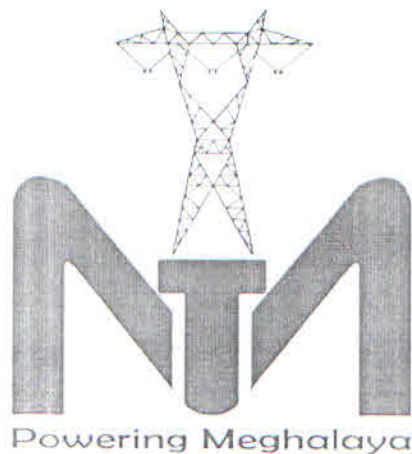


**MEGHALAYA POWER TRANSMISSION  
CORPORATION LIMITED**

**SHILLONG**



**STATEMENT OF ACCOUNTS**

**2013-2014**

**MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED**  
**BALANCE SHEET AS AT 31st MARCH 2014**

Particulars		Note No.	As At 31st March 2014	As At 31st March 2013
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>(1)</b>	<b>Shareholders' funds</b>			
(a)	Share capital	2	5,00,000	5,00,000
(b)	Reserves & surplus	3	(14,36,83,507)	(12,94,07,398)
			(14,31,83,507)	(12,89,07,398)
<b>(2)</b>	Equity Capital pending allotment	4	3,57,61,01,133	3,10,17,91,133
<b>(3)</b>	<b>Non-current liabilities</b>			
(a)	Long-term borrowings	5	23,64,76,989	17,05,99,416
(b)	Other Long term liabilities	6	12,39,360	-
			23,77,16,349	17,05,99,416
<b>(4)</b>	<b>Current liabilities</b>			
(a)	Trade payables	7	7,89,09,455	1,66,26,312
(b)	Other current liabilities	8	55,98,34,409	51,67,80,095
(c)	Short term provisions	9	3,66,84,802	2,76,34,056
			67,54,28,666	56,10,40,464
	<b>TOTAL</b>		<b>4,34,60,62,642</b>	<b>3,70,45,23,615</b>
<b>II.</b>	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-current assets</b>			
(a)	Fixed assets			
(i)	Tangible assets	10	2,90,58,03,267	1,71,07,18,342
(ii)	Capital Work in Progress	11	84,89,14,547	1,26,09,10,248
			3,75,47,17,814	2,97,16,28,590
<b>(2)</b>	<b>Current assets</b>			
(a)	Inventories	12	1,67,66,705	3,52,52,411
(b)	Cash & Bank Balances	13	1,54,27,227	71,55,903
(c)	Short-term loans and advances	14	70,69,563	63,65,574
(d)	Other current assets	15	55,20,81,332	68,41,21,137
			59,13,44,827	73,28,95,025
	<b>TOTAL</b>		<b>4,34,60,62,642</b>	<b>3,70,45,23,615</b>
	Significant accounting policies	1		
	Notes to the financial statements	23		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**A Paul & Co**

Chartered Accountants

(Firm Regn. No 312060E)

For and on behalf of the board



(G S Mukherjee)  
Company Secretary

(A Bhagotia)  
Director (Finance)

(P B O Warjri)  
Chairman-cum-Managing Director

Place:- Shillong

Date:- 11<sup>th</sup> January, 2016

**MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2014**

Particulars		Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
I	<b>Revenue</b>			
(a)	Revenue from operations Less: - Electricity Duty	16	63,86,63,936 -	33,87,39,025 -
(b)	Other income	17	63,86,63,936 26,93,185	33,87,39,025 9,86,316
	<b>Total Revenue</b>		<b>64,13,57,121</b>	<b>33,97,25,340</b>
II.	<b>Expenses:</b>			
(a)	Employee benefits expense	18	41,09,28,928	26,94,92,749
(b)	Finance costs	19	2,06,27,809	1,62,65,252
(c)	Depreciation & Amortisation expenses	20	17,07,45,626	10,29,11,642
(d)	Other expenses	21	4,58,89,226	4,21,21,346
(e)	Prior period items (net)	22	70,09,641	4,40,13,212
	<b>Total Expenses</b>		<b>65,52,01,230</b>	<b>47,48,04,202</b>
III.	<b>Profit/(Loss) before exceptional and extraordinary items and tax (I-II)</b>		<b>(1,38,44,109)</b>	<b>(13,50,78,862)</b>
IV.	Exceptional items		-	-
V.	<b>Profit/(Loss) before extraordinary items and tax (III-IV)</b>		<b>(1,38,44,109)</b>	<b>(13,50,78,862)</b>
VI.	Extraordinary items		-	-
VII.	<b>Profit/(loss) before tax (V-VI)</b>		<b>(1,38,44,109)</b>	<b>(13,50,78,862)</b>
VIII.	Tax expense		-	-
(a)	Current Tax		-	-
(b)	Deferred Tax		-	-
IX.	<b>Profit/(loss) for the year (VII-VIII)</b>		<b>(1,38,44,109)</b>	<b>(13,50,78,862)</b>
X.	Basic and Diluted Earnings per equity share (Face value of Rs. 10/- each):		(276.88)	(2,701.58)
	Significant accounting policies	1		
	Notes to the financial statements	23		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**A Paul & Co**

Chartered Accountants  
(Firm Regn. No 312060E)



*(Signature)*  
(G S Mukherjee)  
Company Secretary

*(Signature)*  
(A Bhagotia)  
Director (Finance)

*(Signature)*  
(F B O Warjri)  
Chairman-cum-Managing Director

Place:- Shillong

Date:- 11<sup>th</sup> January, 2016

**MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014**

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax as per Statement of Profit & Loss	(1,38,44,109)	(13,50,78,862)
Adjustments for		
Depreciation & Amortization	17,07,45,626	10,29,11,642
Finance Cost	2,06,27,809	1,62,65,252
Operating Profit before Working Capital Changes	<b>17,75,29,326</b>	<b>(1,59,01,967)</b>
Adjustments for increase/decrease in		
Inventories	1,84,85,706	(3,52,52,411)
Short term loans & advances	(7,03,989)	(63,79,862)
Other current assest	13,20,39,806	(68,41,21,137)
Trade payables	6,22,83,143	1,66,26,312
Other current liabilities	4,30,54,313	50,21,07,620
Short term provisions	90,50,746	2,76,34,056
<b>Cash generated from Operations</b>	<b>44,17,39,051</b>	<b>(19,52,87,389)</b>
Taxes Paid	-	-
<b>Net Cash generated from Operations</b>	<b>44,17,39,051</b>	<b>(19,52,87,389)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets & CWIP	(95,42,66,851)	(3,07,90,52,232)
<b>Net Cash from Investing Activities</b>	<b>(95,42,66,851)</b>	<b>(3,07,90,52,232)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Grants & subsidies		1,08,00,000
Increase/Decrease in long term borrowings	6,58,77,573	18,51,69,643
Increase/Decrease in long term borrowings	12,39,360	-
Finance Cost	(2,06,27,809)	(1,62,65,252)
Equity Capital pending allotment	47,43,10,000	3,10,17,91,133
<b>Net Cash from Financing Activities</b>	<b>52,07,99,124</b>	<b>3,28,14,95,524</b>
<b>Net Increase in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>82,71,324</b>	<b>71,55,903</b>
Opening balance of Cash and Cash Equivalents	71,55,903	-
Closing balance of Cash and Cash Equivalents:	1,54,27,227	71,55,903
Consisting of:		
Cash in hand	25,611	78,986
Cash Imprests with Staff	15,54,370	15,40,902
-Balance with bank in Current accounts	1,38,47,246	55,36,015
	<b>1,54,27,227</b>	<b>71,55,903</b>

As per our report of even date attached

**A Paul & Co**

Chartered Accountants  
(Firm Regn. No 312060E)



*(Signature)*  
(G S Mukherjee)  
Company Secretary

*(Signature)*  
(A Bhagotia)  
Director (Finance)

For and on behalf of the board

*(Signature)*  
(P B O Warjri)  
Chairman-cum-Managing Director

Place:- Shillong

Date:- 11<sup>th</sup> January, 2016

Date:-

MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

Note 2 Share capital

Particulars	As At	As At
	31st March 2014	31st March 2013
a) Authorised 10,00,00,000 (Previous year 10,00,00,000) Equity Shares of Rs 10 each	1,00,00,00,000	1,00,00,00,000
b) Issued, subscribed and fully paid up 50,000 (Previous year 50,000) Equity Shares of Rs 10 each	5,00,000	5,00,000
<b>Total</b>	<b>5,00,000</b>	<b>5,00,000</b>

1 The Company has enhanced authorised capital from Rs 1,00,00,00,000/- to Rs 3,20,00,00,000/- on dated March 16, 2015

2 The Company has only one class of equity shares, having a par value of Rs 10 per share. Each shareholder is eligible to one vote per share held

3 Reconciliation of the number of shares outstanding :-

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
	No. of shares	Amount	No. of shares	Amount
Equity Shares at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Add:- Shares issued during the year	-	-	-	-
Equity Shares at the end of the year	50,000	5,00,000	50,000	5,00,000

4 Details of shares held by the Holding Company -

100% Shares are held by the holding company Meghalaya Energy Corporation Limited (MeECL) and its nominees

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

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
	No. of shares	% held	No. of shares	% held
Meghalaya Energy Corporation Limited (MeECL) and its nominees	50,000	100%	50,000	100%

Note 3 Equity Capital pending allotment

Particulars	Account Code No.	As At	As At
		31st March 2014	31st March 2013
Equity Capital pending allotment	54.500(A)	3,57,61,01,133	3,10,17,91,133
<b>Total</b>		<b>3,57,61,01,133</b>	<b>3,10,17,91,133</b>

1 Equity capital pending allotment represents the amount of equity capital to be allotted to the MeECL in accordance with notification issued on dated April 29, 2015 by Government of Meghalaya and subsequent transactions after that

2 The 22,12,59,213 no. of Equity Shares have been issued to MeECL amounting to Rs. 2,21,25,92,130/- on May 27, 2015 @10/- per share. For balance amount shares will be allotted on completion of due procedure.

MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

Note 4 Reserves & surplus

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
<b>Grant &amp; Subsidies</b>			
Opening Balance		1,08,00,000	-
Add: Addition during the year	55 300		1,08,00,000
		1,08,00,000	1,08,00,000
Less: Accumulated Amortization	55 90	49,44,000	45,12,000
		58,56,000	62,88,000
<b>Capital Reserves</b>			
Opening Balance	56 2 & 56.3	46,20,500	46,20,500
Add: Addition during the Year		-	-
Closing Balance		46,20,500	46,20,500
<b>Surplus in Statement of Profit &amp; Loss</b>			
Opening Balance		-14,03,15,898	-52,37,036
Add: Profit/(Loss) during the year as per Statement of Profit & Loss		-1,38,44,109	-13,50,78,862
Closing Balance		-15,41,60,007	-14,03,15,898
<b>Total</b>		<b>-14,36,83,507</b>	<b>-12,94,07,398</b>

Note 5 Long term borrowings

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
<b>Insecured loans</b>			
30% Loan from State Govt (Semi annual repayment in 10 Years with 2 years of moratorium from the date of disbursement)	54 200 (S)	25,59,89,316	18,51,69,643
Less: Current Maturities of Long Term Debts		1,95,12,327	1,45,70,227
<b>Total</b>		<b>23,64,76,989</b>	<b>17,05,99,416</b>

Note 6 Other long term liabilities

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Security Deposit From Open Access Consumers	48 1	12,39,360	-
<b>Total</b>		<b>12,39,360</b>	<b>-</b>

Note 7 Trade payables

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Liabilities for Capital Supplies	42 1 to 42 6	6,01,44,842	1,25,38,569
Liabilities for O & M Supplies	43 1 to 43 6	1,87,64,613	40,87,743
<b>Total</b>		<b>7,89,09,455</b>	<b>1,66,26,312</b>

1 Based on the information available with the company, there are no dues payable to an enterprise covered under the Micro, Small and Medium Enterprises Development Act, 2006.

MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

Note 8 Other current liabilities

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Deposit and Retention from Suppliers	46.1 & 28.930	3,77,44,815	4,89,55,456
Electricity & Other Duties Payable	46.3	10,03,476	15,21,101
Liabilities for Expenses	46.4	37,95,56,972	37,63,71,712
Other Liabilities	27.7, 27.8, 46.9 & 49	4,72,53,935	3,58,24,554
Service Tax Payable	46 Service Tax	1,51,971	1,51,971
Repayment Due	51.104	2,07,84,954	99,53,627
Interest Accrued and due			
State Government	51.206	5,00,51,705	2,94,31,446
Deviation/UI Payables	46 Deviation/UI	37,74,252	-
Current Maturities of Long Term Debts			
State Government		1,95,12,327	1,45,70,227
<b>Total</b>		<b>55,98,34,409</b>	<b>51,67,80,095</b>

Note 9 Short term provisions

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Staff related liabilities & provisions	44.1 to 44.6	3,66,84,802	2,76,34,056
<b>Total</b>		<b>3,66,84,802</b>	<b>2,76,34,056</b>

MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

Note 10: Fixed Assets

Sl.No.	Asset Group	Accounts Code	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
			As at 31.03.2013	Addition during the year	Deduction during the year	As at 31.03.2014	As at 31.03.2013	Depreciation for the year	Adjustment or Deduction	As at 31.03.2013
1	Land and land rights	10.1	1,30,20,352	31,55,371	-	1,61,75,723	-	-	1,30,20,352	1,61,75,723
2	Buildings	10.2	6,23,80,919	1,18,04,949	-	7,41,85,868	-	-	4,26,15,042	5,24,80,450
3	Others Civil Works	10.4	5,59,45,764	-	-	5,59,45,764	-	(5,26,945)	5,12,52,027	5,35,82,175
4	Plant and Machinery	10.5	63,46,46,820	71,94,57,799	-	1,35,41,04,619	-	(3,57,417)	54,36,96,407	1,19,36,11,542
5	Lines and Cable Network	10.6	1,45,21,91,520	65,15,13,291	1,36,96,476	2,09,00,08,335	-	(57,16,241)	1,05,58,64,140	1,59,00,07,128
6	Vehicles	10.7	3,35,858	-	-	3,35,858	-	-	33,586	3,35,858
7	Furniture and Fixtures	10.8	33,86,059	3,96,889	-	37,82,948	-	-	25,55,359	37,41,664
8	Office Equipment	10.9	27,70,422	2,34,460	3,129	30,01,753	10,88,993	-	16,81,429	17,21,500
	<b>TOTAL</b>		<b>2,22,46,77,714</b>	<b>1,38,65,62,759</b>	<b>1,36,99,605</b>	<b>3,59,75,40,868</b>	<b>51,39,59,372</b>	<b>(66,00,603)</b>	<b>1,71,07,18,342</b>	<b>2,90,58,03,267</b>
	<b>PREVIOUS YEAR</b>		<b>63,37,16,548</b>	<b>1,59,09,61,166</b>	<b>-</b>	<b>2,22,46,77,714</b>	<b>36,77,20,797</b>	<b>3,88,14,932</b>	<b>26,59,95,751</b>	<b>1,71,07,18,342</b>



MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

Note 11 Capital work in progress

Particulars	Account Code No	As At 31st March 2014	As At 31st March 2013
Capital Work-in-progress	14	78,24,01,989	1,19,43,97,689
Advance to Suppliers	25.1 to 25.9	6,65,12,558	6,65,12,558
<b>Total</b>		<b>84,89,14,547</b>	<b>1,26,09,10,248</b>

Note 12 Inventories

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Materials Stock	22	1,67,66,705	3,52,52,411
<b>Total</b>		<b>1,67,66,705</b>	<b>3,52,52,411</b>

Note 13 Cash & Bank Balances

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
<b>A) Cash &amp; Cash Equivalents</b>			
Cash	24.1	25,611	78,986
Cash Imprests with Staff	24.2	15,54,370	15,40,902
Balance with Banks ( ) In Current Accounts	24.3 & 24.4 & 24.7	1,38,47,246	55,36,015
<b>Total (A)</b>		<b>1,54,27,227</b>	<b>71,55,903</b>
<b>B) Other Bank Balances</b>			
Bank FDs	20.2	-	-
<b>Total (B)</b>		<b>-</b>	<b>-</b>
<b>Total (A+B)</b>		<b>1,54,27,227</b>	<b>71,55,903</b>

Note 14 Short term loans & advances

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Insecured, considered good			
Advances for O & M Supplies/Works	26.1 to 26.7	30,15,678	30,15,678
Loans and Advances to Staff	27.1 to 27.2	40,53,886	33,49,897
<b>Total</b>		<b>70,69,563</b>	<b>63,65,574</b>

Note 15 Other current assets

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Income accrued but not due	28.3	25,89,137	25,89,137
Recoveries from Ex-employees	28.4	23,78,314	24,91,277
Other claims and Receivables	28.6, 28.7 & 28.8 (Excl. 28.89)	22,971	22,971
Inter Company Receivable	30-39 & 24.5-24.6	54,70,90,911	67,90,17,753
<b>Total</b>		<b>55,20,81,332</b>	<b>68,41,21,137</b>

Note 16 Revenue from operations

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Transmission Charges	61.8	62,55,60,269	33,87,39,025
LDC Charges from MePGCL	62.921	1,31,03,667	-
<b>Revenue from operations</b>		<b>63,86,63,936</b>	<b>33,87,39,025</b>

6.1 MePTCL has charged Rs.58,32,00,000/- for Transmission Charges from MePDCL based on tariff order issued by MeSERC

Note 17 Other Income

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Interest Income			
Interest on loans and advances	62.211-62.216	18,410	-
Other Income			
Discount Received	62.260-62.264	-	3,34,381
Application Fee for STOA	62.801	3,40,000	-
Miscellaneous receipts	62.901-62.950	20,54,775	3,51,935
Income from Trading	62.321-62.360	2,80,000	3,00,000
Interest on overdue trade receivables	62.25	-	-
<b>Total</b>		<b>26,93,185</b>	<b>9,86,316</b>

MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

Note 18 Employee benefit expense

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Salaries and wages	75.1 to 75.6 & 75.XXX	24,77,45,605	19,16,80,693
Contributions to provident and other funds	75.8	16,18,41,741	7,77,43,495
Staff Welfare Expenses	75.7	13,41,582	68,561
<b>Total</b>		<b>41,09,28,928</b>	<b>26,94,92,749</b>

Note 19 Finance costs

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Interest Expense on borrowings	78.1, 2 & 5	2,06,20,259	1,62,55,427
Other charges	78.881-889	7,550	9,825
<b>Total</b>		<b>2,06,27,809</b>	<b>1,62,65,252</b>

Note 20 Depreciation & Amortisation Expenses

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Depreciation	77.1	17,11,77,626	10,74,23,642
Loss:- Transferred from Reserve/Amortisation of grant	77.9	4,32,000	45,12,000
<b>Total</b>		<b>17,07,45,626</b>	<b>10,29,11,642</b>

Note 21 Other expenses

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
<b>Repairs and maintenance of Assets</b>			
Buildings	74 2	50,876	1,30,573
Plant & Machinery	74 1	96,25,274	1,40,33,794
Civil Works	74 4	1,61,139	2,04,320
Lines & Cables	74 5	2,10,24,591	1,28,57,268
Vehicles	74 6	4,55,118	4,11,394
Furniture & Fixture	74 7	1,13,618	76,443
Office equipment	74 8	3,35,743	3,15,812
		<b>3,17,66,359</b>	<b>2,80,29,604</b>
<b>Administration &amp; General Expenses</b>			
Insurance	76 104-76 107	89,603	94,944
Rent, Rates and Taxes	76 101-76 103	-	5,35,218
Telegram, Postage, Telegraph and Telex charges	76 110-76 113	5,02,673	5,64,823
Freight and conveyance	76 131-76 139	1,08,41,853	97,85,453
Printing and stationery	76 153	2,24,681	2,09,743
Consultancy Charges	76 123	-	1,462
Payments to auditors	76 122	7,29,034	6,28,090
Books & Periodicals	76 152	21,160	19,787
Advertisement	76 155	1,40,518	61,600
Legal and professional	76 121 & 125	15,163	8,30,000
Stipend, Training expenses	76 126-76 127	7,64,758	8,49,098
MeSERC Fees	76 129	4,10,000	-
Entertainment	76 162	21,906	5,362
Other Purchase Related Expenses	76 165 & 76 230-76 290	3,01,539	4,22,509
Miscellaneous expenses	76 19	59,979	83,653
		<b>1,41,22,867</b>	<b>1,40,91,742</b>
<b>Total</b>		<b>4,58,89,226</b>	<b>4,21,21,346</b>

Note 22 Prior period items (net)

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
<b>Expenses</b>			
Purchase of Power	83 1	740,00	-
Employee costs	83 5	17,68,396	68,13,644
Depreciation under provided in previous year	83 6	66,00,603	3,88,27,839
		<b>83,69,739</b>	<b>4,56,41,483</b>
<b>Incomes</b>			
Other excess provision	65 6, 65 8 & 65 9	13,60,098	16,28,271
		<b>13,60,098</b>	<b>16,28,271</b>
<b>Total</b>		<b>70,09,641</b>	<b>4,40,13,212</b>

**23. ADDITIONAL DISCLOSURES**

- 23.1** Meghalaya Power Transmission Corporation Limited (MePTCL) was incorporated under the 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 Company, Meghalaya w.e.f. 17.03.2010. The authorized share capital of the company is Rs.100 Crores divided into 10 Crores nos. of Equity Shares of Rs. 10 (Rupees Ten) only each. The Company is a Government Company within the provisions of The Companies Act, 1956 and entire Share Capital is held by the Meghalaya Energy Corporation Ltd. except shares allotted to the Signatories of the Memorandum of Association of the company.
- 23.2** At the time of formation of the Company 50,000 (Fifty Thousand) nos. of Equity share of Rs.10/- each was allotted to various persons being the signatories of the Memorandum of Association of the company. However, the beneficial interest for all the shares are lying with MeECL. The names of the shareholders are available in the Memorandum and Article of Association issued by the Company.
- 23.3** In exercise of the power conferred under Section 131 of the Electricity Act, 2003 the Govt. of Meghalaya unbundled the Meghalaya State Electricity Board (MeSEB) into four companies i.e. Meghalaya Energy Corporation Limited (MeECL), the holding company, Meghalaya Power Distribution Corporation Limited (MePDCL), the distribution utility, Meghalaya Power Generation Corporation Limited (MePGCL), the generation utility, Meghalaya Power Transmission Corporation Limited (MePTCL), the transmission utility vide "The Meghalaya Power Sector Reforms Transfer Scheme, 2010" notified by the Meghalaya State Govt. vide Notification No. Power-79/2009/290 dated 31.03.2010. Subsequently through an amendment in the Transfer Scheme, the State Government transferred all the assets and liabilities of MeSEB to the holding company only and subsidiaries namely generation utility, transmission utility and distribution utility were made operational w.e.f. April 01, 2012 after re-vesting of assets and liabilities by holding company as per notification no. Power-79/2009/Pt-1/422 dated April 29, 2015.
- 23.4** The company is in the process of getting its name incorporated in the various assets and liabilities transferred to it from the holding company as per the provisions of "The Meghalaya Power Sector Reforms Transfer Scheme, 2010" on which the name of the holding company is still appearing for example: current accounts, loans etc. The charge/mortgage created against the assets of the company as securities in respect of various loans taken by the erstwhile MeSEB

and/or MePCT, which are subsequently transferred to the company as on 1<sup>st</sup> April, 2012 pursuant to the Transfer Scheme notified by the State Government continue to be valid and binding on the company.

### 23.5 Details of government grants

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Government grants and subsidies received by the Company during the year towards	NIL	1,08,00,000*
- Grant & Subsidies (recognized under Reserves & Surplus)	NIL	1,08,00,000*
- Grant & Subsidies (recognized under Revenue)	NIL	NIL

Note: \* represents grants received as per notification dated April 29, 2015 issued under "The Meghalaya Power Sector Reforms Transfer Scheme, 2010".

### 23.6 Details of borrowing costs capitalised

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Borrowing costs capitalised during the year	NIL	NIL
As fixed assets / intangible assets / capital work-in-progress	NIL	NIL
As inventory	NIL	NIL

### 23.7 Capital work in Progress

Particulars	As on 31.03.2014	As on 31.03.2013
Capital expenditure work in progress	84,89,14,547	1,26,09,10,248
Others	NIL	NIL

### 23.8 Related party transactions

#### Details of related parties

Description of relationship	Names of related parties
Holding Company	1. Meghalaya Energy Corporation Ltd.
Fellow Subsidiaries	1. Meghalaya Power Generation Corporation Ltd. 2. Meghalaya Power Distribution Corporation Ltd.
Key Management Personnel	1. Mr. W.M.S. Pariat, IAS, Chairman-cum-Managing Director

(₹M)	<i>(Up to February 26, 2014)</i>
	2. Mr. P.B.O. Warri, IAS, Chairman-cum-Managing Director <i>(With effective from February 26, 2014)</i>
	3. Mr. D.P. Wahlang, IAS, Director (Finance) <i>(Up to February 28, 2014)</i>
	4. Mr. Pankaj Jain, IAS, Director (Finance) <i>(With effective from February 28, 2014)</i>
	5. Mr. M. Kharmujai, IAS, Director (Corporate Affairs) <i>(Up to February 28, 2014)</i>
	6. Mr. Abhishek Bhagotia, IAS, Director (Corporate Affairs) <i>(With effective from February 28, 2014)</i>
	7. Mr. B.K. Dev Varma, IAS, Director
	8. Mr. W.S. Kyning, Director (Transmission) <i>(Up to September 30, 2013)</i>
	9. Mr. E. Slong, Director (Transmission) <i>(With effective from October 01, 2013)</i>

#### Key Management Personnel- Salary & Benefits

1. Mr. W.S. Kyning, Director (Transmission): Rs.5,43,349/- (Gross)  
(For the period April 01,2013 to September 30, 2013)
2. Mr. E. Slong, Director (Transmission): Rs.5,76,600/- (Gross)  
(For the period October 01,2013 to March 31, 2014)

There are no transaction during the year with any related party required to be reported other than transactions between state-controlled enterprises as such as per Para 9 of Accounting Standard-18, the disclosures are not required.

### 23.9 Earnings per share

EPS has been calculated as under:

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Net profit / (loss) for the year	(1,38,44,109)	(13,50,78,862)
Number of equity shares	50,000	50,000
Value per share	10	10
Earnings per share – Basic	(276.88)	(2,701.58)
Earnings per share – Diluted	(276.88)	(2,701.58)

Company has not discontinued any operation during the financial year. Also, there are no extraordinary items during the year.

Company does not have any preference shares, outstanding warrants, stock options, share warrants and convertible bonds for the financial year causing any dilution effect.

Equity Capital pending allotment is resulting into anti-dilutive EPS and therefore has not been considered for calculation of EPS.

### 23.10 Terminal Benefits

In terms of "The Meghalaya Government Power Sector Reforms Transfer Scheme 2010," the company has all its employees on deputation from MeECL. The expenses arising relating to terminal benefits of employees comprising of provident fund, pension, CPS gratuity, leave encashment etc. during the financial year has been taken into consideration on the basis of allocation given by the holding company and the same has been paid/adjusted.

### 23.11 Contingent Liabilities

Income Tax Assessments from the Assessment Year 2010-11 to 2013-14 have been made by the Income Tax Authority and no demand has been raised. Assessment for the AY 2013-14 and AY 2014-15 is pending.

MeECL is representing all court cases related to MePTCL on its behalf, although recognition of any liability due to any unfavorable order/judgment would be passed on company.

M/s Shyam Century Ferrous has filed case in High Court of Meghalaya on matter related to Purchase of power through open access.

Estimated liability in respect of contracts on capital account yet to be executed has not been disclosed, as the amount is not ascertainable.

### 23.12 Payment to auditors

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

Particulars	As on 31.03.2014	As on 31.03.2013
Statutory Audit	4,56,000	4,00,000
Tax Audit	28,090	28,090
AG Audit	2,00,000	2,00,000
Cost Audit	74,047	NIL

23.13 Balances of Trade Payables, Other Current Liabilities, Loans & Advances, IUTs are as per the books of accounts of the company and are subject to confirmation and reconciliation.

### 23.14 Net deferred tax (liability) / asset

Applying the principles of AS 22, on Accounting for taxes on income, Deferred tax asset has emerged on account of unabsorbed depreciation and brought forward business losses, however



in absence of reasonable and virtual certainty to earn future profits sufficient to set off such assets, the same has not been recognized in the accounts.

### 23.15 Foreign Currency Transactions

Particulars	As on 31.03.2014	As on 31.03.2013
Value of imports on CIF basis	Nil	Nil
Earnings in Foreign Currency	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil

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

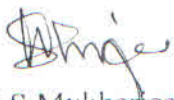
23.17 During the year, some of the accounting policies have been added / reworded / redrafted / modified for better presentation and to bring them in line with accounting standards.

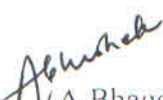
23.18 The figures mentioned in financial statements are in confirmation with the books of accounts and are subject to confirmation and reconciliation, if any.


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

23.20 Previous year's figures have been regrouped, recast and rearranged wherever possible and necessary to correspond with the current year's classification.

For and on behalf of the board

  
(G S Mukherjee)  
Company Secretary

  
(A Bhagotia)  
Director (Finance)

  
(P B O Warjri)  
Chairman-cum-Managing Director

As per our report of even date attached

For A Paul & Co.

Chartered Accountants

(Firm Regn. No.:312060E)



  
CA A Paul  
(Proprietor)  
M No.:050527

Place:- Shillong

Date:- 11<sup>th</sup> January, 2016.

**MEGHALAYA POWER TRANSMISSION CORPORATION LTD.****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014****SIGNIFICANT ACCOUNTING POLICIES****1 ACCOUNTING POLICIES: -**

The financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting principles and in accordance with the provisions of the Companies Act, 1956. However where there is a deviation from the provisions of the Companies Act, 1956 in preparation of these accounts, the corresponding provisions of The Electricity Act 2003 have been adopted.

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- a) The Company is a Public Limited company registered under the Provisions of the Companies Act, 1956 and has applied provisions of the said Act for the preparation of its Financial Statements, unless otherwise stated. The Financial Statements are prepared and presented under the historical cost convention on accrual basis of accounting as going concern, in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards referred to in subsection (3C) of section 211 of the companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. Accounting Policies have been followed consistently except stated specifically.
- b) The material known liabilities are provided for on the basis of available information estimates unless otherwise stated.

**1.2 USE OF ESTIMATES**

The presentation of Financial Statements requires certain estimates and assumptions. These estimates and assumption affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

**1.3 FIXED ASSETS**

- a) Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. The Fixed Assets of transferred undertaking of erstwhile Meghalaya State Electricity Board are stated as specified in notification No.POWER-79/2009/290 dated

31st March 2010 issued by the Government of Meghalaya notifying "The Meghalaya Power Sector Reforms Transfer Scheme 2010," as amended.

- b) In case of Fixed Assets for New Projects/ extensions/ renovation and modernization, the related expenses and interest cost up to the date of commissioning, attributable to such projects/ expansions/ renovation and modernization are capitalised.

#### **1.4 CAPITAL WORK IN PROGRESS (CWIP)**

- a) Cost of material consumed, erection charges and the incidental expenses incurred for the project/asset, pending for capitalization are shown as Capital Work in Progress till the capitalization of asset/project.
- b) In case of Capital Work in Progress for work against Deposits/ Work contract where the final settlement of bills with contractor is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.
- c) Claim for price variation/ exchange rate variation in case of capital contracts are accounted for an acceptance thereof by the Company.
- d) The cost incurred and revenue generated during the Trial Run Stage of the Projects/Power Station is capitalized.

#### **1.5 BORROWING COST**

Borrowing cost including interest, guarantee fees, commitment charges etc; that is directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset up to period the project is commissioned or asset is put to use.

#### **1.6 CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **1.7 IMPAIRMENT OF ASSETS**

The Impairment of Assets i.e. "The cash generating unit" is defined in Accounting Standard-28 notified under the Companies Act, 1956 on "Impairment of Assets" are identified at the

Balance sheet date with respect to carrying amount of the asset vis-à-vis its estimated revenue generation during balance useful life of that asset and the loss, if any, is recognized in Statement of Profit & Loss. Impairment loss, if any, to be reversed subsequently is accounted for in the year of reversal. The Company has adopted the policy of carrying out impairment test once in the span of every three financial years.

#### **1.8 DEPRECIATION AND AMORTIZATION**

The rates of depreciation prescribed by Central Electricity Regulatory Commission for the purpose of tariff are being followed by the company which is significantly different from those prescribed under Schedule XIV Companies Act 1956.

#### **1.9 INVESTMENT**

Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are stated at cost price. Provision for diminution in the value of Non-current Investment is made only if such decline is not temporary in nature in the opinion of the management.

#### **1.10 INVENTORIES**

- a) Stores and spares are valued at lower of the weighted average cost inclusive of freight and other allocable overheads or net realizable value.
- b) Scraps/ Obsolete assets are valued at estimated cost or net realizable value, whichever is less.
- c) Stores and spares in Transit are valued at cost plus freight and other incidental expenses.

#### **1.11 REVENUE RECOGNITION**

##### **(i) Revenue from MePDCL & MePGCL**

Company is engaged in power transmission business as defined in “**The Meghalaya Power Sector Reforms Transfer Scheme 2010**”. It provides transmission services to MePDCL and other consumers. It also charges MePGCL for its operation in-sync with grid system through SLDC unit. The revenue for company has been determined as per Tariff Order passed by MeSERC for FY 2013-14.

##### **(ii) Other Income**

- (a) Income from sale of scrap and insurance claims are accounted for on the basis of actual realization.
- (b) Other income except mentioned above is recognised on accrual basis except when ultimate realisation of such income is uncertain.

### 1.12 EXPENDITURE

All expenses are reflected in revenue accounts under their natural heads. Expenses shown under the employee cost (including allocation from holding company), depreciation, finance cost and other expenses are disclosed separately.

### 1.13 GRANT AND SUBSIDIES FROM THE GOVERNMENT

- a) In accordance with the Accounting Standard 12 on 'Accounting for Government Grants', notified under the Companies Act 1956, Grants and Subsidies received from Government are recognised on reasonable certainty of its realisability.
- b) Grants and Subsidies received for the specific assets are disclosed as Grants on Liabilities side and amortized in proportion of depreciation every year for depreciable assets acquired. On acquisition of Non depreciable assets, the cost of asset acquired is transferred from Grant account to Capital Reserve and kept intact.
- c) Grants & Subsidies on Revenue Accounts are disclosed separately as Income in the Statement of Profit & Loss.

### 1.14 TAXATION

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

### 1.15 TRANSACTIONS IN FOREIGN CURRENCY

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- b) The exchange difference arising out of receipt/payment of foreign currency are recognised in the Statement of Profit & Loss.

#### 1.16 PRIOR PERIOD ITEMS AND EXTRAORDINARY ITEMS

Adjustments arising due to errors or omission in the Financial Statements of earlier years are accounts for under "Prior Period". Items of Income & Expenditure, which are not of recurring nature viz. damages due to floods, earth quakes etc. are disclosed as extra ordinary.

#### 1.17 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

#### 1.18 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/loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

#### 1.19 EMPLOYEE BENEFITS

- (i) Provident fund - The contribution to Provident Fund is transferred to MeECL Provident Fund A/c maintained with Meghalaya Energy Corporation Ltd.
- (ii) Pension - The liability of pension is accounted on the basis of demand based on actuarial valuation raised by MeECL Pension Trust and transfer of demanded amount to MeECL.
- (iii) Gratuity - The liability of gratuity is accounted on the basis of demand based on actuarial valuation raised by MeECL Gratuity Fund and transfer of demanded amount to MeECL.
- (iv) 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 based on actuarial valuation raised by MeECL and transfer of demanded amount to MeECL.