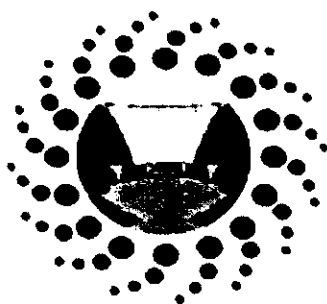


**MEGHALAYA POWER GENERATION
CORPORATION LIMITED**

SHILLONG



MePGCIL

Generating Clean And Green Energy

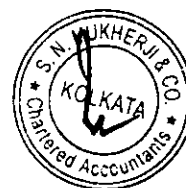
STATEMENT OF ACCOUNTS

2017-18

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

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As At 31st March, 2018	As At 31st March, 2017	As At 1st April, 2016
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	1	1,65,737.19	1,16,109.40	1,22,537.01
Capital Work-in-progress	2	23,332.19	71,033.17	57,385.83
Investment Property*	-	-	-	-
Goodwill*	-	-	-	-
Other Intangible assets*	-	-	-	-
Intangible assets under development*	-	-	-	-
Biological Assets other than bearer plants*	-	-	-	-
Financial Assets-				
(i) Investments*	-	-	-	-
(ii) Trade receivables*	-	-	-	-
(iii) Loans*	-	-	-	-
(iv) Others	3	1.44	1.44	1.44
Deferred tax assets*	-	-	-	-
Other non-current assets*	-	-	-	-
Total Non-Current Assets		1,89,070.82	1,87,144.01	1,79,924.28
<u>Current Assets</u>				
Inventories	4	755.98	785.68	781.87
Financial Assets-				
(i) Investments*	-	-	-	-
(ii) Trade receivables	5(a)	20,186.76	23,696.75	20,574.52
(iii) Cash and cash equivalents	5(b)	3,440.73	5,381.18	1,267.58
(iv) Bank balances other than (iii) above*	-	-	-	-
(v) Loans*	-	-	-	-
(vi) Others*	-	-	-	-
Current Tax Assets	6	35.14	16.93	12.24
Other current assets	7	94,546.65	75,862.72	55,816.18
Total Current Assets		1,18,965.26	1,05,743.26	78,452.38
TOTAL ASSETS		3,08,036.07	2,92,887.27	2,58,376.66



(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As At 31st March, 2018	As At 31st March, 2017	As At 1st April, 2016
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	8	78,279.26	69,060.26	61,033.52
Other Equity	9	(34,757.92)	(9,397.74)	(5,219.22)
Equity attributable to owners		43,521.35	59,662.52	55,814.30
Non-controlling Interests*	-	-	-	-
Total Equity		43,521.35	59,662.52	55,814.30
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities-				
(i) Borrowings	10	1,01,466.15	99,975.66	1,05,619.06
(ii) Trade payables*	-	-	-	-
(iii) Other financial liabilities *	-	-	-	-
Grants and Subsidies**	11	18,764.12	19,340.95	19,643.62
Provisions*	-	-	-	-
Deferred tax liabilities*	-	-	-	-
Other non-current liabilities*	-	-	-	-
Total Non-Current Liabilities		1,20,230.28	1,19,316.61	1,25,262.68
Current Liabilities				
Financial Liabilities-				
(i) Borrowings	12(a)	-	319.42	949.70
(ii) Trade payables	12 (b)	468.58	453.12	353.04
(iii) Other financial liabilities	12(c)	33,911.71	31,724.72	16,468.30
Provisions	13	1,742.14	1,932.80	580.00
Current tax liabilities	14	515.53	446.83	488.52
Other current liabilities	15	1,07,646.49	79,031.25	58,460.12
Total Current Liabilities		1,44,284.45	1,13,908.14	77,299.68
Total Liabilities		2,64,514.73	2,33,224.75	2,02,562.36
TOTAL EQUITY AND LIABILITIES		3,08,036.07	2,92,887.27	2,58,376.66

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

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

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

As per our report of even date attached

For and on behalf of the Board

For M/s S.N. Mukherji & Co
Chartered Accountants
(Firm Regn. No: 301079E)

For S.N. Mukherji & Co.
Chartered Accountants

Sudip K Mukherji
Partner

Place: Shillong
Date:

Membership No. 013321

22/10/2019

Shri Kheidor Tiewsoh
Director (Generation)
DIN:08349339

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

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

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

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<u>Continuing Operations</u>			
Incomes			
Revenue From Operations	16	19,135.85	23,696.75
Other Income	17	1,524.09	1,918.02
Prior Period Incomes	18	508.43	1,476.60
Total Income		21,168.37	27,091.38
Expenses			
Cost of materials consumed*	-	-	-
Purchases of Stock-in-Trade*	-	-	-
SLDC (State Load Dispatch Centre) Charges**	19	115.00	100.08
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress*	-	-	-
Employee benefits expense	20	7,851.57	7,710.75
Finance costs	21	13,825.06	9,549.55
Depreciation and amortization expense	22	10,227.69	8,026.85
Other expenses	23	1,350.47	3,720.32
Prior period expenses**	24	4,153.00	-
Profit/(loss) before exceptional items, share of net profits (losses) of investments accounted for using equity method		(16,354.42)	(2,016.17)
Share of net profits (losses) of investments accounted for using equity method	-	-	-
Profit/(loss) before exceptional items and tax		(16,354.42)	(2,016.17)
Exceptional Items	25	-	27.98
Profit/(loss) before tax		(16,354.42)	(1,988.19)
Tax Expense			
(i) Current tax*	-	-	-
(ii) Deferred tax*	-	-	-
Profit (Loss) for the period from continuing operations		(16,354.42)	(1,988.19)
<u>Discontinued Operations</u>			
Profit/(loss) from discontinued operations	-	-	-
Tax expense of discontinued operations	-	-	-
Profit/(loss) from Discontinued operations (after tax)		-	-
Profit (loss) for the year		(16,354.42)	(1,988.19)
<u>Other Comprehensive Income</u>			
A (i) Items that will not be reclassified to profit or loss	-	-	-
A (ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
B (i) Items that will be reclassified to profit or loss	-	-	-
B (ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(16,354.42)	(1,988.19)



Profit (Loss) is attributable to:

Owners of Holding Company	-	(16,354.42)	(1,988.19)
Non-Controlling Interests	-	-	-
		(16,354.42)	(1,988.19)
<u>Other comprehensive income is attributable to:</u>			
Owners of Holding Company	-	-	-
Non-Controlling Interests	-	-	-
			-
<u>Total comprehensive income is attributable to:</u>			
Owners of Holding Company	-	(16,354.42)	(1,988.19)
Non-Controlling Interests	-	-	-
		(16,354.42)	(1,988.19)
<u>Total comprehensive income attributable to owners of Holding Company arises from:</u>			
Continuing operations	-	(16,354.42)	(1,988.19)
Discontinued operation	-	-	-
		(16,354.42)	(1,988.19)
Earnings per equity share (for continuing operation) -			
(i) Basic		(2.0892)	(0.2879)
(ii) Diluted		(2.0471)	(0.2495)
Earnings per equity share (for discontinued operation) -			
(i) Basic	27.2	-	-
(ii) Diluted		-	-
Earnings per equity share (for discontinued & continuing			
(i) Basic		(2.0892)	(0.2879)
(ii) Diluted		(2.0471)	(0.2495)
Significant Accounting Policies	26		
Additional Information	28		

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

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

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

As per our report of even date attached

For and on behalf of the Board

For M/s S.N. Mukherji & Co
Chartered Accountants
(Firm Regn. No: 301079E)

For S.N. Mukherji & Co.
Chartered Accountants

Sudip K Mukherji
Partner

Place: Shillong Membership No. 013321
Date:

23/10/2019

Shri Kheidor Tiewsoh
Director (Generation)
DIN:08349339

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

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

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

(All amounts in INR Lakhs, unless otherwise stated)

A. Equity share capital	Note No.	(Amounts)
Balance as at 1st April, 2017		69,060.26
Changes in Equity Share Capital during the Financial Year 2017-18:		
Allotment of Equity Shares to the Holding Company (Meghalaya Energy Corporation Limited, MeECL)	8.2	9,219.01
Balance as at 31st March, 2018		78,279.26

B. Other Equity

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	Equity Share Capital Pending Allotment	Equity Component of Compound Financial Instruments	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Revaluation Surplus	Exchange Differences on Translating the Financial Statements of a Foreign Operation	Other Items of Other Comprehensive Income	Money Received against Share Warrants	(i) Sub-Total	Non-Controlling Interests	(ii) TOTAL OTHER EQUITY
				Capital Reserve	Securities Premium Reserve	Other Reserves	Retained Earnings										
Balance as at 1st April, 2017		10,617.96	-	-	-	-	(20,015.71)	-	-	-	-	-	-	-	(9,397.74)	-	(9,397.74)
Changes in Accounting Policies or Prior Period Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at 1st April, 2017		10,617.96	-	-	-	-	(20,015.71)	-	-	-	-	-	-	-	(9,397.74)	-	(9,397.74)
Total Comprehensive Income for the Year		-	-	-	-	-	(16,354.42)	-	-	-	-	-	-	-	(16,354.42)	-	(16,354.42)
Dividends*		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings*		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment made by Meghalaya Energy Corporation Limited (MeECL - Holding Company)		213.25	-	-	-	-	-	-	-	-	-	-	-	-	213.25	-	213.25
Transfer to Equity Share Capital		(9,219.01)	-	-	-	-	-	-	-	-	-	-	-	-	(9,219.01)	-	(9,219.01)
Balance as at 31st March, 2018		1,612.21	-	-	-	-	(36,370.13)	-	-	-	-	-	-	-	(34,757.92)	-	(34,757.92)

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

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

As per our report of even date attached

For and on behalf of the Board

For M/s S.N. Mukherji & Co
Chartered Accountants
(Firm Regn. No: 301079E)

Shri Kheidor Tiewsoh
Director (Generation)
DIN:08349339

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

Place: Shillong
Date:

For S. N. Mukherji & Co.
Chartered Accountants

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

Sudip K Mukherji
Partner
Membership No. 013321

29/10/2019

MEGHALAYA POWER GENERATION CORPORATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Statement of Profit and Loss	(16,354.42)	(1,988.19)
Adjustments for :		
Depreciation and Amortization	10,538.74	8,025.57
Amortization of Grants	(1,276.83)	(1,227.97)
Provisions created	(190.66)	1,352.80
Interest Income	(179.67)	(626.61)
Finance Costs	13,825.06	9,549.55
Operating Profit before Working Capital Changes	6,362.22	15,085.14
Adjustments for increase/decrease in:		
Inventories	29.71	(3.81)
Trade Receivables	3,509.99	(3,122.23)
Other current assets	(18,702.14)	(20,051.23)
Current Borrowings	(319.42)	(630.28)
Trade Payables	15.47	100.08
Other financial liabilities	2,187.00	15,256.42
Other current liabilities	28,683.93	20,529.43
Cash generated from Operations	21,766.74	27,163.52
Taxes Paid	-	-
Net Cash from Operating Activities	21,766.74	27,163.52
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	179.67	626.61
Acquisition of Property, Plant and Equipment and Investment	(12,465.55)	(15,245.30)
Net Cash from Investing Activities	(12,285.88)	(14,618.69)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares	9,219.01	8,026.74
Other Equities	(9,005.75)	(2,190.33)
Net Non-Current Borrowings	1,490.49	(5,643.40)
Grants and Subsidies	700.00	925.30
Finance Costs	(13,825.06)	(9,549.55)
Net Cash from Financing Activities	(11,421.32)	(8,431.23)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(1,940.45)	4,113.60
Opening balance of Cash and Cash Equivalents	5,381.18	1,267.58
Closing balance of Cash and Cash Equivalents	3,440.73	5,381.18
Consisting of:		
Balances with Banks	444.50	722.79
Cash on hand	3.15	8.48
Cash Imprest with Staff	124.25	104.49
Other Bank Balances (Term Deposits)	2,868.83	4,545.41
	3,440.73	5,381.18

As per our report of even date attached

For and on behalf of the Board

For M/s S.N. Mukherji & Co
Chartered Accountants
(Firm Regn. No: 301079E)

For **S.N. Mukherji & Co.**
Chartered Accountants

Sudip K Mukherji
Partner

Place: Shillong
Date:

Membership No. 013321

24/10/2019

Shri Kheidor Tiewsoh
Director (Generation)
DIN:08349339

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

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

Note 1: PROPERTY, PLANT AND EQUIPMENT

(All amounts in INR Lakhs, unless otherwise stated)

Serial No.	Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT		
		As At 31st March, 2017	Additions during the year	Disposals and/or Deductions during the year	As At 31st March, 2018	As At 31st March, 2017	Additions during the year	Adjustments or Deductions during the year	As At 31st March, 2018	As At 31st March, 2018	As At 31st March, 2017	As At 1st April, 2016
1	Land	3,110.51	-	-	3,110.51	-	-	-	-	3,110.51	3,110.51	3,110.51
2	Buildings	15,964.74	9,499.71	-	25,464.46	3,243.28	755.15	-	3,998.43	21,466.03	12,721.46	13,237.48
3	Plant and Equipment	60,657.29	16,115.61	40.11	76,732.78	20,263.83	4,029.40	8.65	24,284.58	52,448.20	40,393.46	41,865.46
4	Furniture and Fixtures	248.67	1.70	-	250.37	131.87	13.15	-	145.02	105.35	116.80	124.33
5	Vehicles	207.70	19.01	-	226.71	134.47	17.10	-	151.56	75.15	73.24	86.47
6	Office equipment	185.69	5.19	-	190.88	90.62	11.33	-	101.95	88.93	95.07	98.69
7	Bearer Plants	-	-	-	-	-	-	-	-	-	-	-
8	Others:	-	-	-	-	-	-	-	-	-	-	-
8 (a)	Hydraulic Works	75,225.37	31,060.67	38.58	1,06,247.45	27,425.97	5,115.30	8.32	32,532.96	73,714.49	47,799.39	51,688.06
8 (b)	Other Civil Works	14,837.70	3,186.85	-	18,024.55	3,478.81	570.16	-	4,048.97	13,975.59	11,358.89	11,855.44
8 (c)	Lines and Cable Network	759.66	356.48	-	1,116.15	334.64	44.11	-	378.75	737.40	425.03	455.03
9	Assets under lease	-	-	-	-	-	-	-	-	-	-	-
10	Assets not in use	15.55	-	-	15.55	-	-	-	-	15.55	15.55	15.55
	Total	1,71,212.88	60,245.23	78.69	2,31,379.41	55,103.48	10,555.71	16.97	65,642.22	1,65,737.19	1,16,109.40	1,22,537.01

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



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

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March,	As At 31st March, 2017	As At 1st April, 2016
Recoverables From State Government	1.44	1.44	1.44
Total	1.44	1.44	1.44

Note 3.1- The above recoverables have been taken as per Transfer Notification No. Power-79/2009/Pt-1/422 dated 29.04.2015 towards re-vesting of assets and liabilities by the holding company, i.e., Meghalaya Energy Corporation Limited (MeECL). This head pertains to RGGVY (Rajiv Gandhi Grameen Vidyutikaran Yojana) Loan along with Interest of the Government of Meghalaya, borne by MePDCL and thereby recoverable from the State Government, which is purely connected to the Related Party of the Company i.e., Meghalaya Power Distribution Corporation Limited (MePDCL). However, balances have been vested in the Financial Statements of the Company as well, vide the aforesaid notification. Thereby, the ascertainment of the actual status of the same is under reconciliation.

CURRENT ASSETS**Note 4- INVENTORIES**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March,	As At 31st March, 2017	As At 1st April, 2016
Capital Stock (Work-in-Progress)	(80.81)	(55.49)	(48.48)
Operational and Maintenance Stock	836.79	841.18	830.35
Total	755.98	785.68	781.87

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

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March,	As At 31st March, 2017	As At 1st April, 2016
Unsecured:			
Receivables against Sale of Power to Related Party (Meghalaya Power Distribution Corporation Limited- MePDCL)	20,186.76	23,696.75	20,574.52
Total	20,186.76	23,696.75	20,574.52

Note 5 (a).1- The book value as on 31st March, 2018 of 'Receivables against Sale of Power to Related Party (Meghalaya Power Distribution Corporation Limited- MePDCL)' is reflective of the amount billed towards the same for the Financial Year 2016-17. The ascertainment of the actual settlement against the same is under reconciliation. With regards to the treatment of the same for the current financial year, reference should be drawn to Note 27.3.5

Note 5 (b)- CASH AND CASH EQUIVALENTS

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March,	As At 31st March, 2017	As At 1st April, 2016
Balances with Banks	444.50	722.79	307.81
Cash on hand	3.15	8.48	3.79
Cash Imprest with Staff	124.25	104.49	85.21
Other Bank Balances (Term Deposits)	2,868.83	4,545.41	870.77
Total	3,440.73	5,381.18	1,267.58

Note 5 (b).1- During the Financial Year 2017-18, in certain instances, booking of redemption of 'Investments in Term Deposits' of the company had been erroneously passed in the books of other related parties within the MECL Group (i.e., the Holding Company and/or its other subsidiaries). Similarly, in certain instances, redemptions pertaining to the company had also been erroneously passed in the books of other related parties within the MECL Group (i.e., the Holding Company and/or its other subsidiaries). Furthermore, during the Financial Year 2017-18, inadvertent errors had also surfaced in booking of interests on such investments, initial booking of investments, etc. Consequent to the said discrepancies, reconciliation of 'Investments in Term Deposits' for the Financial Year 2017-18 have been undertaken, to rectify the aforementioned errors.

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



Note 6- CURRENT TAX ASSET

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March,	As At 31st March, 2017	As At 1st April, 2016
Direct Tax Asset	35.14	16.93	12.24
Total	35.14	16.93	12.24

Note 6.1- With regards to the above, determination of actual status of Tax Assets and their corresponding reconciliation with book balances is under process. Theoretically, the aforesaid Tax Assets should be of current nature only. Thereby, the accurate distinction of such assets into Current and Non-current heads, if applicable, can only be conceived after the said reconciliation is completed.

Note 7- OTHER CURRENT ASSETS

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March,	As At 31st March, 2017	As At 1st April, 2016
Capital Advances	1,986.45	3,449.11	3,715.82
Advances other than capital advances:	-	-	-
Operational and Maintenance Advances	225.24	225.24	225.24
Staff Related Advances	94.08	151.15	154.38
Claims Receivable	0.65	0.65	0.65
Related Party Receivables:			
i.) Meghalaya Energy Corporation Limited (MeECL)-			
Receivables against Remittances of Cash and Cash Equivalents	13,918.16	493.86	167.25
Receivables against Operations, Capital and Others	23,262.06	5,723.42	-
Receivables against Remittances of Fuel, Materials, Personnel and Others	677.61	2,193.19	2,245.55
ii.) Meghalaya Power Distribution Corporation Limited (MePDCL)-			
Receivables against Operations, Capital and Others	54,382.40	63,626.11	49,307.29
	94,546.65	75,862.72	55,816.18

Note 7.1- Related Party Receivables as stated in Note 7 and Related Party Payables as stated in Note 15 (Intra-group and intra-unit transactions) primarily comprise of the following transactions :-

Remittances of Cash and Cash Equivalents:

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

Remittances of Fuel, Materials, Personnel and Others:

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

Operations, Capital and Others:

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

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



Note 8- EQUITY SHARE CAPITAL

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March,	As At 31st March, 2017	As At 1st April, 2016
(a) Authorised: 1,00,00,00,000 (Previous year 1,00,00,00,000) Equity Shares of ₹ 10.00 each	1,00,000.00	1,00,000.00	1,00,000.00
(b) Issued, subscribed and fully paid up: 78,27,92,639 (Previous year 69,06,02,589) Equity Shares of ₹ 10.00 each	78,279.26	69,060.26	61,033.52
Total	78,279.26	69,060.26	61,033.52

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

Note 8.2- Reconciliation of the number of Equity Shares outstanding

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018		As At 31st March, 2017	
	No. of shares	Amount	No. of shares	Amount
Equity Shares at the beginning of the year	6,906.03	69,060.26	6,103.35	61,033.52
Add:- Shares issued during the year	921.90	9,219.01	802.67	8,026.74
Equity Shares at the end of the year	7,827.93	78,279.26	6,906.03	69,060.26

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

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

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

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018		As At 31st March, 2017	
	No. of Shares	% held	No. of shares	% held
Meghalaya Energy Corporation Limited (MeECL) and its nominees	7,827.93	100.00%	6,906.03	100.00%

Note 8.5- Aggregate number and class of shares allotted as fully paid-up pursuant to contract without payment

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Number of	Class of Shares	Amount
Financial Year 2017-18	921.90	Equity Shares	9,219.01
Financial Year 2016-17	802.67	(without	8,026.74
Financial Year 2015-16	6,102.85	differential	61,028.52
Financial Year 2014-15	-	rights), having	-
Financial Year 2013-14	-	par value of ₹	-
Financial Year 2012-13	-	10 per share	-



Note 9- OTHER EQUITY

(All amounts in INR Lakhs, unless otherwise stated)

Serial No.	Particulars	As At 1st April, 2016	As At 31st March,	Additions during the year	Deductions during the year	As At 31st March, 2018
1	Capital Reserve	196.17	-	-	-	-
2	Retained Earnings	(22,661.13)	(20,015.71)	-	16,354.42	(36,370.13)
3	Equity Share Capital Pending Allotment	17,245.75	10,617.96	213.25	9,219.01	1,612.21
	Total	(5,219.22)	(9,397.74)	213.25	25,573.43	(34,757.92)

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

Note 9.2- 9,21,90,050 (Nine Crore, Twenty One Lakh, Ninety Thousand and Fifty) number of Equity Shares have been issued to Meghalaya Energy Corporation Limited (MeECL- Holding Company) amounting to ₹ 92,19,00,500.00 (Rupees Ninety Two Crore, Nineteen Lakh and Five Hundred) on the 24th of November, 2017 @ ₹ 10.00 per share, during the financial year. The balance pending shall be allotted on completion of due procedure along with completion of applicable audit procedures of the relevant preceding year.

Note 9.3- 'Retained Earnings' has been debited by the Total Comprehensive Loss of ₹ 1,63,54,42,016.27 incurred during the year.



Note 9.4.1- Grants Towards Cost Of Capital Assets (State Government) converted to Equity Share Capital Pending Allotment during the Financial Year 2017-18: (All amounts in INR Lakhs, unless otherwise stated)			
Date of Receipt of Grant	Grants received (by the Holding Company and subsequently Invested in the Company)	Released Under:	Amount
September 27, 2017	Grant received from Under Secy., Power Department, Government of Meghalaya, for Survey and Investigation of Nongkhlait Hydro Electric Project (120 MW)- 3rd Installment.	North Eastern Council (NEC)	59.31
October 21, 2017	Grant received from Deputy Secy., Power Department, Government of Meghalaya, for Survey and Investigation of Umngi Hydro Electric Project (2X27 MW) - 3rd Installment.	North Eastern Council (NEC)	100.00
October 21, 2017	Grant received from Deputy Secy., Power Department, Government of Meghalaya, for Survey and Investigation of Ganol Stage II Hydro Electric Project (3X5 MW) - 4th Installment.	North Eastern Council (NEC)	53.94
Total			213.25

Note 9.4.2- Grants Towards Cost Of Capital Assets (State Government) converted to Equity Share Capital Pending Allotment during the Financial Year 2016-17: (All amounts in INR Lakhs, unless otherwise stated)			
Date of Receipt of Grant	Grants received (by the Holding Company and subsequently invested in the Company) from Under Secy., Power Department, Government of Meghalaya	Released Under:	Amount
May 4, 2016	Grant for survey & investigation of Nongkhlait HEP (2x60 MW) - 2nd installment.	North Eastern Council (NEC)	100.00
November 12, 2016	The 6th installment of grant released by NEC for implementation of the projects' survey & investigation works of Mawblei HEP (2x70 MW) West Khasi Hills.	North Eastern Council (NEC)	22.04
November 12, 2016	5th installment of grant released by NEC for implementation of the projects' survey & investigation works of Selim HEP (2x85 MW) Jaintia Hills.	North Eastern Council (NEC)	52.80
November 14, 2016	9th & final installment of grant released by NEC for implementation of the projects' survey & investigation works of MLHEP stage - II (270 MW) Jaintia Hills.	North Eastern Council (NEC)	24.09
December 23, 2016	Grant for survey & investigation of Umngot HEP (240 MW) - 9th & final installment.	North Eastern Council (NEC)	43.47
December 23, 2016	Grant for construction of Ganol HEP (22.5 MW) at Tura, West Garo Hills (2nd installment).	Non-Lapsable Central Pool of Resources (NLCPR)	119.75
December 23, 2016	Grant for construction of Ganol HEP (22.5 MW) at Tura, West Garo Hills (2nd installment).	Non-Lapsable Central Pool of Resources (NLCPR)	836.82
February 15, 2017	Balance amount of grant for construction of Ganol HEP (22.5 MW) at Tura, West Garo Hills (2nd installment).	Non-Lapsable Central Pool of Resources (NLCPR)	200.00
Total			1,398.96



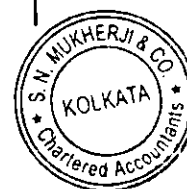
NON-CURRENT LIABILITIES
Note 10 - FINANCIAL LIABILITIES (BORROWINGS)

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	Period of Default in Repayment as at 31st March, 2018	Amount of Default in Repayment as at 31st March, 2018	As At 31st March, 2017	Period of Default in Repayment as at 31st March, 2017	Amount of Default in Repayment as at 31st March, 2017	As At 1st April, 2016
Secured:							
(i) Bonds:							
11.40% Bombay Stock Exchange (BSE) Power Bonds-II	5,000.00	-	-	5,000.00	-	-	5,000.00
(The bonds have been issued for Myntdu Leshka Hydro Electric Project (MLHEP). The bonds are guaranteed by the State Government. The terms attached to the bonds include semi-annual interest payment for 10 years with bullet repayment on November 18, 2018							
9.90% Bombay Stock Exchange (BSE) Power Bonds-I	-	-	-	12,000.00	-	-	12,000.00
(The bonds have been issued for Myntdu Leshka Hydro Electric Project (MLHEP). The bonds are guaranteed by the State Government. The terms attached to the bonds include semi-annual interest payment for 10 years with bullet repayment on October 17, 2017)							
(ii) Term loans:							
(a) From Banks:							
11.98% Term Loan from Federal Bank	561.81	March, 2018	(152.48)	1,335.62	February, 2017 and March, 2017	119.05	2,049.90
(The loan has been availed for Myntdu Leshka Hydro Electric Project (MLHEP). The loan is secured against hypothecation charge on assets of the company and is also guaranteed by the State Government. The Loan is repayable in 7 years in monthly installments starting from April 01, 2012)							
11.15% Term Loan from Central Bank of India	2,525.78	March, 2018	208.33	3,359.12	March, 2017	208.33	4,192.45
(The loan has been availed for Myntdu Leshka Hydro Electric Project (MLHEP). The loan is secured against hypothecation charge on assets of the company and is also guaranteed by the State Government. The loan is repayable in 9 years in monthly installments starting from April 01, 2012)							



(b) From Others:							
12.75% Term Loan from Power Finance Corporation (PFC) Limited (The loan has been availed for Myntdu Leshka Hydro Electric Project (MLHEP). The loan is secured against hypothecation charge on 'Property, Plant and Equipment'. The loan is repayable in 15 years from July, 2014 in Quarterly installments.	16,909.86	-	0.00	18,922.94	January, 2017	402.62	20,533.40
12.65% (12.15%-12.65%) Term Loan from Power Finance Corporation (PFC) Limited (The loan has been availed for New Umtru Hydro Electric Project (NUHEP). The loan is secured against hypothecation charge on 'Property, Plant and Equipment'. The loan is repayable in 15 years from its C.O.D. in Quarterly installments).	44,030.21	4th Quarter of F.Y. 2017-18	786.25	41,928.72	-	-	32,500.71
11.25% (10.00%-11.25%) Term Loan from Power Finance Corporation (PFC) Limited Green Energy Ltd (The loan has been availed for Lakroh Small Hydro Project. The loan is secured against hypothecation charge on 'Property, Plant and Equipment'. The loan is repayable in 15 years from its C.O.D. in Quarterly installments).	392.04	-	-	356.60	-	-	291.67
14% (8.50%-14%) Loan from Rural Electrification Corporation (REC) Limited (The loan has been availed for Myntdu Leshka Hydro Electric Project (MLHEP). The loan is guaranteed by the State Government. The loan is repayable in Quarterly installments for 10 years commencing from June, 2015).	18,345.57	March, 2018	632.61	20,875.99	March, 2017	632.61	24,039.02
11.75% Loan from Power Finance Corporation (PFC) Limited (The loan has been availed for Myntdu Leshka Hydro Electric Project (MLHEP), for the re-financing of Bonds. The loan is guaranteed by the State Government. The terms of the loan include Quarterly repayments in 10.75 years commencing from January 2018, with no moratorium period)	11,720.93	-	-	-	-	-	-
11.25% Loan from Rural Electrification Corporation (REC) Limited (The loan has been availed for Myntdu Leshka Hydro Electric Project (MLHEP). The loan is guaranteed by the State Government. The terms include Quarterly repayments in 7 years commencing from March 2018, with no moratorium period)	6,000.00	March, 2018	206.90	-	-	-	-



Unsecured:							
(i) Term loans:							
(a) From Banks:							
(b) From Others:							
Loans from State Government (The terms of these loans include the clause of semi annual repayment in 10 Years with 2 years of moratorium from the date of disbursement. For details of the same, reference should be drawn to Note :- 10.6).	12,632.52	-	3,574.78	12,596.16	-	2,342.62	12,321.56
Loan from State Government (OECF) (The loan has been availed for Renovation & Modernization of Umiam Stage I through additional central assistance scheme)	1,377.20	-	-	1,377.20	-	-	1,377.20
Loan from State Government (JBIC) (The loan has been availed for Renovation & Modernization of Umiam Stage-II through additional central assistance scheme)	1,128.03	-	-	1,128.03	-	-	1,128.03
(ii) Related Party:							
11.75% Loan from Meghalaya Energy Corporation Limited, MeECL- Holding Company (The loan has been availed for a period of 5 years repayable in 60 equal monthly installments, without any moratorium period).	4,864.42	January, 2018, February, 2018 and March, 2018	322.51	5,854.48	January, 2017, February, 2017 and March, 2017	281.58	-
Sub-Total	1,25,488.37	-	5,578.90	1,24,734.85	-	3,986.80	1,15,433.95
Less: Current Maturities of Long Term Debts	24,022.21	-	-	24,759.19	-	-	9,814.89
Total	1,01,466.15	-	-	99,975.66	-	-	1,05,619.06



Note 10.1.a- With regards to '11.98% Term Loan from Federal Bank', the following should be noted:

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	As At 31st March, 2017
Amount of repayment due as per the books of accounts	(152.48)	(92.95)
Amount of default as per confirmation of actual balance obtained	59.52	119.05
Difference	212.00	212.00

The reconciliation of the aforementioned difference is under process.

Note 10.1.b- With regards to '13.00% Term Loan from Power Finance Corporation (PFC) Limited, the following should be noted:

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	As At 31st March, 2017
Balance of Loan as per the books of accounts	44,030.21	41,928.72
Balance of loan as per confirmation of actual balance obtained	44,030.00	41,928.51
Difference	(0.21)	(0.21)

The reconciliation of the aforementioned difference is under process.

Note 10.1.c- With regards to '13.25% Term Loan from Power Finance Corporation (PFC) Limited, the following should be noted:

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	As At 31st March, 2017
Amount of repayment due as per the books of accounts	0.00	402.62
Amount of default as per confirmation of actual balance obtained	-	402.62
Difference	(0.00)	(0.00)

The reconciliation of the aforementioned difference is under process.

Note 10.2- With regards to the 'Loan from State Government (OECF)', the loan agreement clearly states that the President of India has been mentioned as the Borrower of the Loan. In tune with this, it may be concluded that the company is neither liable to settlement of any interests or repayments of principal against the same. In light of this, the matter has been forwarded to the Legal Cell within the organisation for further clarity. The process of ascertaining the final treatment of the said Loan is under reconciliation.

Note 10.3- With regards to the 'Loan from State Government (JBIC)', the loan agreement clearly states that the President of India has been mentioned as the Borrower of the Loan. In tune with this, it may be concluded that the company is neither liable to settlement of any interests or repayments of principal against the same. In light of this, the matter has been forwarded to the Legal Cell within the organisation for further clarity. The process of ascertaining the final treatment of the said Loan is under reconciliation.

Note 10.4- '11.75% Loan from Meghalaya Energy Corporation Limited, MeECL- Holding Company' has been primarily availed to meet Cash-gap within the entity, amongst other requirements. In line of the same it may be concluded that the Cash Flows from both availing as well as servicing this loan is representative of increase in and maintenance of operating capacity of the entity, in accordance with Para 51 of Ind AS 7- 'Statement of Cash Flows.' Furthermore, the purpose of obtention and retention of other non-current borrowings with regards to furtherance of certain projects as detailed in Note 10 above, can also be construed to be partially representative of increase in and maintenance of operating capacity of the those projects under the entity, (the absolute extent which is practically not ascertainable).



Note 10.5- The item was details of Current Maturities of Long term Debts' as at 31st March 2018 are as under:-

(All amounts in INR Lakhs, unless otherwise stated)

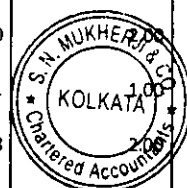
Particulars	Amount
Secured:	
(i) Bonds:	
11.40% Bombay Stock Exchange (BSE) Power Bonds-II	5,000.00
9.90% Bombay Stock Exchange (BSE) Power Bonds-I	-
(ii) Term loans:	
(a) From Banks:	
11.98% Term Loan from Federal Bank	561.81
11.15% Term Loan from Central Bank of India	1,041.67
(b) From Others:	
12.75% Term Loan from Power Finance Corporation (PFC) Limited	1,232.56
12.65% (12.15%-12.65%) Term Loan from Power Finance Corporation (PFC) Limited	3,931.25
11.25% (10.00%-11.25%) Term Loan from Power Finance Corporation (PFC) Limited Green Energy Ltd	-
14% (8.50%-14%) Loan from Rural Electrification Corporation (REC) Limited	3,163.03
11.75% Loan from Power Finance Corporation (PFC) Limited	1,610.46
11.25% Loan from Rural Electrification Corporation (REC) Limited	1,034.48
Unsecured:	
(i) Term loans:	
(a) From Banks:	
(b) From Others:	
Loans from State Government	4,834.39
Loan from State Government (OECF)	-
Loan from State Government (JBIC)	-
(ii) Related Party:	
11.75% Loan from Meghalaya Energy Corporation Limited, MeECL- Holding Company	1,612.56
Total	24,022.21



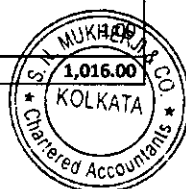
Note 10.6- The details of 'Loan from State Government' are stated as under:-

(All amounts in INR Lakhs, unless otherwise stated)

Serial No.	Particulars/ Purpose	As At 31st March, 2017	Rate of Interest	Additions during the Financial Year 2017-18	Amount of Default in Repayment during the Financial Year 2017-18	As At 31st March, 2018	Interest Accrued during the Financial Year 2017-18
1	Survey and Investigation at Umngot HP(150MW)	4.44	8.64%	-	-	4.44	-
2	Construction of Myntdu Leshka Hydro Electric Project	165.00	8.75%	-	16.50	165.00	14.00
3	Special Plan Assistance (SPA) - Myntdu Leshka Hydro Electric Project	111.00	8.75%	-	11.10	111.00	10.00
4	Survey and Investigation, Myntdu Leshka Hydro Electric Project II (60MW)	3.33	8.64%	-	-	3.33	-
5	Survey and Investigation, Ganol Stage II(2x5 MW)	2.22	8.64%	-	-	2.22	-
6	Construction of Lakroh Mini Hydro Electric Power Project (1x1500 KW)	14.44	8.64%	-	-	14.44	1.00
7	Survey and Investigation - Mawblei Hydel Project (2x70MW)	2.22	8.64%	-	-	2.22	-
8	Survey and Investigation - Myntdu Leshka Stage II Hydro Electric Project 270 (MW)	2.78	8.64%	-	-	2.78	-
9	Special Plan Assistance (SPA) - Myntdu Leshka Hydro Electric Project S&I Stage-II (270MW)	860.00	8.50%	-	-	860.00	73.00
10	Construction of Ganol Hydro Electric Project (22.5 MW)	128.53	8.50%	-	-	128.53	11.00
11	Renovation, Modernisation & Upgradation of Umiam Stage-II Power House	55.00	8.75%	-	-	55.00	5.00
12	Construction of Myntdu Leshka Hydro Electric Project, ACA	263.60	8.50%	-	26.36	263.60	22.00
13	Survey and Investigation, Mawblei Hydro Electric Project (2x70 MW)	2.22	8.50%	-	0.22	2.22	-
14	Survey and Investigation- Myntdu Leshka HEP Stage-II Sub-Station	12.77	8.50%	-	1.28	12.77	1.00
15	Construction of Lakroh Mini Hydel Project	20.78	8.50%	-	2.08	20.78	2.00
16	Construction of Umngot Hydro Electric Project (150 MW)	14.43	8.50%	-	1.44	14.43	1.00
17	Survey and Investigation of Selim (2x85MW), Jaintia Hills	5.55	8.50%	-	0.56	5.55	-
18	Survey and Investigation of Selim (170MW), Jaintia Hills	11.11	8.50%	-	1.11	11.11	1.00
19	Renovation, Modernisation & Upgradation of Umiam Stage-II Power House	200.00	8.50%	-	20.00	200.00	17.00
20	Repair, Renovation & Restoration of Umiam Lake	19.78	8.50%	-	1.98	19.78	2.00
21	Construction of New Umtru Hydro Electric Project	193.15	8.65%	-	19.32	193.15	17.00
22	Renovation & Modernisation of Umiam Stage-II Power Station	1,300.00	8.50%	-	130.00	1,300.00	111.00
23	Construction of Myntdu Leshka Hydro Electric Project, 3x42 MW	715.56	8.87%	-	71.56	715.56	63.00
24	Survey and Investigation of Sidugiri Mini Hydel Project (7MW)	16.50	8.75%	-	1.65	16.50	1.00
25	Survey and Investigation of Ganol-II Hydro Electric Project (3x5MW)	12.88	9.32%	-	1.29	12.88	1.00
26	Construction of Lakroh Mini Hydel Project	8.88	9.32%	-	0.89	8.88	1.00
27	Survey and Investigation - Myntdu Leshka HEP Stage-II (60MW)	14.38	9.32%	-	1.44	14.38	1.00
28	Survey and Investigation - Umngot Hydro Electric Project (240MW)	12.53	9.32%	-	1.25	12.53	1.00
29	Survey and Investigation - Upper Khri Diversion Project (2x7.5MW and 2x5 MW)	7.22	9.32%	-	0.72	7.22	1.00
30	Survey and Investigation Selim Hydro Electric Project (2x85 MW)	18.00	9.32%	-	1.80	18.00	-
31	Survey and Investigation - Upper Khri Stage I & II	11.11	9.32%	-	1.11	11.11	-
32	Survey and Investigation - Mawblei Hydro Electric Project (2x70MW)	18.88	9.32%	-	1.89	18.88	-
33	Re-Engineering Stage-IV Power Station, Nongkhyliem	50.00	9.31%	-	5.00	50.00	5.00
Sub-total carried forward		4,278.29	-	-	320.53	4,278.29	367.00



Serial No.	Particulars/ Purpose	As on 31st March, 2017	Rate of Interest	Additions during the Financial Year 2017-18	Amount of Default in Repayment during the Financial Year 2017-18	As on 31st March, 2018	Interest Accrued during the Financial Year 2017-18
	Sub-total brought forward	4,278.29		-	320.53	4,278.29	367.00
34	Construction of New Umtru Hydro Electric Project under Special Central Assistance	200.00	9.31%	-	20.00	200.00	19.00
35	Construction of Myntdu Leshka Hydro Electric Project, Stage-I (3x42 MW)	320.00	9.31%	-	32.00	320.00	30.00
36	Loan Component for Garo Hills Thermal Project (2x60 MW)- Equity Participation	50.00	9.31%	-	5.00	50.00	5.00
37	Re-Engineering works of Umiam Stage-I Power Station, Sumer	34.00	9.31%	-	3.40	34.00	3.00
38	Soft Loan for Repayment Schedule for New Umtru Hydro Electric Project (2x20MW)	988.75	8.75%	-	98.88	988.75	87.00
39	Survey & Investigation of Nongkohlait Hydro Electric Project (2x60MW)	20.08	9.31%	-	2.01	20.08	2.00
40	Survey & Investigation of Umngi Hydro Electric Project (2x60MW)	13.25	9.31%	-	1.33	13.25	1.00
41	Survey & Investigation of Mawblei Hydro Electric Project (2x60MW)	9.33	9.31%	-	0.93	9.33	1.00
42	Construction of New Umtru Hydro Electric Project (2x20MW), State Plan Special Central Assistance	277.78	9.31%	-	27.78	277.78	26.00
43	Construction of Ganol Hydro Electric Project (3x7.5 MW), Special Central Assistance	388.89	9.31%	-	38.89	388.89	36.00
44	Loan for Repayment Schedule of New Umtru Hydro Electric Project (2x20MW)	950.12	8.75%	-	95.01	950.12	83.00
45	Loan for Repayment Schedule of New Umtru Hydro Electric Project (2x20MW)	998.36	8.75%	-	99.84	998.36	87.00
46	Prepayment Charges for closure of loan & subsequent release of State Government Guarantee for New Umtru Hydro Electric Project	308.96	8.75%	-	30.90	308.96	27.00
47	Survey & Investigation of Selim Hydro Electric Project (2x85MW)	4.47	8.14%	-	0.45	4.47	-
48	Survey & Investigation of Upper Khri Diversion Project (2x75 MW & 2x5 MW)	5.56	8.14%	-	0.56	5.56	-
49	Repair, Renovation and Restoration of Umiam Lake	7.11	8.09%	-	0.71	7.11	1.00
50	Survey & Investigation of Mawblei Hydro Electric Project (2x70 MW)	9.78	8.09%	-	0.98	9.78	1.00
51	Survey & Investigation of Umngot Hydro Electric Project (240 MW) (8th Installment)	6.83	9.31%	-	0.68	6.83	1.00
52	Construction of Ganol Hydro Electric Project (3x7.5 MW)	3,450.00	6.25%	-	345.00	3,450.00	216.00
53	Survey & Investigation of Nongkohlait Hydro Electric Project (2x60 MW) (2nd Installment)	11.11	9.31%	-	-	11.11	1.00
54	Construction of New Umtru Hydro Electric Project (2x20 MW)	119.17	8.63%	-	-	119.17	10.00
55	Survey & Investigation of Umngot Hydro Electric Project (240 MW)	4.83	7.18%	-	-	4.83	-
56	Survey & Investigation of Myntdu Leshka Hydro Electric Project, Stage-II (270 MW)	2.68	8.39%	-	-	2.68	-
57	Survey & Investigation of Selim Hydro Electric Project (2x85 MW)	5.87	8.39%	-	-	5.87	-
58	Survey & Investigation of Mawblei Hydro Electric Project (2x70 MW)	2.45	8.39%	-	-	2.45	-
59	Construction of Ganol Hydro Electric Project (22.5 MW)	115.20	8.39%	-	-	115.20	10.00
60	Construction of Ganol Hydro Electric Project (22.5 MW)	13.30	8.39%	-	-	13.30	1.00
61	Survey & Investigation of Ganol Stage-II HEP (3x5 MW)	-	7.83%	6.00	-	6.00	-
62	Construction of New Umtru Hydro Electric Project (2x20 MW)	-	-	1.55	-	1.55	-
63	Survey & Investigation of Nongkohlait Hydro Electric Project (2x60 MW)	-	7.26%	6.59	-	6.59	-
64	Survey & Investigation of Umngi Hydro Electric Project (2x27 MW)	-	7.26%	22.22	-	22.22	-
	Total	12,596.16	-	36.36	1,124.86	12,632.52	1,016.00



Note 11- GRANTS AND SUBSIDIES

(All amounts in INR Lakhs, unless otherwise stated)

Serial No.	Particulars	As At 1st April, 2016	As At 31st March, 2017	Additions during the year	Deductions during the year	As At 31st March, 2018
1	Grants and Subsidies	19,643.62	19,340.95	700.00	1,276.83	18,764.12

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

(All amounts in INR Lakhs, unless otherwise stated)

Serial No.	Purpose	Date of Receipt of Grant	Released Under	Amount
1	Release of 3rd installment of fund towards Ministry of New and Renewable Energy (MNRE) towards Ganol Hydro Electric Project (3x7.5 MW)	March 20, 2018	Ministry of New and Renewable Energy (MNRE) subsidy	700.00
Total				700.00



CURRENT LIABILITIES**Note 12 (a) - FINANCIAL LIABILITIES (BORROWINGS)**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March,	As At 31st March, 2017	As At 1st April, 2016
Secured:			
Overdraft Accounts with Central Bank of India (These borrowings have been secured against Term Deposits)	-	319.42	314.88
Overdraft Accounts with Federal Bank (These borrowings have been secured against Term Deposits)	-	-	634.82
Total	-	319.42	949.70

Note 12 (a).1- The aforementioned Borrowings have been serviced and retained for maintenance of operating capacity of the entity, in accordance with Para 51 of Ind AS 7- 'Statement of Cash Flows', amongst other requirements.

Note 12 (b)- FINANCIAL LIABILITIES (TRADE PAYABLES)

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March,	As At 31st March, 2017	As At 1st April, 2016
Payables against SLDC (State Load Dispatch Centre) Charges to Related Party (Meghalaya Power Transmission Corporation Limited- MePTCL)	468.58	453.12	353.04
Total	468.58	453.12	353.04

Note 12 (b).1- The settlement with regards to the above has been booked based on allotments disbursed by the Holding Company for SLDC, for the Current Financial Year. Ascertainment of settlements with regards to previous financial years is under reconciliation.

Note 12 (c)- OTHER FINANCIAL LIABILITIES

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March,	As At 31st March, 2017	As At 1st April, 2016
Current maturities of long-term debts-			
Related Party- Meghalaya Energy Corporation Limited (MeECL- Holding Company)	1,612.56	1,559.08	-
Others	22,409.65	23,200.11	9,814.89
Interest accrued-			
Related Party- Meghalaya Energy Corporation Limited (MeECL- Holding Company)	141.11	99.87	-
Others	9,748.39	6,865.66	6,653.41
Total	33,911.71	31,724.72	16,468.30

Note 12 (c).1- With regards to 'Interest accrued on Others', in certain cases, the Book values do not tally with the actual balance as per Third Party Confirmation. The same is under reconciliation.



Note 13- PROVISIONS

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	As At 31st March, 2017	As At 1st April, 2016
Provision for employee benefits	1,742.14	1,932.80	580.00
Total	1,742.14	1,932.80	580.00

Note 13.1- For details with regards to the aforementioned Note, reference should be drawn to Note 27.4

Note 14- CURRENT TAX LIABILITIES

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	As At 31st March, 2017	As At 1st April, 2016
Direct Tax Liabilities	(28.62)	(4.69)	(8.06)
Indirect Tax Liabilities	544.15	451.52	496.58
Total	515.53	446.83	488.52

Note 14.1- With regards to the above, determination of actual status of Tax Liabilities and their corresponding reconciliation with book balances is under process. Theoretically, the aforesaid Tax Liabilities should be of current nature only. Thereby, the accurate distinction of such liabilities into Current and Non-current heads, if applicable, can only be conceived after the said reconciliation is completed.

Note 15- OTHER CURRENT LIABILITIES

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	As At 31st March, 2017	As At 1st April, 2016
Liabilities for Capital Supplies	3,964.00	2,791.92	4,934.49
Liabilities for Operational and Maintenance Related Supplies	788.32	1,346.52	1,058.16
Staff Related Liabilities	677.39	1,673.94	1,347.97
Security Deposits and Retention Moneys Payable	263.63	1,007.89	2,367.41
Claim Received from Insurance of Fixed Assets, pending reconciliation	235.05	-	-
Liabilities for Expenses	4,830.98	4,553.87	4,235.42
Related Party Payables:			
i.) Meghalaya Energy Corporation Limited (MeECL)-			
Payables against Remittances of Cash and Cash Equivalents	23,386.50	9,628.06	10,511.10
Payables against Remittances of Fuel, Materials, Personnel and Others	4,906.77	5,506.26	5,516.18
Payables against Operations, Capital and Others	50,684.17	38,827.37	14,897.89
ii.) Meghalaya Power Distribution Corporation Limited (MePDCL)-			
Payables against Operations, Capital and Others	3,500.77	-	-
iii.) Meghalaya Power Transmission Corporation Limited (MePTCL)-			
Payables against Operations, Capital and Others	1,112.26	380.17	288.98
iv.) Others	13,251.16	13,251.16	13,251.16
v) Liabilities for Supplies (against Temporary Sale of Power)	45.48	64.09	51.37
Total	1,07,646.49	79,031.25	58,460.12

Note 15.1- As on 31st of March, 2016, Staff Related Liabilities included a credit balance of ₹ 3,89,19,354.33 pertaining to the company's liabilities regarding Contributory Pension Scheme (CPS). However, the payments made to Pension Fund Regulatory and Development Authority (PFRDA) regarding transfer of such pension funds accumulated over the years had been cleared from a common pool in the Holding Company's books of accounts. Reconciliation of the same is under continuous process. During the Financial Year 2017-18, the cumulative payments made to PFRDA have been worked out for the company separately, and thereafter recorded in the books of the Company. Consequently, the book balance as on 31st of March, 2018, for the Company's liabilities regarding CPS stands at ₹ 61,45,442.33.

Note 15.2- With regards to the Financial Year 2017-18, all the liabilities towards General Provident Fund (GPF) have been transferred to the Holding Company (Meghalaya Energy Corporation Limited, MeECL), as MeECL holds all rights and liabilities towards settlements of dues to staffs, against GPF.

Note:- 15.3- Since the Holding Company (Meghalaya Energy Corporation Limited, MeECL) holds all rights and liabilities towards settlements of dues to staffs against Pension, Gratuity and Bonus. Ideally the books of the Company should not have balances against payables of such items. Therefore, the following ledger balances which exist against the books of the Company, are subject to reconciliation, which shall be undertaken in subsequent periods:

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	As At 31st March, 2017
Provision For Gratuity	32.22	32.22
Provision For Pension	10.43	10.43
Provision For Bonus	0.59	0.59
Total	43.24	43.24

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



Note 15.4- 'Liabilities for Supplies (against Temporary Sale of Power)' pertains to the amount deducted from the works-bills of construction companies or contractors for the power supplied by the company and used by them in the execution of their works for the company. The said deduction is payable by the concerned divisions (where the works take place) to the concerned Revenue sub-division. Therefore, the said head relates to an Inter-unit or Inter-company payable. Furthermore, reconciliation of the balances under this head has been initiated vide Letter No. ACT/COMP/MePGCL/FA2017-18 Dated 06-12-2018, addressed to The Executive Engineer, New Umtru Hydro Electric Project Byrnihat, Meghalaya.

Note 15.5- 'Claim Received from Insurance of Fixed Assets, pending reconciliation' is inclusive of the following: -

a.) ₹36,74,691 (i.e., sum of ₹ 8,50,000.00 and ₹ 27,97, 691.00, respectively):

Insurance Claim had been lodged for ₹ 59,53,775.00 towards Damage to Radial Gate No. 2, Stage II at Kyrdemkulai in Financial Year 2016-17. The claim amount had been finalised at ₹ 36,47,691.00. Out of this, Rs. 8,50,000.00 had been received on 12th of April, 2016, but erroneously not accounted for. The same had been reflected in the Bank Reconciliation Statement. Furthermore, the remaining balance of ₹ 27,97,691.00 had been received on 10th of March, 2017 and had been considered as an Exceptional Item in the books of the Financial Year 2016-17. During the Current Financial Year 2017-18, the said two amounts have been brought under 'Claim Received from Insurance of Fixed Assets, pending reconciliation' head. The actual 'Loss on Settlement of Insurance Claim' could not be ascertained due to the Written Down Value (WDV) of the concerned damaged fixed asset not being readily available. Consequently, the matter has been referred for resolving to the Office of the Executive Engineer (C), Hydraulic Structure Maintenance Division (Sumer, Meghalaya) vide letter no. ACM (II)/904/Part I/2011/209. The detail thereof is awaited, and is expected to be reconciled in future course of time.

b.) ₹ 1,98,57,521.00:

Insurance Claim had been lodged on account of Damage due to Flood at Myntdu Leshka Hydro Electric Project (MLHEP). The Claim amount of ₹ 1,98,57,521.00 had been received on 20th of December, 2017. During the Current Financial Year 2017-18, the amounts has been shown as 'Claim Received from Insurance of Fixed Assets, pending reconciliation' head. The actual 'Loss on Settlement of Insurance Claim' could not be ascertained due to the Written Down Value (WDV) of the concerned damaged fixed asset not being readily available. Furthermore, it has come to light that component costing was not done during initial booking. Consequently, the matter has been kept under reconciliation for resolving in future course of time.



INCOMES**Note 16- REVENUE FROM OPERATIONS**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<u>Revenue from Sale of Power to Related Party:</u>		
Meghalaya Power Distribution Corporation Limited (MePDCL)	19,135.85	23,696.75
Total	19,135.85	23,696.75

Note 16.1- With respect to change in accounting policy in booking of the afore-mentioned revenue, reference should be drawn to Note 27.3.5

Note 17- OTHER INCOME

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<u>Interest income</u>		
From Banks	163.22	562.04
From Others	16.45	64.57
<u>Other non-operating income</u>		
Rental and Hiring Income	32.52	32.95
Rebates	0.92	0.77
Fees and Penalties	4.64	11.26
Sale of scrap, tender forms and others	3.56	7.45
Miscellaneous receipts	25.94	11.01
Amortization of Grant	1,276.83	1,227.97
Total	1,524.09	1,918.02

Note 18- PRIOR PERIOD INCOMES

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest Income from Banks	180.06	1,278.85
Depreciation	12.81	1.57
Excess provisions	0.15	-
Amortization of grants	-	196.17
Other incomes	315.41	0.02
Total	508.43	1,476.60

Note 18.1- With regards to details of 'Prior Period Incomes' refer to Note 27.5

Note 19- SLDC (STATE LOAD DISPATCH CENTRE) CHARGES

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Related Party Charges:		
State Load Dispatch Centre (SLDC) Charges to Meghalaya Power Transmission Corporation Limited (MePTCL)	115.00	100.08
Total	115.00	100.08



Note 20- EMPLOYEE BENEFITS EXPENSE

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries and wages	4,928.11	5,467.79
Contribution to provident and other funds	79.80	52.23
Staff welfare expenses	0.30	-
Apportionment of Employee Benefit Expenses (from Holding Company)	3,645.60	3,094.30
	8,653.81	8,614.32
Less: Employee benefits expense capitalised	802.24	903.57
Total	7,851.57	7,710.75

Note 20.1- Apportionment of Employee Benefit Expenses (from Holding Company) has the following break-up:-

(All amounts in INR Lakhs, unless otherwise stated)

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

Note 21- FINANCE COSTS

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest:		
To related party (Meghalaya Energy Corporation Limited, i.e., Holding Company)- including Penal Interest	648.41	230.92
To Others - including Penal Interest	14,309.52	14,135.25
Cost of raising finance	0.59	0.09
Other banking and guarantee charges	286.41	309.97
	15,244.93	14,676.22
Less: Finance costs capitalised	1,419.87	5,126.67
Total	13,825.06	9,549.55

Note:21.1 Penal details are stated hereunder-

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Related Party (Meghalaya Energy Corporation Limited, i.e., Holding Company)	25.38	-
Others	291.12	225.38
Total	316.50	225.38



Note 22- DEPRECIATION AND AMORTIZATION EXPENSE

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Depreciation	10,227.90	8,027.14
Less: Depreciation expense capitalised	0.20	0.29
Total	10,227.69	8,026.85

Note 23- OTHER EXPENSES

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Repairs and maintenance:		
Buildings	90.55	127.20
Plant and Equipment	255.13	442.52
Hydraulic Works	382.60	163.17
Civil Works	47.17	59.17
Lines & Cables	19.15	29.94
Vehicles	12.55	20.72
Furniture and Fixtures	6.43	9.51
Office equipment	6.29	5.25
Lubricants and Consumable Stores	2.86	6.34
Administration, Operating and General Expenses		
Insurance Charges	365.11	288.61
Rent, Rates and Taxes	10.00	12.03
Telegram, Postage, Telegraph and Telex charges	5.81	5.75
Training, conveyance and vehicle running expenses	132.90	160.62
Printing and stationery expenses	10.71	10.47
Auditors' remuneration	4.99	4.52
Consultancy Charges	6.36	8.57
Technical fees	-	0.03
License and Registration Charges	-	2.53
Books & Periodicals	0.17	0.24
Fees and subscription expenses	0.05	-
Advertisement charges	10.65	2.71
Legal and professional charges	6.39	8.70
Meghalaya State Electricity Regulatory Commission (MSERC) Fees	17.72	10.03
Electricity and Water Charges	1.97	19.69
Lab Testing Expenses	0.31	5.40
Bank Charges	0.49	0.22
Entertainment expenses	1.79	0.64
Miscellaneous expenses	7.04	5.22
	1,405.18	1,409.81
Less: Other Expenses Capitalised	54.71	89.20
	1,350.47	1,320.61
Related Party Expense		
Bad-Debts against Sale of Power to Meghalaya Power Distribution Corporation Limited (MePDCL)	-	2,399.71
Total	1,350.47	3,720.32

Note 23.1- With regards to details of 'Bad-Debts against Sale of Power to Meghalaya Power Distribution Corporation Limited (MePDCL)' for the Financial Year 2016-17 and changes in accounting policy with respect to the current Financial Year, reference should be drawn to Note 27.3.5.



Note 24- PRIOR PERIOD EXPENSES

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Employee Benefit Expenses	10.28	-
Depreciation (under-provided in previous years)	323.65	-
Other Expenses	3,718.09	-
Interest and Other Finance Charges	100.97	-
Total	4,153.00	-

Note 24.1- With regards to details of 'Prior Period Expenses' refer to Note 27.5

Note 25- EXCEPTIONAL ITEMS

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Insurance Claims received against Fixed Assets	-	27.98
Total	-	27.98

Note 25.1- With regards to Damage against breakdown of 30 HMI/ Flat Display in Stage 2 Power Station, United India Insurance Company Ltd has closed the Insurance Claim as " NO CLAIM" vide letter No: 500700/IAR-CL/2016/050118001/104/2018 dated 07-08-2018. Furthermore, based on Letter No. EE/GEN-1/ENG-82/2017-18/1152 dated 08-11-2018, Original Cost of Damaged portion of the Asset is not ascertainable because component costing was not done during initial booking. Thereby, both the determination of 'Loss on damage' and reduction of concerned asset from books, is under reconciliation.



Note 26 - SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

II. USE OF ESTIMATES

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



III. PROPERTY, PLANT AND EQUIPMENT

- a) Property, Plant and Equipment which include depreciable fixed assets are stated at cost of acquisition or construction (i.e., historical cost) less accumulated depreciation.
- b) Property, Plant and Equipment which includes land is carried at historical cost.
- c) Subsequent costs are included in the carrying amounts or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with them shall flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs thereby are charged to the Statement of Profit & Loss during the reporting period in which they are incurred.
- d) Property, Plant and Equipment of the transferred undertaking of erstwhile Meghalaya State Electricity Board (MeSEB) are stated as specified in notification No.POWER-79/2009/290 dated 31st March 2010 issued by the Government of Meghalaya notifying "The Meghalaya Power Sector Reforms Transfer Scheme 2010," as amended.
- e) In case of Property, Plant and Equipment for new projects, extensions, renovation or modernization, the related expenses and interest costs up to the date of commissioning, attributable to the same, are capitalised.
- f) On transition to Ind AS, the company had elected during the Financial Year 2016-17 to continue with the carrying value of its property, plant and equipment recognized as at 1st of April, 2015 measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment for furtherance of recognition and presentation thereon.
- g) The rates of depreciation or amortization and estimated lives thereon as prescribed by Central Electricity Regularity Commission (CERC) for the purpose of tariff are being followed by the company. These computations are significantly different from those prescribed under Schedule II of Companies Act, 2013.
- h) In line with the above point, computer softwares and other selective intangible assets, if any, are treated under Property, Plant and Equipment and depreciated thereby as per CERC norms.

IV. CAPITAL WORK-IN-PROGRESS (CWIP)

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



- b) In case of Capital Work-in-Progress (CWIP), for works against deposits or works contracts, where the final settlement of bills with contractors are yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.
- c) Claims for price variation or exchange rate variation in case of capital contracts are accounted for on acceptance thereof by the Company.
- d) The costs incurred and revenues generated during the Trial Run Stages of Projects of Power Stations are capitalized.

V. BORROWINGS AND BORROWING COSTS

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

VI. CASH AND CASH EQUIVALENTS

- a) Cash and Cash Equivalents is composed of, *inter alia*, cash-on-hand, Cash-at-bank and liquid term deposits.
- b) In the Cash Flow Statement, cash flows are reported using the indirect method, whereby profit or loss before extraordinary items and tax is adjusted for the effects of necessary adjustments. The net inflows and/or outflows from operating, investing and financing activities of the Company are segregated based on available information.

VII. INVENTORIES

- a) Inventories of Operational and Maintenance Stock acquired by the Central Store are initially recognized at cost, computed as Ex-works price plus freight, insurances and applicable taxes.
- b) Inventories earmarked for Capital Work-in-Progress acquired by the Central Store are initially recognized at cost, computed as Ex-works price plus freight, insurances and applicable taxes.
- c) Issuance of Operational and Maintenance Stock to underlying units, is made at an Issue Rate which is the approved tender or quotation rate applicable as on the date of such issue. In addition to the Issue Rate, the Central Store charges the concerned underlying unit @ 7.5% towards storage and handling of inventory.



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

VIII. REVENUE RECOGNITION

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

c) Revenue from Sale of Power:

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

Timing of Recognition and Measurement of Revenue: The revenue for the above had been determined as per tariff order passed by Meghalaya State Electricity Regulatory Commission (MSERC), up to the previous financial year. However, with regards to the Financial Year 2017-18, there has been a change in the accounting policy. The revenue from the aforesaid related party operations has been recognised on the basis of current realisability. A change in policy has been adopted because of continuous trend of past experience of bills remaining unsettled.

d) Other Income:

- i) Income from sale of scrap, fees, penalties and miscellaneous receipts are accounted for on the basis of actual realisation.
- ii) Interest incomes on term deposits are accounted for on accrual basis. Interest incomes other than that on term deposits are accounted for on actual realisation basis.
- iii) Other incomes (unless mentioned above) are recognised on accrual basis except when ultimate realisation of such incomes are uncertain or details are not readily available.



IX. EXPENDITURE

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

X. GRANTS AND SUBSIDIES FROM THE GOVERNMENT

- a) Grants and Subsidies received from Government are recognised on reasonable assurance of them being realized and on completion of attached conditions, if any.
- b) Grants and Subsidies received for specific assets (property, plant and equipment) are disclosed as 'Grants and Subsidies' (Deferred Incomes) on the Liabilities side of the Balance Sheet as a separate line item. They are amortized in proportion of depreciation on related assets (thereby, amortized based on the expected lives of the related assets), and presented within 'Other Income.'

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

The rate so arrived at is 5.28% as per CERC guidelines for the related assets mentioned. In tandem with the operations of previous years, it has been observed that creation of assets against capital grants received during the period generally take more than a year for completion. The same are thereby booked under capital work-in-progress. Hence, grants and subsidies have been amortized at 5.28% of their opening balance for the reporting period.

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

XI. TAXATION

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



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

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

XII. TRANSACTIONS IN FOREIGN CURRENCY

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

XIII. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

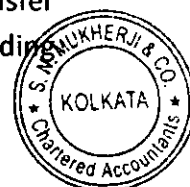
- a) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- b) Provisions are not recognized for future operating losses.
- c) Contingent Liabilities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

XIV. SEGMENT REPORTING

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit or loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

XV. EMPLOYEE BENEFITS (INCLUDING TERMINAL BENEFITS)

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



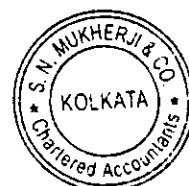
- b) Short term obligations – Liabilities for wages and salaries accrued as on the reporting date based on the recognition of services rendered by the employees, including non-monetary benefits are expected to be settled wholly within the subsequent reporting period
- c) Provident fund – The contribution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

XVI. OFFSETTING FINANCIAL INSTRUMENTS

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

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

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



- (a) was available when financial statements for those periods were approved for issue; and
- (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

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

Prospective restatement against such errors is made and disclosed.

XVIII. EARNINGS PER SHARE

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




weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

XIX. ROUNDING OFF

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

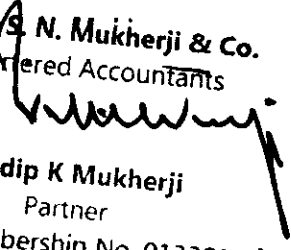
For and on behalf of the Board


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


Shri Kheidor Tiewsoh
Director (Generation)
DIN:08349339


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

As per our report of even date attached


For **S. N. Mukherji & Co.**
Chartered Accountants

Sudip K Mukherji
Partner
Membership No. 013371

For M/s **S.N. Mukherji & Co**
Chartered Accountants
(Firm Regn. No: 301079E)

24/10/2019

Place: Shillong

Date:

Note 27- OTHER DISCLOSURES**Note 27.1- SEGMENT INFORMATION**

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

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

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

(All amounts in INR Lakhs, unless otherwise stated)

Particulars of Reportable Segment: "Generation of Power"	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Operating Revenue from Sale of Power	19,135.85	23,696.75
	19,135.85	23,696.75
SLDC (State Load Dispatch Centre) Charges	115.00	100.08
Other related Expenses allocated to Generation	9,202.04	11,431.07
Total Adjusted EBDITA	9,818.81	12,165.60

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

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

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Total Adjusted EBDITA	9,818.81	12,165.60
Other Income	1,524.09	1,918.02
Prior Period Incomes	508.43	1,476.60
Finance costs	(13,825.06)	(9,549.55)
Depreciation and amortization expense	(10,227.69)	(8,026.85)
Prior Period Expenses	(4,153.00)	-
Exceptional Items	-	27.98
Profit/(Loss) from Continuing Operation before Tax	(16,354.42)	(1,988.19)

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

(All amounts in INR Lakhs, unless otherwise stated)

Particulars of Reportable Segment: "Generation of Power"	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Operating Revenue from Sale of Power	19,135.85	23,696.75
Total Segment Revenue	19,135.85	23,696.75

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

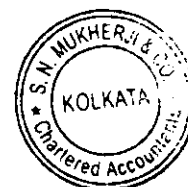
f.) **Segment Assets and Segment Liabilities-** As the company's 'single primary reportable business segment' is "Generation of Power," it can be reliably concluded that all assets and outside liabilities of the company are either directly or indirectly relatable to "Generation of Power."



Note 27.2- EARNINGS PER SHARE

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
a) Basic earnings per share				
Profit or loss attributable to ordinary equity holders of the company (A)		(16,354.42)		(1,988.19)
Number of ordinary shares outstanding (B)		7,827.93		6,906.03
<u>Weighted average number of ordinary shares outstanding:</u>				
At the beginning of the reporting period	6,906.03		6,103.35	
Time-weighting factor	1.00		1.00	
(C)	6,906.03		6,103.35	
Issued during the reporting period	921.90		802.67	
Time-weighting factor	0.35		0.08	
(D)	320.77		61.57	
Total weighted average number of ordinary shares (E)=(C+D)		7,226.80		6,164.93
Basic Earnings per share:				
1st Method: (A/B)		(2.0892)		(0.2879)
2nd Method: (A/E)		(2.2630)		(0.3225)
b) Diluted Earnings per share				
Additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares (F)		161.22		1,061.80
<u>Weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares:</u>				
At the beginning of the reporting period	1,061.80		1,724.57	
Time-weighting factor	1.00		1.00	
(G)	1,061.80		1,724.57	



Issued during the reporting period:			
1st Issue	5.93		10.00
Time-weighting factor	0.51		0.91
	3.01		9.07
2nd Issue	15.39		7.48
Time-weighting factor	0.44		0.38
	6.79		2.85
3rd Issue	-		2.41
Time-weighting factor	-		0.38
	-		0.90
4th Issue	-		100.00
Time-weighting factor	-		0.27
	-		26.85
5th Issue	-		20.00
Time-weighting factor	-		0.12
	-		2.41
Total issues during the reporting period (H)	9.80		42.08
Conversions during the reporting period	921.90		802.67
Time-weighting factor	0.35		0.08
(I)	320.77		61.57
Total weighted average number of diluted shares (J)=(G+H-I)		750.82	1,705.08
Diluted Earnings per share:			
1st Method: A/(B+F)		(2.0471)	(0.2495)
2nd Method: A/(E+J)		(2.0500)	(0.2526)

Note 27.2.1- The company has not discontinued any operations during the reporting period. Also, there are no extraordinary items during the reporting period.

Note 27.2.2- The company does not have any preference shares, outstanding warrants, stock options, share warrants and convertible bonds for the reporting period, causing any dilution effect in addition to the computation as stated above.



Note 27.3- RELATED PARTY TRANSACTIONS

Note 27.3.1- Compensation to Key Management Personnel (KMP) as disclosed in 'Additional Information' for the Financial Year 2017-18:

Names of KMPs	Gross short term employee benefits	Employer's Contribution towards Contributory Pension Scheme, CPS (excluding Arrears, if any)	Post employment and termination benefits
Mr. Parmarsan Singh Thangkhiew	Allowances of ₹14,748.00 have been paid. Other employee benefits are borne by IAS Cadre.		
Mr. Abhishek Bhagotia	Allowances of ₹45,353.00 have been paid. Other employee benefits are borne by IAS Cadre.		
Mr. Enrichwell Nongrum	₹ 17,00,590.00	Not under CPS	Subject to Significant Accounting Policies disclosed
Mr. Gouri Sankar Mukherjee	₹ 10,77,929.00	₹ 98,111.00	

Note 27.3.2- The aforementioned benefits have been paid from the Holding Company i.e. MeECL and subsequently apportioned to the Company @ 30% of benefits due)

Note 27.3.3- Information as a Government-related Entity:

(All amounts in INR Lakhs, unless otherwise stated)

Dealings with the Government, excluding Taxation	Outstanding Balances			
	As At 31st March, 2017	During the year	As At 31st March, 2018	
Capital Grants and Subsidies from the Government (including those routed through various government entities)	19,340.95	(576.83)	18,764.12	
Recoverables From State Government, pending reconciliation	1.44	-	1.44	
Non-current Borrowings from the Government	15,101.39	36.36	15,137.75	

As per the Financial Statements of the Financial Year 2016-17 'Non-current Borrowings from the Government' had been wrongly stated as ₹ 1,48,26,78,654.30. The same has been correctly stated as ₹ 1,51,01,38,654.30 in the Current Financial Year, with regards to the afore-mentioned balance as at 31st March, 2017.

(All amounts in INR Lakhs, unless otherwise stated)

Dealings with the Government, excluding Taxation	Revenue transactions	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest on Government loans	1,018.24	1,005.42
Meghalaya State Electricity Regulatory Commission (MSERC) Fees	17.72	10.03



Note 27.3.4- Transactions with the Holding Company and Subsidiaries within the group:

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Outstanding Balances			
	As At March, 2017	31st During the year	As At March, 2018	31st
<u>Equity Share Capital:</u>				
Meghalaya Energy Corporation Limited (MeECL)-	69,060.26	9,219.01	78,279.26	
<u>Equity Share Capital Pending Allotment:</u>				
Meghalaya Energy Corporation Limited (MeECL)-	10,617.96	(9,005.75)	1,612.21	
<u>Trade Receivables:</u>				
Receivables against Sale of Power to Related Party (Meghalaya Power Distribution Corporation Limited- MePDCL)	23,696.75	(3,509.99)	20,186.76	
<u>Receivables (Other Current Assets):</u>				
i.) Meghalaya Energy Corporation Limited (MeECL)-				
Receivables against Remittances of Cash and Cash Equivalents	493.86	13,424.30	13,918.16	
Receivables against Operations, Capital and Others	5,723.42	17,538.64	23,262.06	
Receivables against Remittances of Fuel, Materials, Personnel and Others	2,193.19	(1,515.58)	677.61	
ii.) Meghalaya Power Distribution Corporation Limited (MePDCL)-				
Receivables against Operations, Capital and Others	63,626.11	(9,243.71)	54,382.40	
<u>Trade Payables:</u>				
Payables against SLDC (State Load Dispatch Centre) Charges to Related Party (Meghalaya Power Transmission Corporation Limited- MePTCL)	453.12	15.47	468.58	
<u>11.75% Loan:</u>				
Meghalaya Energy Corporation Limited (MeECL)	5,854.48	(990.05)	4,864.42	
<u>Current maturities of long-term debts:</u>				
Meghalaya Energy Corporation Limited (MeECL)	1,559.08	53.48	1,612.56	
<u>Interest accrued:</u>				
Meghalaya Energy Corporation Limited (MeECL)	99.87	41.24	141.11	
<u>Payables (Other Current Liabilities):</u>				
i.) Meghalaya Energy Corporation Limited (MeECL)-				
Payables against Remittances of Cash and Cash Equivalents	9,628.06	13,758.44	23,386.50	
Payables against Remittances of Fuel, Materials, Personnel and Others	5,506.26	(599.49)	4,906.77	
Payables against Operations, Capital and Others	38,827.37	11,856.80	50,684.17	
ii.) Meghalaya Power Distribution Corporation Limited (MePDCL)-				
Payables against Operations, Capital and Others	-	3,500.77	3,500.77	
iii.) Meghalaya Power Transmission Corporation Limited (MePTCL)-				
Payables against Operations, Capital and Others	380.17	732.09	1,112.26	
iv.) Others	13,251.16	-	13,251.16	
<u>Addition to Property, Plant and Equipment (Vehicles):</u>				
Meghalaya Energy Corporation Limited (MeECL)-	-	15.10	15.10	



(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Revenue transactions	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue from Sale of Power to Related Party:		
Meghalaya Power Distribution Corporation Limited (MePDCL)	19,135.85	23,696.75
State Load Dispatch Centre (SLDC) Charges:		
Meghalaya Power Transmission Corporation Limited (MePTCL)	115.00	100.08
Interest:		
Meghalaya Energy Corporation Limited (MeECL)-	648.41	230.92
Bad-Debts against Sale of Power :		
Meghalaya Power Distribution Corporation Limited (MePDCL)	-	2,399.71
Depreciation:		
Meghalaya Energy Corporation Limited (MeECL)	1.43	-
Prior Period Depreciation:		
Meghalaya Energy Corporation Limited (MeECL)	2.15	-
Apportionment of Employee Benefit Expenses, made by:		
Meghalaya Energy Corporation Limited (MeECL)	3,645.60	3,094.30

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

Note 27.3.5-

(All amounts in INR Lakhs, unless otherwise stated)

Particulars with regards to 'Related Party Bad Debts'	For the year ended 31st March, 2017
Receivables with regards to preceding year (A)	20,574.52
Less: Expenses met by the MePDCL:	
Employee benefits expense	6,570.15
Finance costs	9,410.37
Other expenses (including SLDC Charges)	2,216.86
Prior period items (net)	(22.56)
Total Expenses (B)	18,174.82
Difference (A-B)	2,399.71
Bad-Debts: -	
Against Sale of Power to Meghalaya Power Distribution Corporation Limited (MePDCL)	2,399.71

The expenses of the company as mentioned in the table *supra* are borne by MePDCL (Meghalaya Power Distribution Corporation Limited). In the Financial Year 2015-16, bad-debts had been booked to the tune of the receivables remaining unsettled (after recovering the aforementioned expenses) for the previous two Financial Years i.e., 2014-15 and 2013-14. The bad-debts had transpired as MePDCL had been incurring substantial losses over many years, and the receivables thereby could not be recovered. In continuance with this accounting policy, for bad-debts pertaining to the Financial Year 2016-17, the unsettled portion of receivables accounted for during the previous Financial Year 2015-16 (as tabulated *supra*) had been taken into consideration.



However, with regards to the Financial Year 2017-18, there has been a change in the accounting policy and bad-debts have not been recognised any further. The 'Revenue from Transmission of Power to Related Party (Meghalaya Power Distribution Corporation Limited- MePDCL)' has been recognised on the basis of current realisability. A change in policy has been adopted because of continuous trend of past experience of bills remaining unsettled, as referred in the para above. Revenue has thereby been recognised, as under: -

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Amount(₹)
Total Bill raised to MePDCL during the current Financial Year (a)	35,614.46
Revenue recognised during the year:-	0
Allotment of Funds (towards Employee Costs, Operations, Repairs and Maintenance)	6,175.73
Interest of Loan paid by the company	9,314.53
Apportionment of Employee Cost of the Holding Company towards the company	3,645.60
Total (b)	19,135.85
Amount not recognised as revenue due to uncertainty of realisation (a-b)	16,478.60

Furthermore, the following must be noted: -

i. As a result of booking revenue based on current realisability, no book balance of Receivables against the same with regards to the Bills raised for the Current Year have ensued.

ii. With regards to allotment of Funds to 'MM Stores', the following must be noted: -

a.) The allotment sent from the Head Office, is booked in the accounts of the respective subsidiary companies

b.) However, the acceptance of such allotments is booked only in the Holding Company due to non-segregation of company-wise accounts of MM Stores.

c.) Consequently, the Inter-company balances pertaining to MM Stores, do not tally with regards to each company. The reconciliation of the same shall be taken up in subsequent periods.

iii. With regards to allotment regarding GPF, CPS, Employee's and Employer's Contribution, the same has not been taken into consideration, because company-wise bifurcation is not readily available and the fund is allotted on a "net-requirement" basis.

iv. Data with regards to Allotment of Funds has been obtained from Sectional details maintained. However, the reconciliation of the said figures with the books of accounts is in a continuous process of reconciliation.

Note 27.3.6- The details of Related Party Transactions have been mentioned vide Note 26.3 *supra*. The names and details of Related Parties, however, have been stated under relevant para of 'Note-28 Additional Information'.

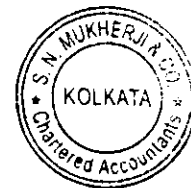


Note 27.4- PROVISIONS

(All amounts in INR Lakhs, unless otherwise stated)

Provision for employee benefits	As At 31st March, 2018	As At 31st March, 2017
As at the beginning of the Financial Year	1,932.80	580.00
<u>Add: Provision for Revision of Pay (ROP) for the Financial Year:</u>		
Estimated arrears to be drawn	-	700.00
Apportionment from Holding Company (@30% of ₹ 21,76,00,000.00 for 2016-17)	-	652.80
Add: Adjustments during the Year	0.30	-
	1,933.10	1,932.80
Less: Settlements during the Financial Year	190.95	-
As at the end of the Financial Year	1,742.14	1,932.80

Note 27.4.1- With regards to the Financial Year 2015-16, no apportionment of provision for Revision of Pay (ROP) had been done from the Holding Company, i.e., only estimations expressly belonging to the company had been made for calculation of such provision. However, the apportionment with respect to the expense on such Revision of Pay (ROP) had been done. Thereby, the Holding Company had retained the provision, but apportioned the consequent estimated expenses. Furthermore, during the Financial Year 2016-17, provisioning had been done by the Company. For the Financial Year 2017-18, no further provisioning is required. Thereby, in the Financial Year 2017-18 settlements of payments against ROP to staff have been cleared from the afore-arrived balances of provision.



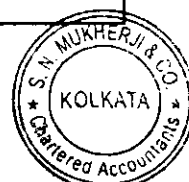
Note 27.5- PRIOR PERIOD ADJUSTMENTS

Prior Period Incomes

Financial Year 2017-18

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Amount	Nature
Interest Income from Banks	4.06	This pertains to rectification towards premature withdrawal of STDR No. 3433811132 held by bank as security against Overdraft Account No. 3081551270 (Interest Portion)
	176.00	This pertains to rectification entry with respect to Investment in term deposits (STDR Account No. 36729901241) after necessary reconciliation exercise being undertaken
	180.06	
Depreciation	12.81	This pertains to rectification towards excess depreciation provided for in previous years on Fixed Assets of Myntdu Leshka Hydro Electric Project (MLHEP)
Excess provisions	0.15	This pertains to correction of excess provisioning made towards Cost Audit Fees of Financial Year 2013-14
Other Incomes	315.36	This pertains to rectification towards premature withdrawal of STDR No. 3433811132 held by bank as security against Overdraft Account No. 3081551270 (Principal portion)
	0.03	This pertains to Security Deposit released to H. Rumnong which attracted an audit objection for ` 2,638/- of SI No.1, Annexure III of the audit objection report, vide Voucher No. 26 dated the 21st of April, 2017.
	0.00	This pertains to rectification on 31.03.2016 in respect of interest of L/C of MLHEP (Leshka) during the year 2015-16 (` 2577055.00 instead on ` 2576784.00
	0.00	This pertains to a cash refund made by Shri. C. W. Pariat, Executive Engineer, NUD-I, on account of Internal Audit Observation Para-8 and SI No. V for the years 2012-2016 ,received vide Hand receipt No. 12446 dated the 29th of June, 2017.
	0.00	These pertain to recoveries made from Contractors- New Umtru Hydro Electric Project (NUHEP)
	0.00	
	0.01	
	0.01	
	315.41	
Total	508.43	



Financial Year 2016-17

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Amount	Nature
Interest income from Banks	1,278.85	It relates to rectifications against under-booking of interests on 'Investments in Term Deposits' over prior periods.
Depreciation	0.98	This relates to the depreciation of Fixed Assets withdrawn [Myntdu Leshka Hydro Electric Project (MLHEP)] on the Fixed Assets deducted shown by MLHEP Division in their monthly accounts for the year 2016-17
	0.58	This relates to the depreciation of Fixed Assets withdrawn [Myntdu Leshka Hydro Electric Project (MLHEP)] on the Fixed Assets deducted shown by MLHEP Division in their monthly accounts for the year 2016-17
	0.00	This pertains to the rectification entry in respect of Shillong Civil Division for depreciation charged on 'Miscellaneous Civil Works' which had been inadvertently entered vide payment No 509 dated the 12th of February, 2016.
	1.57	
Amortization of grants	196.17	Capital Reserve is inclusive of grants received from the government during previous years, which subsequently had not been amortised earlier. The grants thereby have been amortised to the full in the current financial year.
Other Incomes	0.02	Security Deposits release against Audit objection through 'Annexure III, SI No.10' vide Voucher No. 26 dated the 22nd of December, 2016.
Total	1,476.60	



Prior Period Expenses

Financial Year 2017-18

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Amount	Nature
Depreciation (under-provided in previous years)	277.63	It pertains to Depreciation on Fixed Assets of Generation-I Division, Sumer provided from Financial Year 2011-12 to Financial Year 2015-16.
	43.88	It pertains to Depreciation on Fixed Assets of Generation-III, Byrnihat under provided from Financial Year 2009-10 to Financial Year 2015-16.
	2.15	It pertains to the acceptance of Advice-Transfer-Debit (ATD) raised by Head Quarter Subsidiary A/cs (Meghalaya Energy Corporation Limited, MeECL) through Adjustment Voucher, in respect of Vehicles and depreciation provided thereof from the Financial Year 2015-16 to Financial Year 2017-18.
	323.65	
Other Expenses	180.13	This pertains to reversal of an entry dated 07-03-2017, pertaining to Investments in Term Deposits
	3,509.99	This pertains to a rectification entry passed with regards to Related party Power Sales bills served to Meghalaya Power Distribution Corporation Limited (MePDCL) for the year 2016-17 which was inadvertently taken as Rs.2,36,96,75,107/- instead of Rs.2,01,86,76,311/- (Reference may be drawn to Adjustment Voucher No. 27 of the Financial Year 2016-17)
	27.98	This pertains to rectification of Insurance claim received against Damage of Radial Gate 2 at Stage III Dam (Kyrdemkulai) erroneously booked as Income in Previous Year.
	3,718.09	
Employee Benefit Expenses	10.11	This pertains to booking of Employee Cost (Pay and Allowances) relating to September, 2015 (Ganol Hydro Electric Project)
	0.17	This pertains to booking of Employer's Contribution to CPS relating to Previous Years (Ganol Hydro Electric Project)
	10.28	
Interest and Other Finance Charges	100.97	This pertains to rectification entry with respect to Investment in term deposits after necessary reconciliation exercise being undertaken.
Total	4,153.00	



Note 27.6- PAYMENTS TO AUDITORS

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Name of the Firm	During the Financial year 2017-18	Name of the Firm	During the Financial year 2016-17
Statutory Audit	-	-	M/s Ajit Paul & Co. (For the Financial Year 2012-13)	6.84
Secretarial Audit (Allotment from Holding Company)	M/s Subhasis Bosu & Co.	0.20	-	-
Total		0.20		6.84

Note 27.6.1- Liabilities created for Audit Fees payable to Auditors during the Financial year 2017-18 are as under: -

(All amounts in INR Lakhs, unless otherwise stated)

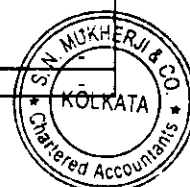
Particulars	Amount (₹)
Cost Audit Fees	0.60
Statutory Audit Fees	3.50
Secretarial Audit Fees	0.31
Tax Audit Fees	0.58
Total	4.99



Note 27.7- CHANGES IN PRESENTATION DUE TO RE-GROUPING OF PREVIOUS YEARS' FIGURES

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As per Financial Statements of the Year 2016-17		As Per Financial Statements of the Year 2017-18		Difference	
	As at 31st March 2017	As at 1st April 2016	As at 31st March 2017	As at 1st April 2016	As at 31st March 2017	As at 1st April 2016
Note 15 - Other Current Liabilities						
Meghalaya Power Distribution Corporation Limited (MePDCL)- Payables against Operations, Capital and Others	(5,578.40)	(3,178.70)	-	-	(5,578.40)	(3,178.70)
Note 7 - Other Current Assets						
Meghalaya Power Distribution Corporation Limited (MePDCL)- Receivables against Operations, Capital and Others	92,901.26	73,060.51	63,626.11	49,307.29	29,275.15	23,753.22
	-	-			23,696.75	20,574.52
Note 5 (a) - Financial Assets (Trade Receivables)						
Unsecured, considered good:	-	-				
Receivables against Sale of Power to Related Party (Meghalaya Power Distribution Corporation Limited- MePDCL)	-	-	23,696.75	20,574.52	(23,696.75)	(20,574.52)
Note 5 (a) - Financial Assets (Trade Receivables)						
Receivables against Temporary Sale of Power	(64.09)	(51.37)	-	-	64.09	51.37
Note 15 - Other Current Liabilities						
Liabilities for Supplies (against Temporary Sale of Power)	-	-	64.09	51.37	(64.09)	(51.37)
Note 12 (b)-Financial Liabilities (Trade Payables)						
Payables against SLDC (State Load Dispatch Centre) Charges to Related Party (Meghalaya Power Transmission Corporation Limited- MePTCL)	-	-	453.12	353.04	(453.12)	(353.04)
Note 15 - Other Current Liabilities						
Meghalaya Power Transmission Corporation Limited (MePTCL)- Payables against Operations, Capital and Others	833.29	642.01	380.17	288.98	453.12	353.04
Note 20- Employee Benefits Expense						
Salaries and wages	6,364.16	5,532.43	5,467.79		896.36	-
Contribution to provident and other funds	2,248.43	2,046.23	52.23		2,196.20	-
Staff Welfare Expenses	1.73	1.43	-		1.73	-
	-	-			3,094.30	
Note 20- Employee Benefits Expense						
Apportionment of Employee Benefit Expenses	-	-	3,094.30		(3,094.30)	-
Note 23- Other Expenses	0	0				
Bank Charges	-	-	0.22		(0.22)	-
Note 21- Finance Costs						
Other banking and guarantee charges	310.19	322.63	309.97		0.22	-
Cash Flow Statement						
<u>Adjustments for:</u>						
Amortization of Grants	-	-	(1,227.97)		1,227.97	-
Cash Flow from Financing Activities	-	-				
Grants and Subsidies	(302.67)	453.79	925.30		(1,227.97)	-
	-	-				
<u>Adjustments for increase/decrease in:</u>						
Trade Receivables	12.72	23.83	(3,122.23)		3,134.95	-
Trade Payables	-	-	100.08		(100.08)	-
	-	-			3,034.87	-
<u>Adjustments for increase/decrease in:</u>						
Other current assets	(25,573.17)	1,159.00	(20,051.23)		(5,521.94)	
Other current liabilities	23,016.50	(3,661.87)	20,529.43		2,487.07	
	-	-			(3,034.87)	



Note 27.3.4- Transactions with the Holding Company and Subsidiaries within the group:	-	-	-			
<u>Receivables (Other Current Assets):</u>	-	-	-			
Meghalaya Power Distribution Corporation Limited (MePDCL)-	-	-	-			
Receivables against Operations, Capital and	92,901.26	73,060.51	63,626.11		29,275.15	-
<u>Payables (Other Current Liabilities):</u>						
Meghalaya Power Distribution Corporation Limited (MePDCL)-				Presentation is not required		
Payables against Operations, Capital and	(5,578.40)	(3,178.70)	-		(5,578.40)	-
	-	-	-		23,696.75	-
<u>Trade Receivables:</u>	-	-	-			
Meghalaya Power Distribution Corporation Limited (MePDCL)	-	-	-			
Receivables against Sale of Power to Related Party (Meghalaya Power Distribution Corporation Limited- MePDCL)	-	-	23,696.75		(23,696.75)	-
<u>Trade Payables:</u>	-	-	-			
Payables against SLDC (State Load Dispatch Centre) Charges to Related Party (Meghalaya Power Transmission Corporation Limited-	-	-	453.12		(453.12)	-
<u>Payables (Other Current Liabilities):</u>	-	-	-	Presentation is not required		
Meghalaya Power Transmission Corporation Limited (MePTCL)-	-	-	-			
Payables against Operations, Capital and	833.29	642.01	380.17		453.12	-

Note 27.7.1- With respect to the accounting heads in the Tally Accounting Software used by the Company, certain duplicate heads of accounts have been created over the years. This has on occasions led to debit transactions being punched in one accounting head, and credit in another. Furthermore, on certain other occasions, entries have been scattered sporadically over such duplicate heads. The actual balances are reflected only when such heads are netted off, and not viewed individually, due to the said anomaly. The process of identifying such heads is in continuous progress. As per the Opening Balances of accounting heads of the current Financial Year, it had come to notice that multiple accounting heads relating to Capital Works-in-Progress and Overdraft Accounts, which had been fully converted and closed respectively in yester-years, still highlighted equal debit and credit balances in duplicate heads. Many such opening balances of accounting heads have been merged into one single head, thereby bringing the book balances of such heads to their correct statuses. This has led to the closing balances of previous year in such ledger heads not tallying individually with opening balances of the same. In most cases, book entries have not been passed because journals between two duplicate heads which have the same 'aliases' are often not accepted in the Tally Accounting Software. Furthermore, passing of journals between such duplicate accounting heads would anyway have no net-financial impact.



Note 28 - ADDITIONAL INFORMATION

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



V. Details Of Borrowing Costs Capitalised

Particulars	For the year ended 31 st March, 2018 (₹)	For the year ended 31 st March, 2017 (₹)
Towards Capital Work-in-Progress of New Umtru Hydro Electric Project (NUHEP)	13,79,29,634.00	50,92,39,452.00
Towards Capital Work-in-Progress of Lakroh Small Hydro Project	40,57,335.00	34,27,734.00
Total	14,19,86,969.00	51,26,67,186.00

VI. Related Parties

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

Description of relationship	Names of related parties
Holding Company	Meghalaya Energy Corporation Limited (MeECL)
Other subsidiaries of Holding Company	1. Meghalaya Power Distribution Corporation Limited (MePDCL) 2. Meghalaya Power Transmission Corporation Limited (MePTCL)
Key Management Personnel (KMP)	1. Mr. Parmarsan Singh Thangkhiew Chairman-cum-Managing Director (Date of Cessation – 30 th of November, 2018) 2. Mr. Enrichwell Nongrum Chairman-cum-Managing Director (Date of Appointment – 13 th of December, 2018) Chairman-cum-Managing Director Mr. Abhishek Bhagotia, Director (Finance) & Chief Financial Officer (CFO) (Date of Cessation - 3 rd of November, 2017) 1. Mr. Enrichwell Nongrum, Director (Generation) (Date of Cessation – 30 th of January 2019) 2. Mr. Kheidor Tiewsoh, Director (Generation) Mr. Gouri Sankar Mukherjee, Company Secretary

100% shares of the company are held by the Holding Company, Meghalaya Energy Corporation Limited (MeECL) and its nominees. All the shares of the Holding Company have been issued to the Hon'ble Governor, Government of Meghalaya. In light of the same, the company is a 'government-related entity' (with regards to the Government of Meghalaya) as defined by



"Ind AS 24 (Related Party Disclosures)" i.e., an entity that is controlled, jointly controlled or significantly influenced by a government.

VII. Foreign Currency Transactions

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

VIII. Previous reporting periods' figures have been regrouped, recast and rearranged wherever possible and necessary to comply with the requirements of presentation as per Division II of Schedule III to the Companies Act, 2013 and also to correspond with the current reporting period's other requisite classifications.

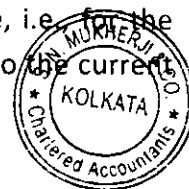
IX. Prior Period Adjustments

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

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

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

As a consequence of the above, the company has restated the balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable, i.e. for the current financial year 2016-17. The same policy has been followed with regards to the current



financial year 2017-18. Details of the Prior Period Errors rectified during the period are stated vide the Notes *supra*.

X. Reconciliation

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

- a. On occasions, negative balances have been carried over from yester years or vide Transfer Notifications during Restructure, Unbundling and/or Trifurcation as stated in Point I of this Note *supra* and remain subject to on-going reconciliation.
- b. Certain negative balances are subject to aggregation (i.e., recovery, payment, deduction, provisions, etc., have separate ledger heads created for the same cluster of activities).
- c. In some cases negative balances have occurred due to inaccurate grouping or classification of ledger heads in the computerised books of accounts at the levels of underlying units under the Company's hierarchy. The process of reconciliation of the same is undergoing.

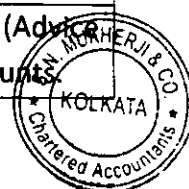
The reconciliation of the above shall be envisaged keeping in view both the cost-effectiveness and practical feasibility of undertaking the said reconciliation in subsequent periods.

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

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

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

Reference	Subject sought to be reconciled or resolved
Letter No. ACT/ COMP/ STOCK/ 2018/ 375/ 1 sent from the Accounts Section on the 13 th of April, 2018 addressed to All Drawing and Disbursing Officers of the Company	Outstanding Inventories, which have remained unadjusted in the books, with regards to: a.) Capital Stock (Work-in-Progress) b.) Operational and Maintenance Stock
Letter No. ACT/ COMP/ ATD-ATC/ 2017-18/ 374/ 1 sent from the Accounts Section on the	Long pending Outstanding ATDs (Advances Transfer Debits) in the books of accounts



29 th of March, 2018 addressed to All Drawing and Disbursing Officers of the Company	
Letter No. ACT/ COMP/ CWIP/ PT-II/ 37/ 86/ 61 sent from the Accounts Section on the 24 th of August, 2018 addressed to All Drawing and Disbursing Officers of the Company	Pending Conversion and Status of Capital Works-in-Progress in all underlying Divisions

XI. Disclosures based on the Statement of Cash Flows:

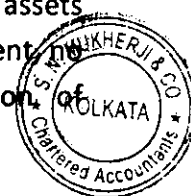
- a. The components of cash and cash equivalents have been reflected in the Cash Flow Statement, and the amounts of the same are in tandem with those presented in the Balance Sheet.
- b. All significant cash and cash equivalents held by the entity are available for use by it, with the exception of certain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

XII. Assets under Lease

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

District	Location of the Land	Year of Acquisition	Area (in acres)
East Khasi Hills	Keating Road Sub-Station	1995	0.12
	NEHU Sub-Station	1986	12.3
	SE Fall Sub-Station	1995	0.35
South West Garo Hills	Garobadha	1990	1.00

The Company is undertaking the process of ascertaining all such similar assets which it has taken on lease. Furthermore, the proper bifurcation of such assets amongst the respective companies within the group is also under reconciliation, which is also in consonance with Point No. IV of this Note mentioned *supra*. Besides, determination of book values against all assets on lease is an ongoing process. In light of this, under Note 1- Property Plant and Equipment, value-wise details of 'Assets on Lease' have been provided. The implementation



requirements in accordance with relevant Ind AS' also remains subject to the same impediment and shall be undertaken in subsequent years on mitigation of the same. Letter No. ACT/COMP/MeECL/FA/2017-18/369/14 dated the 04th of December, 2018 has been addressed to the Joint Secretary, MeECL, Shillong, towards furtherance of the aforesaid matter.

XIII. Investment Properties

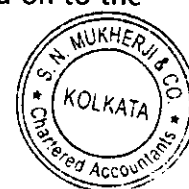
In line with the last formal information presented by the Land Cell within the Holding Company, plots of land belonging to the group (parent and/or subsidiaries) have been given on lease to various third parties. A summary of certain such instances is depicted hereunder: -

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

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

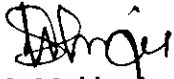
- XIV.** Requisite details of capital commitments and allied contractual obligations have not been entirely forthcoming from the underlying divisions. Thereby, ascertainment of the same is under progress.
- XV.** With regards to Contingent liabilities, it must be noted that cases against the company are dealt with by the Holding Company, and treatment thereafter meted out on case-to-case basis in accordance with the guidelines specified by the Holding Company itself. Hence, details of all such cases are enumerated in the Annexures to the Separate Financial Statements of the Holding Company and the Consolidated Financial Statements of the group thereon. The Annexures enumerate the status of pending litigations and compensation along with status of theft of electricity, and other related matters.

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



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

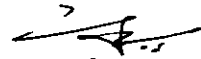
For and on behalf of the Board



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



Shri Kheidor Tiewsoh
Director (Generation)
DIN: 08349339



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

As per our report of even date attached

For S. N. Mukherji & Co.
Chartered Accountants



Sudip K Mukherji
Partner

Membership No. 013321

For M/s S.N. Mukherji & Co
Chartered Accountants

(Firm Regn. No: 301079E)

22/10/2019

Place: Shillong

Date: