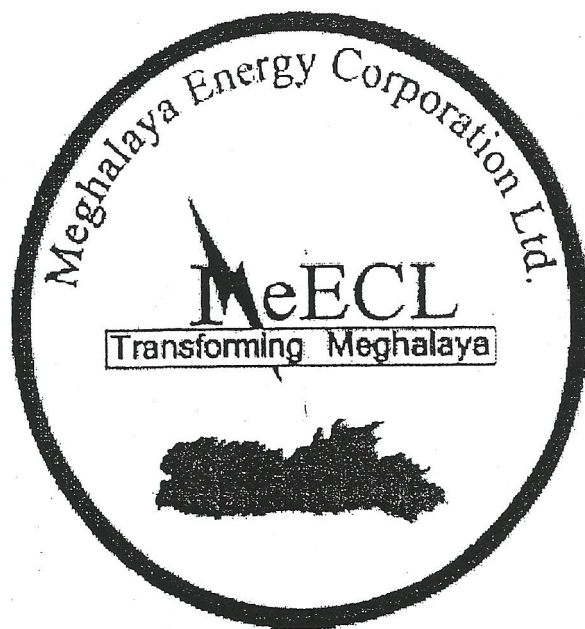


MEGHALAYA ENERGY CORPORATION LIMITED



STATEMENT OF ACCOUNTS 2015-2016

MEGHALAYA ENERGY CORPORATION LIMITED

CIN : U40101ML2009SGC008374

BALANCE SHEET AS AT 31st MARCH 2016

Particulars		Note No.	As At 31st March 2016	As At 31st March 2015
I.	EQUITY AND LIABILITIES			
(1)	Shareholders' funds			
(a)	Share capital	2	15,76,66,38,130	7,68,54,84,580
(b)	Reserves & surplus	4	(1,22,29,85,893)	(99,57,02,253)
			14,54,36,52,237	6,68,97,82,327
(2)	Equity Capital pending allotment	3	4,27,74,29,007	11,93,09,28,257
(3)	Non-current liabilities			
(a)	Long-term borrowings	5	-	-
(b)	Other Long term liabilities	6	-	-
			-	-
(4)	Current liabilities			
(a)	Short-term borrowings	7	-	-
(b)	Trade payables	8	-	-
(c)	Other current liabilities	9	1,29,41,09,278	92,03,94,363
(d)	Short term provisions	10	9,23,74,33,460	9,07,13,63,742
			10,53,15,42,738	9,99,17,58,105
	TOTAL		29,35,26,23,983	28,61,24,68,690
II.	ASSETS			
(1)	Non-current assets			
(a)	Fixed assets			
(i)	Tangible assets	11	11,94,14,750	12,06,98,979
(ii)	Capital Work in Progress	12	-	-
(b)	Non-current Investments	13	20,15,02,95,222	19,69,73,57,922
(c)	Other non current assets	14	-	-
			20,26,97,09,972	19,81,80,56,901
(2)	Current assets			
(a)	Inventories	15	3,39,89,911	5,49,50,994
(b)	Trade receivables	16	-	-
(c)	Cash & Bank Balances	17	59,57,86,006	31,01,32,408
(d)	Short-term loans and advances	18	5,51,19,026	3,14,25,667
(e)	Other current assets	19	8,39,80,19,068	8,39,79,02,720
			9,08,29,14,010	8,79,44,11,789
	TOTAL		29,35,26,23,983	28,61,24,68,690
	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

Chartered Accountants

(Firm Regn. No.)

For and on behalf of the board

Proprietor

M.No.: 11111

(G S Mukherjee)

Company Secretary

M.No.: 20613

Director (Finance)

DIN:06852290

(P S Thangkhiew)

Chairman-cum-Managing Director

DIN:07499233

Place:- Shillong

Date:-

MEGHALAYA ENERGY CORPORATION LIMITED

CIN : U40101ML2009SGC008374

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2016

Particulars		Note No.	For the year ended 31st March 2016	For the year ended 31st March 2015
I.	Revenue			
(a)	Reimbursement from subsidiaries	20	-	-
(b)	Other income	21	2,56,58,458	5,08,79,242
	Total Revenue		2,56,58,458	5,08,79,242
II.	Expenses:			
(a)	Power Purchase Cost	22	-	-
(b)	Employee benefits expense	23	21,89,70,390	12,65,57,607
(c)	Finance costs	24	20,797	37,879
(d)	Depreciation & Amortisation expenses	25	67,63,625	67,49,177
(e)	Other expenses	26	2,70,49,163	6,66,63,818
(f)	Prior period items (net)	27	1,38,124	(17,82,221)
	Total Expenses		25,29,42,099	19,82,26,260
III.	Profit/(Loss) before exceptional and extraordinary items and tax (I-II)		(22,72,83,640)	(14,73,47,018)
IV.	Exceptional items		-	-
V.	Profit/(Loss) before extraordinary items and tax (III-IV)		(22,72,83,640)	(14,73,47,018)
VI.	Extraordinary items		-	-
VII.	Profit/(loss) before tax (V-VI)		(22,72,83,640)	(14,73,47,018)
VIII.	Tax expense		-	-
(a)	Current Tax		-	-
(b)	Deferred Tax		-	-
IX.	Profit/(loss) for the year (VII-VIII)		(22,72,83,640)	(14,73,47,018)
X.	Basic Earnings per equity share		(0.14)	(0.19)
	Diluted Earnings per equity share		(0.11)	(0.08)
	(Face value of Rs. 10/- each):			
	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

Chartered Accountants

(Firm Regn. No.)

For and on behalf of the board

Priyanka
Proprietor

M.No:

G S Mukherjee
(G S Mukherjee)
Company Secretary

M.No.: 20613

A Bhagotia
(A Bhagotia)
Director (Finance)

DIN:06852290

P S Thangkhiew
(P S Thangkhiew)
Chairman-cum-Managing Director

DIN:07499233

Place:- Shillong

Date:-

MEGHALAYA ENERGY CORPORATION LIMITED

CIN : U40101ML2009SGC008374

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Statement of Profit & Loss	(22,72,83,640)	(14,73,47,018)
Adjustments for :		
Depreciation & Amortization	67,63,625	67,49,177
Bad Debts and other misc. written off	-	-
Interest Income	(35,38,612)	(99,43,162)
Finance Cost	20,797	37,879
Operating Profit before Working Capital Changes	(22,40,37,831)	(15,05,03,124)
Adjustments for increase/decrease in:		
Inventories	2,09,61,083	(2,61,13,975)
Trade receivables	-	-
Long term loans & advances	-	-
Short term loans & advances	(2,36,93,359)	(1,20,95,159)
Other current assets	(1,16,348)	2,11,26,444
Other non current assets	-	-
Trade payables	-	-
Other current liabilities	37,37,14,915	(1,27,79,65,400)
Short term provisions	16,60,69,718	10,99,19,404
Other long term liabilities	-	-
Cash generated from Operations	31,28,98,178	(1,33,56,31,810)
Taxes Paid	-	-
Net Cash generated from Operations	31,28,98,178	(1,33,56,31,810)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	35,38,612	99,43,162
Purchase of long term investment	(45,29,37,300)	(1,24,18,87,210)
Purchase of Fixed Assets & CWIP	(54,79,396)	(17,32,771)
Proceeds from sale of Fixed Assets	-	-
Net Cash from Investing Activities	(45,48,78,084)	(1,23,36,76,819)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from grants & subsidies	-	-
Proceeds from capital reserves	-	-
Increase/Decrease in long term borrowings	-	-
Finance Cost	(20,797)	(37,879)
Paid up capital	8,08,11,53,550	-
Equity Capital pending allotment	(7,65,34,99,250)	1,23,07,61,700
Net Cash from Financing Activities	42,76,33,503	1,23,07,23,821
Net Increase in Cash & Cash Equivalents (A+B+C)	28,56,53,598	(1,33,85,84,808)
Inter Company Payable/(Receivable)		
Opening balance of Cash and Cash Equivalents	31,01,32,408	1,64,87,17,216
Closing balance of Cash and Cash Equivalents:	59,57,86,006	31,01,32,408
Consisting of:		
Cash in hand	3,28,352	66,185
Cash Imprests with Staff	12,39,530	5,58,641
-Balance with bank in Current accounts	41,93,65,026	28,99,91,765
-Balance with bank in deposit accounts	17,48,53,097	1,95,15,816
	59,57,86,006	31,01,32,408

As per our report of even date attached

Chartered Accountants
(Firm Regn. No.)

For and on behalf of the board

Proprietor

M.No.:

(G S Mukherjee)
Company Secretary

M.No.: 20613

(A Bhagotia)
Director (Finance)

DIN:06852290

(P S Thangkhiew)
Chairman-cum-Managing Director

DIN:07499233

Place:- Shillong

Date:-

MEGHALAYA ENERGY CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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 1st 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 31st March 2016	As At 31st March 2015
(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 15,76,66,38,130 (Previous year 7,68,54,84,580) Equity Shares of Rs.10 each	15,76,66,38,130	7,68,54,84,580
Total	15,76,66,38,130	7,68,54,84,580

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 76,76,48,458 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 2016		As at 31st March, 2015	
	No. of shares	Amount	No. of shares	Amount
Equity Shares at the beginning of the year	1,57,66,63,813	15,76,66,38,130	76,85,48,458	7,68,54,84,580
Add: Shares issued during the year	-	-	-	-
Equity Shares at the end of the year	1,57,66,63,813	15,76,66,38,130	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 2016		As at 31st March, 2015	
	No. of shares	% held	No. of shares	% held
Governor, Government of Meghalaya	1,57,66,63,813	100%	76,85,48,458	100%

Note 3 Equity Capital pending allotment

Particulars	Account Code No.	As At 31st March 2016	As at 31st March, 2015
Equity Capital pending allotment	54.5	4,27,74,29,007	11,93,09,28,257
Total		4,27,74,29,007	11,93,09,28,257

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 66,73,85,015 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 2016	As At 31st March 2015
Consumer Contribution, Grants & Subsidies			
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		-	-
Capital Reserves			
Opening Balance		15,705	15,705
Add: Addition during the Year	56.2 & 56.3	-	-
Closing Balance		15,705	15,705
Surplus in Statement of Profit & Loss			
Opening Balance		-99,57,17,958	-84,83,70,940
Add: Profit/(Loss) during the year as per Statement of Profit & Loss		-22,72,83,640	-14,73,47,018
Closing Balance		-1,22,30,01,598	-99,57,17,958
Total		-1,22,29,85,893	-99,57,02,253

MEGHALAYA ENERGY CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2016
Note 6 Long term borrowings

Particulars	Account Code No.	As At 31st March 2016	As At 31st March 2015
A. Secured			
B. Unsecured			
Loan From Agriculture Finance Corporation (Afc)	53.2	-	-
Total (A+B)		-	-

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

Note 8 Other long term liabilities

Particulars	Account Code No.	As At 31st March 2016	As At 31st March 2015
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 2016	As At 31st March 2015
Unsecured Repayable on demand/Bank Overdrafts from Banks	50.2	-	-
Total		-	-

Note 11 Trade payables

Particulars	Account Code No.	As At 31st March 2016	As At 31st March 2015
Liability for Purchase of Power	41.1 & 41.2		
Total		-	-

n 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 2016	As At 31st March 2015
Interest Accrued & Due on loan from State Government	51.2	-	-
Current Liabilities of Long Term Debts	51.1	-	-
Liability for Expenses	46.4	-87,70,117	17,37,945
Amount payable to Suppliers	25.1 to 25.9	17,60,45,198	18,15,62,918
Advances for O & M Supplies/Works	26.1 to 26.8	1,69,045	1,69,045
Payable to State Government	46.51	11,45,12,015	11,45,12,015
Other liabilities	46.9 & 49	1,12,44,25,976	1,11,85,07,276
Inter Company Payable	30-39 & 24.5-24.6	-11,22,72,839	-49,60,94,835
Total		1,29,41,09,278	92,03,94,363

Note 10 Short term provisions

Particulars	Account Code No.	As At 31st March 2016	As At 31st March 2015
Staff related liabilities	44.1 to 44.6	9,25,43,19,489	9,07,42,49,771
Provision for Taxation for earlier years	46.8	-1,68,86,029	-28,86,029
Total		9,23,74,33,460	9,07,13,63,742

HALAYA ENERGY CORPORATION LIMITED
ASSETS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

11 Fixed Assets

Asset Group	Account Code	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
		As at 31.03.2015	Addition during the year	Deduction during the year	As at 31.03.2016	As at 31.03.2015	Depreciation for the year	Adjustment or Deduction	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016
Land and land rights	10.1	5,33,99,693	11,61,526	-	5,45,61,219	-	-	-	5,33,99,693	-	5,45,61,219
Buildings	10.2	8,46,33,177	-	-	8,46,33,177	6,10,47,688	27,76,214	-	5,33,99,693	2,35,85,489	2,08,09,276
Hydraulic Works	10.3	1,88,471	-	-	1,88,471	92,002	9,951	-	1,88,471	96,469	86,518
Others Civil Works	10.4	2,40,69,291	-	-	2,40,69,291	2,08,78,053	3,57,738	-	2,40,69,291	2,12,35,791	28,33,500
Plant and Machinery	10.5	4,66,19,189	-	-	4,66,19,189	3,99,67,867	1,51,560	-	4,66,19,189	4,01,19,426	64,99,762
Lines and Cable Network	10.6	18,96,471	-	-	18,96,471	15,06,831	62,128	-	18,96,471	15,68,959	3,89,640
Vehicles	10.7	7,87,48,020	37,73,316	-	8,25,21,336	6,18,88,222	18,72,016	-	7,87,48,020	6,37,60,238	1,87,61,098
Furniture and Fixtures	10.8	2,10,87,843	1,24,120	-	2,12,11,963	1,57,50,896	5,16,418	-	2,10,87,843	1,62,67,314	49,44,650
Office Equipment	10.9	3,00,72,488	4,20,434	-	3,04,92,922	1,88,84,105	10,17,601	-	3,00,72,488	1,99,01,706	1,05,91,216
TOTAL		34,07,14,643	54,79,396	-	34,61,94,039	22,00,15,664	67,63,626	-	34,07,14,643	22,67,79,288	11,94,14,760

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

12 Capital work in progress

Particulars	Account Code No.	As At 31st March 2016	As At 31st March 2015
Capital Work-in-progress	14	-	-

13 Non-current Investment

Particulars	Account Code No.	As At 31st March 2016	As At 31st March 2015
Investments (valued at cost) Investment in Equity Shares (Unquoted)			
Shares in Subsidiaries			
(previous year 50,000) Equity Shares of Rs.10 each fully paid up		5,00,000	5,00,000
Meghalaya Power Generation Corporation Limited (MePGCL)			
(previous year 50,000) Equity Shares of Rs.10 each fully paid up		5,00,000	5,00,000
Meghalaya Power Transmission Corporation Limited (MePTCL)			
(previous year 50,000) Equity Shares of Rs.10 each fully paid up		5,00,000	5,00,000
Meghalaya Power Distribution Corporation Limited (MePDCL)			
Capital Pending Allotment in Subsidiaries			
Meghalaya Power Generation Corporation Ltd.	20.401	7,82,74,26,391	7,79,12,25,891
Meghalaya Power Transmission Corporation Ltd.	20.402	4,07,24,66,634	3,77,31,62,834
Meghalaya Power Distribution Corporation Ltd.	20.403	8,10,36,71,198	8,01,15,21,198
Pension Fund Investment in Govt or Trust Securities	20.1	14,52,30,999	11,99,47,999
		20,15,02,95,222	19,69,73,57,922

14 Other non current assets

Particulars	Account Code No.	As At 31st March 2016	As At 31st March 2015
Prepaid Expenditure	17.3 & 18.2	-	-

15 Inventories

Particulars	Account Code No.	As At 31st March 2016	As At 31st March 2015
Stores Stock	22	3,39,89,911	5,49,50,994
		3,39,89,911	5,49,50,994

16 Trade Receivables

Particulars	Account Code No.	As At 31st March 2016	As At 31st March 2015
Amount due for a period exceeding six months from the date due for payment		-	-
Amount, Considered Good (Secured against security deposit)		-	-
Amount, Considered Good		-	-
Amount, Considered Good (Secured against security deposit)		-	-
Amount, Considered Good		-	-
Provision for Doubtful dues from Consumers	23.9	-	-

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 2016	As At 31st March 2015
(A) Cash & Cash Equivalents			
Cash	24.1	3,28,352	66,185
Cash Imprests with Staff	24.2	12,39,530	5,58,641
Balance with Banks			
(i) In Current Accounts	24.3, 24.4 & 24.7	41,93,65,026	28,99,91,765
Total (A)		42,09,32,909	29,06,16,592
(B) Other Bank Balances			
Bank FDs	20.2	17,48,53,097	1,95,15,816
Total (B)		17,48,53,097	1,95,15,816
Total (A+B)		59,57,86,006	31,01,32,408

Note 18 Short term loans & advances

Particulars	Account Code No.	As At 31st March 2016	As At 31st March 2015
Unsecured, considered good			
Advances for O & M Supplies/Works	43.1-43.6	3,90,39,149	2,49,73,786
Loans and Advances to Staff	27.1 to 27.2	26,02,985	27,02,580
Advance Income Tax & Tax deducted at source	27.4	17,297	-
Others - Unsecured, considered good	27.8	-3,98,400	12,285
Advance to Supplier (Capital Expenses)	25.1 to 25.9		
Advance to Capital Suppliers	42.1 to 42.6	1,38,57,995	37,37,016
Total		5,51,19,026	3,14,25,667

Note 19 Other current assets

Particulars	Account Code No.	As At 31st March 2016	As At 31st March 2015
Other Sundry Debtors	28.1 & 46.1	-21,89,628	-29,04,369
Income accrued & due	28.2	-	-
Interest accrued on deposits	28.3	-	-
Recoveries from Ex-employees	28.4	-3,30,884	2,64,781
Other Claims & Receivables	46.3	61,693	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
Total		8,39,80,19,068	8,39,79,02,721

Note 20 Revenue from operations

Particulars	Account Code No.	For the year ended 31st March 2016	For the year ended 31st March 2015
A. Reimbursement for ancillaries services form Subsidiaries			
Total (A+B)		-	-

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

Note 21 Other Income

Particulars	Account Code No.	For the year ended 31st March 2016	For the year ended 31st March 2015
Interest Income			
From Banks	62.270-62.273	4,32,182	4,72,107
Interest on loans and advances	62.211-62.216	42,068	86,951
Interest income from fixed deposits with banks	62.222	17,77,093	6,62,875
Interest income from other investments	62.223	12,87,269	87,21,229
		35,38,612	99,43,162
Other Income			
Discount Received	62.260-62.264	-	-
Miscellaneous receipts	62.901-62.950	57,07,286	52,22,052
Income from Trading	62.321-62.360	-	72,95,028
Interest on overdue trade receivables	62.25	-	-
Revenue Grant	63.1	1,64,12,560	2,84,19,000
		-	-
		2,21,19,846	4,09,36,080
Total		2,56,58,458	5,08,79,242

Note 22 Power Purchase Cost

Particulars	Account Code No.	For the year ended 31st March 2016	For the year ended 31st March 2015
Power Purchased	70.1	-	-
Wheeling Charges	70.4	-	-
Open Access Charges	70.5	-	-
Total		-	-

Note 23 Employee benefit expense

Particulars	Account Code No.	For the year ended 31st March 2016	For the year ended 31st March 2015
Salaries and wages	75.1 to 75.6 & 75.XXX	15,20,65,991	5,94,78,119
Contributions to provident and other funds	75.8	6,68,66,649	6,70,37,240
Staff welfare expenses	75.7	37,750	42,248
		21,89,70,390	12,65,57,607
Less: Capitalised to CWIP	75.9	-	-
Total		21,89,70,390	12,65,57,607

Note 24 Finance costs

Particulars	Account Code No.	For the year ended 31st March 2016	For the year ended 31st March 2015
Interest Expense on borrowings	78.1, 2 & 5	-	-
Cost of raising finance	78.861-869	-	-
Other charges	78.881-889	20,797	37,879
		20,797	37,879
Less: Capitalised	78.9	-	-
Total		20,797	37,879

Note 25 Depreciation & Amortisation Expenses

Particulars	Account Code No.	For the year ended 31st March 2016	For the year ended 31st March 2015
Depreciation	77.12-77.19	67,63,625	67,49,177
Less: Amortisation of grant		-	-
Total		67,63,625	67,49,177

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 2016	For the year ended 31st March 2015
Repairs and Maintenance of Assets			
Consumption of Lubricants, stores itmes and spare parts	71.6	-	-
Plant and Machinery	74.1	-	51,200
Building	74.2	1,29,333	50,280
Hydraulics Work	74.3	-	-
Civil Works	74.4	-	-
Line Cable Net Works	74.5	-	-
Vehicles	74.6	6,13,377	6,71,048
Furniture and Fixture	74.7	27,685	4,44,557
Office Equipment	74.8	7,26,413	8,11,982
		14,96,808	20,29,067
Administration and General Expenses			
Insurance	76.104-76.107	3,26,665	1,65,62,148
Rent, Rates and Taxes	76.101-76.103	5,45,028	5,46,028
Telegram, Postage, Telegraph and Telex charges	76.110-76.113	8,27,133	5,64,704
Training and conveyance	76.131-76.139	58,29,450	44,78,168
Printing and stationery	76.153	14,26,343	6,10,761
Consultancy Charges	76.123	1,32,83,548	3,56,93,036
Technical fees	76.124	-	-
Books & Periodicals	76.152	84,231	64,566
Fees & Subscription	76.151	-	-
Advertisement	76.155	7,94,201	19,35,606
Donation & Charity	76.157	-	-
Electricity Charges	76.158	-	-
Legal and professional	76.121 & 125	1,21,994	28,20,165
Payments to auditors	76.122	3,74,086	4,37,849
Stipend, Training expenses	76.126-76.129	14,17,032	4,15,996
Water Charges	76.160	-	-
Entertainment	76.162	4,98,950	3,14,195
Lab Testing	76.164	-	-
Freight & Forwarding	76.210-76.220	-	-
Other Purchase Related Expenses	76.230-76.290	8,747	1,70,241
		2,55,37,408	6,46,13,463
Other Expenses			
Bad Debts and other misc. written off	79.4-79.5	4,000	12,900
Losses relating to fixed assets			
Miscellaneous expenses	76.19	10,947	8,388
		14,947	21,288
Less: Capitalised	76.9	-	-
Total		2,70,49,163	6,66,63,818

Note 27 Prior period items (net)

Particulars	Account Code No.	For the year ended 31st March 2016	For the year ended 31st March 2015
Income Relating to Previous Years			
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	3,90,190	34,06,850
		3,90,190	34,06,850
Prior Period Expenses/Losses			
Purchase of Power	83.1		
Employee costs	83.5	4,34,761	81,735
Depreciation under provided in previous year	83.6	-	-
Interest & Other Finance Charges	83.7	-	-
Administrative Expenses	83.82	93,553	-
Excess Provision on Interest Accrued	83.88	-	9,49,651
Others	83.810, 83.840 & 83.850	-	5,93,243
		5,28,314	16,24,629
Total		(1,38,124)	17,82,221

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 revesting 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, 2016	For the year ended 31 March, 2015
Government grants & subsidies received by the Company during the year	1,64,12,560	2,84,19,000
Grant & Subsidies (recognized under Reserves & Surplus)	NIL	NIL
Grant & Subsidies (recognized under Revenue)	1,64,12,560	2,84,19,000

28.5 Details of borrowing costs capitalised

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
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 31.03.2016	As on 31.03.2015
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. 7,62,898.00
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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	(23,24,55,870)	(14,73,47,018)
Number of equity shares	1,57,66,63,813	76,85,48,458
Value per share	10	10
Earnings per share – Basic	(0.15)	(0.19)
Earnings per share – Diluted	(0.12)	(0.08)

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, 2016 through actuarial valuation is under process.

Particulars	As on 31.03.2016	As on 31.03.2015
Corporation's contribution made to CPS	84,87,116	67,54,168
Terminal benefits expenses paid to pensioners/family pensioners	66,76,65,959	66,96,79,623
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 31.03.2016	As on 31.03.2015
Statutory Audit	2,30,000	2,30,000
Tax Audit	35,650	35,495
AG Audit	NIL	NIL
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 31.03.2016	As on 31.03.2015
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.

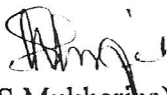
28.19 Amounts stated in the financial statements are in Indian Rupees and have been rounded off to the nearest rupees.

28.20 Investments in Fixed Deposits by MeECL pertaining to 3 Subsidiaries viz MePGCL, MePTCL, MePDCL have been transferred from MeECL during the year 2015-16 to the respective Subsidiaries as under:


MePGCL	87,53,46,722
MePTCL	27,86,51,942
MePDCL	80,57,50,600
MeECL	94,73,11,109
TOTAL	290,70,60,373

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


(G S Mukherjee)

Company Secretary
M.No. 20613


(A Bhagotia)

Director (Finance)
DIN: 06852290


(P S Thangkhiew)

Chairman-cum-Managing Director
DIN:07499233

As per our report of even date attached

Chartered Accountants
(Firm Regn. No.)

Proprietor
M. No.

Place:- Shillong

Date:-