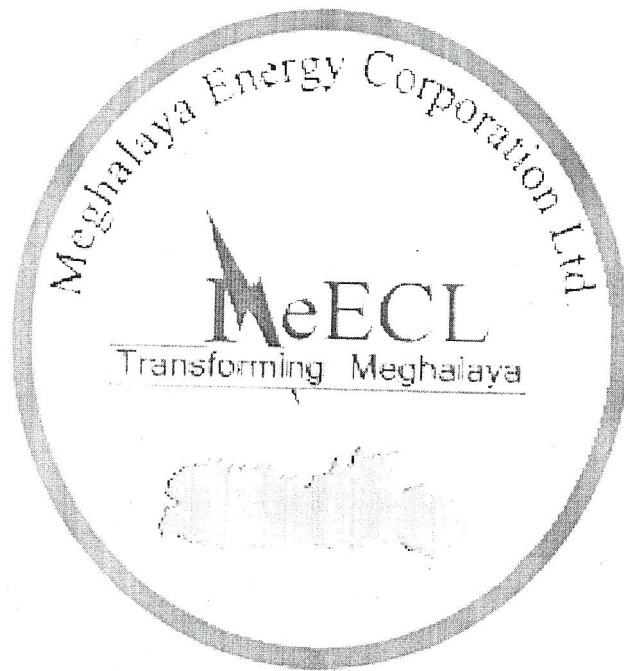


**MEGHALAYA ENERGY CORPORATION  
LIMITED  
SHILLONG**



**STATEMENT OF ACCOUNTS**

**2014-2015**

**MEGHALAYA ENERGY CORPORATION LIMITED**

CIN : U40101ML2009SGC008374

**BALANCE SHEET AS AT 31st MARCH 2015**

Particulars		Note No.	As At 31st March 2015	As At 31st March 2014
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholders' funds</b>			
(a)	Share capital	2	7,68,54,84,580	7,68,54,84,580
(b)	Reserves & surplus	4	(99,57,02,253)	(84,83,55,235)
			6,68,97,82,327	6,83,71,29,345
(2)	Equity Capital pending allotment	3	11,93,09,28,257	10,70,01,66,557
(3)	<b>Non-current liabilities</b>			
(a)	Long-term borrowings	5	-	-
(b)	Other Long term liabilities	6	-	-
			-	-
(4)	<b>Current liabilities</b>			
(a)	Short-term borrowings	7	-	-
(b)	Trade payables	8	-	-
(c)	Other current liabilities	9	92,03,94,363	2,19,83,59,763
(d)	Short term provisions	10	9,07,13,63,742	8,96,14,44,338
			9,99,17,58,106	11,15,98,04,101
	<b>TOTAL</b>		<b>28,61,24,68,690</b>	<b>28,69,71,00,004</b>
<b>II.</b>	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
(a)	Fixed assets			
(i)	Tangible assets	11	12,06,98,979	12,57,15,385
(ii)	Capital Work in Progress	12	-	-
(b)	Non-current Investments	13	19,69,73,57,922	18,45,54,70,712
(c)	Other non current assets	14	-	-
			19,81,80,56,901	18,58,11,86,097
(2)	<b>Current assets</b>			
(a)	Inventories	15	5,49,50,994	2,88,37,019
(b)	Trade receivables	16	-	-
(c)	Cash & Bank Balances	17	31,01,32,408	1,64,87,17,216
(d)	Short-term loans and advances	18	3,14,25,667	1,93,30,508
(e)	Other current assets	19	8,39,79,02,721	8,41,90,29,165
			8,79,44,11,789	10,11,59,13,907
	<b>TOTAL</b>		<b>28,61,24,68,690</b>	<b>28,69,71,00,004</b>
	Significant accounting policies	1		
	Notes to the financial statements	28		

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)



**CA Amit Sharma**  
Proprietor  
M.No: 063463



(V Kr Mantri)  
Director (Corporate Affairs)  
DIN:07499257



(G S Mukherjee)  
Company Secretary  
M.No.: 20613

For and on behalf of the board



(P S Thangkhiew)  
Chairman-cum-Managing Director  
DIN:07499233



(M S S Rawat)  
Chief Accounts Officer

Place:- Shillong

Date:- 30.11.16



**MEGHALAYA ENERGY CORPORATION LIMITED**  
**CIN : U40101ML2009SGC008374**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2015**

Particulars		Note No.	For the year ended 31st March 2015	For the year ended 31st March 2014
I.	<b>Revenue</b>			
(a)	Reimbursement from subsidiaries	20	-	-
(b)	Other income	21	5,08,79,242	13,03,40,932
	<b>Total Revenue</b>		<b>5,08,79,242</b>	<b>13,03,40,932</b>
II.	<b>Expenses:</b>			
(a)	Power Purchase Cost	22	-	-
(b)	Employee benefits expense	23	12,65,57,607	8,03,46,627
(c)	Finance costs	24	37,879	1,92,254
(d)	Depreciation & Amortisation expenses	25	67,49,177	77,56,070
(e)	Other expenses	26	6,66,63,818	3,69,43,855
(f)	Prior period items (net)	27	(17,82,221)	(73,72,756)
	<b>Total Expenses</b>		<b>19,82,26,260</b>	<b>11,78,66,050</b>
III.	<b>Profit/(Loss) before exceptional and extraordinary items and tax (I-II)</b>		<b>(14,73,47,018)</b>	<b>1,24,74,882</b>
IV.	Exceptional items		-	-
V.	<b>Profit/(Loss) before extraordinary items and tax (III-IV)</b>		<b>(14,73,47,018)</b>	<b>1,24,74,882</b>
VI.	Extraordinary items		-	-
VII.	<b>Profit/(loss) before tax (V-VI)</b>		<b>(14,73,47,018)</b>	<b>1,24,74,882</b>
VIII.	Tax expense		-	-
(a)	Current Tax		-	-
(b)	Deferred Tax		-	-
IX.	<b>Profit/(loss) for the year (VII-VIII)</b>		<b>(14,73,47,018)</b>	<b>1,24,74,882</b>
X.	Basic Earnings per equity share		(0.19)	12.47
XI.	Diluted Earnings per equity share (Face value of Rs. 10/- each):		(0.08)	
	Significant accounting policies	1		
	Notes to the financial statements	28		

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

  
(V Kr Mantri)  
**Director (Corporate Affairs)**  
DIN:07499257

  
(P S Thangkhiew)  
**Chairman-cum-Managing Director**  
DIN:07499233

  
(G S Mukherjee)  
**Company Secretary**  
M.No.: 20613

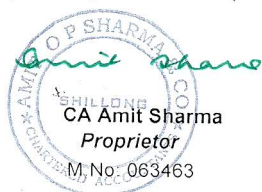
  
(M S S Rawat)  
**Chief Accounts Officer**

Place:- Shillong  
Date:- 30.11.16

**MEGHALAYA ENERGY CORPORATION LIMITED**  
CIN : U40101ML2009SGC008374  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015**

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax as per Statement of Profit & Loss	(14,73,47,018)	1,24,74,882
Adjustments for :		
Depreciation & Amortization	67,49,177	77,56,070
Bad Debts and other misc. written off	-	-
Interest Income	(99,43,162)	(10,82,30,227)
Finance Cost	37,879	1,92,254
Operating Profit before Working Capital Changes	<b>(15,05,03,124)</b>	<b>(8,78,07,021)</b>
Adjustments for increase/decrease in:		
Inventories	(2,61,13,975)	8,53,71,834
Trade receivables	-	-
Long term loans & advances	-	-
Short term loans & advances	(1,20,95,159)	(2,61,89,819)
Other current assets	2,11,26,444	(45,19,489)
Other non current assets	-	-
Trade payables	-	(54,58,868)
Other current liabilities	(1,27,79,65,400)	(46,38,20,699)
Short term provisions	10,99,19,404	7,31,436
Other long term liabilities	-	-
<b>Cash generated from Operations</b>	<b>(1,33,56,31,810)</b>	<b>(50,16,92,626)</b>
Taxes Paid		
<b>Net Cash generated from Operations</b>	<b>(1,33,56,31,810)</b>	<b>(50,16,92,626)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Income	99,43,162	10,82,30,227
Purchase of long term investment	(1,24,18,87,210)	(78,73,05,817)
Purchase of Fixed Assets & CWIP	(17,32,771)	(53,68,809)
Proceeds from sale of Fixed Assets	-	16,07,092
<b>Net Cash from Investing Activities</b>	<b>(1,23,36,76,819)</b>	<b>(68,28,37,307)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from grants & subsidies	-	-
Proceeds from capital reserves	-	-
Increase/Decrease in long term borrowings	-	-
Finance Cost	(37,879)	(1,92,254)
Paid up capital	-	7,67,54,84,580
Equity Capital pending allotment	1,23,07,61,700	(6,89,73,44,580)
<b>Net Cash from Financing Activities</b>	<b>1,23,07,23,821</b>	<b>77,79,47,746</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(1,33,85,84,808)</b>	<b>(40,65,82,187)</b>
Inter Company Payable/(Receivable)		
Opening balance of Cash and Cash Equivalents	1,64,87,17,216	2,05,52,99,403
Closing balance of Cash and Cash Equivalents:	31,01,32,408	1,64,87,17,216
Consisting of:		
Cash in hand	66,185	65,472
Cash Imprests with Staff	5,58,641	5,46,269
-Balance with bank in Current accounts	28,99,91,765	4,10,33,077
-Balance with bank in deposit accounts	1,95,15,816	1,60,70,72,397
	<b>31,01,32,408</b>	<b>1,64,87,17,216</b>

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

  
(V Kr Mantri)  
Director (Corporate Affairs)  
DIN:07499257

  
(G S Mukherjee)  
Company Secretary  
M.No.: 20613

For and on behalf of the board

  
(P S Thangkhiew)  
Chairman-cum-Managing Director  
DIN:07499233

  
(M S S Rawat)  
Chief Accounts Officer

Place:- Shillong

Date:- 30.11.16

**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, 2013. However where there is a deviation from the provisions of the Companies Act, 2013 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, 2013 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 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, 2013 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 II of Companies Act 2013.

## **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 1<sup>st</sup> April, 2012, the Distribution, Generation & Transmission activities of the company have been transferred to the respective Distribution, Generation & Transmission companies. Interest income and 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 2013, 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.
- 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.

MEGHALAYA ENERGY CORPORATION LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2016

Note 2 Share capital

Particulars	As At	As At
	31st March 2015	31st March 2014
(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 76,75,48,458 (Previous year 76,75,48,458) Equity Shares of Rs. 10 each	7,68,54,84,580	7,68,54,84,580
<b>Total</b>	<b>7,68,54,84,580</b>	<b>7,68,54,84,580</b>

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	As at 31st March 2015		As at 31st March, 2014	
	No. of shares	Amount	No. of shares	Amount
Equity Shares at the beginning of the year	76,85,48,458	7,68,54,84,580	76,85,48,458	7,68,54,84,580
Add:- Shares issued during the year	-	-	-	-
Equity Shares at the end of the year	76,85,48,458	7,68,54,84,580	76,85,48,458	7,68,54,84,580

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

Particulars	As at 31st March 2015		As at 31st March, 2014	
	No. of shares	% held	No. of shares	% held
Governor, Government of Meghalaya	76,85,48,458	100%	76,85,48,458	100%

Note 3 Equity Capital pending allotment

Particulars	Account Code No.	As At	As at 31st March,
		31st March 2015	2014
Equity Capital pending allotment	54.5	11,93,09,28,257	10,70,01,66,557
<b>Total</b>		<b>11,93,09,28,257</b>	<b>10,70,01,66,557</b>

3.1 Equity capital pending allotment represents the amount of shares allotted to the Hon'ble Governor 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. For balance amount shares will be allotted on completion of due procedure.

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 2016

Note 4 Reserves & Surplus

Particulars	Account Code No.	As At 31st March 2015	As At 31st March 2014
<b>Consumer Contribution, Grants &amp; Subsidies</b>			
Opening Balance		-	-
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	-	-
Subtotal		-	-
Closing Balance		-	-
<b>Capital Reserves</b>			
Opening Balance	56.2 & 56.3	15,705	15,705
Add:-Addition during the Year		-	-
Closing Balance		15,705	15,705
<b>Surplus in Statement of Profit &amp; Loss</b>			
Opening Balance		-84,83,70,940	-86,08,45,822
Add:- Profit/(Loss) during the year as per Statement of Profit & Loss		-14,73,47,018	1,24,74,882
Closing Balance		-99,57,17,958	-84,83,70,940
<b>Total</b>		<b>-99,57,02,253</b>	<b>-84,83,55,235</b>

MEGHALAYA ENERGY CORPORATION LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2015  
 Note 5 Long term borrowings

Particulars	Account Code No.	As At 31st March 2015	As At 31st March 2014
<u>A. Secured</u>			
<u>B. Unsecured</u>			
Loan From Agriculture Finance Corporation (Afc)	53.2	-	-
<b>Total (A+B)</b>		-	-

MEGHALAYA ENERGY CORPORATION LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2015

Note 6 Other long term liabilities

Particulars	Account Code No.	As At 31st March 2015	As At 31st March 2014
Deposit for Electrification, Service Connection etc.	47	-	-
Security Deposit from Consumers	48.1	-	-
<b>Total</b>		-	-

Note 7 Short term borrowings

Particulars	Account Code No.	As At 31st March 2015	As At 31st March 2014
<u>Unsecured</u>			
Repayable on demand/Bank Overdrafts from Banks	50.2	-	-
<b>Total</b>		-	-

**Note 8 Trade payables**

Particulars	Account Code No.	As At	As At
		31st March 2015	31st March 2014
Liability for Purchase of Power	41.1 & 41.2		
<b>Total</b>		-	-

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	As At
		31st March 2015	31st March 2014
Interest Accrued & Due on loan from State Government	51.2	-	-
Current Maturities of Long Term Debts	51.1	-	-
Liability for Expenses	46.4	17,37,945	28,19,829
Amount payable to Suppliers	25.1 to 25.9	18,15,62,918	18,11,76,520
Advances for O & M Supplies/Works	26.1 to 26.8	1,69,045	1,90,929
Payable to State Government	46.51	11,45,12,015	11,45,12,015
Other liabilities	46.9 & 49	1,11,85,07,276	1,06,41,18,575
Inter Company Payable	30-39 & 24.5-24.6	-49,60,94,835	83,55,41,895
<b>Total</b>		<b>92,03,94,363</b>	<b>2,19,83,59,763</b>

**Note 10 Short term provisions**

Particulars	Account Code No.	As At	As At
		31st March 2015	31st March 2014
Staff related liabilities	44.1 to 44.6	9,07,42,49,771	8,95,03,30,367
Provision for Taxation for earlier years	46.8	-28,86,029	1,11,13,971
<b>Total</b>		<b>9,07,13,63,742</b>	<b>8,96,14,44,338</b>

Note 11 Fixed Assets

Bl.No.	Asset Group	Account Code	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
			As at 31.03.2014	Addition during the year	Deduction during the year	As at 31.03.2015	As at 31.03.2014	Depreciation for the year	Adjustment or Deduction	As at 31.03.2015		
	Land and land rights	10.1	5,34,00,572	-	879	5,33,99,693	-	-	27,76,214	6,10,47,688	2,63,61,703	5,33,99,693
	Buildings	10.2	8,46,33,177	-	-	8,46,33,177	5,82,71,474	-	27,76,214	6,10,47,688	2,63,61,703	5,33,99,693
	Hydraulic Works	10.3	1,88,471	-	-	1,88,471	82,050	-	9,951	92,002	1,06,421	96,469
	Others Civil Works	10.4	2,40,69,291	-	-	2,40,69,291	2,05,20,315	-	3,57,738	2,08,78,053	35,48,976	31,91,238
	Plant and Machinery	10.5	4,52,50,967	13,68,222	-	4,66,19,189	3,97,93,878	-	1,73,989	3,99,67,867	54,57,089	66,51,377
	Lines and Cable Network	10.6	18,96,471	-	-	18,96,471	14,21,387	-	85,444	15,06,831	4,75,084	1,89,640
	Vehicles	10.7	7,87,48,020	-	-	7,87,48,020	6,00,86,672	-	18,01,550	6,18,88,222	1,86,61,348	1,68,59,298
	Furniture and Fixtures	10.8	2,10,43,811	44,032	-	2,10,87,843	1,52,38,381	-	5,12,515	1,57,50,896	58,05,430	53,36,947
	Office Equipment	10.9	2,97,51,092	3,21,396	-	3,00,72,488	1,78,52,330	-	10,31,776	1,88,84,105	1,18,98,762	1,11,88,183
	TOTAL		33,89,81,872	17,33,650	879	34,07,14,643	21,32,66,487	-	67,49,177	22,00,15,663	12,57,15,385	12,06,98,979



MEGHALAYA ENERGY CORPORATION LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2016

Note 12 Capital work in progress

Particulars	Account Code No.	As At 31st March 2015	As At 31st March 2014
Capital Work-in-progress Advance to Supplier (Capital Expenses)	14 25.1 to 25.9	-	-
<b>Total</b>		-	-

Note 13 Non-current Investment

Particulars	Account Code No.	As At 31st March 2015	As At 31st March 2014
<b>Trade Investments (valued at cost)</b>			
<b>Investment in Equity Shares (Unquoted)</b>			
<b>Equity Shares in Subsidiaries</b>			
50,000 (previous year 50,000) Equity Shares of Rs.10 each fully paid up in Meghalaya Power Generation Corporation Limited (MePGCL)		5,00,000	5,00,000
50,000 (previous year 50,000) Equity Shares of Rs.10 each fully paid up in Meghalaya Power Transmission Corporation Limited (MePTCL)		5,00,000	5,00,000
50,000 (previous year 50,000) Equity Shares of Rs.10 each fully paid up in Meghalaya Power Distribution Corporation Limited (MePDCL)		5,00,000	5,00,000
<b>Equity Capital Pending Allotment in Subsidiaries</b>			
-in Meghalaya Power Generation Corporation Ltd.	20.401	7,79,12,25,891	6,90,55,25,891
-in Meghalaya Power Transmission Corporation Ltd.	20.402	3,77,31,62,834	3,57,61,01,133
-in Meghalaya Power Distribution Corporation Ltd.	20.403	8,01,15,21,198	7,86,35,21,198
Staff Pension Fund Investment in Govt or Trust Securities	20.1	11,99,47,999	10,88,22,489
<b>Total</b>		<b>19,69,73,57,922</b>	<b>18,45,54,70,712</b>

Note 14 Other non current assets

Particulars	Account Code No.	As At 31st March 2015	As At 31st March 2014
Deferred Expenditure	17.3 & 18.2	-	-
<b>Total</b>		-	-

Note 15 Inventories

Particulars	Account Code No.	As At 31st March 2015	As At 31st March 2014
Materials Stock	22	5,49,50,994	2,88,37,019
<b>Total</b>		<b>5,49,50,994</b>	<b>2,88,37,019</b>

Note 16 Trade Receivables

Particulars	Account Code No.	As At 31st March 2015	As At 31st March 2014
<u>Outstanding for a period exceeding six months from the date they are due for payment</u>			
-Secured, Considered Good (Secured against security deposit)		-	-
-Unsecured, Considered Good		-	-
<u>Others</u>			
-Secured, Considered Good (Secured against security deposit)		-	-
-Unsecured, Considered Good		-	-
Less:- Provision for Doubtful dues from Consumers	23.9	-	-
<b>Total</b>		-	-

MEGHALAYA ENERGY CORPORATION LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2016  
 Note 17 Cash & Bank Balances

Particulars	Account Code No.	As At 31st March 2015	As At 31st March 2014
<b>(A) Cash &amp; Cash Equivalents</b>			
Cash	24.1	66,185	65,472
Cash Imprests with Staff	24.2	5,58,641	5,46,269
Balance with Banks			
(i) In Current Accounts	24.3, 24.4 & 24.7	28,99,91,765	4,10,33,077
		-	-
<b>Total (A)</b>		<b>29,06,16,592</b>	<b>4,16,44,819</b>
<b>(B) Other Bank Balances</b>			
Bank FDs	20.2	1,95,15,816	1,60,70,72,397
<b>Total (B)</b>		<b>1,95,15,816</b>	<b>1,60,70,72,397</b>
<b>Total (A+B)</b>		<b>31,01,32,408</b>	<b>1,64,87,17,216</b>

Note 18 Short term loans & advances

Particulars	Account Code No.	As At 31st March 2015	As At 31st March 2014
<b>Unsecured, considered good</b>			
Advances for O & M Supplies/Works	43.1-43.6	2,49,73,786	2,34,55,850
Loans and Advances to Staff	27.1 to 27.2	27,02,580	19,63,815
Advance Income Tax & Tax deducted at source	27.4	-	-
Others - Unsecured, considered good	27.8	12,285	12,285
Advance to Capital Suppliers	42.1 to 42.6	37,37,016	-61,01,442
<b>Total</b>		<b>3,14,25,667</b>	<b>1,93,30,508</b>

Note 19 Other current assets

Particulars	Account Code No.	As At 31st March 2015	As At 31st March 2014
Other Sundry Debtors	28.1 & 46.1	-29,04,369	1,95,527
Income accrued & due	28.2	-	-
Interest accrued on deposits	28.3	-	1,73,60,942
Recoveries from Ex-employees	28.4	2,64,781	9,30,387
Other Claims & Receivables	46.3	64,422	64,422
Deposits	28.9	53,550	53,550
Receivables from State Govt against Terminal Benefits	28.89	8,40,04,24,337	8,40,04,24,337
<b>Total</b>		<b>8,39,79,02,721</b>	<b>8,41,90,29,165</b>

Note 20 Revenue from operations

Particulars	Account Code No.	For the	For the
<b>A. Reimbursement for ancillaries services form Subsidiaries</b>			
		-	-
<b>Total (A+B)</b>		<b>-</b>	<b>-</b>

MEGHALAYA ENERGY CORPORATION LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2015

Note 21 Other Income

Particulars	Account Code No.	For the year ended 31st March 2015	For the year ended 31st March 2014
<b>Interest Income</b>			
From Banks	62.270-62.273	4,72,107	2,93,069
Interest on loans and advances	62.211-62.216	86,951	75,650
Interest income from fixed deposits with banks	62.222	6,62,875	8,84,66,895
Interest income from other investments	62.223	87,21,229	1,93,94,613
		<b>99,43,162</b>	<b>10,82,30,227</b>
<b>Other Income</b>			
Discount Received	62.260-62.264	-	-
Miscellaneous receipts	62.901-62.950	52,22,052	62,10,705
Income from Trading	62.321-62.360	72,95,028	-
Interest on overdue trade receivables	62.25	-	-
Revenue Grant	63.1	2,84,19,000	1,59,00,000
		<b>4,09,36,080</b>	<b>2,21,10,705</b>
<b>Total</b>		<b>5,08,79,242</b>	<b>13,03,40,932</b>

Note 22 Power Purchase Cost

Particulars	Account Code No.	For the year ended 31st March 2015	For the year ended 31st March 2014
Power Purchased	70.1	-	-
Wheeling Charges	70.4	-	-
Open Access Charges	70.5	-	-
<b>Total</b>		<b>-</b>	<b>-</b>

Note 23 Employee benefit expense

Particulars	Account Code No.	For the year ended 31st March 2015	For the year ended 31st March 2014
Salaries and wages	75.1 to 75.6 & 75.XXX	5,94,78,119	2,64,09,379
Contributions to provident and other funds	75.8	6,70,37,240	5,39,37,248
Staff welfare expenses	75.7	42,248	-
		<b>12,65,57,607</b>	<b>8,03,46,627</b>
Less: Capitalised to CWIP	75.9	-	-
<b>Total</b>		<b>12,65,57,607</b>	<b>8,03,46,627</b>

Note 24 Finance costs

Particulars	Account Code No.	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest Expense on borrowings	78.1, 2 & 5	-	-
Cost of raising finance	78.861-869	-	1,10,788
Other charges	78.881-889	37,879	81,466
		<b>37,879</b>	<b>1,92,254</b>
Less: Capitalised	78.9	-	-
<b>Total</b>		<b>37,879</b>	<b>1,92,254</b>

Note 25 Depreciation & Amortisation Expenses

Particulars	Account Code No.	For the year ended 31st March 2015	For the year ended 31st March 2014
Depreciation	77.12-77.19	67,49,177	77,56,070
Less:- Amortisation of grant		-	-
<b>Total</b>		<b>67,49,177</b>	<b>77,56,070</b>

MEGHALAYA ENERGY CORPORATION LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2016

Note 26 Other expenses

Particulars	Account Code No.	For the year ended 31st March 2015	For the year ended 31st March 2014
<b>Repairs and Maintenance of Assets</b>			
Consumption of Lubricants, stores itmes and spare parts	71.6	-	-
Plant and Machinery	74.1	51,200	-
Building	74.2	50,280	-
Hydraulics Work	74.3	-	-
Civil Works	74.4	-	-
Line Cable Net Works	74.5	-	2,09,212
Vehicles	74.6	6,71,048	7,21,674
Furniture and Fixture	74.7	4,44,557	1,43,678
Office Equipment	74.8	8,11,982	6,62,905
		<b>20,29,067</b>	<b>17,37,469</b>
<b>Administration and General Expenses</b>			
Insurance	76.104-76.107	1,65,62,148	2,71,226
Rent, Rates and Taxes	76.101-76.103	5,46,028	5,46,028
Telegram, Postage, Telegraph and Telex charges	76.110-76.113	5,64,704	7,24,750
Training and conveyance	76.131-76.139	44,78,168	66,39,026
Printing and stationery	76.153	6,10,761	10,49,844
Consultancy Charges	76.123	3,56,93,036	2,01,80,618
Technical fees	76.124	-	-
Books & Periodicals	76.152	64,566	61,043
Fees & Subscription	76.151	-	-
Advertisement	76.155	19,35,606	9,40,925
Donation & Charity	76.157	-	-
Electricity Charges	76.158	-	-
Legal and professional	76.121 & 125	28,20,165	27,30,360
Payments to auditors	76.122	4,37,849	10,40,454
Stipend, Training expenses	76.126-76.129	4,15,996	4,60,059
Water Charges	76.160	-	-
Entertainment	76.162	3,14,195	2,01,764
Lab Testing	76.164	-	-
Freight & Forwarding	76.210-76.220	-	-
Other Purchase Related Expenses	76.230-76.290	1,70,241	1,38,871
		<b>6,46,13,463</b>	<b>3,49,84,968</b>
<b>Other Expenses</b>			
Bad Debts and other misc. written off	79.4-79.5	12,900	1,98,780
Losses relating to fixed assets			
Miscellaneous expenses	76.19	8,388	22,638
		<b>21,288</b>	<b>2,21,418</b>
Less: Capitalised	76.9	-	-
<b>Total</b>		<b>6,66,63,818</b>	<b>3,69,43,855</b>

Note 27 Prior period items (net)

Particulars	Account Code No.	For the year ended 31st March 2015	For the year ended 31st March 2014
<b>Income Relating to Previous Years</b>			
Oil related gains of prior period	65.12	-	-
Excess provision for finance charges	65.7	-	-
Other excess provision & Other Income	65.6, 65.8 & 65.9	34,06,850	78,02,341
		<b>34,06,850</b>	<b>78,02,341</b>
<b>Prior Period Expenses/Losses</b>			
Purchase of Power	83.1	-	-
Employee costs	83.5	81,735	3,91,889
Depreciation under provided in previous year	83.6	-	-
Interest & Other Finance Charges	83.7	-	-
Administrative Expenses	83.82	-	37,696
Excess Provision on Interest Accrued	83.88	9,49,651	-
Others	83.810, 83.840 & 83.850	5,93,243	-
		<b>16,24,629</b>	<b>4,29,585</b>
<b>Total</b>		<b>17,82,221</b>	<b>73,72,756</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**28. ADDITIONAL DISCLOSURE**

- 28.1** 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 Clause 45 of Section 2 of The Companies Act, 2013 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.
- 28.2** 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.
- 28.3** 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.

28.4 Details of government grants

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Government grants & subsidies received by the Company during the year	2,84,19,000	1,59,00,000
Grant & Subsidies (recognized under Reserves & Surplus)	NIL	NIL
Grant & Subsidies (recognized under Revenue)	2,84,19,000	1,59,00,000

28.5 Details of borrowing costs capitalised

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Borrowing costs capitalised during the year	NIL	NIL
As fixed assets / intangible assets / capital work-in-progress	NIL	NIL
As inventory	NIL	NIL

28.6 Capital work in Progress

Particulars	As on 31.03.2015	As on 31.03.2014
Capital expenditure work in progress	Nil	Nil
Others	Nil	Nil

28.7 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. P. B. O Warjri, IAS, Chairman-cum-Managing Director
	2. Mr. P. Jain, IAS, Director (Finance) & CFO
	3. Mr. G. S. Mukherjee, Company Secretary

### Key Management Personnel- Salary & Benefits:

1. Mr. G. S. Mukherjee Company Secretary	Rs. 7,06,860/-
---	----------------

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.

### 28.8 Earnings per share

EPS has been calculated as under:

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Net profit / (loss) for the year	(14,73,47,018)	1,24,74,882
Number of equity shares	76,85,48,458	76,85,48,458
Value per share	10	10
Earnings per share – Basic	(0.19)	12.47
Earnings per share – Diluted	(0.08)	12.47

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.

### 28.9 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

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.

#### 28.10 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 estimation of terminal benefits liabilities as on March 31, 2015 through actuarial valuation is under process.

Particulars	As on 31.03.2015	As on 31.03.2014
Corporation's contribution made to CPS	67,54,168	61,97,081
Terminal benefits expenses paid to pensioners/family pensioners	66,96,79,623	53,89,98,023
Payment made to Pension Contribution to Deputationists	NIL	NIL
Payable against provision made for terminal benefits	NIL	NIL

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.

#### 28.11 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.

#### 28.12 Payment to auditors:

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

Particulars	As on 31.03.2015	As on 31.03.2014
Statutory Audit	2,30,000	5,70,000
Tax Audit	35,495	34,832
AG Audit	NIL	2,00,000
Cost Audit	NIL	NIL



### 28.13 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.

### 28.14 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.

### 28.15 Foreign Currency Transactions

Particulars	As on 31.03.2015	As on 31.03.2014
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

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

28.17 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.

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

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

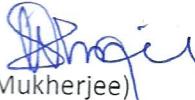
28.20 Investments in Fixed Deposits by MeECL pertaining to 3 Subsidiaries viz MePGCL, MePTCL, MePDCL have been transferred from MeECL to the respective Subsidiaries as under:

Generation	67,92,65,782
Transmission	49,93,68,493
Distribution	83,39,09,506
Holding	1,95,15,816
<b>TOTAL</b>	<b>2,03,20,59,597</b>

28.21 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**

  
(V Kr Mantri)  
Director (Corporate Affairs)  
DIN: 07499257

  
(G S Mukherjee)  
Company Secretary  
M.No. 20613

  
(P S Thangkhiew)  
Chairman-cum-Managing Director  
DIN:07499233

  
(M S S Rawat)  
Chief Accounts Officer

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:- 30.11.16