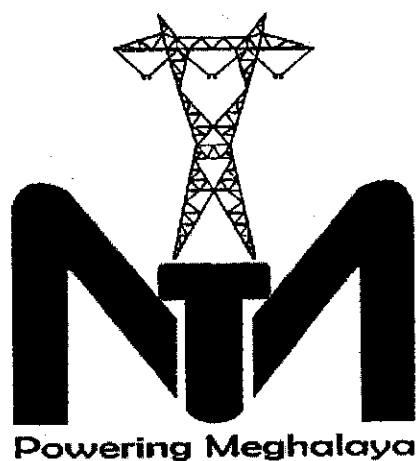


**MEGHALAYA POWER TRANSMISSION
CORPORATION LIMITED**

SHILLONG



STATEMENT OF ACCOUNTS

2017-18

MEGHALAYA POWER TRANSMISSION 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				
Non-Current Assets				
Property, Plant and Equipment	1	28,960.64	29,872.91	31,525.78
Capital Work-in-Progress	2	14,457.80	12,549.93	9,677.04
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	0.23	0.23	0.23
Deferred tax assets*	-	-	-	-
Other non-current assets*	-	-	-	-
Total Non-Current Assets		43,418.68	42,423.08	41,203.05
Current Assets				
Inventories	4	2,683.01	2,522.63	751.42
Financial Assets-				
(i) Investments*	-	-	-	-
(ii) Trade receivables	5 (a)	9,234.23	9,234.23	8,805.68
(iii) Cash and cash equivalents	5 (b)	1,641.24	4,062.18	4,486.32
(iv) Bank balances other than (iii) above*	-	-	-	-
(v) Loans*	-	-	-	-
(vi) Others*	-	-	-	-
Current Tax Assets*	-	-	-	-
Other current assets	6	42,268.42	27,826.62	15,062.36
Total Current Assets		55,826.90	43,645.66	29,105.79
TOTAL ASSETS		99,245.58	86,068.74	70,308.83

(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	7	40,729.67	35,766.01	22,130.92
Other Equity	8	(366.58)	5,718.86	16,983.98
Equity attributable to owners		40,363.09	41,484.87	39,114.90
Non-controlling Interests*	-	-	-	-
Total Equity		40,363.09	41,484.87	39,114.90
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities-				
(i) Borrowings	9	6,545.73	8,626.42	7,025.54
(ii) Trade payables*	-	-	-	-
(iii) Other financial liabilities *	-	-	-	-
Grants and Subsidies**	10	2,820.73	2,984.83	800.38
Provisions*	-	-	-	-
Deferred tax liabilities	11	836.87	-	-
Other non-current liabilities*	-	-	-	-
Total Non-Current Liabilities		10,203.33	11,611.25	7,825.92
Current Liabilities				
Financial Liabilities-				
(i) Borrowings*	-	-	-	-
(ii) Trade payables	12(a)	468.58	453.12	353.04
(iii) Other financial liabilities	12(b)	5,338.79	3,201.62	3,555.19
Provisions	13	1,508.51	1,585.80	465.00
Current tax liabilities	14	55.23	74.42	62.40
Other current liabilities	15	41,308.05	27,657.66	18,932.38
Total Current Liabilities		48,679.16	32,972.62	23,368.01
Total Liabilities		58,882.49	44,583.87	31,193.93
TOTAL EQUITY AND LIABILITIES		99,245.58	86,068.74	70,308.83

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.SPA237)

Shri Cheiwonstar Kharkrang
Director (Transmission)
DIN: 06788691

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

Place: Shillong
Date: 4/11/19



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

MEGHALAYA POWER TRANSMISSION 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	8,600.44	10,255.89
Other Income	17	398.01	442.58
Prior Period Incomes	18	24.80	1,638.13
Total Income		9,023.24	12,336.60
Expenses			
Cost of materials consumed*	-	-	-
Purchases of Stock-in-Trade*	-	-	-
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress*	-	-	-
Employee benefits expense	19	5,765.43	6,044.22
Finance costs	20	1,044.65	1,111.97
Depreciation and amortization expense	21	2,161.12	2,087.67
Other expenses	22	576.51	2,277.36
Prior period expenses**	23	23.06	0.04
Profit/(loss) before exceptional items, share of net profits (losses) of investments accounted for using equity method and tax		(547.52)	815.32
Share of net profits (losses) of investments accounted for using equity method	-	-	-
Profit/(loss) before exceptional items and tax		(547.52)	815.32
Exceptional Items	-	-	-
Profit/(loss) before tax		(547.52)	815.32
Tax Expense			
(i) Current tax*	-	-	-
(ii) Deferred tax	24	836.87	-
Profit (Loss) for the period from continuing operations		(1,384.39)	815.32
<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		(1,384.39)	815.32
<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		(1,384.39)	815.32

Profit (Loss) is attributable to:			
Owners of Holding Company	-	(1,384.39)	815.32
Non-Controlling Interests	-	-	-
		(1,384.39)	815.32
Other comprehensive income is attributable to:			
Owners of Holding Company	-	-	-
Non-Controlling Interests	-	-	-
		-	-
Total comprehensive income is attributable to:			
Owners of Holding Company	-	(1,384.39)	815.32
Non-Controlling Interests	-	-	-
		(1,384.39)	815.32
Total comprehensive income attributable to owners of Holding Company arises from:			
Continuing operations	-	(1,384.39)	815.32
Discontinued operation	-	-	-
		(1,384.39)	815.32
Earnings per equity share (for continuing operation) -			
(i) Basic		(0.3399)	0.2280
(ii) Diluted		(0.3266)	0.1936
Earnings per equity share (for discontinued operation) -	26.2		
(i) Basic		-	-
(ii) Diluted		-	-
Earnings per equity share (for discontinued & continuing operations) -			
(i) Basic		(0.3399)	0.2280
(ii) Diluted		(0.3266)	0.1936
Significant Accounting Policies	25		
Additional Information	27		

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

** 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.SPA237)

Shri Cheiwonstar Kharkrang
Director (Transmission)
DIN: 06788691

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

Place: Shillong
Date: 4/11/19



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

MEGHALAYA POWER TRANSMISSION 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		35,766.01
Changes in Equity Share Capital during the Financial Year 2017-18:		
Allotment of Equity Shares to the Holding Company (Meghalaya Energy Corporation Limited, MeECL)	7.2	4,963.66
Balance as at 31st March, 2018		40,729.67

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 (Specify Nature)	Retained Earnings										
Balance as at 1st April, 2017		6,353.45	-	-	-	-	(634.58)	-	-	-	-	-	-	-	5,718.86	-	5,718.86
Changes in Accounting Policies or Prior Period Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at 1st April, 2017		6,353.45	-	-	-	-	(634.58)	-	-	-	-	-	-	-	5,718.86	-	5,718.86
Total Comprehensive Income for the Year		-	-	-	-	-	(1,384.39)	-	-	-	-	-	-	-	(1,384.39)	-	(1,384.39)
Dividends*	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings*		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment made by Meghalaya Energy Corporation Limited (MeECL- Holding Company)		262.60	-	-	-	-	-	-	-	-	-	-	-	-	262.60	-	262.60
Transfer to Equity Share Capital		(4,963.66)	-	-	-	-	-	-	-	-	-	-	-	-	(4,963.66)	-	(4,963.66)
Balance as at 31st March, 2018		1,652.39	-	-	-	-	(2,018.97)	-	-	-	-	-	-	-	(366.58)	-	(366.58)

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 Company.

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.SPA237)

Place: Shillong
Date: 4/11/19



Shri Cheiwonstar Kharkrang
Director (Transmission)
DIN: 06788691

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

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

MEGHALAYA POWER TRANSMISSION 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	(1,384.39)	815.32
Adjustments for :		
Depreciation & Amortization of Assets	2,183.99	2,087.67
Amortisation of Grants	(164.09)	(46.31)
Provisions created	(77.29)	1,120.80
Interest Income	(212.05)	(387.96)
Deferred Tax Expense	836.87	-
Finance Costs	1,044.65	1,111.97
Operating Profit before Working Capital Changes	2,227.69	4,701.50
Adjustments for increase/decrease in:		
Inventories	(160.38)	(1,771.20)
Trade Receivables	-	(428.55)
Other current Assets	(14,441.80)	(12,764.26)
Trade Payables	15.47	100.08
Other Financial Liabilities	2,137.16	(353.57)
Other Current Liabilities	13,631.20	8,737.30
Cash generated from Operations	3,409.33	(1,778.70)
Taxes Paid	-	-
Net Cash from Operating Activities	3,409.33	(1,778.70)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	212.05	387.96
Net Acquisition of Property, Plant and Equipment and Investment in Capital Work-in-Progress	(3,179.58)	(3,307.71)
Other Non-Current Financial Assets	-	-
Net Cash from Investing Activities	(2,967.54)	(2,919.75)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares	4,963.66	13,635.09
Other Equities raised	-	-
Other Equities	(4,701.06)	(12,080.45)
Net Non-Current Borrowings	(2,080.69)	1,600.88
Grants and Subsidies	-	2,230.76
Finance Costs	(1,044.65)	(1,111.97)
Net Cash from Financing Activities	(2,862.74)	4,274.31
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(2,420.95)	(424.14)
Opening balance of Cash and Cash Equivalents	4,062.18	4,486.32
Closing balance of Cash and Cash Equivalents:	1,641.24	4,062.18
Consisting of:		
Balances with Banks	293.58	738.41
Cash on hand	0.47	0.31
Cash Imprest with Staff	(49.35)	(44.24)
Other Bank Balances (Investments in Term Deposits)	1,396.53	3,367.69
	1,641.24	4,062.18

As per our report of even date attached

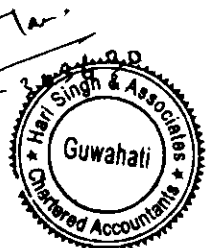
For and on behalf of the Board

For M/s Hari Singh & Associates
Chartered Accountants
(Firm Regn. No.SPA237)

Shri Cheiwonstar Kharkrang
Director (Transmission)
DIN: 06788691

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

Place: Shillong
Date: 4/11/18



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

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	409.50	-	-	409.50	-	-	-	-	409.50	409.50	409.15
2	Buildings	1,295.03	107.53	-	1,402.57	322.66	45.79	-	368.45	1,034.12	972.38	796.05
3	Plant and Equipment	15,107.53	61.43	-	15,168.96	3,797.60	773.85	-	4,571.44	10,597.52	11,309.94	12,048.96
4	Furniture and Fixtures	86.60	0.22	0.05	86.77	21.94	5.26	-	27.19	59.58	64.67	68.53
5	Vehicles	3.36	7.32	-	10.68	3.02	1.74	-	4.76	5.91	0.34	0.34
6	Office equipment	36.23	515.69	0.05	551.87	18.58	34.88	-	53.47	498.40	17.64	19.22
7	Bearer Plants	-	-	-	-	-	-	-	-	-	-	-
8	Others:	-	-	-	-	-	-	-	-	-	-	-
8 (a)	Hydraulic Works	8.95	-	-	8.95	0.67	0.47	-	1.14	7.81	8.28	8.75
8 (b)	Other Civil Works	1,049.49	10.56	-	1,060.05	142.90	35.56	-	178.46	881.59	906.59	819.08
8 (c)	Lines and Cable Network	24,732.74	569.06	-	25,301.80	8,549.15	1,286.44	-	9,835.59	15,466.21	16,183.59	17,355.70
9	Assets under lease	-	-	-	-	-	-	-	-	-	-	-
	Total	42,729.44	1,271.81	0.10	44,001.15	12,856.52	2,183.99	-	15,040.51	28,960.64	29,872.91	31,525.78

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

Note 1.2- The details of Disposals and/ or Deductions to Property, Plant and Equipment during the year are as under: -

(All amounts in INR lakhs, unless otherwise stated)

Serial No.	Particulars	Division	Date	Amount	Details
1	Furniture and Fixtures	Transmission and Transformation, Shillong	January 18, 2018	0.05	Adjustment towards excess payment of Goods and Service Tax(GST) vide voucher no. 19, returned by the supplier.
2	Furniture and Fixtures	Transmission and Transformation, Shillong	August 10, 2017	0.05	Compound adjustment entry at the divisional office.
	Total			0.10	

Note 1.3- With regards to 'Assets under lease', reference should be drawn to relevant para under 'Note 27- Additional Information'.

Note 1.4- Reconciliation between 'Additions to Accumulated Depreciation' and 'Depreciation as per Statement of Profit and Loss'

(All amounts in INR lakhs, unless otherwise stated)

Particulars		Amount
Depreciation as per Statement of Profit and Loss		2,161.12
Add:	Prior Period Depreciation Expenses	22.87
Less:	Prior Period Depreciation Incomes	-
Additions to Accumulated Depreciation as per Note 1		2,183.99

Note 2: CAPITAL WORK-IN-PROGRESS

(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	Capital Work-in-Progress	9,677.04	12,549.93	3,816.14	1,908.28	14,457.80

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.

Note 2.2- The Unit-wise details of 'Capital Work-in-Progress (CWIP)' are stated as under: -

(All amounts in INR lakhs, unless otherwise stated)

Serial No.	Name of Unit	As At 31st March, 2017	Debits during the year	Credits during the year	As At 31st March,
1	Transmission and Transformation, Shillong	1,196.34	440.51	-	1,636.85
2	Transmission and Transformation, Umiam	543.46	45.17	2.27	586.36
3	Transmission and Transformation Tura	3,605.30	440.86	312.01	3,734.15
4	Generation System Protection, Power	639.03	2,540.03	903.03	2,276.03
5	System Development Transmission and Transformation, Byrnihat	781.68	13.85	71.42	724.10
6	Normal Development Scheme	59.02	-	-	59.02
7	System Protection, Umiam	1,130.79	335.72	619.54	846.98
8	Others	4,594.30	-	-	4,594.30
	Total	12,549.93	3,816.14	1,908.28	14,457.80

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

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	As At 31st March, 2017	As At 1st April 2016
Recoverables From State Government	0.23	0.23	0.23
Total	0.23	0.23	0.23

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 the 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.

Note 4- INVENTORIES

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	As At 31st March, 2017	As At 1st April 2016
Capital Stock (Work-in-Progress)	1,743.80	1,579.97	(135.71)
Operational and Maintenance Stock	939.21	942.65	887.14
Total	2,683.01	2,522.63	751.42

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

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	As At 31st March, 2017	As At 1st April 2016
Unsecured:			
Receivables against SLDC (State Load Dispatch Centre) Charges from the Company	453.12	453.12	353.04
Receivables against Transmission of Power to Related Party (Meghalaya Power Distribution Corporation Limited- MePDCL)	8,328.00	8,328.00	8,099.61
Receivables against SLDC (State Load Dispatch Centre) Charges to Related Party (Meghalaya Power Generation Corporation Limited- MePGCL)	453.12	453.12	353.04
Total	9,234.23	9,234.23	8,805.68

Note 5 (a).1- The book value as on 31st March, 2018 of 'Receivables against Transmission 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 26.3.5

Note 5 (a).2- The book value as on 31st March, 2018 of Receivables against SLDC (State Load Dispatch Centre) Charges to Related Party (Meghalaya Power Generation Corporation Limited- MePGCL)' is reflective of the amount billed towards the same up to 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 26.3.5

Note 5 (a).3- The book value as on 31st March, 2018 of 'Receivables against SLDC (State Load Dispatch Centre) Charges from the Company' is reflective of the amount billed towards the same up to 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 26.3.5

Note 5 (b)- CASH AND CASH EQUIVALENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	As At 31st March, 2017	As At 1st April 2016
Balances with Banks	293.58	738.41	56.60
Cash on hand	0.47	0.31	0.41
Cash Imprest with Staff	(49.35)	(44.24)	19.56
Other Bank Balances (Investments in Term Deposits)	1,396.53	3,367.69	4,409.76
Total	1,641.24	4,062.18	4,486.32

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 have been made during the Financial Year 2016-17.

Note 5(b).3- The negative balance under 'Cash Imprest with Staff' is due to understatement of the amount transferred to 'Temporary Imprest with Staff' of the Company, as obtained from 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)

Note 6- OTHER CURRENT ASSETS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	As At 31st March, 2017	As At 1st April 2016
Capital Advances	693.94	678.94	681.42
Advances other than capital advances:	-	-	-
Operational and Maintenance Advances	30.16	30.16	30.16
Staff Related Advances	36.61	54.81	62.07
Claims Receivable	0.02	0.02	0.02
Related Party Receivables:	-	-	-
i.) Meghalaya Energy Corporation Limited (MeECL)-	-	-	-
Receivables against Remittances of Cash and Cash Equivalents	6,375.34	649.04	100.13
Receivables against Remittances of Fuel, Materials, Personnel and Others	16.25	11.60	11.36
Receivables against Operations, Capital and Others	10,998.67	5,467.44	-
ii.) Meghalaya Power Distribution Corporation Limited (MePDCL)-	-	-	-
Receivables against Operations, Capital and Others	23,005.15	20,554.43	13,888.21
iii.) Meghalaya Power Generation Corporation Limited (MePGCL)-	-	-	-
Receivables against Operations, Capital and Others	1,112.26	380.17	288.98
Total	42,268.42	27,826.62	15,062.36

Note 6.1- Related Party Receivables as stated in Note 6 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:

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

Remittances of Fuel, Materials, Personnel and Others:

- i.) Transfer of fuel related expense of one underlying division on behalf of another such division, which may cut across underlying divisions of different companies within the group as well.
- ii) Transfer of materials between underlying divisions of all the companies within the group and the Central Stores administered by the Holding Company.
- iii.) 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.
- iv) Transfer of stock of stationery between underlying divisions of all the companies within the group and the Central Stores administered by the Holding Company.
- v.) Record of any other inter-division transactions , including personnel related balances.

Operations, Capital and Others:

- i) Intra-group receipts and expenses related to segregation of Principal Accounts of cash and banking transactions.
- ii) Recognition of Equity of Holding Company in the company.
- iii) Transfer of Intra-group Loans.
- iv) Transfer of Investments in term deposits and interest thereof from Holding Company to relevant subsidiary companies.
- v) 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'.

EQUITY**Note 7- EQUITY SHARE CAPITAL**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As At	As At	As At
	31st March, 2018	31st March, 2017	1st April 2016
(a) Authorised: 50,00,00,000 (Previous year- 50,00,00,000) Equity Shares of ₹ 10.00 each	50,000.00	50,000.00	50,000.00
(b) Issued, subscribed and fully paid up: 40,72,96,663 (Previous year- 35,76,60,113) Equity Shares of ₹ 10.00 each	40,729.67	35,766.01	22,130.92
Total	40,729.67	35,766.01	22,130.92

Note 7.1- 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 7.2- 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	3,576.60	35,766.01	2,213.09	22,130.92
Add:- Shares issued during the year	496.37	4,963.66	1,363.51	13,635.09
Equity Shares at the end of the year	4,072.97	40,729.67	3,576.60	35,766.01

Note 7.3- 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 7.4- 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	4,072.97	100.00	3,576.60	100.00

Note 7.5- Aggregate number and class of shares allotted as fully paid-up pursuant to contract without payment being received in cash

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Number of Shares	Class of Shares	Amount
Financial Year 2017-18	496.37	Equity Shares (without differential rights), having par value of ₹ 10 per share	4,963.66
Financial Year 2016-17	1,363.51		13,635.09
Financial Year 2015-16	2,212.59		22,125.92
Financial Year 2014-15	-		-
Financial Year 2013-14	-		-
Financial Year 2012-13	-		-

Note 8- OTHER EQUITY

(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	Capital Reserve	46.21	-	-	-	-
2	Retained Earnings	(1,660.97)	(634.58)	-	1,384.39	(2,018.97)
3	Equity Share Capital Pending Allotment	18,598.75	6,353.45	262.60	4,963.66	1,652.39
	Total	16,983.98	5,718.86	262.60	6,348.04	(366.58)

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- 4,96,36,550 (Four Crore, Ninety Six Lakh, Thirty Six Thousand, Five Hundred and Fifty) number of Equity Shares have been issued to Meghalaya Energy Corporation Limited (MeECL- Holding Company) amounting to ₹ 49,63,65,500 (Rupees Forty Nine Crore, Sixty Three Lakh, Sixty Five Thousand 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 8.3- 'Retained Earnings' has been credited by Total Comprehensive Loss of ₹ 13,84,38,724.55 incurred during the year.

Note 8.4.1- 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) from Under Secy., Power Department, Government of Meghalaya	Released Under	Amount
May 26, 2017	Grant for construction of Lilo Line of One Circuit of Palatana- Bangaigaon 400 KV Line at Killing with 400/220 KV, 2X315 MVA GIS S/S	Non-Lapsable Central Pool of Resources (NLCPR)	153.90
December 15, 2017	Grant for construction of 1X100 MVA, 220/132 KV Auto Transformer at Agia Sub-Station (Assam) for Meghalaya- 4th & Final Installment.	North Eastern Council (NEC)	108.70
Total			262.60

Note 8.4.2- 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 construction of 132KV D/C line from Rongkhon to Ampati along with 2x20 MVA, 132/33 KV S/S at Ampati.	Non-Lapsable Central Pool of Resources (NLCPR)	746.38
December 23, 2016	Grant for installation of 220/132 KV, 1x100 MVA auto transformer at Agia S/S (Assam) for Meghalaya.	North Eastern Council (NEC)	100.00
December 23, 2016	Grant for construction of 132 KV D/C line from Rongkhon to Ampati along with 2x25 MVA, 132/33 KV S/S at Ampati (final installment).	Non-Lapsable Central Pool of Resources (NLCPR)	543.41
Total			1,389.79

NON-CURRENT LIABILITIES
Note 9 - 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) Term Loans:							
(a) From Banks:	-		-	-	-	-	-
(b) From Others:							
13.25% Term Loan from Rural Electrification Corporation (REC) Limited (The loan is secured against hypothecation charge on 'Property, Plant and Equipment'. The loan is repayable in 2 years in equal monthly installments)	-		-	-	-	-	5,000.00
11.00% Term Loan from Rural Electrification Corporation (REC) Limited (The loan is secured against hypothecation charge on 'Property, Plant and Equipment'. The loan is repayable in 10 years on an annual basis)	1,204.70	-	-	634.00	-	-	634.00
Unsecured:							
Loan from State Government (Against these loans, semi annual repayments in 10 Years with 2 years of moratorium from the date of disbursement have been struck upon. For details of the same, reference should be drawn to Note 9.4)	4,112.01	-	1,337.49	4,060.61	-	956.82	3,806.69
From Related Party							
11.75% (11.00% to 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)	4,646.86	January, 2018, February, 2018 and March, 2018	308.09	5,592.63	January, 2017, February, 2017 and March, 2017	268.99	-
Sub-Total	9,963.57	-	1,645.58	10,287.25	-	1,225.81	9,440.69
Less: Current Maturities of Long Term Debts	3,417.85	-	-	1,660.83			2,415.16
Total	6,545.73	-	-	8,626.42	-	-	7,025.54

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 9 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 9.2- The item-wise details of 'Current Maturities of Long Term Debts' as at 31st March, 2018 are stated as under: -

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Amount
<u>Secured:</u>	
(i) Term Loans:	
(a) From Banks:	-
(b) From Others:	
13.25% Term Loan from Rural Electrification Corporation (REC) Limited	133.86
11.00% Term Loan from Rural Electrification Corporation (REC) Limited	-
<u>Unsecured:</u>	
Loan from State Government	1,743.55
<u>From Related Party</u>	
11.75% (11.00% to 11.75%) Loan from Meghalaya Energy Corporation Limited, MeECL- Holding Company	1,540.44
Total	3,417.85

Note 9.3- A Short-term loan has been availed on the 13th of July, 2018 (Financial Year 2018-19) amounting to ₹ 27,00,00,000.00 from Public Finance Corporation (PFC) @ 10.75%, which is entirely repayable in six-month's time (i.e., current maturity), for the purpose of Repairs and Maintenance of Network.

Note 9.4- 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 on Old Loans	Interest Accrued on Additions	Interest Accrued during the Financial Year 2017-18
1	Construction of the 220KV, Misa-Byrnihat	277.77	8.50%	-	27.78	277.77	23.61	-	23.61
2	Construction 32KV D/C LILO, Mawlai-Cherra	11.11	8.64%	-	1.11	11.11	0.96	-	0.96
3	Construction of 132KV D/C LILO line of Rongkhon-Ampati	123.17	8.39%	-	12.32	123.17	10.33	-	10.33
4	Construction of 132 KV LILO Sumer-Nehu	11.11	8.64%	-	1.11	11.11	0.96	-	0.96
5	Construction Towers, Killing (EPIP I-II) Byrnihat	217.00	8.64%	-	21.70	217.00	18.75	-	18.75
6	Construction SPA, Umiang-Mawngap Transmission Line	100.00	8.50%	-	10.00	100.00	8.50	-	8.50
7	Construction of the LILO Stage-IV, Sarusajai	8.33	8.50%	-	0.83	8.33	0.71	-	0.71
8	Loan Component of State Share for Installation Capacitor Bank, Umtru Switchyard	11.11	8.50%	-	1.11	11.11	0.94	-	0.94
9	Renovation & Modernization- 132 Grid Sub-Station	7.76	8.50%	-	0.78	7.76	0.66	-	0.66
10	Construction of Nagalbira-Agia 4th Installment	50.00	8.50%	-	5.00	50.00	4.25	-	4.25
11	Construction of 220KV, Misa-Byrnihat	123.00	8.50%	-	12.30	123.00	10.46	-	10.46
12	Construction of New and Old Umtru Hydro Electric Project	55.00	8.75%	-	5.50	55.00	4.81	-	4.81
13	Construction of 132KV LILO, Mendipathar	22.22	9.47%	-	2.22	22.22	2.10	-	2.10
14	Construction of Mawngap Sub-Station	50.00	8.75%	-	5.00	50.00	4.38	-	4.38
15	Augmentation of 132MVA Sub-Station, Rongkhon	15.55	8.50%	-	1.56	15.55	1.32	-	1.32
16	Construction of LILO, Mawlai-Nangalbira Sub-Station	16.66	9.32%	-	1.67	16.66	1.55	-	1.55
17	Construction of 132KV LILO, Mawlai-Cherra	27.77	9.32%	-	2.78	27.77	2.59	-	2.59
18	Installation/ Commissioning of Communication Network Terminal, 132 KV	17.78	9.32%	-	1.78	17.78	1.66	-	1.66
19	Construction of 132 KV/33 KV, 2x20 Sub-Station, Mendipathar	11.11	9.32%	-	1.11	11.11	1.04	-	1.04
20	Augmentation of 132MVA Sub-Station, Rongkhong	22.22	9.32%	-	2.22	22.22	2.07	-	2.07
21	Construction of 132 KV, New Umtru- EPIP-II	373.89	8.65%	-	37.39	373.89	32.34	-	32.34
22	Construction of LILO Plata-Bongaigaon, NLCPR	398.67	8.65%	-	39.87	398.67	34.48	-	34.48
23	Construction of 132/33 KV, 2x20 MVA Sub-Station LILO, Ladnongkrem	100.00	9.31%	-	10.00	100.00	9.31	-	9.31
24	Construction of 132 KV D/C, NEHU-Khliehriat at Jowai	120.00	9.31%	-	12.00	120.00	11.17	-	11.17
25	Construction of 132 KV S/C from New Umtru to EPIP-II & New Umtru to Old Umtru (Hydro Electric Project)	60.00	9.31%	-	6.00	60.00	5.59	-	5.59
26	Stringing for 2nd Circuit of 132 KV, Nangalbira - Agia	9.50	9.31%	-	0.95	9.50	0.88	-	0.88
27	Stringing of the 2nd Circuit of 132 KV, Agia - Nangalbira line, with OPGW	90.50	9.31%	-	9.05	90.50	8.43	-	8.43
28	Construction of LILO, Palatana - Bongaigaon	207.01	8.65%	-	20.70	207.01	17.91	-	17.91
29	Construction of 132 KV,D/C, LILO NEHU	145.00	9.31%	-	14.50	145.00	13.50	-	13.50
Sub-total carried forward		2,683.24	-	-	268.32	2,683.24	235.26	-	235.26

(All amounts in INR lakhs, unless otherwise stated)

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 on Old Loans	Interest Accrued on Additions	Interest Accrued during the Financial Year 2017-18
	Sub-total brought forward	2,683.24		-	268.32	2,683.24	235.26	-	235.26
30	Construction of 132KV, Lad Nongkrem	80.00	9.31%	-	8.00	80.00	7.45	-	7.45
31	Construction of 132KV, Agia - Nangalbibra line at Mendipathar Sub-Station	95.00	9.31%	-	9.50	95.00	8.84	-	8.84
32	Construction of 132KV, Agia - Nangalbibra line at Mendipathar Sub-Station	17.78	9.31%	-	1.78	17.78	1.66	-	1.66
33	Installation of 220KV, 1x100 MVA, Auto Transformer at Agia (Assam)-Meghalaya	35.56	9.31%	-	3.56	35.56	3.31	-	3.31
34	Construction of LILO on the 132 KV S/C Mawlai-Nangalbibra Line at Mawngap Sub-Station	22.22	9.31%	-	2.22	22.22	2.07	-	2.07
35	Installation & Commissioning of Communication Network & Remote Terminal Unit at 132 KV	13.89	9.31%	-	1.39	13.89	1.29	-	1.29
36	Construction of 132 KV/33KV, 2x20 MVA Sub-Station at Mendipathar (Phase -II)	16.67	9.31%	-	1.67	16.67	1.55	-	1.55
37	Construction of 132 KV D/C LILO of Rongkhon-Ampati Line at Praharinagar along with 1x25 MVA	150.00	9.31%	-	15.00	150.00	13.97	-	13.97
38	Construction of 132 KV LILO of Sumer at 132/33 kv, 2x20MVA Sub-Station at Umiam	10.51	9.02%	-	1.05	10.51	0.95	-	0.95
39	Construction of 132/33 KV, 2x20 MVA Sub-Station at Umiam	5.75	9.02%	-	0.58	5.75	0.52	-	0.52
40	Construction of single circuit line on double circuit tower from Agia to Nangalbibra	3.40	9.02%	-	0.34	3.40	0.31	-	0.31
41	Construction of DC line from Rongkhon to Ampati along with 2x20 MVA, 132/33 KV Sub-Station at Ampati	35.41	9.00%	-	3.54	35.41	3.19	-	3.19
42	Construction of 133/33 KV, 2x20 MVA Sub-Station with LILO of NEIGHRIMS Khliehriat Line at Lad Nongkrem	39.60	8.59%	-	3.96	39.60	3.40	-	3.40
43	Stringing of the second circuit of 132 KV, Agia - Nangalbibra Line with OPGW	2.28	8.59%	-	0.23	2.28	0.20	-	0.20
44	Construction of the 220 KV D/C Line from Misa to Byrnihat along with the construction of 220/132 KV, 2x160 MVA, Sub-Station at Byrnihat	221.78	8.09%	-	22.18	221.78	17.94	-	17.94
45	Construction of 133/33 KV, 2x20 MVA Sub-Station with LILO of NEIGHRIMS Khliehriat Line at Lad Nongkrem	47.40	8.59%	-	4.74	47.40	4.07	-	4.07
46	Stringing of the second circuit of 132 KV Agia - Nangalbibra Line with OPGW	2.72	8.59%	-	0.27	2.72	0.23	-	0.23
47	Construction of LILO of the 132 KV Agia - Nangalbibra line	9.97	9.31%	-	1.00	9.97	0.93	-	0.93
48	Construction of 132 KV D/C LILO on Mawlai Cherra Line at Mawngap Sub-Station (3rd & final Installment)	10.79	9.31%	-	1.08	10.79	1.00	-	1.00
49	Construction of LILO on 132 KV Single Circuit Mawlai - Nangalbibra Line at Mawngap Sub-Station	10.51	9.31%	-	1.05	10.51	0.98	-	0.98

50	Augmentation of the 132/33 KV Sub-Station from 35 MVA to 50 MVA at Rongkhon, West Garo Hills District. (3rd & final Installment)	9.12	9.31%	-	0.91	9.12	0.85	-	0.85
51	Re-Engineering and strengthening of 132 KV Mawlai - Nongstoin - Nangalbibra Single Circuit Transmission Line	192.30	9.31%	-	19.23	192.30	17.90	-	17.90
52	Installation & commissioning of Communication Network & Remote Terminal Unit at 132 KV Sub-Station for supervisory control and data acquisition (3rd & final installment)	7.88	9.31%	-	0.79	7.88	0.73	-	0.73
53	Construction of 132 KV D/C Line from Rongkhon to Ampati along with 2x20 MVA, 132/33 KV Sub-Station at Ampati, under NLCPR	82.93	8.09%	-	8.29	82.93	6.71	-	6.71
54	Construction of 132 KV D/C Line of Rongkhon - Ampati Line at Praharnagar along with 1x25xMVA	126.00	8.59%	-	-	126.00	10.82	-	10.82
55	Installation of 220/132 KV, 1x100 MVA, Auto Transformer at Agia Sub-Station (Assam) for Meghalaya	11.11	7.18%	-	-	11.11	0.80	-	0.80
56	Construction of 132 KV D/C Line from Rongkhon to Ampati along with 2x20xMVA, 132/33 KV Sub-Station at Ampati	60.37	8.39%	-	-	60.37	5.07	-	5.07
57	Construction of the 132/33 KV, 2x20 MVA Sub-Station at Umiam	0.88	7.10%	-	-	0.88	0.06	-	0.06
58	Installation of 1x100 MVA, 220x/132 KV, Auto Transformer at Agia S/S (Assam) for Meghalaya	55.56	7.57%	-	-	55.56	4.21	-	4.21
59	Construction of LILO of 1 circuit, Palatana - Bongaigaon	-	8.10%	17.10	-	17.10	-	1.17	1.17
60	Construction 132/33 KV 2x20 MVA S/S Mendipathar	-	7.26%	22.22	-	22.22	-	0.82	0.82
61	Installation of 220KV, 1x100 MVA, Auto transformer at Agia (Assam)-Meghalaya	-	7.43%	12.08	-	12.08	-	0.26	0.26
Total		4,060.61	-	51.40	380.67	4,112.01	356.26	2.25	358.51

Note 10- GRANTS AND SUBSIDIES

(All amounts in INR lakhs, unless otherwise stated)

Sl. 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	800.38	2,984.83	-	164.09	2,820.73

Note 11- DEFERRED 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
Deferred Tax Liabilities	836.87	-	-
Total	836.87	-	-

Note 11.1- With regards to details of the above, reference must be drawn to Note 26.8.

CURRENT LIABILITIES**Note 12 (a)- FINANCIAL LIABILITIES (TRADE PAYABLES)**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	As At 31st March, 2017	As At 1st April 2016
Payables against SLDC (State Load Dispatch Centre) Charges by the Company	468.58	453.12	353.04
Total	468.58	453.12	353.04

Note 12 (b)- OTHER FINANCIAL 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
Current maturities of long-term debts-			
Related Party- Meghalaya Energy Corporation Limited (MeECL- Holding Company)	1,540.44	268.99	-
Others	1,877.41	1,391.84	2,415.16
Interest accrued-			
Related Party- Meghalaya Energy Corporation Limited (MeECL- Holding Company)	134.80	95.40	-
Others	1,786.14	1,445.39	1,140.04
Total	5,338.79	3,201.62	3,555.19

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	1,508.51	1,585.80	465.00
Total	1,508.51	1,585.80	465.00

Note 13.1- For details with regards to the aforementioned Note, reference should be drawn to Note 26.4

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	19.65	22.24	20.32
Indirect Tax Liabilities	35.58	52.18	42.08
Total	55.23	74.42	62.40

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	2,199.43	1,156.68	486.72
Liabilities for Operational and Maintenance Related Supplies	59.71	134.72	94.65
Staff Related Liabilities	214.49	699.45	606.33
Security Deposits and Retention Moneys Payable	867.92	791.43	901.13
Liabilities for Expenses	954.69	480.00	485.57
Provision for Loss (Pending Investigations)	23.15	-	-
Related Party Payables:			
i.) Meghalaya Energy Corporation Limited (MeECL)-			
Payables against Remittances of Cash and Cash Equivalents	6,138.14	2,210.90	3,070.63
Payables against Remittances of Fuel, Materials, Personnel and Others	7,905.39	7,064.60	5,659.90
Payables against Operations, Capital and Others	21,388.42	13,563.14	6,070.74
ii.) Others	1,556.73	1,556.73	1,556.73
Total	41,308.05	27,657.66	18,932.38

Note 15.1- As on 31st of March, 2016, Staff Related Liabilities included 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 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 ₹ 25,38,286.33.

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 in 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	12.97	12.97
Provision For Pension	4.20	4.20
Provision For Bonus	0.24	0.24
Total	17.40	17.40

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 re-vesting of assets and liabilities by the Holding Company, i.e., Meghalaya Energy Corporation Limited (MeECL).

Note 15.4- 'Provision for Loss (Pending Investigations)', pertains to Sale of Scrap (Transformers, damaged due to fire) of Khliehriat Sub-station. The scrap relates to the sale of damaged transformers. The actual 'Loss on Damage' 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, T&T, Shillong vide letter no. ACT/COMP/MePTCL/FA/2017-18/371/1. The detail thereof is awaited, and is expected to be reconciled 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
Related Party Operating Revenues-		
Transmission of Power (Wheeling Charges) to Meghalaya Power Distribution Corporation Limited (MePDCL)	6,957.48	8,328.00
State Load Dispatch Centre Charges (SLDC) from Meghalaya Power Generation Corporation Limited (MePGCL)	99.54	100.08
State Load Dispatch Centre Charges (SLDC) from the Company	99.54	100.08
Other operating revenues-		
Transmission and Operating Charges	-	132.68
State Transmission Utility (STU) and Open Access Charges	1,063.69	635.69
State Load Dispatch Centre (SLDC) Charges	51.31	27.81
Point of Connection Charges (Inter State Transmission System, ISTS) from Power Grid Corporation of India Limited, PGCIL	328.88	931.55
Total	8,600.44	10,255.89

Note 16.1- With respect to change in accounting policy in booking of 'Related Party Operating Revenues' reference should be drawn to Note 26.3.5

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
Interest Income (from Banks)	212.05	387.96
Other non-operating income-		
Rental and Hiring Income	13.71	0.56
Discount Received	0.00	2.99
Fees and Penalties	6.50	4.20
Miscellaneous receipts	1.66	0.56
Amortization of Grant	164.09	46.31
Total	398.01	442.58

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	-	1,591.93
Other Excess Provision	0.16	-
Other Income	24.64	-
Amortization of grants	-	46.21
Total	24.80	1,638.13

Note 18.1- With regards to details of 'Prior Period Incomes' reference should be drawn to Note 26.5

Note 19- EMPLOYEE BENEFIT EXPENSES

(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	2,076.75	2,921.03
Contribution to provident and other funds	43.08	28.80
Staff welfare expenses	-	0.10
Apportionment of Employee Benefit Expenses (from Holding Company)	3,645.60	3,094.30
Total	5,765.43	6,044.22

Note- 19.1- 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
Total	3,645.60	3,094.30

Note 20- 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	619.41	220.59
To Others	425.24	891.38
Total	1,044.65	1,111.97

Note 20.1- Penal Interest 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)	24.25	-
Others	0.45	20.66
	24.70	20.66

Note 21- 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	2,151.12	2,087.67
Total	2,151.12	2,087.67

Note 25 - 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 Regulatory 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) Operating Revenues-

i) Related Party Operating Revenues:

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. Furthermore, State Load Dispatch Centre (SLDC) Charges are charged from the Company too.

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 (MeSERC), 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.

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

d) Other Income:

- i) Income from fees, penalties and miscellaneous receipts 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 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 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 incomes and accounting incomes 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

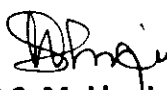
outstanding (the denominator) during the period has also been separately disclosed.

- 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 Chelwonstar Kharkrang
Director (Transmission)
DIN: 06788691

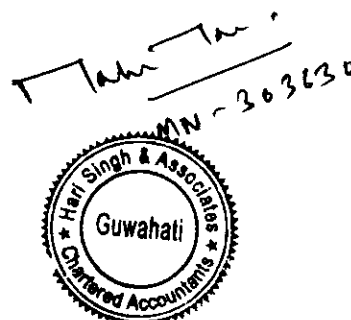

Shri Enrichwell Nongrum
Chairman-cum-Managing Director
DIN: 07499387

As per our report of even date attached

For M/s Hari Singh & Associates
Chartered Accountants
(Firm Regn. No.SPA237)

Place: Shillong

Date: 4/4/19



Note 26- OTHER DISCLOSURES

Note 26.1- 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 Depreciation, Interest, Tax and Amortization):**

(All amounts in INR lakhs, unless otherwise stated)

Particulars of Reportable Segment: "Transmission of Power"	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Operating Revenue from Transmission of Power	6,957.48	8,328.00
Other Operating Revenues relatable to Transmission	1,642.96	1,927.89
	8,600.44	10,255.89
Related Expenses allocated to Transmission	6,341.94	8,321.59
Total Adjusted EBDITA	2,258.50	1,934.30

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, taxation, 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	2,258.50	1,934.30
Other Income	398.01	442.58
Prior Period Incomes	24.80	1,638.13
Finance costs	(1,044.65)	(1,111.97)
Depreciation and amortization expense	(2,161.12)	(2,087.67)
Prior Period Expenses	(23.06)	(0.04)
Profit/(Loss) from Continuing Operation before Tax	(547.52)	815.32

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: "Transmission of Power"	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Operating Revenue from Transmission of Power	6,957.48	8,328.00
Other Operating Revenues relatable to Transmission	1,642.96	1,927.89
Total Segment Revenue	8,600.44	10,255.89

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 26.2- 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)		(1,384.39)		815.32
Number of ordinary shares outstanding (B)		4072.97		3576.60
<u>Weighted average number of ordinary shares outstanding:</u>				
At the beginning of the reporting period	3576.60		2213.09	
Time-weighting factor	1.00		1.00	
(C)	3577		2213	
Issued during the reporting period	496.37		1363.51	
Time-weighting factor	0.35		0.08	
(D)	172.71		104.60	
Total weighted average number of ordinary shares (E)=(C+D)		3749.31		2317.69
Basic Earnings per share:				
1st Method: (A/B)		(0.3399)		0.2280
2nd Method: (A/E)		(0.3692)		0.3518
b) Diluted Earnings per share				
Additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares (F)		165.24		635.34
<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	635.34		1860.00	
Time-weighting factor	1		1	
(G)	635.34		1860.00	
Issued during the reporting period:				
1st Issue	15.39		74.64	
Time-weighting factor	0.85		0.91	
	13.03		67.69	
2nd Issue	10.87		64.34	
Time-weighting factor	0.29		0.27	
	3.16		17.28	
Total issues during the reporting period (H)	16.19		84.96	
Conversions during the reporting period	496.37		1363.51	
Time-weighting factor	0.35		0.08	
(I)	172.71		104.60	
Total weighted average number of diluted shares (J)=(G+H-I)		478.82		1840.36
Diluted Earnings per share:				
1st Method: A/(B+F)		(0.3266)		0.1936
2nd Method: A/(E+J)		(0.3274)		0.1961

Note 26.2.1- The company has not discontinued any operations during the reporting period. Also, there are no extraordinary items during the reporting period.

Note 26.2.2- 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 26.3- RELATED PARTY TRANSACTIONS

Note 26.3.1- 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 ₹ 14,478.00 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. Cheiwonstar Kharkrang	₹ 17,10,340.00	Not under CPS	Subject to Significant Accounting Policies disclosed
Mr. Gouri Sankar Mukherjee	₹ 10,77,929.00	₹ 98,111.00	

Note 26.3.2- The aforementioned benefits have been paid from the Holding Company i.e. MeECL and subsequently apportioned to the Company @ 30% of benefits due).

Note 26.3.3- 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)	2,984.83	(164.09)	2,820.73
Recoverables From State Government, pending reconciliation	0.23	-	0.23
Non-current Borrowings from the Government	4,060.61	51.40	4,112.01

As per the Financial Statements of the Financial Year 2016-17 'Non-current Borrowings from the Government' from MeECL had been wrongly stated as ₹ 55,92,63,175.00. The same has been correctly stated as ₹ 40,60,61,370.00 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	358.51	346.72
Meghalaya State Electricity Regulatory Commission (MSERC) Fees	5.00	6.10

Note 26.3.4- 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	During the year	As At 31st March, 2018	
Equity Share Capital:				
Meghalaya Energy Corporation Limited (MeECL)	35,766.01	4,963.66	40,729.67	
Equity Share Capital Pending Allotment:				
Meghalaya Energy Corporation Limited (MeECL)	6,353.45	(4,701.06)	1,652.39	
Trade Receivables:				
Receivables against Transmission of Power to Related Party (Meghalaya Power Distribution Corporation Limited- MePDCL)	8,328.00	-	8,328.00	
Receivables against SLDC (State Load Dispatch Centre) Charges to Related Party (Meghalaya Power Generation Corporation Limited- MePGCL)	453.12	-	453.12	
Receivables against SLDC (State Load Dispatch Centre) Charges from the Company	453.12	-	453.12	
Receivables (Other Current Assets):				
i.) Meghalaya Energy Corporation Limited (MeECL)-				
Receivables against Remittances of Cash and Cash Equivalents	649.04	5,726.30	6,375.34	
Receivables against Remittances of Fuel, Materials, Personnel and Others	11.60	4.65	16.25	
Receivables against Operations, Capital and Others	5,467.44	5,531.23	10,998.67	
ii.) Meghalaya Power Distribution Corporation Limited (MePDCL)-				
Receivables against Operations, Capital and Others	20,554.43	2,450.72	23,005.15	
iii.) Meghalaya Power Generation Corporation Limited (MePGCL)-				
Receivables against Operations, Capital and Others	380.17	732.09	1,112.26	
11.75% Loan:				
Meghalaya Energy Corporation Limited (MeECL)	5,592.63	(945.77)	4,646.86	
Current maturities of long-term debts:				
Meghalaya Energy Corporation Limited (MeECL)	268.99	1,271.45	1,540.44	
Trade Payables:				
Payables against SLDC (State Load Dispatch Centre) Charges by the Company	453.12	15.47	468.58	
Interest accrued:				
Meghalaya Energy Corporation Limited (MeECL)	95.40	39.40	134.80	
Payables (Other Current Liabilities):				
i.) Meghalaya Energy Corporation Limited (MeECL)-				
Payables against Remittances of Cash and Cash Equivalents	2,210.90	3,927.24	6,138.14	
Payables against Remittances of Fuel, Materials, Personnel and Others	7,064.60	840.78	7,905.39	
Payables against Operations, Capital and Others	13,563.14	7,825.27	21,388.42	
Others	1,556.73		1,556.73	
Addition to Property, Plant and Equipment (Vehicles):				
Meghalaya Energy Corporation Limited (MeECL)-		7.32	7.32	

(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 Transmission of Power:		
Meghalaya Power Distribution Corporation Limited (MePDCL)	6,957.48	8,328.00
State Load Dispatch Centre Charges:		
Meghalaya Power Generation Corporation Limited (MePGCL)	99.54	100.08
Earned from the Company	99.54	100.08
Interest:		
Meghalaya Energy Corporation Limited (MeECL)	619.41	220.59
Bad-Debts against Wheeling Charges:		
Meghalaya Power Distribution Corporation Limited (MePDCL)	-	1,702.83
Depreciation:		
Meghalaya Energy Corporation Limited (MeECL)	0.70	-
State Load Dispatch Centre (SLDC) Charges:		
Expenses incurred by the Company	115.00	100.08
Prior Period Depreciation:		
Meghalaya Energy Corporation Limited (MeECL)	1.04	-
Apportionment of Employee Benefit Expenses, made by:		
Meghalaya Energy Corporation Limited (MeECL)	3,645.60	3,094.30

Apportionment of Employee Benefit Expenses' along with 'State Load Dispatch Centre (SLDC) Charges earned and incurred by the Company' had not been disclosed in the previous Financial Year. The same has been reflected in the current Financial Year.

Note 26.3.5-

(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)	8,099.61
Less: Expenses met by the MePDCL:	
Employee benefits expense	5,438.38
Finance costs	654.94
Other expenses (including SLDC Charges)	294.95
Prior period items (net)	8.50
Total Expenses (B)	6,396.78
Difference (A-B)	1,702.83
Bad-Debts: -	
Against Wheeling Charges to Meghalaya Power Distribution Corporation Limited (MePDCL)	1,702.83

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 'Operating Revenues from Related Parties' have 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 been recognised on the basis of current realisability, with regards to the following:

i. Revenue from Transmission of Power to Related Party (Meghalaya Power Distribution Corporation Limited- MePDCL)-

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Amount(₹)
Total Bill raised to MePDCL during the current Financial Year (a)	10,764.00
Revenue recognised during the year-	
Allotment of Funds (towards Employee Costs, Operations, Repairs and Maintenance)	2,647.38
Interest of Loan paid by the company	664.50
Apportionment of Employee Cost of the Holding Company towards the company	3,645.60
Total (b)	6,957.48
Amount not recognised as revenue due to uncertainty of realisation (a-b)	3,806.52

ii. Revenue from SLDC (State Load Dispatch Centre) Charges to Related Party (Meghalaya Power Generation Corporation Limited- MePGCL)

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Amount(₹)
Total Bill raised to MePGCL during the current Financial Year (a)	115.00
Revenue recognised during the year-	
50% of Allotment of Funds disbursed to SLDC Division (b)	99.54
Amount not recognised as revenue due to uncertainty of realisation (a-b)	15.47

iii. Revenue from SLDC (State Load Dispatch Centre) Charges of the Company

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Amount(₹)
Total Bill raised to the company during the current Financial Year (a)	115.00
Revenue recognised during the year- 50% of Allotment of Funds disbursed to SLDC Division (b)	99.54
Amount not recognised as revenue due to uncertainty of realisation (a-b)	15.47

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.

v. Allotment of funds disbursed to SLDC has been booked for recognition of 'Revenue from SLDC Charges' @ 50% each for MePGCL and MePTCL. This is in line with the guidelines issued by MeSERC which states that SLDC Charges should be borne by MePGCL and MePTCL @ 50% each.

Note 26.3.6- Corporate Guarantee has been given by the Company against 'Special Term Loan from Rural Electrification Corporation (REC) Limited' obtained by Meghalaya Power Transmission Corporation Limited (MePTCL).

Note 26.3.7- 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- 27 Additional Information'.

Note 26.4- PROVISIONS**Note 26.4.1- Provision for employee benefits**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As At 31st March, 2018	As At 31st March, 2017
As at the beginning of the Financial Year	1,585.80	465.00
<u>Add: Provisions for Revision of Pay (ROP) for the Financial Year 2016-17:</u>		
Estimated arrears to be drawn	-	468.00
Apportionment from Holding Company (@30% of ₹ 21,76,00,000.00)	-	652.80
	1,585.80	1,585.80
Less: Settlements during the Financial Year	77.29	-
As at the end of the Financial Year	1,508.51	1,585.80

Note 26.4.2- 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 26.5- PRIOR PERIOD ADJUSTMENTS

Prior Period Expenses

Financial Year 2017-18

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Amount	Nature
Depreciation	1.04	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.
	4.52	This pertains to the provision for depreciation including prior periods on various Fixed Assets of T&T, Tura Division, converted from Capital Works-in-Progress during the year 2017-18.
	17.31	
	22.87	
Administration Expenses	0.08	This pertains to rectification towards short provisioning done during the year 2015-16 with regards to Statutory Audit Fees.
Employees Costs	0.11	This pertains to part payment of Duty-pay in respect of Shri. Nimison Sangma, Technician w.e.f. January 2015 to July 2015 vide Voucher No. 19 dated 7-4-2017 (T&T Tura Division)
Total	23.06	

Financial Year 2016-17

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Amount	Nature
Administration Expenses	0.04	This relates to correction on short provisioning 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).
Total	0.04	

Prior Period Incomes

Financial Year 2017-18

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Amount	Nature
Other Excess Provision	0.16	This pertains to correction towards excess provision of Cost Audit Fees made during the Financial Year 2013-14
Other Income	0.12	This pertains to CPS Contribution booked in excess in Previous Years (T&T Byrnihat Division)
	24.28	This pertains to rectifications entries relating to PSDF
	0.24	This pertains to recovery of excess salaries booked (April, 2015 to March, 2017) (T&T Tura Division)
	24.64	
Total	24.80	

Financial Year 2016-17

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Amount	Nature
Interest income from Banks	1,591.93	It relates to rectifications against under-booking of interests on 'Investments in Term Deposits' over prior periods.
Amortization of grants	46.21	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.
Total	1,638.13	

Note 26.6- 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 2013-14)	4.60
Secretarial Audit (Allotment from Holding Company)	M/s Subhasis Bosu & Co.	0.20	-	-
Total		0.20		4.60

Note 26.6.1- 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	0.40
Statutory Audit Fees	2.50
Secretarial Audit Fees	0.31
Tax Audit Fees	0.58
Total	3.79

Note- 26.7- 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		Differences	
	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 6- Other Current Assets Meghalaya Power Distribution Corporation Limited (MePDCL)- Receivables against Operations, Capital and Others	32,984.56	24,387.13	20,554.43	13,888.21	12,430.14	10,498.92
Note 15- Other Current Liabilities Meghalaya Power Distribution Corporation Limited (MePDCL)- Payables against Operations, Capital and Others	-	-	-	-	(4,102.14)	(2,399.31)
	(4,102.14)	(2,399.31)	-	-	8,328.00	8,099.61
Note 5 (a)- Financial Assets (Trade Receivables) Receivables against Transmission of Power to Related Party (Meghalaya Power Distribution Corporation Limited- MePDCL)	-	-	8,328.00	8,099.61	(8,328.00)	(8,099.61)
Note 6- Other Current Assets Meghalaya Power Generation Corporation Limited (MePGCL)- Receivables against Operations, Capital and Others	833.29	642.01	380.17	288.98	453.12	353.04
Note 5 (a)- Financial Assets (Trade Receivables) Receivables against SLDC (State Load Dispatch Centre) Charges to Related Party (Meghalaya Power Generation Corporation Limited- MePGCL)	0	0	453.12	353.04	(453.12)	(353.04)
Note 12 (a)- Financial Liabilities (Trade Payables) Payables against SLDC (State Load Dispatch Centre) Charges by the Company	-	-	-453.12	-353.04	453.12	353.04
Note 5 (a)- Financial Assets (Trade Receivables) Receivables against SLDC (State Load Dispatch Centre) Charges from the Company	-	-	453.12	353.04	(453.12)	(353.04)
Note 16- Revenue from Operations State Load Dispatch Centre Charges (SLDC) from the Company	-	-	100.08	Presentation is not required	(100.08)	-
Note 22- Other Expenses State Load Dispatch Centre (SLDC) Charges incurred by the Company	-	-	-100.08		100.08	-
Note 19- Employee Benefits Expense: Salaries and wages	3,817.39	3,414.72	2,921.03	Presentation is not required	896.36	-
Contribution to provident and other funds	2,225.00	2,022.54	28.80		2,196.20	-
Staff Welfare Expenses	1.83	1.13	0.10		1.73	-
					3,094.30	-
Note 19- Employee Benefits Expense: Apportionment of Employee Benefit Expenses	-	-	3,094.30		(3,094.30)	-
Note 22- Other Expenses Bank Charges	-	-	0.09	Presentation is not required	(0.09)	-
Note 20- Finance Costs Other banking and guarantee charges	0.09	0.08	-		0.09	-

Note 26.3- Related Party Transactions:						
Note 26.3.4- Transactions with the Holding Company and Subsidiaries within the group:						
Receivables (Other Current Assets):						
Meghalaya Power Distribution Corporation Limited (MePDCL)-						
Receivables against Operations, Capital and Others	32,984.56	24,387.13	20,554.43		12,430.14	-
Payables (Other Current Liabilities):	-	-		Presentation is not required		
Meghalaya Power Distribution Corporation Limited (MePDCL)-	-	-				
Payables against Operations, Capital and Others	(4,102.14)	(2,399.31)	-		(4,102.14)	-
					8,328.00	-
Trade Receivables:						
Receivables against Transmission of Power to Related Party (Meghalaya Power Distribution Corporation Limited- MePDCL)	-	-	8,328.00		(8,328.00)	-
Trade Receivables:						
Receivables against SLDC (State Load Dispatch Centre) Charges to Related Party (Meghalaya Power Generation Corporation Limited- MePGCL)	-	-	453.12		(453.12)	-
Receivables (Other Current Assets):				Presentation is not required		
Meghalaya Power Generation Corporation Limited (MePGCL)-						
Receivables against Operations, Capital and Others	833.29	642.01	380.17		453.12	-
Note 26.1- Segment Information:						
Adjusted EBDITA (Earnings before Depreciation, Interest, Tax and Amortization):						
Other Operating Revenues relatable to Transmission	1,827.81	1,707.54	1,927.89		(100.08)	-
Related Expenses allocated to Transmission	(8,221.41)	(8,132.65)	(8,321.59)	Presentation is not required	100.17	-
Reconciliation of Adjusted EBDITA to Profit/ (Loss) before Tax:						
Finance Costs	(1,112.07)	(654.94)	(1,111.97)		(0.09)	-
					100.08	-
Cash Flow Statement:						
Cash Flow from Operating Activities						
Depreciation & Amortization of Assets	2,041.36	2,008.61	2,087.67	Presentation is not required	(46.31)	-
Amortisation of Grants	-	-	(46.31)		46.31	-
Cash Flow from Operating Activities						
Finance Costs	1,112.07	654.94	1,111.97	Presentation is not required	0.09	-
Cash Flow from Financing Activities						
Finance Costs	(1,112.07)	(654.94)	(1,111.97)		(0.09)	-
Cash Flow from Operating Activities						
Other current assets	(14,795.56)	(6,935.01)	(12,764.26)		(2,031.30)	-
Other current liabilities	10,440.13	(415.54)	8,737.30		1,702.83	-
				Presentation is not required	(328.47)	-
Cash Flow from Operating Activities						
Trade Payables	-	-	100.08		(100.08)	-
Trade Receivables	-	-	(428.55)		428.55	-
					328.47	-

Note 26.7.1- 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. Certain such opening balances of accounting heads have either been merged into the correct accounting heads or corrected through entries wherever possible, thereby bringing the book balances of such heads to their closest correct statuses.

Note 26.8- DEFERRED TAX LIABILITY

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Status as at the End of the Current Financial Year 2017-18	Status as at the Beginning of the Current Financial Year 2017-18
Business Loss/ Unabsorbed Depreciation	6,646.53	5,155.42
Substantively enacted Tax Rate	29.12%	29.12%
Deferred Tax Asset (a)	1,935.47	1,501.26
WDV of Depreciable 'Property Plant and Equipment' as per Books of Accounts	28,551.14	29,463.41
WDV of Block of Assets as per Income Tax Act, 1961	19,030.74	20,863.74
	9,520.40	8,599.67
Substantively enacted Tax Rate	29.12%	29.12%
Deferred Tax Liability (b)	2,772.34	2,504.22
Net Deferred Tax Liability (b-a)	836.87	1,002.97
Current Year's Deferred Tax Income	166.10	
Prior Period Deferred Tax Expenses	1,002.97	

Note 27 - 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 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. 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)	1. Mr. Parmarsan Singh Thangkhiew, IAS, 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) Mr. Cheiwonstar Kharkrang, Director (Transmission) Mr. Gouri Sankar Mukherjee, Company Secretary

There is also a Strategic Business Unit of the Company named as State Load Dispatch Centre (SLDC).

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

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: -

- 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. 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 29 th of March, 2018 addressed to All Drawing and Disbursing Officers of the Company	Long pending Outstanding ATDs (Advice Transfer Debits) in the books of accounts.
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.
- 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 "Transmission 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, 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. 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 Cheiwonstar Kharkrang
Director (Transmission)
DIN: 06788691



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

As per our report of even date attached

For M/s Hari Singh & Associates
Chartered Accountants
(Firm Regn. No.SPA237)

Place: Shillong

Date: 4/10/14


MN-303630

