(a)	Fixed assets			
(i)	Tangible assets	11	12,57,15,385	12,97,09,737
(ii)	Capital Work in Progress	12	-	-
(b)	Non-current Investments	13	18,45,54,70,712	17,66,81,64,895
(c)	Other non current assets	14	-	-
			18,58,11,86,097	17,79,78,74,632
(2)	Current assets			
(a)	Inventories	15	2,88,37,019	11,42,08,853
(b)	Trade receivables	16	-	-
(c)	Cash & Bank Balances	17	1,64,87,17,216	2,05,52,99,403
(d)	Short-term loans and advances	18	2,54,31,950	(7,57,869)
(e)	Other current assets	19	8,41,90,29,165	8,41,45,09,676
			10,12,20,15,349	10,58,32,60,062
	TOTAL		28,70,32,01,446	28,38,11,34,694
	Significant accounting policies	1		
	Notes to the financial statements	27		


The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For Amit O P Sharma & Co.
Chartered Accountants
(Firm Regn. No.325831E)

For and on behalf of the board


CA Amit Sharma
Proprietor
M.No: 063463


(G S Mukherjee)
Company Secretary


(A Bhagotia)
Director (Finance)


(P B O Warjri)
Chairman-cum-Managing Director

Place:- Shillong

Date:- 1st February 2016 .

MEGHALAYA ENERGY CORPORATION LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2014

Particulars		Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
I	Revenue			
(a)	Revenue from Operations	20		
(b)	Other income			
	Total Revenue	21	13,03,40,932	5,87,47,148
			13,03,40,932	5,87,47,148
II.	Expenses:			
(a)	Employee benefits expense	22	8,03,46,627	
(b)	Finance costs	23	1,92,254	3,04,432
(c)	Depreciation & Amortisation expenses	24	77,56,070	85,13,823
(d)	Other expenses	25	3,69,43,855	6,72,41,582
(e)	Prior period items (net)	26	(73,72,756)	9,83,27,550
	Total Expenses		11,78,66,050	17,43,87,387
III.	Profit/(Loss) before exceptional and extraordinary items and tax (I-II)		1,24,74,882	(11,56,40,239)
IV.	Exceptional items			
V.	Profit/(Loss) before extraordinary items and tax (III-IV)		1,24,74,882	(11,56,40,239)
VI.	Extraordinary items			
VII.	Profit/(loss) before tax (V-VI)			
VIII.	Tax expense		1,24,74,882	(11,56,40,239)
(a)	Current Tax			
(b)	Deferred Tax			
IX.	Profit/(loss) for the year (VII-VIII)			
X.	Basic and Diluted Earnings per equity share (Face value of Rs. 10/- each):		1,24,74,882	(11,56,40,239)
	Significant accounting policies		0.02	(115.64)
	Notes to the financial statements	1		
		27		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Amit O P Sharma & Co.

Chartered Accountants

(Firm Regn. No.325831E)

For and on behalf of the board

Amit Sharma

CA Amit Sharma

Proprietor

M.No: 063463

G S Mukherjee

(G S Mukherjee)

Company Secretary

A Bhagotia

(A Bhagotia)

Director (Finance)

P B O Warjri

(P B O Warjri)

Chairman-cum-Managing Director

Place:- Shillong

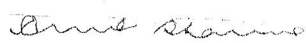
Date:- 1st February 2016

MEGHALAYA ENERGY CORPORATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Statement of Profit & Loss	1,24,74,882	(11,56,40,239)
Adjustments for:		
Depreciation & Amortization	77,56,070	85,13,823
Bad Debts and other misc. written off	-	-
Interest Income	(10,82,30,227)	(4,91,79,065)
Finance Cost	1,92,254	3,04,432
Operating Profit before Working Capital Changes	(8,78,07,021)	(15,60,01,049)
Adjustments for increase/decrease in:		
Inventories	8,53,71,834	(2,97,16,150)
Trade receivables	-	-
Long term loans & advances	-	-
Short term loans & advances	-	-
Other current assets	(2,61,89,819)	(10,58,959)
Other non current assets	(45,19,489)	(27,71,19,940)
Trade payables	-	2,39,77,262
Other current liabilities	(54,58,868)	1,47,23,916
Short term provisions	(46,38,20,699)	2,32,39,75,095
Other long term liabilities	7,31,436	8,83,75,464
Cash generated from Operations	(50,16,92,626)	1,98,71,55,639
Taxes Paid	-	-
Net Cash generated from Operations	(50,16,92,626)	1,98,71,55,639
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	10,82,30,227	4,91,79,065
Purchase of long term investment	(78,73,05,817)	(1,83,93,30,122)
Purchase of Fixed Assets & CWIP	(53,68,809)	(23,46,599)
Proceeds from sale of Fixed Assets	16,07,092	13,27,506
Net Cash from Investing Activities	(68,28,37,307)	(1,79,11,70,150)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from capital grants & subsidies	-	-
Proceeds from capital reserves	-	15,705
Increase/Decrease in long term borrowings	-	-
Finance Cost	(1,92,254)	(3,04,432)
Paid up capital	7,67,54,84,580	-
Equity Capital pending allotment	(6,89,73,44,580)	1,84,08,73,000
Net Cash from Financing Activities	77,79,47,746	1,84,05,84,273
Net Increase in Cash & Cash Equivalents (A+B+C)	(40,65,82,187)	2,03,65,69,762
Opening balance of Cash and Cash Equivalents	2,05,52,99,403	1,87,29,641
Closing balance of Cash and Cash Equivalents:	1,64,87,17,216	2,05,52,99,403
Consisting of:		
Cash in hand	65,472	65,131
Cash Imprests with Staff	5,46,269	2,83,829
-Balance with bank in Current accounts	4,10,33,077	26,01,47,449
-Balance with bank in deposit accounts	1,60,70,72,397	1,79,48,02,994
	1,64,87,17,216	2,05,52,99,403

As per our report of even date attached
For Amit O P Sharma & Co.
Chartered Accountants
(Firm Regn. No.325831E)

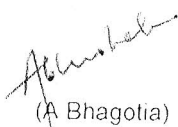
For and on behalf of the board



CA Amit Sharma
Proprietor



(G S Mukherjee)
Company Secretary



(A Bhagotia)
Director (Finance)



(P B O Warjri)
Chairman-cum-Managing Director

Note 2 Share capital

Particulars	As At	As At
	31st March 2014	31st March 2013
(a) Authorised 2,00,00,00,000 (Previous year 2,00,00,00,000) Equity Shares of Rs. 10 each	20,00,00,00,000	20,00,00,00,000
(b) Issued, subscribed and fully paid up 10,00,000 (Previous year 10,00,000) Equity Shares of Rs. 10 each	7,68,54,84,580	1,00,00,000
Total	7,68,54,84,580	1,00,00,000

2.1 The Company has only one class of equity shares, having a par value of Rs. 10 per share. Each shareholder is eligible to one vote per share held.

2.2 The 76,75,48,458 no. of Equity Shares have been issued to Governor, Government of Meghalaya amounting to Rs.7,67,54,84,580/- on January 08, 2014 @10/- per share.

2.3 Reconciliation of the number of shares outstanding: -

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
	No. of shares	Amount	No. of shares	Amount
Equity Shares at the beginning of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Add:- Shares issued during the year	76,75,48,458	7,67,54,84,580		
Equity Shares at the end of the year	76,85,48,458	7,68,54,84,580	10,00,000	1,00,00,000

2.4 Details of the shares held by each shareholder holding more than 5% shares:-

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
	No. of shares	% held	No. of shares	% held
Governor, Government of Meghalaya	76,85,48,458	100%	10,00,000	100%

Note 3 Equity Capital pending allotment

Particulars	Account Code No.	As At	For the year ended
		31st March 2014	31st March 2013
Equity Capital pending allotment	54.5	10,70,01,66,557	17,59,75,11,137
Total		10,70,01,66,557	17,59,75,11,137

3.1 Equity capital pending allotment represents the amount of equity capital allotted to the Governor, Government of Meghalaya in FY 2010-11 and onwards (including notification issued on dated April 29, 2015 by Government of Meghalaya).

3.2 The 24,07,30,340 no. of Equity Shares have been issued to Governor, Government of Meghalaya amounting to Rs.2,40,73,03,400/- on May 06, 2015 @10/- per share.

3.3 The 56,73,85,015 no. of Equity Shares have been issued to Governor, Government of Meghalaya amounting to Rs.5,67,38,50,150/- on May 27, 2015 @10/- per share. For balance amount shares will be allotted on completion of due procedure.

MEGHALAYA ENERGY CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

Note 4 Reserves & Surplus

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Consumer Contribution, Grants & Subsidies			
Opening Balance			5,69,04,24,485
Add:-Addition during the Year	55.1 to 55.3	-	-
Less: Transfer to Capital Reserve till date	55.8	-	-
Less: Accumulated Amortization till date	55.9	-	5,69,04,24,485
Subtotal		-	-
Less:-Amount transferred as per Transfer Scheme		-	5,69,04,24,485
Closing Balance		-	5,69,04,24,485
Capital Reserves			
Opening Balance			
Add:-Addition during the Year	56.2 & 56.3	15,705	9,25,42,724
Less:-Amount transferred as per Transfer Scheme		-	15,705
Closing Balance		15,705	9,25,42,724
Surplus in Statement of Profit & Loss			
Opening Balance			
Add:- Profit/(Loss) during the year as per Statement of Profit & Loss		-86,08,45,822	-3,20,41,24,362
Less:-Amount transferred as per Transfer Scheme		1,24,74,882	-11,56,40,239
Closing Balance		-84,83,70,940	-2,45,89,18,779
Total		-84,83,55,235	-86,08,30,117

Note 5 Long term borrowings

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
A. Secured			
B. Unsecured			
Total (A+B)		-	-

MEGHALAYA ENERGY CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

Note 6 Other long term liabilities

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Deposit for Electrification, Service Connection etc	47	-	-
Security Deposit from Consumers	48.1	-	-
Total		-	-

Note 7 Short term borrowings

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Unsecured Repayable on demand/Bank Overdrafts from Banks	50.2	-	-
Total		-	-

Note 8 Trade payables

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Liability for Purchase of Power	41.1 & 41.2	-	-
Liabilities for Capital Supplies	42.1 to 42.6	61,01,442	1,15,60,310
Total		61,01,442	1,15,60,310

8.1 Based on the information available with the company, there are no dues payable to an enterprise covered under the Micro, Small and Medium Enterprises Development Act, 2006.

Note 9 Other current liabilities

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Interest Accrued & Due	51.2	-	-
Repayment Due	51.1	-	-
Liability for Expenses	46.4	28,19,829	15,22,958
Amount payable to Suppliers	25.1 to 25.9	18,11,76,520	18,06,86,273
Deposit & Retention for O & M Supplies/Works	26.1 to 26.8	1,90,929	1,95,907
Payable to State Government	46.51	11,45,12,015	11,45,12,015
Other liabilities	46.9 & 49	1,06,41,18,575	1,04,57,82,509
Inter Company Payable	30-39 & 24.5-24.6	83,55,41,895	1,31,94,80,800
Total		2,19,83,59,763	2,66,21,80,462

Note 10 Short term provisions

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Staff related liabilities	44.1 to 44.6	8,95,03,30,367	8,93,65,98,931
Provision for Taxation for earlier years	46.8	1,11,13,971	2,41,13,971
Total		8,96,14,44,338	8,96,07,12,902

Sl.No.	Asset Group	Account Code	GROSS BLOCK		ACCUMULATED DEPRECIATION		NET BLOCK
			As at 31.03.2013	Addition during the year	Deduction during the year	As at 31.03.2014	
1	Land and land rights		5,33,99,693	10,11,392	10,10,513	5,34,00,572	5,34,00,572
2	Buildings		8,46,33,177	-	-	8,46,33,177	8,46,33,177
3	Hydraulic Works		1,88,471	-	-	1,88,471	1,88,471
4	Others Civil Works		2,40,69,291	-	-	2,40,69,291	2,40,69,291
5	Plant and Machinery		4,52,48,597	2,370	-	4,54,86,967	4,52,48,597
6	Lines and Cable Network		18,96,471	-	-	18,96,471	18,96,471
7	Vehicles		7,80,04,143	-	-	7,80,04,143	7,80,04,143
8	Furniture and Fixtures		*13,40,456	5,96,579	-	13,35,942	13,35,942
9	Office Equipment		2,10,09,477	-	-	2,10,09,477	2,10,09,477
TOTAL			33,52,20,154	16,07,092	13,84,101	33,89,81,871	33,52,20,154
PREVIOUS YEAR			33,42,57,666	23,46,599	19,70,63,189	33,52,20,154	33,52,20,154
			2,67,70,835	29,80,257	2,97,51,092	2,66,25,294	2,66,25,294
			1,52,38,381	63,89,487	1,78,52,330	1,52,38,381	1,52,38,381
			6,00,86,672	14,21,387	6,00,86,672	6,00,86,672	6,00,86,672
			2,03,59,469	58,05,430	2,03,59,469	2,03,59,469	2,03,59,469
			1,01,45,541	1,18,98,763	1,01,45,541	1,01,45,541	1,01,45,541
			21,32,66,486	12,97,09,737	21,32,66,486	21,32,66,486	21,32,66,486
			20,55,10,417	13,72,04,467	20,55,10,417	20,55,10,417	20,55,10,417
			56,595	12,97,09,737	56,595	12,97,09,737	12,97,09,737

MEGHALAYA ENERGY CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

Note 12 Capital work in progress

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Capital Work-in-progress	14	-	-
Total		-	-

Note 13 Non-current Investment

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Trade Investments (valued at cost)			
Investment in Equity Shares (Unquoted)			
Equity Shares in Subsidiaries			
50,000 (previous year 50,000) Equity Shares of Rs.10 each in Meghalaya Power Generation Corporation Limited	20.301	5,00,000	5,00,000
50,000 (previous year 50,000) Equity Shares of Rs.10 each in Meghalaya Power Transmission Corporation Limited	20.302	5,00,000	5,00,000
50,000 (previous year 50,000) Equity Shares of Rs.10 each in Meghalaya Power Distribution Corporation Limited	20.303	5,00,000	5,00,000
Equity Capital Pending Allotment in Subsidiaries			
-in Meghalaya Power Generation Corporation Limited	20.401	6,90,55,25,891	6,70,17,05,891
-in Meghalaya Power Transmission Corporation Limited	20.402	3,57,61,01,134	3,10,17,91,133
-in Meghalaya Power Distribution Corporation Limited	20.403	7,86,35,21,198	7,76,35,11,198
Staff Pension Fund & CPS Fund Investments	20.1	10,88,22,489	9,96,56,672
Total		18,45,54,70,712	17,66,81,64,895

Note 14 Other non current assets

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Deferred Expenditure	17.3 & 18.2	-	-
Total		-	-

Note 15 Inventories

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Materials Stock	22	2,88,37,019	11,42,08,853
Total		2,88,37,019	11,42,08,853

Note 16 Trade Receivables

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Outstanding for a period exceeding six months from the date they are due for payment			
-Secured, Considered Good (Secured against security deposit)		-	-
-Unsecured, Considered Good		-	-
Others			
-Secured, Considered Good (Secured against security deposit)		-	-
-Unsecured, Considered Good		-	-
Less:- Provision for Doubtful dues from Consumers		-	-
Total		-	-

MEGHALAYA ENERGY CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014
 Note 17 Cash & Bank Balances

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
(A) Cash & Cash Equivalents			
Cash	24.1	65,472	65,131
Cash Imprests with Staff	24.2	5,46,269	2,83,829
Balance with Banks (i) In Current Accounts	24.3, 24.4 & 24.7	4,10,33,077	26,01,47,449
Total (A)		4,16,44,819	26,04,96,409
(B) Other Bank Balances			
Bank FDs	20.2	1,60,70,72,397	1,79,48,02,994
Total (B)		1,60,70,72,397	1,79,48,02,994
Total (A+B)		1,64,87,17,216	2,05,52,99,403

Note 18 Short term loans & advances

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Unsecured, considered good			
Advances for O & M Supplies/Works	26.1-26.7 & 43.1-43.6	2,34,55,850	-18,16,828
Loans and Advances to Staff	27.1 to 27.2	19,63,815	10,46,674
Others - Unsecured, considered good	27.8	12,285	12,285
Total		2,54,31,950	-7,57,869

Note 19 Other current assets

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Other Sundry Debtors	28.1, 29.930 & 46.1	1,95,527	-13,46,778
Interest accrued on deposits	28.3	1,73,60,942	1,49,18,300
Recoveries from Ex-employees	28.4	9,30,387	4,60,267
Other Claims & Receivables	27.7, 27.8 & 46.3	64,422	-
Deposits	28.90	53,550	53,550
Receivables from State Govt against Terminal Benefits	28.89	8,40,04,24,337	8,40,04,24,337
Total		8,41,90,29,165	8,41,45,09,676

Note 20 Revenue from operations

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
A.			
B.*		-	-
Total (A+B)		-	-

MEGHALAYA ENERGY CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

Note 21 Other Income

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
A. Interest Income			
Interest from banks (Other than interest on fixed deposits)	62.270-62.273	2,93,069	3,20,433
Interest on loans and advances	62.211-62.216	75,650	1,47,344
Interest income from fixed deposits with banks	62.222	8,84,66,895	4,62,60,855
Interest income from other investments	62.223	1,93,94,613	24,50,433
Total (A)		10,82,30,227	4,91,79,065
B. Other Income			
Discount Received	62.260-62.264	-	-
Miscellaneous receipts	62.901-62.950	62,10,705	95,18,083
Income from Trading	62.321-62.360	-	50,000
Interest on overdue trade receivables	62.25	-	-
Revenue Grant	63.1	1,59,00,000	-
Total (B)		2,21,10,705	95,68,083
Total (A+B)		13,03,40,932	5,87,47,148

Note 22 Employee benefit expenses

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Salaries and wages	75.1 to 75.6 & 75.XXX	2,64,09,379	-
Contributions to PF, CPS and terminal benefits funds	75.8	5,39,37,248	-
Staff welfare expenses	75.7	-	-
Less: Capitalised to CWIP	75.9	8,03,46,627	-
Total		8,03,46,627	-

Note 23 Finance costs

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Interest Expense on borrowings	78.1, 2 & 5	-	-
Cost of raising finance	78.861-869	1,10,788	68,180
Other charges	78.881-889	81,466	2,36,252
Less: Capitalised	78.9	1,92,254	3,04,432
Total		1,92,254	3,04,432

Note 24 Depreciation & Amortisation Expenses

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Depreciation	77.1	77,56,070	85,13,823
Less:- Transferred from Reserve/Amortisation of grant		-	-
Total		77,56,070	85,13,823

MEGHALAYA ENERGY CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

Note 25 Other expenses

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
A. Repairs and Maintenance of Assets			
Consumption of Lubricants, stores, oil and spare parts	71.6	-	-
Plant and Machinery	74.1	-	26,032
Building	74.2	-	1,10,990
Hydraulics Work	74.3	-	-
Civil Works	74.4	-	-
Line Cable Net Works	74.5	-	-
Vehicles	74.6	2,09,212	66,756
Furniture and Fixture	74.7	7,21,674	6,79,995
Office Equipment	74.8	1,43,678	2,81,745
Total (A)		6,62,905	6,18,605
		17,37,469	-17,84,123
B. Administration and General Expenses			
Insurance	76.104-76.107	2,71,226	2,60,110
Rent, Rates and Taxes	76.101-76.103	5,46,028	6,36,141
Telegram, Postage, Telegraph and Telex charges	76.110-76.113	7,24,750	6,86,611
Training and conveyance	76.131-76.139	66,39,026	47,70,265
Printing and stationery	76.153	10,49,844	7,39,903
Consultancy Charges	76.123	2,01,80,618	3,03,35,023
Technical fees	76.124	-	1,02,500
Books & Periodicals	76.152	61,043	56,385
Fees & Subscription	76.151	-	4,00,061
Advertisement	76.155	9,40,925	11,79,049
Donation & Charity	76.157	-	-
Electricity Charges	76.158	-	-
Legal and professional	76.121 & 125	27,30,360	8,68,790
Payments to auditors	76.122	10,40,454	11,05,731
Stipend, Training expenses	76.126-76.129	4,60,059	99,146
Water Charges	76.160	-	-
Entertainment	76.162	2,01,764	2,15,063
Lab Testing	76.164	-	-
Freight & Forwarding	76.210-76.220	-	-
Other Purchase Related Expenses	76.230-76.290	-	-
Total (B)		1,38,871	-
		3,49,84,968	4,14,54,778
C. Other Expenses			
Bad Debts and other misc. written off	79.4-79.5	1,98,780	2,39,78,587
Miscellaneous expenses	76.19	22,638	24,094
Total (C)		2,21,418	2,40,02,681
D. Less: Capitalised			
	76.9	-	-
Total (A+B+C-D)		3,69,43,855	6,72,41,582

Note 26 Prior period items (net)

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
A. Income Relating to Previous Years			
Oil related gains of prior period	65.12	-	-
Excess provision for finance charges	65.7	-	12,82,375
Other excess provision & Other Income	65.6, 65.8 & 65.9	78,02,341	18,30,631
Total (A)		78,02,341	31,13,006
B. Prior Period Expenses/Losses			
Purchase of Power	83.1	-	-
Employee costs	83.5	3,91,889	12,31,420
Depreciation under provided in previous year	83.6	-	-
Interest & Other Finance Charges	83.7	-	-
Administrative Expenses	83.82	37,696	13,483
Others	83.81, 83.84 & 83.85	-	10,01,95,653
Total (B)		4,29,585	10,14,40,556
Total (A+B)		73,72,756	(9,83,27,550)

MEGHALAYA ENERGY CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

27. ADDITIONAL DISCLOSURE

- 27.1 Meghalaya Energy Corporation Limited (MeECL) was incorporated under the Companies Act, 1956 on 14.09.2009. The company was entitled to commence business according to the Certificate for Commencement of Business issued by the Registrar of Company, Meghalaya from 27.11.2009. The authorized share capital of the company is Rs.2,000 Crores divided into 200 Crores nos. of Equity Shares of Rs. 10 (Rupees Ten) only each. The Company is a Government Company within the meaning of Section 617 of The Companies Act, 1956 and entire Share Capital is held by the Government of Meghalaya except shares allotted to the Signatories of the Memorandum of Association of the company.
- 27.2 At the time of formation of the Company 10,00,000 (Ten Lacs) nos. of Equity share of Rs.10/- each was allotted to various persons being the signatories of the Memorandum of Association of the company. However, the beneficial interests for all the shares are laying with the Government of Meghalaya, more specifically with His Excellency the Governor of Meghalaya. The names of the shareholders are available in the Memorandum and Article of Association issued by the Company.
- 27.3 In exercise of the power conferred under Section 131 of the Electricity Act, 2003 the Govt. of Meghalaya unbundled the Meghalaya State Electricity Board (MeSEB) into four companies i.e. Meghalaya Energy Corporation Limited (MeECL), the holding company, Meghalaya Power Distribution Corporation Limited (MePDCL), the distribution utility, Meghalaya Power Generation Corporation Limited (MePGCL), the generation utility, Meghalaya Power Transmission Corporation Limited (MePTCL), the transmission utility vide "The Meghalaya Power Sector Reforms Transfer Scheme, 2010" notified by the Meghalaya State Govt. 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 MeSEB to the holding company only and subsidiaries namely generation utility, transmission utility and distribution utility were made operational w.e.f. April 01, 2012 after re-vesting of assets and liabilities by holding company as per notification no. Power-79/2009/Pt-1/422 dated April 29, 2015.

27.4 Details of government grants

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Government grants & subsidies received by the Company during the year	1,59,00,000	NIL
Grant & Subsidies (recognized under Reserves & Surplus)	NIL	NIL
Grant & Subsidies (recognized under Revenue)	1,59,00,000	NIL

27.5 Details of borrowing costs capitalised

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Borrowing costs capitalised during the year	NIL	NIL
As fixed assets / intangible assets / capital work-in-progress	NIL	NIL
As inventory	NIL	NIL

27.6 Capital work in Progress

Particulars	As on 31.03.2014	As on 31.03.2013
Capital expenditure work in progress	Nil	Nil
Others	Nil	Nil

27.7 Related party transactions

Details of related parties

Description of relationship	Names of related parties
Subsidiaries	1. Meghalaya Power Generation Corporation Ltd.
	2. Meghalaya Power Transmission Corporation Ltd.
	3. Meghalaya Power Distribution Corporation Ltd.
Key Management Personnel (KMP)	1. Mr. W.M.S. Pariat, IAS, Chairman-cum-Managing Director (Up to February 26, 2014)
	2. Mr. P.B.O. Warjri, IAS, Chairman-cum-Managing Director (With effective from February 26, 2014)
	3. Mr. D.P. Wahlang, IAS, Director (Finance) (Up to February 28, 2014)
	4. Mr. Pankaj Jain, IAS, Director (Finance) (With effective from February 28, 2014)
	5. Mr. M. Kharmujai, IAS, Director (Corporate Affairs)

	(Up to February 28, 2014)
	6. Mr. Abhishek Bhagotia, IAS, Director (Corporate Affairs)
	(With effective from February 28, 2014)
	7. Mr. B.K. Dev Varma, IAS, Director
	8. Mr. Jopthiaw Lyngdoh, IAS, Director
	(With effective from May 30, 2013)

There are no transaction during the year with any related party required to be reported other than transactions between state-controlled enterprises, as such as per Para 9 of Accounting Standard-18 the disclosures are not required.

27.8 Earnings per share

EPS has been calculated as under:

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Net profit / (loss) for the year	1,24,74,882	(11,56,40,239)
Number of equity shares	76,85,48,458	10,00,000
Value per share	10	10
Earnings per share – Basic	0.02	(115.64)
Earnings per share – Diluted	0.02	(115.64)

Company has not discontinued any operation during the financial year.

Company does not have any preference shares, outstanding warrants, stock options, share warrants and convertible bonds for the financial year causing any dilution effect.

27.9 Contingent Liabilities

Assessment Position in respect of Income Tax:

Following appeals are pending at different forum against the demand raised by Income Tax Authority.

S.No.	AY	Amount Involved	Forum	Subject/Matter
1	2004-05	Rs.7,34,24,501/-	IT Appellate Tribunal	MAT
2	2009-10	Rs.26,08,44,210/-	IT Appellate Tribunal	Income tax
3	2010-11	Rs.54,50,56,240/-	ACIT Appeal	Income tax

MeECL is representing all court cases related to MeECL & subsidiaries, although recognition of any liability due to any unfavorable order/judgment would be passed on respective companies.

Total 36 no. of cases are pending at various levels of Courts amounting, out of which Rs.2,49,05,165/- belongs to 10 cases and for rest cases amount could not be ascertained.

No. of cases belonging to MeECL, MePGCL, MePTCL and MePDCL are 3, 2, 1 and 30 respectively.

27.10 Terminal Benefits

The terminal benefit expenses comprising pension, medical allowance, DCRG, Ex. Gratia to company's retired employees & family pensioners and provision provided for pension, gratuity and leave encashment liabilities, contributory pension scheme etc. for existing employees during the financial year as per the terms of "The Meghalaya Government Power Sector Reforms Transfer Scheme 2010.". The terminal benefit liabilities have been estimated through projected unit credit method on detailed actuarial valuation as on March 31, 2012.

Particulars	As on 31.03.2014	As on 31.03.2013
Corporation's contribution made to CPS	61,97,081	41,48,732
Terminal benefits expenses paid to pensioners/family pensioners	53,89,98,023	49,23,87,559
Payment made to Pension Contribution to Deputationists	NIL	15,189
Payable against provision made for terminal benefits	NIL	3,23,38,348

The above figures are the total expenditure incurred during the year by MeECL. Out of this, 90% have been allocated (along with expenses of existing employees) to the subsidiaries in equal proportion among subsidiaries.

27.11 Receivables from Government of Meghalaya against Terminal Benefits

The company has receivables of Rs.840.04 crore from the Government of Meghalaya against terminal benefits of retired employees, family pensioners and existing employees of company as per the "Meghalaya Government Power Sector Reforms Transfer Scheme 2010". No provision has been made for the interest accrued on the same.

27.12 Payment to auditors:

The following provisions have been made in the books w.r.t. to Auditors' Fees:

Particulars	As on 31.03.2014	As on 31.03.2013
Statutory Audit	5,70,000	5,00,000
Tax Audit	34,832	28,090
AG Audit	2,00,000	2,00,000
Cost Audit	NIL	74,047

27.13 Net deferred tax (liability) / asset

In compliance of accounting standard relating to "Accounting for Taxes on Income" (AS- 22) issued by the Institute of Chartered Accountants of India and pursuant to accounting policy mentioned in note no. 1.14, in the absence of virtual certainty, the company has recognized deferred tax asset arising out of timing differences on account of unabsorbed depreciation, carry forward losses, and disallowances under the Income Tax Act only to the extent of deferred tax liability arising during the year, accordingly no provision for deferred tax is required in the statement of profit and loss.

27.14 Segment Reporting

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard – 17 Segment Reporting.

27.15 Foreign Currency Transactions

Particulars	As on 31.03.2014	As on 31.03.2013
Value of imports on CIF basis	Nil	Nil
Earnings in Foreign Currency	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil
Foreign Exchange Loss	Nil	Nil

27.16 There is no non-cancellable Lease as such, disclosure as per AS-19 is not required.


27.17 During the year, some of the accounting policies have been added / reworded / redrafted / modified for better presentation and to bring them in line with accounting standards.

27.18 The figures mentioned in the financial statements are in confirmation with the books of accounts and are subject to confirmation and reconciliation, if any.


27.19 Amounts stated in the financial statements are in Indian Rupees and have been rounded off to the nearest rupees.

27.20 Previous year's figures have been regrouped, recast and rearranged wherever possible and necessary to correspond with the current year's classification.


For and on behalf of the board


(G S Mukherjee)

Company Secretary


(A Bhagotia)

Director (Finance)


(P B O Warjri)

Chairman-cum-Managing Director

As per our report of even date attached

For Amit O P Sharma & Co

Chartered Accountants

(Firm Regn. No 325831E)



CA Amit Sharma

Proprietor

M.No: 063463



Place:- Shillong

Date:- 1st February 2016

MEGHALAYA ENERGY CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING POLICIES: -

The financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting principles and in accordance with the provisions of the Companies Act, 1956. However where there is a deviation from the provisions of the Companies Act, 1956 in preparation of these accounts, the corresponding provisions of Electricity Act, 2003 have been adopted.

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- a) The Company is a Public Limited company registered under the Provisions of the Companies Act, 1956 and has applied provisions of the said Act for the preparation of its Financial Statements, unless otherwise stated. The Financial Statements are prepared and presented under the historical cost convention on accrual basis of accounting as going concern, in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards referred to in subsection (3C) of section 211 of the companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. Accounting Policies have been followed consistently except stated specifically.
- b) The material known liabilities are provided for on the basis of available information/ estimates unless otherwise stated.

1.2 USE OF ESTIMATES

The presentation of Financial Statements requires certain estimates and assumptions. These estimates and assumption 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. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

1.3 FIXED ASSETS

- a) Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. The Fixed Assets of transferred undertaking of erstwhile Meghalaya State Electricity Board 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.
- b) In case of Fixed Assets for New Projects/ extensions/ renovation and modernization, the related expenses and interest cost up to the date of commissioning, attributable to such projects/ expansions/ renovation and modernization are capitalised.

1.4 CAPITAL WORK IN PROGRESS (CWIP)

- a) Cost of material consumed, erection charges and the incidental expenses incurred for the project/asset, pending for capitalization are shown as Capital Work in Progress till the capitalization of asset/project.
- b) In case of Capital Work in Progress for work against Deposits/ Work contract where the final settlement of bills with contractor is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.
- c) Claim for price variation/ exchange rate variation in case of capital contracts are accounted for an acceptance thereof by the Company.
- d) A portion of overhead expenses of Corporate Office and site Office determined on rational basis are allocated to the project, pro-rata to their capital expenditure for the year and the same are apportioned to respective capital work in progress accounts on the basis of accretion thereto.

1.5 BORROWING COST

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 period the project is commissioned or asset is put to use. The borrowing cost incurred on common funds borrowed generally and used for the purpose of obtaining a qualifying asset is, apportioned on rational basis, the remaining borrowing cost is charged to revenue.

1.6 CASH FLOW STATEMENT

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

1.7 IMPAIRMENT OF ASSETS

The Impairment of Assets i.e. "The cash generating unit" is defined in Accounting Standard-28 notified under the Companies Act, 1956 on "Impairment of Assets" are identified at the Balance sheet date with respect to carrying amount of the asset vis-a-vis its estimated revenue generation during balance useful life of that asset and the loss, if any, is recognized in Statement of Profit & Loss. Impairment loss, if any, to be reversed subsequently is accounted for in the year of reversal. The Company has adopted the policy of carrying out impairment test once in the span of every three financial years.

1.8 DEPRECIATION AND AMORTIZATION

Depreciation on Fixed Assets is charged under Straight Line Method as per the rates of depreciation prescribed by Central Electricity Regulatory Commission which is significantly different from those prescribed under Schedule XIV of Companies Act 1956.

1.9 INVESTMENT

Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are stated at cost price. Provision for diminution in the value of non-current Investment is made only if such decline is not temporary in nature in the opinion of the management.

1.10 INVENTORIES

- a) Stores and spares are valued at lower of the weighted average cost inclusive of freight and other allocable overheads or net realizable value.
- b) Scraps/Obsolete assets are valued at estimated cost or net realizable value, whichever is less.
- c) Stores and spares in transit are valued at cost plus freight and other incidental expenses.

1.11 REVENUE RECOGNITION

The Company has been incorporated with the objectives of acting as a Holding company of the Distribution, Generation & Transmission subsidiaries and for co-ordination and smooth functioning by providing ancillaries services to subsidiaries as defined in "The Meghalaya, Power Sector Reforms Transfer Scheme 2010". With effect from 1st April, 2012, the Distribution, Generation & Transmission activities of the company have been transferred to the respective Distribution, Generation & Transmission companies. Interest income has been accounted on accrual basis while Income from sale of scrap etc. is accounted on the basis of actual realization.

1.12 EXPENDITURE

All expenses are reflected in the financial statements under their natural heads. Employees expenses to the extent of 90% including proportionate share of terminal benefits expenses have been allocated to subsidiaries in equal proportion on accrual basis.

1.13 GRANT AND SUBSIDIES FROM THE GOVERNMENT

- a) In accordance with the Accounting Standard 12 on 'Accounting for Government Grants', notified under the Companies Act 1956, Grants and Subsidies received from Government are recognized on reasonable certainty of its realisability.
- b) Grants and Subsidies received for the specific assets are disclosed as Grants on Liabilities side and amortized in proportion of depreciation every year for depreciable assets acquired. On acquisition of Non depreciable assets, the cost of asset acquired is transferred from Grant account to Capital Reserve and kept intact.
- c) Grants & Subsidies on Revenue Accounts are disclosed separately as Income in the Statement of Profit & Loss.

1.14 TAXATION

Tax expense comprises current income tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provision of Income Tax Act 1961. Deferred tax is recognised, on timing difference, being the difference between taxable incomes 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 enacted and are substantively enacted as on the Balance Sheet date. 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.

1.15 PRIOR PERIOD ITEMS AND EXTRAORDINARY ITEMS

Adjustments arising due to errors or omission in the Financial Statements of earlier years are accounts for under "Prior Period". Items of Income & Expenditure, which are not of recurring nature viz. damages due to floods, earth quakes etc., are disclosed as extra ordinary.

1.16 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.17 EMPLOYEE BENEFITS

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of pension fund, gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method on recent detailed actuarial valuation carried out at March 31, 2012. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line

basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

1.18 LEASES

Operating lease payments/income is recognised in the statement of Profit & Loss on a straight line basis over the lease term.

1.19 TRANSACTIONS IN FOREIGN CURRENCY

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

- (15/09/06)
- b) Monetary items denominated in foreign currencies at the year end are restated at the year end rates.
 - c) Any income or expenses on account of exchange rate difference either on settlement or on transaction is recognised in the Statement of Profit & Loss.
- (15/09/06)
- (15/09/06)