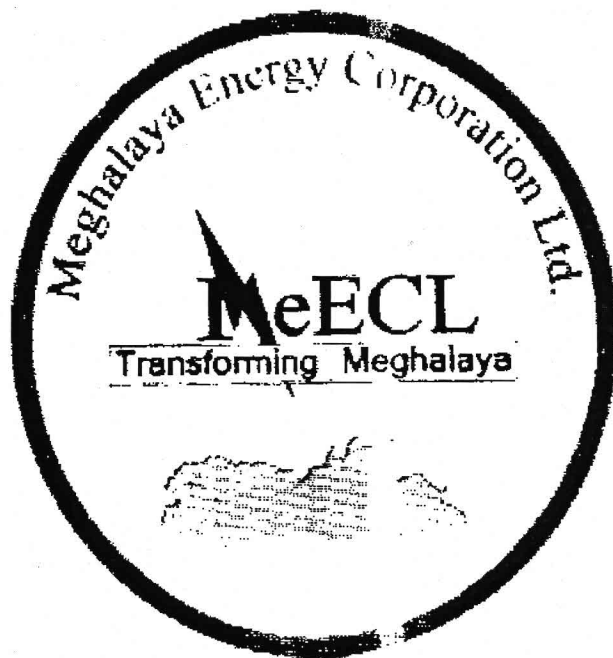


**MEGHALAYA ENERGY CORPORATION
LIMITED**



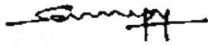
**QUARTERLY STATEMENT OF
ACCOUNTS
ENDING 30TH JUNE 2023**

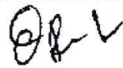
MEGHALAYA ENERGY CORPORATION LIMITED
STANDALONE BALANCE SHEET AS AT 30TH JUNE, 2023

(Amount in INR Lakhs)

	Note No.	30th June 2023 (Unaudited)	31st March 2023 (Audited)
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	931.71	938.67
Capital Work-in-Progress	3	535.07	537.51
Financial Assets-			
(i) Investments	4(a)	2,40,493.14	2,29,026.58
(ii) Loans	4(b)	-	-
(iii) Other	4(c)	1,15,787.54	1,19,015.13
Total Non-Current Assets		3,57,747.45	3,49,517.90
Current Assets			
Inventories	5	633.42	1,144.42
Financial Assets-			
(i) Cash and cash equivalents	6(a)	389.67	558.88
(ii) Balance Other Than Cash and Cash	6 (b)	572.60	462.60
Equivalents			
(iii) Loans	6 (c)	0.49	0.20
(iv) Others	6 (d)	2,50,816.01	2,96,576.14
Current Tax Assets	7	12.32	12.32
Other current assets	8	1,590.36	1,574.63
Total Current Assets		2,54,014.88	3,00,329.19
TOTAL ASSETS		6,11,762.33	6,49,847.09
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	9	2,25,485.78	2,19,848.19
Other Equity	10	12,335.96	20,237.36
Total Equity		2,37,821.74	2,40,085.54
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities-			
(i) Borrowings	11	62,930.00	38,930.00
(i) Others	12	3,22,866.62	3,22,866.62
Deffered Revenue	13	10,000.00	
Total Non-Current Liabilities		3,95,796.62	3,61,796.62
Current Liabilities			
Financial Liabilities-			
(i) Other financial liabilities	14	(43,364.13)	26,458.75
Provisions	15	21,369.78	21,369.78
Other current liabilities	16	138.32	136.40
Total Current Liabilities		(21,856.03)	47,964.93
Total Liabilities		3,73,940.59	4,09,761.55
TOTAL EQUITY AND LIABILITIES		6,11,762.33	6,49,847.09

For and on behalf of the Board


Shri Sanjay Goyal, IAS
Chairman-cum-Managing Director
DIN: 06738413


Shri Ramakrishna Chitturi, IAS
Director (Finance) & Chief Financial Officer
DIN: 09712409


For, **PAIK & CO.**
CHARTERED ACCOUNTANTS
FRN-302147E (1961)
PARTNER
CA BIPIN KUMAR (FCA)
Membership No.-059805

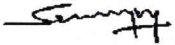
Place: Shillong
Date: 14/8/23

MEGHALAYA ENERGY CORPORATION LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE QUARTER YEAR ENDED 30TH JUNE, 2023

Particulars	Note No.	For the quarter year ended 30th June 2023 (Unaudited)	For the quarter year ended 31st March 2023 (Unaudited)	For the quarter ended 30th June 2022 (Unaudited)	For the quarter ended 31st March 2022 (Unaudited)
Incomes					
Other Income	17	362.29	(992.82)	694.94	949.20
Total Income		362.29	(992.82)	694.94	949.20
Expenses					
Employee benefits expense	18	78.31	205.89	546.25	485.58
Finance costs	19	1,824.67	1,127.75	1,154.34	4,602.01
Depreciation and amortization expense	20	5.29	5.57	6.11	23.02
Other expenses	21	912.95	284.62	40.08	406.40
Prior Period Expenses		-	-	-	-
Profit/(loss) before exceptional items and tax		(2,458.94)	(2,616.64)	(1,051.83)	(4,567.82)
Exceptional Items		-	-	-	-
Profit/(loss) before tax		(2,458.94)	(2,616.64)	(1,051.83)	(4,567.82)
(i) Current tax	-	-	-	-	-
(ii) Deferred tax	-	-	-	-	-
Profit (loss) for the year		(2,458.94)	(2,616.64)	(1,051.83)	(4,567.82)
Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss	22	-	(31,212.06)	-	2,115.18
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		(2,458.94)	(33,828.71)	(1,051.83)	(2,452.64)
Earnings per equity share					
(i) Basic		(0.11)	(1.55)	(0.05)	(0.21)
(ii) Diluted		(0.11)	(1.55)	(0.05)	(0.21)

For and on behalf of the Board


 Shri Sanjay Goyal, IAS
 Chairman-cum-Managing Director
 DIN: 06738413


 Shri Ramakrishna Chitturi, IAS
 Director (Finance) & Chief Financial Officer
 DIN: 09712409

Place: Shillong
 Date: 14/8/23


 For, **PARIK & CO.**
 CHARTERED ACCOUNTANTS
 FRN-302147E (1961)
 PARTNER
 CA BIPIN KUMAR (FCA)
 Membership No.-059805

MEGHALAYA ENERGY CORPORATION LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE QUARTER YEAR ENDED 30TH JUNE, 2023

(Amount in INR Lakhs)

	For the quarter year ended 30th Jun 2023 (Unaudited)	For the quarter year ended 31st Mar 2023 (Unaudited)	For the quarter year ended 30th Jun 2022 (Unaudited)	For the quarter year ended 30th Jun 2021 (Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax as per Statement of Profit and Loss	(2,458.94)	(2,616.64)	(1,051.83)	(4,567.83)
Adjustments for:				
Depreciation & Amortization of Assets	5.29	5.57	6.11	23.02
Interest Income	(206.03)	(606.75)	(11.56)	(503.75)
Provision				21,125.26
Prior Period Items				(36.54)
Finance Costs	1,824.67	1,127.75	1,154.34	4,602.01
Operating Profit before Working Capital Changes	(835.01)	(2,090.08)	97.05	20,642.18
Adjustments for increase/decrease in:				
Inventories	511.01	(309.09)	(92.88)	(432.67)
Balance Other Than Cash and Cash Equivalents	(110.00)	(111.90)	3,500.58	3,383.24
Loans and Advances	(0.30)	34.06	10.79	0.51
Other Financial Assets	45,760.13	(8,621.53)	(5,614.07)	(2,51,195.71)
Current Tax Assets	-	(6.18)	-	(8.23)
Other current assets	(15.73)	(64.70)	(179.08)	(441.83)
Other financial liabilities	(69,822.88)	21,922.43	(616.18)	(13,859.01)
Other Current Liabilities	1.92	64.79	(42.93)	2.61
Net Cash from Operating Activities	(24,510.86)	10,817.80	(2,936.73)	(2,41,908.91)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of PPE	1.67	(1.79)	(6.80)	(14.54)
Investment CWIP	2.44	6.19	(28.89)	69.51
Investments	(11,466.56)	(1,944.06)	-	(1,795.04)
Loans	-	18,919.00	1,538.96	1,538.96
Other financial assets	3,227.60	(31,900.00)	-	(33,447.35)
Interest Income	206.03	606.75	11.56	503.75
Other non current assets	-	-	-	-
Net Cash from Investing Activities	(8,028.82)	(14,313.91)	1,514.84	(33,144.71)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Equity Share/ Share pending allotment	195.14	24,787.94	0.00	57,547.35
Non Current Borrowings	24,000.00	(20,000.00)	(0.00)	(0.00)
Current Borrowings	-	-	-	(1,538.96)
Finance Cost	(1,824.67)	(1,127.75)	(1,154.34)	-4,537,986.25
Non Current Finance Liabilities	-	-	-	2,21,300.16
Deferred Revenue	10000.00	-	-	-
Net Cash from Financing Activities	32,370.46	3,660.19	(1,154.34)	2,72,770.56
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(169.21)	164.08	(2,576.23)	(2,283.06)
Opening balance of Cash and Cash Equivalents	558.88	409.48	2,841.94	2,841.94
Closing balance of Cash and Cash Equivalents:	389.67	573.56	265.71	558.88
Consisting of:				
Balances with Banks	374.75	564.84	257.51	550.17
Cash on hand	0.49	0.39	0.07	0.39
Cash Imprest with Staff	14.44	8.32	8.13	8.32
	389.67	573.55	265.71	558.88

[Signature]
For, **PARIK & CO.**
CHARTERED ACCOUNTANTS
FRN-302147E (1961)
PARTNER
CA BIPIN KUMAR (FCA)
Membership No.-059805

[Signature]
Shri Sanjay Goyal, IAS
Chairman-cum-Managing Director
DIN: 06738413

For and on behalf of the Board

[Signature]
Shri Ramakrishna Chitturi, IAS
Director (Finance) & Chief Financial Officer
DIN: 09712409

Place: *Shillong*
Date: *24/07/23*

MEGHALAYA ENERGY CORPORATION LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER YEAR ENDED 30TH JUNE, 2023

(Amount in INR Lakhs)

Particulars	Amounts
Balance as at 1st April, 2023	2,19,848.19
Changes in Equity Share Capital during the period 01.04.2023 to 30.06.2023	5,637.60
Allotment of Shares to Governor, Government of Meghalaya	2,25,465.78
Balance as at 30th June 2023 (Unaudited)	

(Amount in INR Lakhs)

Particulars	Amounts
Balance as at 1st April, 2022	2,08,030.18
Changes in Equity Share Capital during the period 01.04.2022 to 31.03.2023	11,818.01
Allotment of Shares to Governor, Government of Meghalaya	2,19,848.19
Balance as at 31st March, 2023	

B. Other Equity

(Amount in INR Lakhs)

Particulars	Reserve and Surplus - Retained Earnings	Equity Share Capital - Pending Allotment	Securities Premium	Total Other Equity (Unaudited)
Balance as at 1st April, 2023	(38,873.53)	59,110.89	-	20,237.36
Prior Period Adjustments	2.38	-	-	2.38
Profit/(Loss) during the period	(2,458.94)	-	-	(2,458.94)
Other Comprehensive Income for the period	-	-	-	-
Total Comprehensive Income for the period	(2,456.56)	-	-	(2,456.56)
Created During the Year	-	-	192.76	192.76
Creation through grants received and allotted	-	-	-	-
Transfer to Equity Share Capital	-	(5,637.60)	-	(5,637.60)
Balance as at 30th June 2023 (Unaudited)	(41,330.10)	53,473.29	192.76	12,335.96

B. Other Equity

(Amount in INR Lakhs)

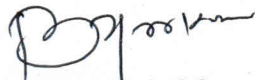
Particulars	Reserve and Surplus - Retained Earnings	Equity Share Capital - Pending Allotment	Securities Premium	Total Other Equity (Unaudited)
Balance as at 1st April, 2022	(32,153.98)	13,382	-	(18,772.43)
Prior Period Adjustments	(36.54)	-	-	(36.54)
Profit/(Loss) during the period	(4,567.83)	-	-	(4,567.83)
Other Comprehensive Income for the period	(2,115.18)	-	-	(2,115.18)
Total Comprehensive Income for the period	(6,719.55)	-	-	(6,719.55)
Created During the Year	-	-	-	-
Creation through grants received and allotted	-	57,547.35	-	57,547.35
Transfer to Equity Share Capital	-	(11,818.01)	-	(11,818.01)
Balance as at 31st March, 2023	(38,873.53)	59,110.89	-	20,237.36

For and on behalf of the Board


Shri Sanjay Goyal, IAS
Chairman-cum-Managing Director
DIN: 06738413


Shri Ramakrishna Chitturi, IAS
Director (Finance) & Chief Financial Officer
DIN: 09712409

Place: *Shillong*
Date: *14/6/23*


For, **PARIK & CO.**
CHARTERED ACCOUNTANTS
FRN-302147E (1961)
PARTNER
CA BIPIN KUMAR (FCA)
Membership No.-059805

Meghalaya Energy Corporation Limited

Note: - 1 Company Information and Significant Accounting Policies

A. Corporate Information of reporting entity

The Meghalaya Energy Corporation Limited (MeECL) was incorporated under the erstwhile Companies Act, 1956 on 14.09.2009. The company was entitled to commence business according to the Certificate for Commencement of Business issued by the Registrar of Companies, Meghalaya w.e.f. 27.11.2009. The authorized share capital of the company is INR 30,00,00,00,000 (Rupees Three Thousand Crores) divided into 3,00,00,00,000 (Three Hundred Crores) Equity Shares of INR 10 (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 Government of Meghalaya except shares allotted to the Signatories of the Memorandum of Association of the Company.

B. Basis of preparation and presentation

i. Statement of Compliance

These financial statements comply with all the material aspects of the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 1956 (to the extent notified and applicable), applicable provisions of the Companies Act, 2013, and the provisions of the Electricity Act, 2003 to the extent applicable.

ii. Basis of Measurement

These financial statements are prepared on the accounting principles of going concern on accrual basis of accounting, under historical cost convention except for certain financial instruments which are measured at fair value.

iii. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest lakh (upto two decimals) except as stated otherwise.

iv. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

v. Use of estimates and judgment

The presentation of Financial Statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on the last date of the financial year 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.

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

1. Property, plant and equipment

1.1 Initial recognition and measurement

The company has adopted the costs model of recognition under Ind AS 16 to measure the Property, Plant and Equipment. Consequently all the items of property, plant and equipment are carried at cost less the accumulated depreciation and accumulated impairment losses if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and the condition necessary for it to be capable of operating in the manner intended by the management.

Property, Plant and Equipment acquired for replacement of the existing assets/ components are capitalized and the corresponding replaced assets/ component removed/ retired from active use are de-recognized.

Property, Plant and Equipment of the transferred undertaking of the 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.

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.

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.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

1.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

1.3 De-recognition

Property, plant and equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognized in the statement of profit and loss.

1.4 Spare Parts

Spare parts procured along with the Plant & Machinery or which subsequently meets the recognition criteria of Property, Plant and Equipment are capitalised and added in the carrying amount of such item. The carrying amount of spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

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.

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.

2. Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable, borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

An investment property is de-recognised upon disposal or when the investment property is permanently withdrawn from its current use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is de-recognised. Investment properties, other than free hold land, are depreciated using straight line method over their estimated useful lives.

3. Intangible assets and intangible assets under development:

An intangible asset is recognised if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognised at cost. Subsequent measurement is done at cost less the accumulated amortisation and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Expenditure incurred which is eligible for capitalization under intangible assets are carried as intangible assets under development till they are ready for their intended use.

4. Capital work-in-progress:

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

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.

Claims for price variation or exchange rate variation in case of capital contracts are accounted for on acceptance thereof by the Company.

The costs incurred and revenues generated during the Trial Run Stages of Projects of Power Stations are capitalized. The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and the conditions necessary for it to be capable of operating in the manner intended by the management, and borrowing costs.

A portion of overhead expenses of Corporate Office and Site Office determined on rational basis is allocated to the project, pro-rata to their capital expenditure for the reporting period and the same are apportioned to respective Capital Work-in-Progress (CWIP) accounts on the basis of accretion thereto.

5. Depreciation/amortization:

The rates of depreciation or amortization and estimated useful life thereon as prescribed by the Central Electricity Regulatory Commission (CERC) for the purpose of tariff, are being followed by the company.

With effect from 1 April 2014, Schedule II of the Companies Act, 2013 has been notified and in accordance with part B of Schedule II, the rate and useful life given in the CERC regulation are applied for computing depreciation on assets. However, in case of assets where no useful life is prescribed in the CERC regulations, the useful life and residual value as given in part C of Schedule II of the Companies Act, 2013 is adopted.

In line with the above point, computer software and other intangible assets, if any, are categorised under Property, Plant and Equipment and depreciated thereby as per CERC norms.

Major overhaul and inspection costs which have been capitalised are depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.

Depreciation on the assets of the business is charged on straight line method following the rates and methodology notified by the CERC up to 90% of the original cost of assets after taking 10% as residual value as referred to below:

Asset Group	Rate
Buildings	3.34%
Hydraulic Works	5.28%
Others Civil Works	3.34%
Plant and Machinery	5.28%
Lines and Cable Network	5.28%
Vehicles	9.50%
Furniture and Fixtures	6.33%
Office Equipment	6.33%
Computer and Accessories	15.00%

Meghalaya Energy Corporation Limited

6. Non-current Asset held for Sale:

The Company has classified a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The Company has measured a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less the cost to sell.

7. Inventories:

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.

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.

8. Borrowing costs:

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use.

Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average costs of general borrowing that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

9. Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash-on-hand, Cash-at-bank and liquid term deposits (with an original maturity of three months or less from the date of acquisition), which are subject to an insignificant risk of change in value.

10. Government Grants:

- a) Government grants received are recognized when there is reasonable assurance that the Company will comply with the conditions associated with the grant. Government Grants are classified as capital assets and revenue based on the nature of the grant.
- 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

Meghalaya Energy Corporation Limited

are amortized in proportion to depreciation on related assets (thereby, amortized based on the expected lives of the related assets), and presented within 'Other Income.'

- c) The related assets herein primarily include Plant and Equipment, Hydraulic Works, Lines and Cable Networks. Since the rates of depreciation as prescribed by the Central Electricity Regulatory Commission (CERC) for the purpose of tariff are being followed by the Company, the same are being used for amortization of such related assets as well.
- d) The rate so arrived at is 5.28% as per the CERC guidelines for the related assets mentioned. As seen from the operations during previous years, the 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.
- e) Grants and Subsidies on Revenue Accounts are disclosed separately as Income in the Statement of Profit & Loss.

11. Provisions, contingent liabilities and contingent asset:

A provision is recognized when the company has a present obligation (Legal or Constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are not recognized but disclosed in Notes when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

12. Foreign currency transactions:

- 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 on the date of such transactions.
- c) The exchange difference arising out of transactions through foreign currencies is recognised in the Statement of Profit & Loss.
- d) Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange on the reporting date.

13. Leases:

- A Lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

As a lessee

- Finance leases are capitalised on the lease's inception date at the lower of fair value of the leased property or at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
- Operating lease payments are charged to the profit or loss on a straight-line basis over the lease term.

As a lessor

- Lease income from operating leases is recognized as income on a straight-line basis over the lease term of the relevant lease.

14. Revenue from Operations:

- a) Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognises revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.
- b) Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.
- c) The Company has been incorporated with the objectives of acting as a Holding company of the Distribution, Generation and Transmission utilities and for co-ordination and smooth functioning by providing ancillary services to the subsidiaries as defined in "The Meghalaya Power Sector Reforms Transfer Scheme 2010". With effect from 1st April, 2012, the activities of 'distribution of power', 'generation of power' and 'transmission of power' of the company have been transferred to the respective subsidiaries, namely, 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, respectively.
- d) Other Income:
 - i. Income from sale of scrap, fees, penalties, training fees and miscellaneous receipts are accounted for on the basis of actual realisation.
 - ii. Interest incomes on term deposits and those from loans given to related parties when no significant uncertainty as to measurability or collectability exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR). Interest incomes other than that on term deposits and loan given to related parties are accounted for on actual realisation basis.
 - iii. Profit on sale of mutual funds are accounted as per Ind AS 109.

Meghalaya Energy Corporation Limited

- iv. Dividend income is recognised in profit or loss only when the right to receive is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.
- v. 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.

15. Expenditure:

The Company has classified expenses recognised in profit or loss based on the nature of expense method. 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. The aforesaid expenses are disclosed as separate line items in the financial statements as well.

Item of income or expenditure are disclosed separately if it exceeds one percent of the revenue from operations or Rs. 10,00,000, whichever is higher.

16. Retirement and other Employee benefits:

Retirement and other Employee Benefits include inter alia wages and salaries, General Provident Fund (GPF), gratuity, Contributory Pension Scheme (CPS), leave encashment and post-employment medical benefits.

Moreover, in accordance with "The Meghalaya Government Power Sector Reforms Transfer Scheme 2010," the subsidiaries of the company have all their employees on deputation from the company.

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 company and the same has been paid or adjusted accordingly. Thereby, the said expenses are allocated equally to the subsidiaries by the company, after retaining 10% of the same for itself.

• **Defined Contribution Plans**

The company contributes towards Contributory Pension Scheme (CPS) of the relevant employees, in addition to the contribution made by those employees towards the same. Furthermore, the employees contribute towards General Provident Fund (GPF) as well.

- a) **General Provident Fund (GPF)** - The contribution to the same made at the level of the subsidiaries is transferred to the Company. Thereafter, the said transferred contributions are deposited with the General Provident Fund (GPF) Trust Account of the Company.
- b) **Contributory Pension Scheme (CPS)** - The contribution to the same made at the level of the subsidiaries is transferred to the Company. Thereafter, the said transferred contributions are deposited with the Contributory Pension Scheme (CPS) Cell of the Company. The company has over the years invested the same in financial instruments. In the current reporting period however, it is undergoing the process of transferring the balances of the subscribers to the scheme to Pension Fund Regulatory and Development Authority (PFRDA). Settlements also are dealt with accordingly.

• **Defined Benefit Plans**

The gratuity and pension benefits are classified and post retirement benefits as per Ind AS 19. As per Ind AS 19, the year's liability is estimated on the basis of actuarial valuation made using the Project Unit Credit Method and would be charged to Statement of Profit and Loss. Remeasurement Gains and Losses arising from experience adjustment and changes in actuarial assumption are recognized in the period in which they occur, directly in Other Comprehensive Income in the Balance sheet.

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• **Other Long-Term Employee Benefits**

Leave encashment at the end of the service period in which the employee renders the related service is computed based on 'Leave Rules' adopted by Meghalaya Energy Corporation Limited (MeECL). 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 actuarial valuation made using the Project Unit Credit Method and would be charged to the Statement of Profit and Loss. Remeasurement Gains and Losses arising from experience adjustment and changes in actuarial assumption are recognized in the period in which they occur, directly in Statement of Profit and Loss.

• **Short-Term Employee Benefits**

Short term employee benefits obligations are measured on an undiscounted basis and are expenses as the related services are provided. A liability is recognized for the amount expected to be paid under short-term employee benefits if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

17. Income tax:

Income tax expense for the year represents the sum of the current tax and deferred tax. Current tax expenses is recognised in profit & loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised as such.

Current tax is the expected tax payable / receivable on the taxable income / loss for the year calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purpose.

Deferred tax liability is generally recognized for all taxable temporary differences.

Deferred tax asset is generally recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

18. Operating segments:

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

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.

19. Prior period errors:

Material prior period(s) errors are corrected retrospectively by restating the comparative amounts for the prior periods to the extent practicable along with change in basic and diluted earnings per share. However, if the error relates to a period prior to the comparative period, opening balances of the assets, liabilities and equity of the comparative period presented are restated.

20. Earnings per share:

Basic earnings per equity share are computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all diluted potential equity shares.

21. Cash flow statement:

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.

22. Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

22.1 Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument and are initially recognised at fair value and directly attributable transaction costs towards acquisition or issue of the financial asset are added to or deducted from the fair value on initial recognition except for financial assets which are recognised at fair value through profit and loss.

Financial assets are classified as those measured at:

- Amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest
- Fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and/or interest but also from the sale of such assets. Such assets are subsequently measured at FVOCI.
- Fair value through profit or loss (FVTPL), where the financial assets are not classified either at amortised cost or FVTOCI.

Financial assets include trade receivables, advances, security deposits, cash and cash equivalents etc and are classified for measurement at amortised cost.

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired.

De-recognition of Financial Assets:

Financial assets are de-recognized when the contractual right to receive cash flows from the financial assets expires, or corporation transfers the contractual rights of such financial assets to receive the cash flows from the asset.

22.2 Financial Liabilities

Initial recognition and measurement

Financial liabilities include long and short-term loans and borrowings, bank overdrafts, other payables, eligible current and non-current liabilities.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

De-recognition of financial liability:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Note 2: PROPERTY, PLANT AND EQUIPMENT

	31st March 2023							30th June 2023		
	Cost	Accumulated Depreciation	Accumulated Impairment Losses	Net Book Value	Accumulated Depreciation	Accumulated Impairment Losses	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Land	536.27	-	-	536.27	-	-	-	536.27	-	536.27
Buildings	235.85	-	-	235.85	123.86	0.79	124.65468	111.20	-	111.99
Plant and Equipment	66.57	-	-	66.57	11.07	0.18	11.25125	55.32	-	55.50
Furniture and Fixtures	58.79	-	-	58.79	32.12	0.14	32.26128	26.53	-	26.68
Motor Vehicles	216.75	11.58	21.92	206.41	96.57	0.98	97.54861	108.86	-	117.81
Office equipment	172.37	6.30	-	178.67	109.92	3.09	113.01201	65.66	-	62.45
Leases	-	-	-	-	-	-	-	-	-	0.00
Hydraulic Works	0.96	-	-	0.96	0.72	0.02	0.73983	0.22	-	0.24
Other Civil Works	31.91	-	-	31.91	6.53	0.09	6.62058	25.29	-	25.38
Wires and Cable Network	4.14	-	-	4.14	1.79	0.00	1.78885	2.35	-	2.35
Total	1,323.62	17.88	21.92	1,319.58	382.38	5.29	387.87709	931.71	-	938.67

(Amount in INR Lakhs)

	31st March 2022							30th June 2022		
	Cost	Accumulated Depreciation	Accumulated Impairment Losses	Net Book Value	Accumulated Depreciation	Accumulated Impairment Losses	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Land	536.27	-	-	536.27	-	-	-	536.27	-	536.27
Buildings	235.85	-	-	235.85	120.70	3.17	123.86	111.99	-	115.16
Plant and Equipment	66.57	-	-	66.57	10.24	0.83	11.07	55.50	-	56.33
Furniture and Fixtures	58.47	0.32	-	58.79	31.53	0.59	32.12	26.68	-	26.95
Motor Vehicles	216.75	-	-	216.75	93.15	5.79	98.94	117.81	-	123.60
Office equipment	158.15	14.22	-	172.37	97.72	12.20	109.92	62.45	-	60.44
Leases	-	-	-	-	-	-	-	-	-	0.00
Hydraulic Works	0.96	-	-	0.96	0.66	0.06	0.72	0.24	-	0.30
Other Civil Works	31.91	-	-	31.91	6.18	0.35	6.53	25.38	-	25.73
Wires and Cable Network	4.14	-	-	4.14	1.77	0.02	1.79	2.35	-	2.37
Total	1,309.09	14.54	-	1,323.62	361.94	23.02	384.95	938.67	-	947.15

Note 3: CAPITAL WORK-IN-PROGRESS

(Amount in INR Lakhs)

Serial No.	Particulars	Balance as at 31st March 2023 (Unaudited)	Debit during the period	Credit during the period	As at 30th June 2023 (Unaudited)
1	Capital Stock	537.51	-	2.44	535.07
	Total	537.51	-	2.44	535.07

(Amount in INR Lakhs)

Serial No.	Particulars	Balance as at 31st March 2023 (Unaudited)	Debit during the period	Credit during the period	As at 31st March 2023 (Unaudited)
1	Capital Stock	607.02	381.14	450.65	537.51
	Total	607.02	381.14	450.65	537.51

MEGHALAYA ENERGY CORPORATION LIMITED
STANDALONE NOTES TO ACCOUNTS FOR THE QUARTER YEAR ENDED 30TH JUNE 2023

NON-CURRENT ASSETS
Note 4(a)- FINANCIAL ASSETS (INVESTMENTS)

	(Amount in INR Lakhs)	
	30th June 2023 (Unaudited)	31st March 2023 (Unaudited)
Investments in Equity Instruments-Unquoted:		
<i>Equity Instruments with Subsidiary Companies (Fully Paid-Up valued at cost)-</i>		
9,223.36 Lakhs (Previous year 9187.20 Lakh) Equity Shares of Rs 10.00 each in Meghalaya Power Generation Corporation Limited (MePGCL)	92,233.60	91,877.20
4,255.92 Lakhs (Previous year- 4,255.92 Lakhs) Equity Shares of Rs 10.00 each in Meghalaya Power Transmission Corporation Limited (MePTCL)	42,559.16	42,559.16
8,789.30 Lakhs (previous year 8,502.18 Lakhs) Equity Shares of Rs 10.00 each in Meghalaya Power Distribution Corporation Limited (MePDCL)	87,893.00	85,021.80
Investments made out of Contributory Pension Scheme, (measured at Fair Value through Profit and Loss, FVTPL)-		
Quoted	0.02	0.02
Others		
Investment for Bond Redemption Reserve etc. (at amortised cost)	17,807.36	9,568.40
Total	2,40,493.14	2,29,026.58

Note 4(a)-1- As per Notification No. POWER-101//2014/190 dated the 24th of March, 2015, grants-in-aid released by the State Government under Special Plan Assistance (SPA), Special Central Assistance (SCA), North Eastern Council (NEC) and Non-Lapsable Central Pool of Resources (NLCPR) Schemes shall be converted into equity. In accordance to the same, they are initially transferred to Equity Share Capital Pending Allotment. In tune with the purpose of the grants-in-aid, they are respectively booked against the concerned subsidiaries as 'Investments in Equity Instruments with Subsidiary Companies Pending Allotment'.

Note 4(b)- FINANCIAL ASSETS (LOANS)

	(Amount in INR Lakhs)	
	30th June 2023 (Unaudited)	31st March 2023 (Unaudited)
Loans to Related Parties (Subsidiary Companies)		
<u>Unsecured, Considered Good-</u>		
Meghalaya Power Generation Corporation Limited (MePGCL)	-	-
Meghalaya Power Transmission Corporation Limited (MePTCL)	-	-
Meghalaya Power Distribution Corporation Limited (MePDCL)	-	-
Total	-	-

Note 4(c)- FINANCIAL ASSETS (OTHERS)

	(Amount in INR Lakhs)	
	30th June 2023 (Unaudited)	31st March 2023 (Unaudited)
<i>Equity Instruments with Subsidiary Companies (Pending Allotment)-</i>		
in Meghalaya Power Generation Corporation Limited (MePGCL)	6,949.93	7,306.33
in Meghalaya Power Transmission Corporation Limited (MePTCL)	0.00	0.00
in Meghalaya Power Distribution Corporation Limited (MePDCL)	24,833.36	27,704.56
Others-		
Receivables from State Government against Terminal Benefits of Staff	84,004.24	84,004.24
Total	1,15,787.54	1,19,015.13

Note 4 (c) 1- 'Receivables from State Government against Terminal Benefits of Staff' to the tune of Rs 84,004.24 Lakhs has been taken in accordance with Transfer Notification No. POWER-79/2009/514, dated the 23rd of December, 2013 approved by the Government of Meghalaya.

MEGHALAYA ENERGY CORPORATION LIMITED
STANDALONE NOTES TO ACCOUNTS FOR THE QUARTER YEAR ENDED 30TH JUNE 2023

CURRENT ASSETS
Note 5- INVENTORIES

(Amount in INR Lakhs)		
Particulars	As at 30th June 2023 (Quantity)	As at 31st March 2023 (Quantity)
Operational and Maintenance Stock	633.42	1,144.42
Total	633.42	1,144.42

Note 6(a) - FINANCIAL ASSETS (CASH AND CASH EQUIVALENTS)

(Amount in INR Lakhs)		
Particulars	As at 30th June 2023 (Quantity)	As at 31st March 2023 (Quantity)
Balances with Banks	374.75	550.17
Cash on hand	0.49	0.39
Cash Imprest with Staff	14.44	8.32
Total	389.67	558.88

Note 6 (b)- FINANCIAL ASSETS (BALANCES OTHER THAN CASH AND CASH EQUIVALENTS)

(Amount in INR Lakhs)		
Particulars	As at 30th June 2023 (Quantity)	As at 31st March 2023 (Quantity)
Other Bank Balances (Term Deposits - original maturity more than 3 month but less than 12 month)	572.60	462.60
Total	572.60	462.60

Note 6 (c) - FINANCIAL ASSETS (LOANS)

(Amount in INR Lakhs)		
Particulars	As at 30th June 2023 (Quantity)	As at 31st March 2023 (Quantity)
<u>Unsecured, Considered Good-</u> Loan to Employees	0.49	0.20
	0.49	0.20

Note 6 (d) - FINANCIAL ASSETS (OTHERS)

(Amount in INR Lakhs)		
Particulars	As at 30th June 2023 (Quantity)	As at 31st March 2023 (Quantity)
<u>Unsecured, Considered Good-</u> Interest Accrued	10.82	10.82
Receivables from State Government: Others	-	-
Related Party Receivables (Against Subsidiary Companies): Receivables against Remittances of Fuel, Materials, Personnel and Others	32,010.70	30,908.11
Receivables against Operations, Capital and Others: i.) Meghalaya Power Transmission Corporation Limited (MePTCL)	61,108.82	55,441.64
ii.) Meghalaya Power Generation Corporation Limited (MePGCL)	-	59,818.04
ii.) Meghalaya Power Distribution Corporation Limited (MePDCL)	1,57,685.67	1,50,397.53
Total	2,50,816.01	2,96,576.14

MEGHALAYA ENERGY CORPORATION LIMITED

STANDALONE NOTES TO ACCOUNTS FOR THE QUARTER YEAR ENDED 30TH JUNE 2023

Note 6 (d).1- Related Party Receivables as stated in Note 7(d) and Related Party Payables as stated in Note 13 (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 the Company to underlying Divisions.
 - ii.) 'Remittances in Transit' inclusive of transfers of revenue and other collections from underlying Divisions to relevant Head
- 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 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 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 the Company in subsidiary companies, and investment of the company in Equity of the subsidiary companies.
- iii) Transfer of Intra-group Loans.
- vi) Transfer of Investments in term deposits and interest thereof from the Company to relevant subsidiary companies.
- vii) Apportionment of the Company's expenses to the related subsidiaries.

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

Note 7- CURRENT TAX ASSETS

	(Amount in INR Lakhs)	
Direct Tax Asset	12.32	12.32
Total	12.32	12.32

Note 7.1- With regards to the above, determination of actual status of Tax Assets and their corresponding reconciliation with book balances is under process. Theoretically, the aforesaid Tax Assets should be of current nature only. Thereby, the accurate distinction of such assets into Current and Non-current heads, if applicable, can only be conceived after the said reconciliation is completed.

Note 8- OTHER CURRENT ASSETS

	(Amount in INR Lakhs)	
Unsecured, Considered Good-		
Advances other than capital advances:		
Operational and Maintenance Advances	13.13	13.13
Balance with Govt. Authority	1,525.87	1,509.85
Staff Related Advance	48.60	48.89
Prepaid Expenses	2.77	2.77
Total	1,590.36	1,574.63

IA ENERGY CORPORATION LIMITED
 THE NOTES TO ACCOUNTS FOR THE QUARTER YEAR ENDED 30TH JUNE 2023

EQUITY SHARE CAPITAL

(Amount in INR Lakhs)

Particulars	31st March 2023 (Unaudited)	31st March 2022 (Unaudited)
Authorized: 3,000,000 Equity Shares of Rs. 10.00 each	3,00,000.00	3,00,000.00
Subscribed and fully paid up: 2,25,485.78 Lakhs (Previous year- 21,984.82 Lakhs) Equity 10.00 each	2,25,485.78	2,19,848.19
Total	2,25,485.78	2,19,848.19

The Company has only one class of equity shares (without differential rights), having par value of Rs.10.00 per share. Each shareholder is entitled to one vote per share held.

The Cabinet has approved the increase of Authorised Share Capital of the Company to Rs 3,00,000.00 Lakhs vide Letter No. POWER-17 dated 31st August, 2017.

Reconciliation of the number of Equity shares outstanding: -

(Amount in Lakhs)

Particulars	31st March 2023 (Unaudited)	31st March 2022 (Unaudited)	31st March 2023 (Unaudited)	31st March 2022 (Unaudited)
Shares at the beginning of the year	2,19,84,81,863	2,19,848.19	2,19,84,81,863	2,19,848.19
Shares issued during the year	5,63,75,980	5,637.60	-	-
Shares at the end of the year	2,25,48,57,843	2,25,485.78	2,19,84,81,863	2,19,848.19

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

Shareholder's Name	31st March 2023 (Unaudited)	Percentage	31st March 2022 (Unaudited)	Percentage
Government of Meghalaya	2,25,48,57,843	100.00%	2,19,84,81,863	100.00%

MEGHALAYA ENERGY CORPORATION LIMITED
STANDALONE NOTES TO ACCOUNTS FOR THE QUARTER YEAR ENDED 30TH JUNE 2023

Note 10- OTHER EQUITY

		As at 31st April, 2023 (Unaudited)	Year Period Ending	Additions during Year Period Ending	Reductions during Year Period Ending	As at 30th June, 2023 (Unaudited)
1	Retained Earnings	(38,873.53)	2.38	(2,458.94)	-	(41,330.10)
2	Equity Share Capital	59,110.89	-	-	(5,637.60)	53,473.29
	Total	20,237.36	2.38	(2,458.94)	(5,637.60)	12,143.20

(Amount in INR Lakhs)

		As at 31st April, 2022	Year Period Ending	Additions during Year Period Ending	Reductions during Year Period Ending	As at 30th June, 2022 (Unaudited)
1	Retained Earnings	(32,153.98)	(36.54)	(6,683.01)	-	(38,873.53)
2	Equity Share Capital	13,381.55	-	57,547.35	11,818.01	59,110.89
	Total	(18,772.43)	(36.54)	50,864.34	11,818.01	20,237.36

(Amount in INR Lakhs)

		As at 31st March, 2023	Year Period Ending	Additions during Year Period Ending	Reductions during Year Period Ending	As at 30th June, 2023 (Unaudited)
1	Retained Earnings	(33,690.55)	(36.54)	-	1,622.16	(35,349.25)
2	Equity Share Capital Pending Allotment	1,610.89	-	1,500.00	-	3,110.89
	Total	(32,079.66)	(36.54)	1,500.00	1,622.16	(32,238.36)

Note 10.1- Equity Share Capital Pending Allotment has been created as per Grants received and allotted from or by the State Government with respect to

Note 10.2- Equity capital pending allotment represents the amount of shares to be allotted to the Hon'ble Governor of Meghalaya in Financial Year 2010-11 and onwards (including notification issued on the 29th of April, 2015 by the Government of Meghalaya).

Note 10.3- During the year, an internal audit was conducted in relation to the accounting treatment of the Government of Meghalaya Equity Participation 5% holding of Rs. 20.57 crores in North East Transmission Company Limited (NETC) based on which the accounting treatment of funds received by MeECL on behalf of the Government of Meghalaya as equity, capital grant, capital work in progress, etc., is not proper and may require rectification. The matter is being taken up for further examination, consultation in line with the Company Law, and place for approval before the competent authority. The necessary accounting treatment/adjustment entries will be made post-examination and approval by the Competent Authority.

Note 10.4- 'Retained Earnings' has been debited by the following Total Comprehensive (Loss)/income incurred during the current and previous year-

(Amount in Lakhs)

Particulars	For the quarter year ended 30th June, 2023	For the quarter year ended 31st March, 2023	For the quarter year ended 30th June 2022	For the year ended 31st March 2023
(Loss)/Income	(2,458.94)	(33,828.71)	(1,051.83)	(2,452.64)

MEGHALAYA ENERGY CORPORATION LIMITED
STANDALONE NOTES TO ACCOUNTS FOR THE QUARTER YEAR ENDED 30TH JUNE 2023

NON-CURRENT LIABILITIES
Note 11 - FINANCIAL LIABILITIES (BORROWINGS)

Particulars	As at 30th June 2023 (Unaudited)	As at 30th June 2022 (Unaudited)
Secured:		
(i) Bonds:		
(a) MeECL Bond Issue 1st Series 11.61%	4,030.00	4,030.00
These Bonds are intended to be used to repay/restructure the loans obtained from the PFC and / or REC so that the interest burden of the MeECL/MePGCL/MePDCL is reduced. The balance of the proceeds will be utilised to clear outstanding dues of MePDCL. Bullet repayment in the 10th year, which are backed by State Government guarantee		
(b) MeECL Bond Issue 2nd Series 11.45%	5,000.00	5,000.00
These Bonds are intended to be used to repay/restructure the loans obtained from the PFC and / or REC so that the interest burden of the MeECL/MePGCL/MePDCL is reduced. The balance of the proceeds will be utilised to clear outstanding dues of MePDCL. Bullet repayment in the 10th year, which are backed by State Government guarantee		
(c) MeECL Bond Issue 3rd Series 11.45%	10,000.00	10,000.00
These Bonds are intended to be used to repay/restructure the loans obtained from the PFC and / or REC so that the interest burden of the MeECL/MePGCL/MePDCL is reduced. The balance of the proceeds will be utilised to clear outstanding dues of MePDCL. Bullet repayment in the 10th year, which are backed by State Government guarantee		
(d) MeECL Bond Issue 4th Series 11.01%	5,000.00	5,000.00
These Bonds are intended to be used to repay/restructure the loans obtained from the PFC and / or REC so that the interest burden of the MeECL/MePGCL/MePDCL is reduced. The balance of the proceeds will be utilised to clear outstanding dues of MePDCL. Bullet repayment in the 10th year, which are backed by State Government guarantee		
(e) MeECL Bond Issue 5th Series 11.01%	5,000.00	5,000.00
These Bonds are intended to be used to repay/restructure the loans obtained from the PFC and / or REC so that the interest burden of the MeECL/MePGCL/MePDCL is reduced. The balance of the proceeds will be utilised to clear outstanding dues of MePDCL. Bullet repayment in the 10th year, which are backed by State Government guarantee		
(f) MeECL Bond Issue 6th Series 11.01%	5,000.00	5,000.00
These Bonds are intended to be used to repay/restructure the loans obtained from the PFC and / or REC so that the interest burden of the MeECL/MePGCL/MePDCL is reduced. The balance of the proceeds will be utilised to clear outstanding dues of MePDCL. Bullet repayment in the 10th year, which are backed by State Government guarantee		

MEGHALAYA ENERGY CORPORATION LIMITED

STANDALONE NOTES TO ACCOUNTS FOR THE QUARTER YEAR ENDED 30TH JUNE 2023

(g) MeECL Bond Issue 7th Series 10.96%	4,900.00	4,900.00
These Bonds are intended to be used to repay/restructure the loans obtained from the PFC and / or REC so that the interest burden of the MeECL/MePGCL/MePDCL is reduced. The balance of the proceeds will be utilised to clear outstanding dues of MePDCL. Bullet repayment in the 10th year, which are backed by State Government guarantee		
(h) MeECL Bond Issue 8th Series 10.55%	24,000.00	-
These Bonds are intended to be used to repay/restructure the loans obtained from the PFC and / or REC so that the interest burden of the MeECL/MePGCL/MePDCL is reduced. The balance of the proceeds will be utilised to clear outstanding dues of MePDCL. Bullet repayment in the 10th year, which are backed by State Government guarantee		
<u>Unsecured</u>		
(ii) Term Loans:		
(a) From Others:		
Loans from State Government	-	-
Sub-Total	62,930.00	38,930.00
Less: Current Maturities of Long Term Debts	-	-
Total	62,930.00	38,930.00

Note 11.1- The item-wise details of 'Current Maturities of Long Term Debts' are stated as under: -

<u>Secured:</u>		
(i) Term Loans:		
(a) From Others:		
11.75% (11.00% to 11.75%) Special Term Loan from Rural Electrification Corporation (REC) Limited	-	-
<u>Unsecured:</u>		
(ii) Term Loans:		
(a) From Others:		
Loans from State Government	-	-
Total	-	-

MEGHALAYA ENERGY CORPORATION LIMITED
 STANDALONE NOTES TO ACCOUNTS FOR THE QUARTER YEAR ENDED 30TH JUNE 2023

Note 12 - NON CURRENT FINANCIAL LIABILITIES: OTHERS

(Amount in INR Lakhs)

Particulars	31st March 2023 (Rs. Lakhs)	30th June 2023 (Rs. Lakhs)
Provision for Terminal Benefits	-	-
i) Gratuity	8,140.93	8,140.93
ii) Leave Encashment	11,211.81	11,211.81
iii) Pension	3,03,513.88	3,03,513.88
Total	3,22,866.62	3,22,866.62

MEGHALAYA POWER GENERATION CORPORATION LIMITED
 NOTES TO ACCOUNTS FOR THE QUARTER YEAR ENDED 30TH JUNE, 2023

NOTE 13- DEFERRED REVENUE

Serial No.	Particulars	As at 30th June 2023 (Unaudited)	As at 31st March 2023 (Unaudited)
1	Government Grants	10,000.00	-
	Total	10,000.00	-

Note 13.1 Details of movement in 'Grants and Subsidies' (read with note 13 and 17)

(Amount in INR Lakhs)

Serial No.	Particulars	As at 1st April, 2023	Additions during the year	Deductions during the year	As at 30th June, 2023 (Unaudited)
1	Government Grants	-	15,000.00	5,000.00	10,000.00
	Total	-	15,000.00	5,000.00	10,000.00

(Amount in INR Lakhs)

Serial No.	Particulars	As at 1st April, 2023	Additions during the year	Deductions during the year	As at 30th June, 2023 (Unaudited)
1	Government Grants	-	-	-	-
	Total	-	-	-	-

MEGHALAYA ENERGY CORPORATION LIMITED
STANDALONE NOTES TO ACCOUNTS FOR THE QUARTER YEAR ENDED 30TH JUNE 2023

CURRENT LIABILITIES

Note 14 - FINANCIAL LIABILITIES (OTHER)

(Amount in INR Lakhs)

Particulars	31st March 2023 (Amount in INR Lakhs)	30th June 2023 (Amount in INR Lakhs)
Liabilities for Capital Supplies	3,313.60	3,960.20
Current maturities of long-term debts	-	-
Interest accrued and due	533.45	251.43
Staff Related Liabilities	3,428.14	4,284.86
Security deposits and Retention Moneys Payable	10,426.63	10,444.96
Liabilities for Expenses	1,253.40	1,188.38
Payable to Pension trust	-	56.68
Related Party Payables (Against Subsidiary Companies):		
Payables against Remittances of Cash and Cash Equivalents	(713.16)	6,272.03
Payables against Operations, Capital and Others:		
i.) Meghalaya Power Transmission Corporation Limited (MePTCL)	-	-
ii.) Meghalaya Power Distribution Corporation Limited (MePDCL)	527.50	-
iii.) Meghalaya Power Generation Corporation Limited (MePGCL)	(62,133.88)	-
Others	0.20	0.20
Total	(43,364.13)	26,458.75

Note 13.1- All the liabilities towards General Provident Fund (GPF) have been transferred to the Company (Meghalaya Energy Corporation Limited, MeECL) from the Related Parties (i.e., Subsidiary Companies), as the Company holds all rights and liabilities towards settlements of dues to staffs, against GPF. The closing balance so derived, is under reconciliation.

Note 15- PROVISIONS

(Amount in INR Lakhs)

Particulars	31st March 2023 (Amount in INR Lakhs)	30th June 2023 (Amount in INR Lakhs)
Provision for employee benefits	244.52	244.52
Provision for Terminal Benefits		
i) Gratuity	2,119.01	2,119.01
ii) Leave Encashment	1,749.93	1,749.93
iii) Pension	17,256.32	17,256.32
Total	21,369.78	21,369.78

Note 14.1- The balances of Pension Payables and Gratuity Payables in the books have not been in tandem with the actual balances payable to the concerned pensioners, for quite a few Financial Years. The differences so arrived have been placed under a continuous process of reconciliation. The reconciliation process is expected to spill over to subsequent periods as well.

Note 16- OTHER CURRENT LIABILITIES

(Amount in INR Lakhs)

Particulars	31st March 2023 (Amount in INR Lakhs)	30th June 2023 (Amount in INR Lakhs)
Statutory dues payable	138.32	136.40
Total	138.32	136.40

Note 15.1- With regards to the above, determination of actual status of Taxes and their corresponding reconciliation with book balances is under process. Theoretically, the aforesaid Taxes should be of current nature only. Thereby, the accurate distinction of such Taxes into Current and Non-current heads, if applicable, can only be conceived after the said reconciliation is completed.

INCOMES
 Note 17- OTHER INCOME

	For the quarter year ended 30th June 2023	For the quarter year ended 30th June 2022	For the quarter year ended 30th June 2021	Total
Interest Income	206.03	606.75	-	812.78
From Banks	-	-	-	-
From Others	-	-	-	-
From Related Parties (i.e. Subsidiary Companies)	-	-	-	-
(M&NCL)	-	-	-	-
a Meghalaya Power Generation Corporation Limited	-	-	-	-
(M&PCL)	-	-	-	-
b. Meghalaya Power Transmission Corporation Limited	-	-	-	-
(M&PTCL)	-	-	-	-
c. Meghalaya Power Distribution Corporation Limited	-	-	-	-
(M&PDXL)	-	-	-	-
Other non-operating income	-	(1,742.29)	618.47	136.18
Revenue Grant	-	75.15	37.63	112.78
Rental and Hiring Income	73.98	75.15	37.63	186.76
Training Fees	4.57	8.22	-	12.79
Fees and Penalties	0.59	0.34	1.66	2.59
Sale of Scrap/ Tender Forus	76.82	58.89	33.82	169.53
Miscellaneous receipts	-	0.13	-	0.13
Total	362.29	(992.82)	694.94	94.41

(Amount in INR Lakhs)

MEGHALAYA ENERGY CORPORATION LIMITED
STANDALONE NOTES TO ACCOUNTS FOR THE QUARTER YEAR ENDED 30TH JUNE 2023

EXPENSES

Note 18- EMPLOYEE BENEFITS EXPENSE

(Amount in INR Lakhs)

	For the period ended 30th June 2022	For the period ended 30th June 2023		
Salaries and wages	74.60	1,565.26	90.48	454.82
Contribution to provident and other funds	2.66	(1,359.37)	455.76	26.23
Staff welfare expenses	1.05	-	-	4.54
Total	78.31	205.89	546.25	485.59

Note 19- FINANCE COSTS

(Amount in INR Lakhs)

	For the period ended 30th June 2022	For the period ended 30th June 2023		
Interest- including Penal Interest	1,715.83	1,079.08	1,105.68	37.94
Interest on CFS Staff	-	-	-	-
Interest on Bonds	-	-	-	4,369.42
Cost of raising Finance	-	-	-	-
Guarantee Charges	108.84	48.66	48.66	194.65
Total	1,824.67	1,127.75	1,154.34	4,602.01

Note 18.1- Penal Interest details are stated hereunder-

(Amount in INR Lakhs)

	For the period ended 30th June 2022	For the period ended 30th June 2023		
Penal Interest	-	-	8.89	9.61
Total	-	-	8.89	9.61

Note 20- DEPRECIATION AND AMORTIZATION EXPENSE

(Amount in INR Lakhs)

	For the period ended 30th June 2022	For the period ended 30th June 2023		
Depreciation	5.29	5.57	6.11	23.02
Total	5.29	5.57	6.11	23.02

MEGHALAYA ENERGY CORPORATION LIMITED
STANDALONE NOTES TO ACCOUNTS FOR THE QUARTER YEAR ENDED 30TH JUNE 2023

Note 21- OTHER EXPENSES

(Amount in INR Lakhs)

	For the quarter year ended 30th June 2023 (Lakhs)	For the quarter year ended 31st March 2022 (Lakhs)	For the quarter year ended 30th June 2022 (Lakhs)	For the year ended 31st March 2022 (Lakhs)
Repairs and maintenance:				
Building	23.33	93.03	-	93.03
Plant and Equipment	-	-	2.59	2.59
Hydraulic Works	-	-	-	-
Vehicles	0.06	0.63	0.68	2.15
Furniture and Fixtures	-	-	-	-
Office equipment	1.30	0.59	1.16	3.63
Administration, Operating and General Expenses				
Insurance Charges	-	0.02	0.56	0.96
Rent, Rates and Taxes	-	5.46	-	5.89
Penalties and Fines	-	-	-	121.45
Telegram, Postage, Telegraph and Telex charges	1.17	1.31	1.06	4.33
Training, conveyance and vehicle running expenses	8.07	10.88	8.52	36.42
Printing and stationery expenses	1.78	2.04	2.66	6.84
Auditors' remuneration	-	2.75	1.00	3.75
Consultancy charges	1.25	3.67	-	3.67
License and registration charges	2.13	-	-	-
Books & periodicals	3.07	0.15	0.07	0.41
Fees and subscription expenses	-	-	-	-
Advertisement charges	0.53	2.46	0.45	11.85
Legal and professional charges	868.98	37.82	18.46	101.86
Compensation to others for injuries, death and/or damages Meghalaya State Electricity Regulatory Commission (MSERC)	-	-	-	-
Fees	-	-	-	-
Bank Charges	0.03	0.04	0.05	0.12
Interest on CPS	-	0.05	-	-
Entertainment expenses	0.87	2.36	1.36	5.34
Freight charges	-	-	-	-
Loss on investments	-	-	-	-
Miscellaneous expenses	0.44	121.36	1.47	2.13
Total	912.95	284.62	46.06	466.40

Note 22- OTHER COMPREHENSIVE INCOME

(Amount in INR Lakhs)

	For the quarter year ended 30th June 2023 (Lakhs)	For the quarter year ended 31st March 2022 (Lakhs)	For the quarter year ended 30th June 2022 (Lakhs)	For the year ended 31st March 2022 (Lakhs)
Portion of actuarial valuation not pertains to Current year	-	(31,212.06)	-	(2,115.18)

Note 22- 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.