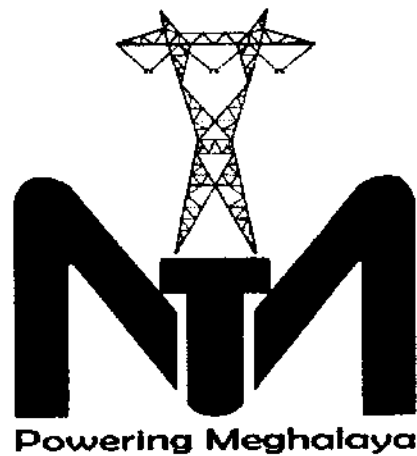


**MEGHALAYA POWER TRANSMISSION  
CORPORATION LIMITED**

**SHILLONG**



**STATEMENT OF ACCOUNTS**

**2016-2017**

**MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2017**

(All amounts in INR, unless otherwise stated)

Particulars	Note No.	As At 31st March, 2017	As At 31st March, 2016	As At 31st March, 2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	1	2987291490.69	3152577555.90	2769707103.55
Capital work-in-Progress	2	1254993387.00	967703872.00	984900850.00
Investment Property*	-	0.00	0.00	0.00
Goodwill*	-	0.00	0.00	0.00
Other Intangible assets*	-	0.00	0.00	0.00
Intangible assets under development*	-	0.00	0.00	0.00
Biological Assets other than bearer plants*	-	0.00	0.00	0.00
Financial Assets-				
(i) Investments*	-	0.00	0.00	0.00
(ii) Trade receivables*	-	0.00	0.00	0.00
(iii) Loans*	-	0.00	0.00	0.00
(iv) Others	3	23393.56	23393.56	23393.56
Deferred tax assets*	-	0.00	0.00	0.00
Other non-current assets*	-	0.00	0.00	0.00
<b>Total Non-Current Assets</b>		<b>4242308271.25</b>	<b>4120304821.46</b>	<b>3754631347.11</b>
<b>Current Assets</b>				
Inventories	4	252262628.21	75142399.65	71831183.65
Financial Assets-				
(i) Investments*	-	0.00	0.00	0.00
(ii) Trade receivables*	-	0.00	0.00	0.00
(iii) Cash and cash equivalents	5	406218187.75	448632230.75	527259246.81
(iv) Bank balances other than (iii) above*	-	0.00	0.00	0.00
(v) Loans*	-	0.00	0.00	0.00
(vi) Others*	-	0.00	0.00	0.00
Current Tax Assets*	-	0.00	0.00	0.00
Other current assets	6	4070987111.40	2591431118.40	1751284775.51
<b>Total Current Assets</b>		<b>4729467927.36</b>	<b>3115205748.80</b>	<b>2350375205.97</b>
<b>TOTAL ASSETS</b>		<b>8971776198.61</b>	<b>7235510570.26</b>	<b>6105006553.08</b>

(All amounts in INR, unless otherwise stated)

Particulars	Note No.	As At 31st March, 2017	As At 31st March, 2016	As At 31st March, 2015
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share capital	7	3576601130.00	2213092130.00	500000.00
Other Equity	8	571886185.39	1698398360.10	3695293649.82
Equity attributable to owners		4148487315.39	3911490490.10	3695793649.82
Non-controlling Interests*	-	0.00	0.00	
<b>Total Equity</b>		<b>4148487315.39</b>	<b>3911490490.10</b>	<b>3695793649.82</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities-				
(i) Borrowings	9	862641820.00	702553747.00	289183443.00
(ii) Trade payables*	-	0.00	0.00	0.00
(iii) Other financial liabilities *	-	0.00	0.00	0.00
Grants and Subsidies**	10	298482778.00	80038113.00	35285760.00
Provisions*	-	0.00	0.00	0.00
Deferred tax liabilities*	-	0.00	0.00	0.00
Other non-current liabilities*	-	0.00	0.00	0.00
<b>Total Non-Current Liabilities</b>		<b>1161124598.00</b>	<b>782591860.00</b>	<b>324469203.00</b>
<b>Current Liabilities</b>				
Financial Liabilities-				
(i) Borrowings*	-	0.00	0.00	0.00
(ii) Trade payables*	-	0.00	0.00	0.00
(iii) Other financial liabilities	11	320162392.00	355519477.00	105114683.00
Provisions	12	158580000.00	46500000.00	9300000.00
Current tax liabilities	13	7441901.06	6239612.06	6514828.04
Other current liabilities	14	3175979992.16	2133169131.10	1963814189.22
<b>Total Current Liabilities</b>		<b>3662164285.22</b>	<b>2541428220.16</b>	<b>2084743700.26</b>
<b>Total Liabilities</b>		<b>4823288883.22</b>	<b>3324020080.16</b>	<b>2409212903.26</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8971776198.61</b>	<b>7235510570.26</b>	<b>6105006553.08</b>

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

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

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

As per our report of even date attached

For and on behalf of the Board

For M/s Hari Singh & Associates  
Chartered Accountants  
(Firm Regn. No. 323505)



MN-303630

Place: Shillong

Date: 31-08-2018

Shri M. Doph, IAS  
Director HR&A  
DIN: 0007957698

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

Shri P.S. Thangkhiew, IAS  
Chairman-cum-Managing Director  
DIN: 07499233

Shri M. S. S. Rawat  
Director Finance I/C &  
Chief Accounts Officer

**MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017**

(All amounts in INR, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Continuing Operations</b>			
<b>Incomes</b>			
Revenue From Operations	15	1015580917.50	980714503.43
Other Income	16	44257717.00	18302190.00
Prior Period Incomes	17	163813207.00	485791.00
<b>Total Income</b>		<b>1223651841.50</b>	<b>999502484.43</b>
<b>Expenses</b>			
Cost of materials consumed*	-	0.00	0.00
Purchases of Stock-in-Trade*	-	0.00	0.00
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress*	-	0.00	0.00
Employee benefits expense	18	604422442.00	543838402.00
Finance costs	19	111206894.00	65494363.50
Depreciation and amortization expense	20	208767254.21	203015031.65
Other expenses	21	217718850.00	269426111.00
Prior Period Expenses	22	4000.00	1335536.00
<b>(losses) of Investments accounted for using equity method and tax</b>		<b>81532401.29</b>	<b>(83606959.72)</b>
Share of net profits (losses) of investments accounted for using equity method	-	0.00	0.00
<b>Profit/(loss) before exceptional items and tax</b>		<b>81532401.29</b>	<b>(83606959.72)</b>
Exceptional Items	-	0.00	0.00
<b>Profit/(loss) before tax</b>		<b>81532401.29</b>	<b>(83606959.72)</b>
Tax Expense			
(i) Current tax	-	0.00	0.00
(ii) Deferred tax	-	0.00	0.00
<b>Profit (Loss) for the period from continuing operations</b>		<b>81532401.29</b>	<b>(83606959.72)</b>
<b>Discontinued Operations</b>			
Profit/(loss) from discontinued operations		0.00	0.00
Tax expense of discontinued operations		0.00	0.00
<b>Profit/(loss) from Discontinued operations (after tax)</b>		<b>0.00</b>	<b>0.00</b>
<b>Profit (loss) for the year</b>		<b>81532401.29</b>	<b>(83606959.72)</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss	-	0.00	0.00
A (ii) Income tax relating to items that will not be reclassified to profit or loss	-	0.00	0.00
B (i) Items that will be reclassified to profit or loss	-	0.00	0.00
B (ii) Income tax relating to items that will be reclassified to profit or loss	-	0.00	0.00
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>81532401.29</b>	<b>(83606959.72)</b>

<b>Profit (Loss) is attributable to:</b>			
Owners of Holding Company	-	81532401.29	(83606959.72)
Non-Controlling Interests	-	0.00	0.00
		<b>81532401.29</b>	<b>(83606959.72)</b>
<b>Other comprehensive income is attributable to:</b>			
Owners of Holding Company	-	0.00	0.00
Non-Controlling Interests	-	0.00	0.00
		<b>0.00</b>	<b>0.00</b>
<b>Total comprehensive income is attributable to:</b>			
Owners of Holding Company	-	81532401.29	(83606959.72)
Non-Controlling Interests	-	0.00	0.00
		<b>81532401.29</b>	<b>(83606959.72)</b>
<b>Total comprehensive income attributable to owners of Holding Company arises from:</b>			
Continuing operations	-	81532401.29	(83606959.72)
Discontinued operation	-	0.00	0.00
		<b>81532401.29</b>	<b>(83606959.72)</b>
<b>Earnings per equity share (for continuing operation) -</b>			
(i) Basic		0.2280	(0.3778)
(ii) Diluted		0.1936	(0.2053)
<b>Earnings per equity share (for discontinued operation) -</b>			
(i) Basic	24.2	0.00	0.00
(ii) Diluted		0.00	0.00
<b>operations) -</b>			
(i) Basic		0.2280	(0.3778)
(ii) Diluted		0.1936	(0.2053)

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 Hari Singh & Associates  
Chartered Accountants  
(Firm Regn. No.323509E)



*[Signature]*  
MN-303630

Place: Shillong

Date: 31-08-2018

*[Signature]*  
Shri P. M. Dophth, IAS  
Director HR&A  
DIN:0007957698

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

*[Signature]*  
Shri P.S. Thangkhiew, IAS  
Chairman-cum-Managing Director  
DIN: 07499233

*[Signature]*  
Shri M. S. S. Rawat  
Director Finance I/C &  
Chief Accounts Officer

**MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED**
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2017**

A. Equity share capital	Note No.	(Amounts in INR)
Balance as at 1st April, 2016		2213092130.00
Changes in Equity Share Capital during the Financial Year 2016-17:		
Allotment of Equity Shares to the Holding Company (Meghalaya Energy Corporation Limited, MeECL)	7.3	1363509000.00
Balance as at 31st March, 2017		3576601130.00

**B. Other Equity**

(All amounts in INR, 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	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 (Specify Nature)	Retained Earnings										
Balance as at 1st April, 2016		1859874503.15	0.00	4620500.00	0.00	0.00	(166096643.05)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1698398360.10	0.00	1698398360.10
Changes in Accounting Policies or Prior Period Errors		0.00	0.00	(4620500.00)	0.00	0.00	21105924.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16485424.00	0.00	16485424.00
Revised Balance as at 1st April, 2016		1859874503.15	0.00	0.00	0.00	0.00	(144990719.05)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1714883784.10	0.00	1714883784.10
Total Comprehensive Income for the Year		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends*	8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer from Profit and Loss A/c Investment made by Meghalaya Energy Corporation Limited (MeECL Holding Company)		0.00	0.00	0.00	0.00	0.00	81532401.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	81532401.29	0.00	81532401.29
		138979000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	138979000.00	0.00	138979000.00
Transfer to Equity Share Capital		(1363509000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1363509000.00)	0.00	(1363509000.00)
Balance as at 31st March, 2017		635344503.15	0.00	0.00	0.00	0.00	(63458317.76)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	571886185.39	0.00	571886185.39

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

As per our report of even date attached

 For M/s Hari Singh & Associates  
Chartered Accountants  
(Firm Regn. No. 3235098)

MN-303630

Place: Shillong

Date: 31-08-2018

For and on behalf of the Board

 Shri P. M. Doph, IAS  
Director HR&A  
DIN: 0007957698

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

 Shri P.S. Thangkhiew, IAS  
Chairman-cum-Managing Director  
DIN: 07499233

 Shri M. S. S. Rawat  
Director Finance I/C &  
Chief Accounts Officer

**MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax as per Statement of Profit and Loss	81532401.29	-83606959.72
Adjustments for :		
Depreciation & Amortization of Assets	204136346.21	200860791.65
Provisions created	112080000.00	37200000.00
Interest Income	(38796071.00)	(14701338.00)
Finance Costs	111206894.00	65494363.50
Operating Profit before Working Capital Changes	<b>470159570.50</b>	<b>205246857.43</b>
Adjustments for increase/decrease in:		
Inventories	(177120228.56)	(3311216.00)
Other current assets	(1479555993.00)	(693500704.69)
Other financial liabilities	(35357085.00)	255664121.00
Other current liabilities	1044013150.06	(41553920.30)
Cash generated from Operations	<b>(177860586.00)</b>	<b>(277454862.56)</b>
Taxes Paid	0.00	0.00
<b>Net Cash from Operating Activities</b>	<b>(177860586.00)</b>	<b>(277454862.56)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Income	38796071.00	14701338.00
Net Acquisition of Property, Plant and Equipment and Investment in Capital Work-in-Progress	(330770704.00)	(568688506.19)
<b>Net Cash from Investing Activities</b>	<b>(291974633.00)</b>	<b>(553987168.19)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Shares	1363509000.00	2212592130.00
Other Equities raised	0.00	0.00
Other Equities	(1208044576.00)	(1913288330.00)
Net Non-Current Borrowings	160088073.00	472098985.00
Grants and Subsidies	223075573.00	46906593.00
Finance Costs	(111206894.00)	(65494363.50)
<b>Net Cash from Financing Activities</b>	<b>427421176.00</b>	<b>752815014.50</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(42414043.00)</b>	<b>(78627016.25)</b>
Opening balance of Cash and Cash Equivalents	448632230.75	527259247.00
Closing balance of Cash and Cash Equivalents:	406218187.75	448632230.75
Consisting of:		
Balances with Banks	73841494.65	5659935.65
Cash on hand	30957.02	40859.02
Cash Imprest with Staff	(4423563.92)	1955501.08
Other Bank Balances (Investments in Term Deposits)	336769300.00	440975935.00
	<b>406218187.75</b>	<b>448632230.75</b>

As per our report of even ~~the~~ attached

For and on behalf of the Board

For M/s Hari Singh & Associates  
Chartered Accountants  
(Firm Regn. No.323509E)



Shri F. M. Doph, IAS  
Director HR&A  
DIN:0007957698

Shri P.S. Thangkhiew, IAS  
Chairman-cum-Managing Director  
DIN: 07499233

Place: Shillong

Date: 31-08-2018

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

Shri M. S. S. Rawat  
Director Finance I/C &  
Chief Accounts Officer

**Note 1: PROPERTY, PLANT AND EQUIPMENT**

Serial No.	Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT			
		As At 31st March, 2016	Additions during the year	Disposals and/ or Deductions during the year	As At 31st March, 2017	As At 31st March, 2016	Depreciation for the year	Adjustments or Deductions during the year	As At 31st March, 2017	As At 31st March, 2017	As At 31st March, 2016	As At 31st March, 2015	
1	Land	40914601.53	35795.00	0.00	40950396.53	0.00	0.00	0.00	0.00	40950396.53	40914601.53	16175722.53	
2	Buildings	108130718.63	21372610.00	0.00	129503328.63	28525361.56	3740410.48	0.00	32265772.04	97237556.59	79605357.07	49355265.12	
3	Plant and Equipment	1507658850.29	3094469.00	0.00	1510753319.29	302762901.37	76996861.08	0.00	379759762.45	1130993556.84	1204895948.92	1125929159.04	
4	Furniture and Fixtures	8525155.15	134952.00	0.00	8660107.15	1672066.81	521449.98	0.00	2193516.79	6466590.36	6853088.34	3932143.25	
5	Vehicles	335857.67	0.00	0.00	335857.67	302271.92	0.00	0.00	302271.92	33585.75	33585.75	33585.75	
6	Office equipment	3567782.37	54811.00	0.00	3622593.37	1645630.86	212647.64	0.00	1858278.50	1764314.87	1922151.51	1809341.54	
7	Bearer Plants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
8	Others:												
8 (a)	Hydraulic Works	894804.00	0.00	0.00	894804.00	19685.69	47245.64	0.00	66931.33	827872.67	875118.31	0.00	
8 (b)	Other Civil Works	92922777.24	12025966.00	0.00	104948743.24	11014950.59	3275066.19	0.00	14290016.78	90658726.46	81907826.65	47512182.37	
8 (c)	Lines and Cable Network	2466511795.31	6762586.00	0.00	2473274381.31	730941917.49	123973573.19	0.00	854915490.68	1618358890.63	1735569877.82	1524959703.95	
9	Assets under lease	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Total	4229462342.19	43481189.00	0.00	4272943531.19	1076884786.29	208767254.21	0.00	1285652040.50	2987291490.69	3152577555.90	2769707103.55	

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

Serial No.	Particulars	As At 31st March, 2015	As At 31st March, 2016	Additions during the year	Conversions, Capitalisations and/ or Deductions during the year	As At 31st March, 2017
1	Capital Work-in-Progress	984900850.00	967703872.00	806157211.00	518867696.00	1254993387.00

Note 2.1- 'Capital Work-in-Progress' mainly comprises of costs incurred towards set-up of major projects relating to transmission of power within the State.



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

Particulars	As At 31st March, 2017	As At 31st March, 2016	As At 31st March, 2015
Recoverables From State Government	23393.56	23393.56	23393.56
<b>Total</b>	<b>23393.56</b>	<b>23393.56</b>	<b>23393.56</b>

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

Particulars	As At 31st March, 2017	As At 31st March, 2016	As At 31st March, 2015
Capital Stock (Work-in-Progress)	157997424.01	(13571127.99)	(14734510.99)
Operational and Maintenance Stock	94265204.20	88713527.64	86565694.64
<b>Total</b>	<b>252262628.21</b>	<b>75142399.65</b>	<b>71831183.65</b>

**Note 5- CASH AND CASH EQUIVALENTS**

Particulars	As At 31st March, 2017	As At 31st March, 2016	As At 31st March, 2015
Balances with Banks	73841494.65	5659935.65	25529103.71
Cash on hand	30957.02	40859.02	45996.82
Cash Imprest with Staff	(4423563.92)	1955501.08	2315653.28
Other Bank Balances (Investments in Term Deposits)	336769300.00	440975935.00	499368493.00
<b>Total</b>	<b>406218187.75</b>	<b>448632230.75</b>	<b>527259246.81</b>

**Note 5.1- Reconciliation of Other Bank Balances (Investments in Term Deposits):**

Particulars	As At 31st March, 2017	As At 31st March, 2016
Balance at the beginning of the reporting period	440975935.00	499368493.00
Add: Investments made during the period	340695482.00	278651942.00
Interest accrued at the end of the period	27143149.00	0.00
Prior Period Incomes during the period	159192707.00	0.00
Transfer to Retained Earnings	21105924.00	0.00
	989113197.00	778020435.00
Less: Redemptions made during the period	652343897.00	337044500.00
<b>Balance at the end of the reporting period</b>	<b>336769300.00</b>	<b>440975935.00</b>

Note 5.2- During the Financial Year 2015-16, 'Interest accrued' had not been taken into account. Prior period adjustments to the same tune have been made during the Financial Year 2016-17.

**Note 6- OTHER CURRENT ASSETS**

Particulars	As At	31st	As At	31st	As At
	March, 2017	March, 2016	March, 2016	March, 2015	March, 2015
Capital Advances	67894421.49	68141558.49			66512558.49
Advances other than capital advances:					
Operational and Maintenance Advances	3015677.71	3015677.71			3015677.71
Staff Related Advances	5480838.32	6207278.32			6621627.32
Claims Receivable	2366.52	2366.52			2366.52
Related Party Receivables:					
i.) Meghalaya Energy Corporation Limited (MeECL)-					
Receivables against Remittances of Cash and Cash Equivalents	64904273.44	10013288.44			11268043.00
Receivables against Remittances of Fuel, Materials, Personnel and Others	1160493.00	1136239.00			132448182.00
Receivables against Operations, Capital and Others	546744069.00	0.00			0.00
ii.) Meghalaya Power Distribution Corporation Limited (MePDCL)-					
Receivables against Operations, Capital and Others	3298456460.18	2438713213.18			1477714823.73
iii.) Meghalaya Power Generation Corporation Limited (MePGCL)-					
Receivables against Operations, Capital and Others	83328511.74	64201496.74			53701496.74
<b>Total</b>	<b>4070987111.40</b>	<b>2591431118.40</b>			<b>1751284775.51</b>

**EQUITY**

**Note 7- EQUITY SHARE CAPITAL**

Particulars	As At	31st	As At	31st	As At
	March, 2017	March, 2016	March, 2016	March, 2015	March, 2015
(a) Authorised:					
50,00,00,000 (Previous year- 50,00,00,000) Equity Shares of ₹ 10.00 each	5000000000.00	5000000000.00			3200000000.00
(b) Issued, subscribed and fully paid up:					
35,76,60,113 (Previous year- 22,13,09,213) Equity Shares of ₹ 10.00 each	3576601130.00	2213092130.00			500000.00
<b>Total</b>	<b>3576601130.00</b>	<b>2213092130.00</b>			<b>500000.00</b>

Note 7.1- The Company has enhanced its Authorised Share Capital from ₹ 3,20,00,00,000.00 (Rupees Three Hundred and Twenty Crores) to ₹ 5,00,00,00,000.00 (Rupees Five Hundred Crores) on the 28th of January, 2016.

Note 7.2- 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 7.3- Reconciliation of the number of Equity Shares outstanding**

Particulars	As At	31st March, 2017	As At	31st March, 2016
	No. of shares	Amount	No. of shares	Amount
Equity Shares at the beginning of the year	221309213.00	2213092130.00	50000.00	500000.00
Add:- Shares issued during the year	136350900.00	1363509000.00	221259213.00	2212592130.00
Equity Shares at the end of the year	<b>357660113.00</b>	<b>3576601130.00</b>	<b>221309213.00</b>	<b>2213092130.00</b>

**Note 7.4- 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 7.5- Details of Equity Shares held by each shareholder holding more than 5% Equity Shares**

Particulars	As At 31st March, 2017		As At 31st March, 2016	
	No. of shares	% held	No. of shares	% held
Meghalaya Energy Corporation Limited (MeECL) and its nominees	357660113.00	100%	221309213.00	100%

**Note 7.6- Aggregate number and class of shares allotted as fully paid-up pursuant to contract without payment being received in cash**

Particulars	Number of Shares	Class of Shares	Amount
Financial Year 2016-17	136350900.00	Equity Shares (without differential rights), having par value of ₹ 10 per share	1363509000.00
Financial Year 2015-16	221259213.00		2212592130.00
Financial Year 2014-15	0.00		0.00
Financial Year 2013-14	0.00		0.00
Financial Year 2012-13	0.00		0.00
Financial Year 2011-12	0.00		0.00

**Note 8- OTHER EQUITY**

Serial No.	Particulars	As At 31st March, 2015	As At 31st March, 2016	Additions during the year	Deductions during the year	As At 31st March, 2017
1	Capital Reserve	4620500.00	4620500.00	0.00	4620500.00	0.00
2	Retained Earnings	(82489683.33)	(166096643.05)	102638325.29	0.00	(63458317.76)
3	Allotment	3773162833.15	1859874503.15	138979000.00	1363509000.00	635344503.15
	<b>Total</b>	<b>3695293649.82</b>	<b>1698398360.10</b>	<b>241617325.29</b>	<b>1368129500.00</b>	<b>571886185.39</b>

Note 8.1- 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 8.2- ₹13,63,50,900 (Thirteen Crore, Sixty Three Lakh, Fifty Thousand and Nine Hundred) number of Equity Shares have been issued to Meghalaya Energy Corporation Limited (MeECL- Holding Company) amounting to ₹ 1,36,25,09,000.00 on the 3rd of March, 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 8.3- 'Retained Earnings' has been credited by (i) Total Comprehensive Income of ₹ 8,15,32,401.29 incurred during the year and (ii) Prior Period Adjustments of ₹ 2,11,05,924.00 against 'Other Bank Balances (Investments in Term Deposits)'

Note 8.4- 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.

**Note 8.5- Grants Towards Cost Of Capital Assets (State Government) converted to Equity Share Capital Pending Allotment during the Financial Year 2016-17:**

<b>Date of Receipt of Grant</b>	<b>Grants received (by the Holding Company and subsequently invested in the Company) from Under Secy., Power Department, Government of Meghalaya</b>	<b>Released Under:</b>	<b>Amount</b>
May 4, 2016	Grant for construction of 132KV D/C line from Rongkhon to Ampati alongwith 2x20 MVA, 132/33 KV S/S at Ampati.	NLCPR	<b>74638000.00</b>
December 23, 2016	Grant for installation of 220/132 KV, 1x100 MVA auto transformer at Agia S/S (Assam) for Meghalaya.	NEC	<b>10000000.00</b>
December 23, 2016	Grant for construction of 132 KV D/C line from Rongkhon to Ampati alongwith 2x25 MVA, 132/33 KV S/S at Ampati (final installment).	NLCPR	<b>54341000.00</b>
<b>Total</b>			<b>138979000.00</b>

**NON-CURRENT LIABILITIES**  
**Note 9 - FINANCIAL LIABILITIES (BORROWINGS)**

Particulars	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 31st March, 2016	Period of Default in Repayment as at 31st March, 2016	Amount of Default in Repayment as at 31st March, 2016	As At 31st March, 2015
<b>Secured:</b>							
(i) Term Loans:							
(a) From Banks:	0.00	-	0.00	0.00	-	0.00	
(b) From Others:							
13.25% Term Loan from REC	0.00	-	0.00	500000000.00	-	0.00	0.00
(The loan is secured against hypothecation charge on 'Property, Plant and Equipment'. The loan is repayable in 2 years in equal monthly installments)							
11.00% Term Loan from REC	63400000.00	-	0.00	63400000.00		0.00	0.00
(The loan is secured against hypothecation charge on 'Property, Plant and Equipment'. The loan is repayable in 10 years on an annual basis)							
<b>Unsecured:</b>							
9.31% Loan from State Govt.	406061370.00	-	95682285.00	380669370.00	-	63988008.00	316942770.00
(Against these loans, semi annual repayments in 10 Years with 2 years of moratorium from the date of disbursement have been struck upon.)							
<b>From Related Party</b>							
11.75% Loan from Meghalaya Energy Corporation Limited, MeECL- Holding Company	559263175.00	January, 2017, February, 2017 and March, 2017	26898503.00	0.00	-	0.00	0.00
(The loan has been availed for a period of 5 years repayable in 60 equal monthly installments, without any moratorium period.)							
<b>Sub-Total</b>	<b>1028724545.00</b>	-	122580788.00	<b>944069370.00</b>	-	63988008.00	<b>316942770.00</b>
<b>Less: Current Maturities of Long Term Debts</b>	<b>166082725.00</b>	-	-	<b>241515623.00</b>			<b>27759327.00</b>
<b>Total</b>	<b>862641820.00</b>	-	-	<b>702553747.00</b>			<b>289183443.00</b>

Note 9.1- '11.75% Loan from Meghalaya Energy Corporation Limited, MeECL- Holding Company' has been primarily availed to meet Cash-gap within the entity, amongst other requirements. In line of the same it may be concluded that the Cash Flows from both availing as well as servicing this loan is representative of Increase in and maintenance of operating capacity of the entity, in accordance with Para 51 of Ind AS 7- 'Statement of Cash Flows.' Furthermore, the purpose of obtention and retention of other non-current borrowings as detailed in Note 10 above, can also be construed to be partially representative of increase in and maintenance of operating capacity of the entity, (the absolute extent which is practically not ascertainable).

**Note 10- GRANTS AND SUBSIDIES**

<b>Sl. No.</b>	<b>Particulars</b>	<b>As At 31st March, 2015</b>	<b>As At 31st March, 2016</b>	<b>Additions during the year</b>	<b>Amortisation during the year</b>	<b>As At 31st March, 2017</b>
<b>1</b>	Grants and Subsidies	35285760.00	80038113.00	297713573.00	79268908.00	298482778.00

**CURRENT LIABILITIES**  
**Note 11- OTHER FINANCIAL LIABILITIES**

Particulars	As At 31st March, 2017	As At 31st March, 2016	As At 31st March, 2015
<b>Current maturities of long-term debts-</b>			
Related Party- Meghalaya Energy Corporation Limited (MeECL- Holding Company)	26898503.00	0.00	0.00
Others	139184222.00	241515623.00	27759327.00
<b>Interest accrued-</b>			
Related Party- Meghalaya Energy Corporation Limited (MeECL- Holding Company)	9540387.00	0.00	0.00
Others	144539280.00	114003854.00	77355356.00
<b>Total</b>	<b>320162392.00</b>	<b>355519477.00</b>	<b>105114683.00</b>

**Note 12- PROVISIONS**

Particulars	As At 31st March, 2017	As At 31st March, 2016	As At 31st March, 2015
Provision for employee benefits	158580000.00	46500000.00	9300000.00
<b>Total</b>	<b>158580000.00</b>	<b>46500000.00</b>	<b>9300000.00</b>

**Note 13- CURRENT TAX LIABILITIES**

Particulars	As At 31st March, 2017	As At 31st March, 2016	As At 31st March, 2015
Direct Tax Liabilities	2224351.68	2031956.68	2206237.68
Indirect Tax Liabilities	5217549.38	4207655.38	4308590.36
<b>Total</b>	<b>7441901.06</b>	<b>6239612.06</b>	<b>6514828.04</b>

**Note 14- OTHER CURRENT LIABILITIES**

Particulars	As At 31st March, 2017	As At 31st March, 2016	As At 31st March, 2015
Liabilities for Capital Supplies	115667758.99	48671564.99	46197142.99
Liabilities for Operational and Maintenance Related Supplies	13472195.20	9464513.20	17478854.20
Staff Related Liabilities	69945343.76	60632518.76	45448488.76
Security Deposits and Retention Moneys Payable	79142708.71	90112570.71	75911952.71
Liabilities for Expenses	48000088.77	48556727.77	48512153.33
Related Party Payables:			
i.) Meghalaya Energy Corporation Limited (MeECL)-			
Payables against Remittances of Cash and Cash Equivalents	221090069.30	307063449.30	299038089.30
Payables against Remittances of Fuel, Materials, Personnel and Others	706460368.54	565989904.98	316585827.98
Payables against Operations, Capital and Others	1356314428.79	607073957.29	957968531.85
ii.) Meghalaya Power Distribution Corporation Limited (MePDCL)-			
Payables against Operations, Capital and Others	410213882.00	239930776.00	0.00
iii.) Others	155673148.10	155673148.10	155673148.10
<b>Total</b>	<b>3175979992.16</b>	<b>2133169131.10</b>	<b>1963814189.22</b>

Note 14.1- Staff Related Liabilities include a credit balance of ₹ 1,58,67,578.33 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 have been cleared from a common pool in the Holding Company's books of accounts. Reconciliation of the same is under-process.



**INCOMES****Note 15- REVENUE FROM OPERATIONS**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from Transmission of Power to Related Party: Meghalaya Power Distribution Corporation Limited (MePDCL)	832800000.00	809960952.00
<b>Other operating revenues-</b>		
Transmission and Operating Charges	13268135.50	152962462.43
State Transmission Utility (STU) and Open Access Charges	63568811.00	7094089.00
State Load Dispatch Centre Charges	2781300.00	197000.00
Point of Connection Charges (Inter State Transmission System, ISTS) from Power Grid Corporation of India Limited, PGCIL	93154671.00	0.00
<b>Related Party Operating Revenues-</b>		
State Load Dispatch Centre Charges from Meghalaya Power Generation Corporation Limited (MePGCL)	10008000.00	10500000.00
<b>Total</b>	<b>1015580917.50</b>	<b>980714503.43</b>

**Note 16- OTHER INCOME**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Income	38796071.00	14701338.00
<b>Other non-operating income-</b>		
Rental and Hiring Income	56030.00	47862.00
Discount Received	299041.00	0.00
Fees and Penalties	420000.00	560000.00
Miscellaneous receipts	55667.00	838750.00
Amortization of Grant	4630908.00	2154240.00
<b>Total</b>	<b>44257717.00</b>	<b>18302190.00</b>

**Note 17- PRIOR PERIOD INCOMES**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Income from Banks	159192707.00	0.00
Other Excess Provision	0.00	32591.00
Other Income	0.00	453200.00
Amortization of grants	4620500.00	0.00
<b>Total</b>	<b>163813207.00</b>	<b>485791.00</b>

Note 17.1- 'Interest Income from Banks' recognised to the tune of ₹ 15,91,92,707.00 during the Financial Year 2016-17 relates to rectifications against under-booking of interests on 'Investments in Term Deposits' over prior periods.

**Note 18- EMPLOYEE BENEFIT EXPENSES**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries and wages	381739206.00	341471630.00
Contribution to provident and other funds	222499964.00	202253520.00
Staff welfare expenses	183272.00	113252.00
<b>Total</b>	<b>604422442.00</b>	<b>543838402.00</b>

**Note 19- FINANCE COSTS**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest:		
To related party (Meghalaya Energy Corporation Limited, i.e., Holding Company)	22059493.00	0.00
To Others	89137927.00	65486696.00
Other banking and guarantee charges	9474.00	7667.50
<b>Total</b>	<b>111206894.00</b>	<b>65494363.50</b>

**Note 20- DEPRECIATION AND AMORTIZATION EXPENSE**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Depreciation	208767254.21	203015031.65
<b>Total</b>	<b>208767254.21</b>	<b>203015031.65</b>

**Note 21- OTHER EXPENSES**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Repairs and maintenance:</b>		
Buildings	202845.00	594327.00
Furniture and Equipment	4768940.00	5026594.00
Civil Works	160267.00	305494.00
Lines & Cables	25205790.00	7410607.00
Vehicles	333536.00	365144.00
Furniture and Fixtures	244555.00	60210.00
Office equipment	222871.00	373219.00
<b>Administration, Operating and General Expenses</b>		
Insurance Charges	98483.00	88807.00
Rent, Rates and Taxes	36590.00	0.00
Telegram, Postage, Telegraph and Telux charges	434140.00	416712.00
Training, conveyance and vehicle running expenses	10582386.00	12350392.00
Printing and stationery expenses	329239.00	605313.00
Auditors' remuneration	352000.00	360750.00
Consultancy Charges	19753.00	15419.00
Books & Periodicals	16609.00	19049.00
Fees and subscription expenses	80572.00	0.00
Advertisement charges	1126543.00	130216.00
Legal and professional charges	4620.00	871750.00
Meghalaya State Electricity Regulatory Commission (MSERC) Fees	610000.00	430000.00
Electricity and Water Charges	55872.00	0.00
Entertainment expenses	23717.00	20150.00
Miscellaneous expenses	69553.00	51182.00
Freight Charges	2456863.00	0.00
<b>Related Party Expense</b>		
Bad-Debts against Wheeling Charges to Meghalaya Power Distribution Corporation Limited (MePDCL)	170283106.00	239930776.00
<b>Total</b>	<b>217718850.00</b>	<b>269426111.00</b>

**Note 22- PRIOR PERIOD EXPENSES**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Administration Expenses	4000.00	58000.00
Employees Costs	0.00	1253826.00
Material Related Expenses	0.00	23710.00
<b>Total</b>	<b>4000.00</b>	<b>1335536.00</b>

## **Note 23- SIGNIFICANT ACCOUNTING POLICIES**

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

- a) The financial statements are prepared under the historical cost convention, except where otherwise expressly specified in the disclosures hereunder.
- b) The financial statements up to the year ended 31<sup>st</sup> of March, 2016 were prepared in accordance with generally accepted accounting principles (GAAP) and in accordance with the provisions of the Companies Act, 2013.
- c) The financial statements with regards to the Financial Year 2016-17 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 an opening Ind AS Balance Sheet as at the date of transition to Ind AS i.e., 1<sup>st</sup> April, 2015 in addition to other requisite Ind AS Financial Statements for the previous reporting period and current reporting period i.e, Financial Years 2015-16 and 2016-17, respectively.
- e) The financial statements with regards to the Financial Year 2016-17 are the first financial statements of the Company with Indian Accounting Standards (Ind AS). 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.
- f) 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 include 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 has elected to continue with the carrying value of its property, plant and equipment recognized as at 1<sup>st</sup> of April, 2015 measured as per the previous GAAP and used that carrying value as the deemed

cost of the property, plant and equipment for furtherance of recognition and presentation thereon.

- g) The rates of depreciation or amortization and estimated lives thereon as prescribed by Central Electricity Regularity Commission (CERC) for the purpose of tariff are being followed by the company. These computations are significantly different from those prescribed under Schedule II of Companies Act, 2013.
- h) In line with the above point, computer softwares and other selective intangible assets, if any, are treated under Property, Plant and Equipment and depreciated thereby as per CERC norms.

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

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

#### **V. BORROWINGS AND BORROWING COSTS**

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

commissioning the project or the respective asset being put to use. Other borrowing costs are expensed in the period in which they are incurred.

## **VI. CASH AND CASH EQUIVALENTS**

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

## **VII. INVENTORIES**

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

## **VIII. REVENUE RECOGNITION**

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

### **c) Revenue from Transmission of Power:**

- i) The company is engaged in the business of transmission of power as defined in "The Meghalaya Power Sector Reforms Transfer Scheme 2010". It provides transmission services to Meghalaya Power Distribution Corporation Limited (MePDCL) and other consumers as well. It also charges Meghalaya Power Generation Corporation Limited for its operation in-sync with grid system through State Load Dispatch Centre (SLDC) unit.

Timing of Recognition and Measurement of Revenue: The revenue from transmission of power for the company has been determined as per tariff order passed by Meghalaya State Electricity Regulatory Commission (MeSERC).

- ii) Other operating revenues are recognised on realisation basis except when ultimate accrual of such incomes is ascertainable.

### **d) Other Income:**

- i) Income from sale of scrap, insurance claims, fees and penalties received 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.

## **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 Regularity Commission (CERC) for the purpose of tariff are being followed by the company, the same is being used for amortization of such related assets as well.

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



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

## **XI. TAXATION**

- a) Tax expenses comprise of current income tax and deferred tax.
- b) Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961.
- c) Deferred tax is recognised, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods using the tax rates and laws that are substantively enacted as on the Balance Sheet date.
- d) Where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

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

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

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

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

#### **XIV. SEGMENT REPORTING**

The 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 pension 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**

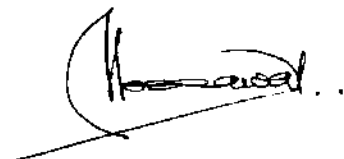
All amounts disclosed in the financial statements and notes thereof have been rounded off to the nearest lakh as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

**For and on behalf of the Board**


  
**Shri F. M. Doph, IAS**  
**Director HR&A**  
**DIN: 0007957698**

  
**Shri P.S. Thangkhiew, IAS**  
**Chairman-cum-Managing Director**  
**DIN: 07499233**


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

  
**Shri M.S.S. Rawat**  
**Director Finance I/C &**  
**Chief Accounts Officer**

**As per our report of even date attached**

  
**For M/s Hari Singh & Associates**  
**Chartered Accountants**  
**(Firm Regn. No.323509E)**

**Place: Shillong**  
**Date: 31-08-2018**

  
**MN-303630**

**Note 24- OTHER DISCLOSURES****Note 24.1- SEGMENT INFORMATION**

a.) The company's 'single primary reportable business segment' is "Transmission 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 Interest, Depreciation, Interest, Tax and Amortization):

Particulars of Reportable Segment: "Transmission of Power"	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Operating Revenue from Transmission of Power	832800000.00	809960952.00
Other Operating Revenues relatable to Transmission	182780917.50	170753551.43
	<b>1015580917.50</b>	<b>980714503.43</b>
Related Expenses allocated to Transmission	822141292.00	813264513.00
<b>Total Adjusted EBDITA</b>	<b>193439625.50</b>	<b>167449990.43</b>

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

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

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Total Adjusted EBDITA</b>	193439625.50	167449990.43
Other Income	44257717.00	18302190.00
Prior Period Incomes	163813207.00	485791.00
Finance costs	(111206894.00)	(65494363.50)
Depreciation and amortization expense	(208767254.21)	(203015031.65)
Prior Period Expenses	(4000.00)	(1335536.00)
<b>Profit/(Loss) from Continuing Operation before Tax</b>	<b>81532401.29</b>	<b>(83606959.72)</b>

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

Particulars of Reportable Segment: "Transmission of Power"	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Operating Revenue from Transmission of Power	832800000.00	809960952.00
Other Operating Revenues relatable to Transmission	182780917.50	170753551.43
<b>Total Segment Revenue</b>	<b>1015580917.50</b>	<b>980714503.43</b>

As the company's 'single primary reportable business segment' is "Transmission 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 "Transmission of Power," it can be reliably concluded that all assets and outside liabilities of the company are either directly or indirectly relatable to "Transmission of Power."

**Note 24.2- EARNINGS PER SHARE**

Particulars	For the year ended 31st March, 2017	
<b>a) Basic earnings per share</b>		
Profit or loss attributable to ordinary equity holders of the company (A)		81532401.29
Number of ordinary shares outstanding (B)		357660113
<u>Weighted average number of ordinary shares outstanding:</u>		
At the beginning of the reporting period	221309213	
Time-weighting factor	1	
(C)	221309213	
Issued during the reporting period	136350900	
Time-weighting factor	0.08	
(D)	10459795	
<b>Total weighted average number of ordinary shares (E)=(C+D)</b>		231769008
<b>Basic Earnings per share:</b>		
1st Method: (A/B)		0.2280
2nd Method: (A/E)		0.3518
<b>b) Diluted Earnings per share</b>		
Additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares (F)		63534450
<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	185987450	
Time-weighting factor	1	
(G)	185987450	
Issued during the reporting period:		
1st Issue	74,63,800.00	
Time-weighting factor	0.91	
	6768542	
2nd Issue	6434100	
Time-weighting factor	0.27	
	1727512	
Total issues during the reporting period (H)	8496054	
Conversions during the reporting period	136350900	
Time-weighting factor	0.08	
(I)	10459795	
<b>Total weighted average number of diluted shares (J)=(G+H-I)</b>		184023709
<b>Diluted Earnings per share:</b>		
1st Method: A/(B+F)		0.1936
2nd Method: A/(E+J)		0.1961

Note 24.2.1- The company has not discontinued any operations during the reporting period. Also, there are no extraordinary items during the reporting period.

Note 24.2.2- 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 24.3- RELATED PARTY TRANSACTIONS**
**Note 24.3.1- Compensation to Key Management Personnel (KMP) as disclosed in 'Additional Information' for the Financial Year 2016-17:**

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. P. S. Thangkhiew	Allowances of ₹ 14,748.00 have been paid. Other employee benefits are borne by IAS Cadre.		
Mr. A. Bhagotia	Allowances of ₹ 71,773.00 have been paid. Other employee benefits are borne by IAS Cadre.		
Mr. V. K. Mantri	Allowances of ₹ 58,815.00 have been paid. Other employee benefits are borne by IAS Cadre.		
Mr. C. Kharkrang	1305008.00	Not under CPS	Subject to Significant Accounting Policies disclosed
Mr. G. S. Mukherjee	883727.00	80043.00	

Note 24.3.2- The aforementioned benefits have been paid from the Holding Company i.e. MeECL and subsequently apportioned to the Company @ 30% of benefits due). However, Gross short term employee benefits of Mr. Kharkrang for first three months of the reporting period (aggregating to ₹ 3,27,234.00 ) has been borne by the company to the full.

**Note 24.3.3- Information as a Government-related Entity:**

Dealings with the Government, excluding Taxation	Outstanding Balances		
	As At 31st March, 2016	During the year	As At 31st March, 2017
Capital Grants and Subsidies from the Government (including those routed through various government entities)	80038113.00	218444665.00	29,84,82,778.00
Recoverables From State Government, pending reconciliation	23393.56	0.00	23393.56
Non-current Borrowings from the Government	0.00	559263175.00	559263175.00

Dealings with the Government, excluding Taxation	Revenue transactions	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest on Government loans	34671804.00	30552800.00
Meghalaya State Electricity Regulatory Commission (MSERC) Fees	610000.00	430000.00



**Note 24.3.2- Related Party Bad Debts:**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	<u>MePDCL</u>	
Receivables with regards to preceding year (A)	809960952.00	1310400000.00
<u>Less: Expenses met by the Company:</u>		
Employee benefits expense	543838402.00	882100600.00
Finance costs	65494363.50	47947552.00
Other expenses	29495335.50	102329438.00
Prior period items (net)	849745.00	38091634.00
Total Expenses (B)	639677846.00	1070469224.00
Difference (A-B)	<b>170283106.00</b>	<b>239930776.00</b>
<u>Bad-Debts: -</u>		
Against Wheeling Charges to Meghalaya Power Distribution Corporation Limited (MePDCL)	<b>170283106.00</b>	<b>239930776.00</b>

**Note 24.3.4- Transactions with the Holding Company and Subsidiaries within the group:**

Particulars	Outstanding Balances		
	As At March, 2016	During the year	As At 31st March, 2017
<b>Equity Share Capital:</b>			
Meghalaya Energy Corporation Limited (MeECL)	2213092130.00	1363509000.00	3576601130.00
<b>Equity Share Capital Pending Allotment:</b>			
Meghalaya Energy Corporation Limited (MeECL)	1859874503.15	(1224530000.00)	635344503.15
<b>Receivables (Other Current Assets):</b>			
i.) Meghalaya Energy Corporation Limited (MeECL)-			
Receivables against Remittances of Cash and Cash Equivalents	10013288.44	54890985.00	64904273.44
Receivables against Remittances of Fuel, Materials, Personnel and Others	1136239.00	24254.00	1160493.00
Receivables against Operations, Capital and Others	0.00	546744069.00	546744069.00
ii.) Meghalaya Power Distribution Corporation Limited (MePDCL)-			
Receivables against Operations, Capital and Others	2438713213.18	859743247.00	3298456460.18
iii.) Meghalaya Power Generation Corporation Limited (MePGCL)-		0.00	
Receivables against Operations, Capital and Others	64201496.74	19127015.00	83328511.74
<b>11.75% Loan:</b>			
Meghalaya Energy Corporation Limited (MeECL)	0.00	559263175.00	559263175.00
<b>Current maturities of long-term debts:</b>			
Meghalaya Energy Corporation Limited (MeECL)	0.00	26898503.00	26898503.00
<b>Interest accrued:</b>			
Meghalaya Energy Corporation Limited (MeECL)	0.00	9540387.00	9540387.00
<b>Payables (Other Current Liabilities):</b>			
i.) Meghalaya Energy Corporation Limited (MeECL)-			
Payables against Remittances of Cash and Cash Equivalents	307063449.30	(85973380.00)	221090069.30
Payables against Remittances of Fuel, Materials, Personnel and Others	565989904.98	140470463.56	706460368.54
Payables against Operations, Capital and Others	607073957.29	749240471.50	1356314428.79
ii.) Meghalaya Power Distribution Corporation Limited (MePDCL)-	0.00		0.00
Payables against Operations, Capital and Others	239930776.00	170283106.00	410213882.00
iii.) Others	155673148.10		155673148.10

Particulars	Revenue transactions	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<u>Revenue from Transmission of Power:</u>		
Meghalaya Power Distribution Corporation Limited (MePDCL)	832800000.00	809960952.00
<u>State Load Dispatch Centre Charges:</u>		
Meghalaya Power Generation Corporation Limited (MePGCL)	10008000.00	10500000.00
<u>Interest:</u>		
Meghalaya Energy Corporation Limited (MeECL)	22059493.00	0.00
<u>Bad-Debts against Wheeling Charges:</u>		
Meghalaya Power Distribution Corporation Limited (MePDCL)	170283106.00	239930776.00

**Note 24.3.5- Related Party Bad Debts:**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	<u>MePDCL</u>	
Receivables with regards to preceding year (A)	809960952.00	1310400000.00
<u>Less: Expenses met by the MePDCL:</u>		
Employee benefits expense	543838402.00	882100600.00
Finance costs	65494363.50	47947552.00
Other expenses (including SLDC Charges)	29495335.50	102329438.00
Prior period items (net)	849745.00	38091634.00
Total Expenses (B)	639677846.00	1070469224.00
Difference (A-B)	170283106.00	239930776.00
<u>Bad-Debts: -</u>		
Against Wheeling Charges to Meghalaya Power Distribution Corporation Limited (MePDCL)	170283106.00	239930776.00

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 have 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 have transpired as MePDCL has been incurring substantial losses over many years, and the receivables thereby cannot be recovered. Moreover, in continuance with this accounting policy, for bad-debts pertaining to the Financial Year 2016-17, the unsettled receivables accounted for during the previous Financial Year 2015-16 (as tabulated *supra*) have been taken into account.

**Note 24.4- PROVISIONS**

Provision for employee benefits	During the Financial Year 2016-17	As At 31st March, 2017	During the Financial Year 2015-16	As At 31st March, 2016
<b>Provision for Revision of Pay (ROP):</b>				
Estimated arrears to be drawn	46800000.00		37200000.00	
Apportionment from Holding Company		158580000.00		46500000.00
(@30% of ₹ 21,76,00,000.00 for 2016-17)	65280000.00		0.00	
<b>Total</b>	<b>112080000.00</b>	<b>158580000.00</b>	<b>37200000.00</b>	<b>46500000.00</b>

Note 24.4.1- With regards to the Financial Year 2015-16, no apportionment of provision for Revision of Pay (ROP) has been done from the Holding Company, i.e., only estimations expressly belonging to the company have been made for calculation of such provision. However, the apportionment with respect to the expense on such Revision of Pay (ROP) has been done. Thereby, the Holding Company has retained the provision, but apportioned the consequent estimated expenses.

**Note 24.5- PRIOR PERIOD ADJUSTMENTS****Prior Period Expenses for Financial Year 2016-17:**

Particulars	Amount	Nature
Administration Expenses	4000.00	This relates to short provision for Statutory Audit fees during the Financial Year 2013-14 (which has been subsequently paid vide Voucher No. 144 dated 22nd of December, 2016- from Holding Company) now incorporated
<b>Total</b>	<b>4000.00</b>	

**Prior Period Incomes for Financial Year 2016-17:**

Particulars	Amount	Nature
Interest income from Banks	159192707.00	It relates to rectifications against under-booking of interests on 'Investments in Term Deposits' over prior periods. 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.
Amortization of grants	4620500.00	
<b>Total</b>	<b>163813207.00</b>	

Note 24.5.1- Due to inadvertent errors in computation, the Earnings Per Share (EPS) of the previous financial year 2015-16 had been wrongly stated. Correct reflection of the figure has now been made while reporting values of the said period.

**Note 24.6- PAYMENTS TO AUDITORS**

<b>Particulars</b>	<b>Name of the Firm</b>	<b>During the Financial year 2016-17</b>	<b>Name of the Firm</b>	<b>During the Financial year 2015-16</b>
Statutory Audit	M/s Ajit Paul & Co. (For the Financial Year 2013-14)	4,60,000.00	M/s Ajit Paul & Co. (For the Financial Year 2012-13)	4,58,000.00
<b>Total</b>		<b>4,60,000.00</b>		<b>4,58,000.00</b>

**Note 24.7- Details of Specified Bank Notes (SBN) held and transacted during the period 08-11-2016 to 30-12-2016 :-**

(All amounts in INR, unless otherwise stated)

<b>Particulars of Divisions</b>	<b>SBNs</b>	<b>Other Denomination Notes</b>	<b>Total</b>
<b><u>Closing Cash in hand on 08-11-2016:</u></b>			
Transmission & Transformation, Umiam	0.00	40.00	40.00
Transmission & Transformation, Shillong	21500.00	6213.00	27713.00
Transmission & Transformation, Byrnihat	0.00	190.00	190.00
Transmission & Transformation, Tura	7000.00	3061.00	10061.00
Market Operation, SLDC, Shillong	0.00	0.00	0.00
<b>Sub-Total</b>	<b>28500.00</b>	<b>9504.00</b>	<b>38004.00</b>
<b><u>(+) Permitted receipts:</u></b>			
Transmission & Transformation, Umiam	0.00	8362.00	8362.00
Transmission & Transformation, Shillong	8500.00	507.00	9007.00
Transmission & Transformation, Byrnihat	0.00	0.00	0.00
Transmission & Transformation, Tura	0.00	52000.00	52000.00
Market Operation, SLDC, Shillong	0.00	0.00	0.00
<b>Sub-Total</b>	<b>8500.00</b>	<b>60869.00</b>	<b>69369.00</b>

<b><u>(-) Permitted Payments:</u></b>			
Transmission & Transformation, Umiam	0.00	0.00	0.00
Transmission & Transformation, Shillong	30000.00	1677.00	31677.00
Transmission & Transformation, Byrnihat	0.00	0.00	0.00
Transmission & Transformation, Tura	7000.00	43966.00	50966.00
Market Operation, SLDC, Shillong	0.00	0.00	0.00
<b>Sub-Total</b>	<b>37000.00</b>	<b>45643.00</b>	<b>82643.00</b>
<b><u>(-) Amount deposited in Banks:</u></b>			
Transmission & Transformation, Umiam	0.00	8402.00	8402.00
Transmission & Transformation, Shillong	0.00	0.00	0.00
Transmission & Transformation, Byrnihat	0.00	0.00	0.00
Transmission & Transformation, Tura	0.00	0.00	0.00
Market Operation, SLDC, Shillong	0.00	0.00	0.00
<b>Sub-Total</b>	<b>0.00</b>	<b>8402.00</b>	<b>8402.00</b>



<b>Closing Cash in hand on 30-12-2016:</b>			
Transmission & Transformation, Umiam	0.00	0.00	0.00
Transmission & Transformation, Shillong	0.00	5043.00	5043.00
Transmission & Transformation, Byrnihat	0.00	190.00	190.00
Transmission & Transformation, Tura	0.00	11095.00	11095.00
Market Operation, SLDC, Shillong	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>16328.00</b>	<b>16328.00</b>

Note 24.7.1- Other than the aforementioned details, particulars of Specified Bank Notes from certain underlying divisions within the organisation have not been forthcoming. Obtainment of the same is under process.

Note 24.7.2- With regards to Specified Bank Notes (SBNs) included in Closing Cash in hand on 30-12-2016, if any, prima facie it can be concluded that such Cash is not for available for use by the Company. However, ascertainment of true status against the same is under reconciliation.

## **Note 25- ADDITIONAL INFORMATION**

- I. Meghalaya Power Transmission Corporation Limited (MePTCL) 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 ₹5,00,00,00,000.00 (Rupees Five Hundred Crores) divided into 50,00,00,000.00 (Fifty 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 was allotted to various persons being the signatories of the Memorandum of Association of the company. However, the beneficial interest 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 1<sup>st</sup> April, 2012 pursuant to the aforementioned Transfer Scheme notified by the State Government continue to be valid and binding on the company.

**V.** No requirements for capitalization of Borrowing Costs during the reporting period have arisen.

**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 Generation Corporation Limited (MePGCL)
Key Management Personnel (KMP)	Mr. P. S. Thangkhiew, IAS, Chairman-cum-Managing Director (w.e.f 9 <sup>th</sup> of March, 2016)
	Mr. A. Bhagotia, IAS, Director (Finance) & Chief Financial Officer (CFO) (Relieved on 3 <sup>rd</sup> of November, 2017)
	Mr. V. K. Mantri, IAS, Director (HR & A) (Relieved on 3 <sup>rd</sup> of February, 2017; Date of de-notification: 15 <sup>th</sup> June, 2017)
	Mr. F. M. Dophth, MCS, Director (HR & A) (w.e.f. 24 <sup>th</sup> of October, 2017)
	Mr. C. Kharkrang, Director (Transmission) (w.e.f 2 <sup>nd</sup> of March 2016)
	Mr. G. S. 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. Net deferred tax (liability) / asset**

In accordance with IND-AS 12 (Income Taxes), deferred tax asset has emerged on account of unabsorbed depreciation and business losses; however in absence of reasonable and virtual certainty to earn future profits sufficient to set off such assets, the same has not been recognized in the accounts.

**VIII. Foreign Currency Transactions**

Particulars	As on 31.03.2017	As on 31.03.2016
Value of import of Service on CIF basis	₹ 28126487 (From Sieyuan Electric Co. Ltd., Shanghai, China)	Nil
Earnings in Foreign Currency	Nil	Nil
Expenditure in Foreign Currency	USD 423847	Nil

**IX.** 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.

**X. Prior Period Adjustments**

Ind AS 8- 'Accounting Policies, Changes in Accounting Estimates and Errors,' specifically states that, "A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect

of the error." In line with the same, the retrospective restatement of Prior Period Incomes and Prior Period Expenses of the Company have been rendered impracticable, due to *inter alia* the following reasons: -

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

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

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

## **XI. 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.

## **XII. 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. XI 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.

### XIII. Assets under Lease

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

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

The Company is undertaking the process of ascertaining all such similar assets which it has taken on lease. Furthermore, the proper bifurcation of such assets amongst the respective companies within the group is also under reconciliation, which is also in consonance with Point no. IV of this Note mentioned *supra*. Besides, determination of book values against all assets on lease is an ongoing process. In light of this, under Note 1- Property Plant and Equipment, no value-wise details of 'Assets on Lease' have been provided. The implementation of requirements in accordance with relevant Ind AS' also remains subject to the same impediment and shall be undertaken in subsequent years on mitigation of the same.

### XIV. Investment Properties

In line with the information available at 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)
The Ri-Bhoi	Umiam Hydro-electric Project	1961	468
		1961	600
		1961	802.45

Company is undertaking the process of ascertaining all such similar assets which it has given on lease, and earning lease rentals thereon. Furthermore, the proper bifurcation of such assets amongst the respective companies within the group is also under reconciliation, which is also






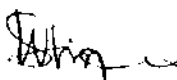
in consonance with Point No. IV of this Note mentioned *supra*. Besides, determination of book values against all such investment properties is an ongoing process. Moreover, the Notes to the Statement of Profit and Loss of the group is subject to inclusion of incomes which are of the nature of rental receipts, against unascertained investment properties. Proper bifurcation of such incomes amongst the correct companies within the group is also under reconciliation.

- XV. 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.
- XVI. 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.
- XVII. 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 the subsequent reporting period.

For and on behalf of the Board

  
Shri F. M. Doph, IAS  
Director HR&A  
DIN: 0007957698

  
Shri P.S. Thangkhiew, IAS  
Chairman-cum-Managing Director  
DIN: 07499233

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

  
Shri M.S.S. Rawat  
Director Finance I/C &  
Chief Accounts Officer

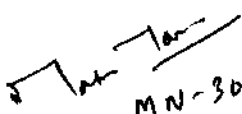
As per our report of even date attached

For M/s Hari Singh & Associates  
Chartered Accountants  
(Firm Regn. No.3235052)



Place: Shillong

Date: 31-08-2018

  
MN-303630