

CHAIRMAN'S SPEECH

Dear Shareholders,
Meghalaya Power Distribution Corporation Ltd.

On behalf of the Board of Directors of Meghalaya Power Distribution Corporation Ltd. (MePDCL), I am pleased to welcome you on the occasion of the adjourned 14th Annual General Meeting of your Company for the financial year 2022-23.

Pursuant to the Government of Meghalaya Notification on "Meghalaya Power Sector Reforms Transfer Scheme, 2010", dated 31st March, 2012, your Company has started functioning as the 'State Power Distribution Utility' from financial year 2012-13 and your Company has commenced filing its separate tariff petition with the Meghalaya State Electricity Regulatory Commission (MSERC) from financial year 2013-14.

The Annual Accounts for the financial year 2022-23 was approved by the Board of Directors on 14th August, 2023 and the Statutory Auditors signed and submit its report on 24th September, 2023. The supplementary audit report from the C&AG has received on 22nd January, 2024.

Considering the statutory requirement to finalise the quarterly, half yearly and Annual Accounts of the Meghalaya Energy Corporation Limited within the prescribed time line as specified under the Companies Act, 2013 and Guidelines for Corporate Governance for State Power Distribution Utilities, the Board of your Corporation has engaged M/s Dadhich & Associates, Chartered accountant firm, Shillong, as consultant to prepare and finalise accounts for financial 2023-24 of MeECL and its subsidiary companies. Further, M/s Fiscus Consilium Pvt. Ltd., Kolkata is also engaged as Consultant to improve the accounting practice, fixed assets registers, reconciliation etc. of all four Corporations.

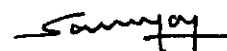
The Board of your Company is taking decisions from time to time to improve the existing infrastructure as well as installation of new infrastructures by strengthening, augmenting and/ or up-gradation of the sub transmission lines, distribution lines and substations in different parts of the State under various schemes like R-APDRP Part-B, Special Plan Assistance (SPA), North Eastern Council (NEC) funding, NERPSIP (World Bank funding) including Village electrification, System strengthening and metering under (DDUGJY), Decentralized Distributed Generation, IPDS.

Your Company is taking all efforts to implement different projects and schemes introduced by the Government of Meghalaya/ Government of India and also to fulfil the objectives of the Electricity Act, 2003 and vigilant about the compliances of the Companies Act, 2013 and new accounting standards.

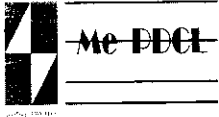
I hereby express my sincere gratitude for support and guidance received from the Hon'ble Chief Minister, Government of Meghalaya, the Hon'ble Power Minister, Government of Meghalaya and the senior officers and staff of the Government of Meghalaya for their support to the Corporation.

I would also like to express my thanks and appreciation to my esteemed Board Members and all employees of the MePDCL for their commitment to their work and for assistance in implementing different schemes for overall improvement of infrastructure of DISCOM and connecting every household with power. I am confident that with a dedicated and committed resource of employees and valuable support from the Government of Meghalaya, the Corporation will be able to meets its goals and the expectations of all the stakeholders.

With best wishes,



(Shri Sanjay Goyal, IAS)
Chairman-cum-Managing Director



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED

OFFICE OF THE COMPANY SECRETARY

Corporate Identification Number: U40101ML2009SGC008394

Registered Office: Lumjingshai, Short Round Road, Shillong-793001

Telephone No: 0364-2591074; Fax no: 0364-2590355; Website address: www.meecl.nic.in

MePDCL/CS/GM/2012/ 1808

NOTICE OF THE FOURTEENTH ANNUAL GENERAL MEETING

To,

1. Shri S. Goyal, IAS, Chairman-cum-Managing Director & Member.
2. Shri S. Goyal, IAS, Commissioner & Secretary to the Government of Meghalaya, Power Department, Member
3. Shri S. Goyal, IAS, Chairman-cum-Managing Director, MeECL, representing the MeECL, Member.
4. Shri R. Chitturi, IAS, Director (Finance) & Member.
5. Smt I. Majaw, MCS, Director (Corporate Affairs) & Member
6. Shri M. Shangpliang, Director (Distribution), MePDCL & Member.
7. Shri A. Kharpan, Director (Transmission), MePTCL, Member.
8. Shri M. Rymbai, Director (Generation), MePGCL, Member.
9. Shri L. M. Sangma, Independent Director
10. Smt. M. N. Nampui, Independent Director
11. M/s P. Gaggar & Associates, Chartered Accountants, Statutory Auditors for the financial year 2022-23.
12. M/s Amit Pareek & Associates, Company Secretaries, Secretarial Auditor for financial year 2022-23
13. M/s Niran & Co., Cost Accountants, Cost Auditor for the financial year 2022-23.

Notice is hereby given that the fourteenth Annual General Meeting of the Company will be held on Wednesday, the 20th day of December, 2023 at 10:30 A.M. at the registered office of the company at MeECL's Conference room, Lumjingshai, Shillong – 793001, to transact the following business:

Ordinary Business:

Ordinary Resolution:

1. TO RECEIVE, CONSIDER AND ADOPT THE REPORTS OF THE BOARD OF DIRECTORS, BALANCE SHEET AS AT 31ST MARCH, 2023, STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2023, CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2023 AND AUDITORS' REPORT THEREON AND ALSO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA.
2. CONSIDERATION ON THE MATTERS OF FIXATION OF THE REMUNERATION OF THE STATUTORY AUDITORS OF THE COMPANY APPOINTED BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE FINANCIAL YEAR 2023-24 AND TO AUTHORIZE THE BOARD TO DO NECESSARY THINGS, IN THIS REGARD.

To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

“Resolved that the Members hereby authorizes the Board of Directors to fix the remuneration of the Statutory Auditors to be appointed by the Comptroller and Auditor General of India (CAG) for the financial year 2023-24.



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Special Business:

3. RATIFICATION OF REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2023-24.

To consider and if, thought fit to pass with or without modification(s), the following resolution as Ordinary Resolution

“Resolved that pursuant to the provisions of section 148 of the Companies Act, 2013 read with applicable rules thereon and decision of the Board of Directors taken in the meeting dated 6th July, 2023, the Members of the company hereby ratifies the remuneration of M/s DGM & Associates, Cost Accountants, Kolkata appointed as the Cost Auditors of the Corporation for the Financial Year 2023-24, to conduct the audit on the cost records, as maintained by the Company pertaining to the electricity activities and to file the cost audit report using the XBRL software at the fees of Rs 55,000/- (rupees Fifty Five thousand only) inclusive of XBRL charge of Rs. 5000/- and out of pocket expenses but exclusive of GST, which shall be paid at actuals.”

4. ISSUANCE OF ADDITIONAL SHARES BY THE COMPANY IN FAVOUR OF THE MeECL.

To consider and if, thought fit to pass with or without modification(s), the following resolution as Ordinary Resolution:

“Resolved that the members accord consent for allotment of 875600 additional number of equity shares of Rs. 10/- (ten) in favour of the MeECL, with subsequent concurrence of the Board of Directors.”

By Order of the Board



Company Secretary

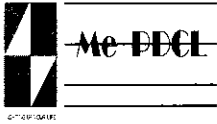
Dated: 17th November, 2023

Registered office:

LumJingshai, Short Round Road,
Shillong -793001, Meghalaya, India

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and a poll to vote instead of himself, and the need not be a member of the company.
2. Proxies in order to be effective must be lodged with the Company not less than 48 hours before the commencement of the Annual General Meeting.



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PROXY FORM

(Pursuant to the provisions of section 105 of the companies Act, 2013)

Reg Folio No _____

No. of Shares held _____

I/We _____ of _____ being a Member of M/s Meghalaya Power Distribution Corporation Limited (MePDCL) hereby appoint _____ of _____ or failing him _____ of _____ as my/ our proxy to vote for me/ us on my/ our behalf at the fourteenth Annual General Meeting of the Company which will be held on Wednesday, the 20th day of December, 2023 at 10:30 A.M. at the registered office of the company at MeECL's Conference room, Lumjingshai, Shillong – 793001 and at any adjournment thereof.

Signed this _____ the day of _____, 2023

Signed

Affix
Re 1/-
Revenue
Stamp

Note: This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting



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ATTENDANCE SLIP

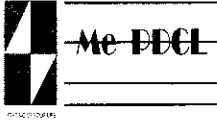
(To be handed over at the entrance of the Meeting Room/hall)

I hereby record my presence at the Thirteenth Annual General Meeting of the Company will be held on Wednesday, the 20th day of December, 2023 at 10:30 A.M. at the registered office of the company at MeECL's Conference room, Lumjingshai, Shillong – 793001 and at any adjournment thereof.

Full name of the Member (in BLOCK LETTERS) _____

Full name of the Proxy (in BLOCK LETTERS) _____

Member's/ Proxy's Signature _____



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EXPLANATORY STATEMENT PURSUANT TO THE SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3: RATIFICATION OF REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2023-24.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and applicable rules thereon, a Cost Auditor in practice is required to be appointed for the financial year 2023-24 within September, 2023 to conduct the audit on the cost records, as maintained by the Company pertaining to the electricity activities.

The Board of Directors in its meeting held on 6th July, 2023, has appointed M/s DGM & Associates, Cost Accountants, Kolkata as the Cost Auditor of the Company for the Financial Year 2023-24, to conduct the audit on the cost records, as maintained by the Company pertaining to the electricity activities and to file the cost audit report using the XBRL software at the fees of Rs 55,000/- (rupees Fifty Five thousand only) inclusive of XBRL charge of Rs. 5000/- and out of pocket expenses but exclusive of GST, which shall be paid at actuals.

Further, as per the requirement of the Companies Act, 2013, the above remuneration of the Cost Auditor is required to be ratified by the Members of the Company. Hence, this proposal is placed before the Members for their consideration and consent on the ratification of the amount of cost auditors' fees for the financial year 2023-24, already decided by the Board of Directors.

The Board of Directors recommends the resolution as set out under item no.3 for your approval.

None of the Directors, KMPs, or their relatives is interested or concerned, financially or otherwise, in the resolution set out at item no. 3.

ITEM NO. 4: ISSUANCE OF ADDITIONAL SHARES BY THE COMPANY IN FAVOUR OF THE MeECL.

The Government of Meghalaya is infusing funds in the form of grant/equity/loan, from time to time, to three subsidiary companies namely MePGCL, MePDCL and MePTCL through MeECL (holding Company) for execution of different power projects.

In absence of any specific direction from the State Government to treat the fund as 'Equity', the Corporations are incorporating the fund received from the State Government as 'equity' and the equity shares are issued only after adoption of the audited accounts by the Management (i.e. Board of Directors and Shareholders in the AGM).

As per the audited Annual Accounts of the Company for the FY 2021-22, the MeECL has allocated funds of Rs. 8756000/- to the Corporation which has been reflected under the head 'Equity pending allotment' under Note no. 15 'Other Equity' as on 31st March, 2022 in the financial statement of the Company.

The following details as per the audited annual accounts of the Company may kindly be considered and noted by the Members of the Company on the instant proposal for allotment of shares corresponding to the amount "equity pending allotment" as per audited annual accounts of financial year 2021-22:



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- 8170000 no. of equity shares of 10 each (infusion during the year 2020-21) issued on 5th May, 2023.
- Rs. 875600/- (875600 nos. of equity shares) is mentioned as 'additions during the year 2021-22' as per the audited annual accounts for the FY 2021-22.

To avail the optimum return on equity from the tariff, it is proposed before the Members to accord consent for allotment of Rs. 87,56,000/- i.e. 875600 additional number of equity shares of Rs. 10/- (ten) in favour of the MeECL.

The authorized share capital of the Company is Rs. 2000 Cr. and it is sufficient to accommodate the proposed increase in the paid up equity share capital of the Company

The above proposal is placed before the members for their consideration and consent.

The Board of Directors recommends the resolution as set out under item no.4 for your approval.

None of the directors, KMPs, or their relatives is interested or concerned, financially or otherwise, in the resolution set out at item no. 4.

Dated: 17th November, 2023

Registered office:

LumJingshai, Short Round Road,
Shillong -793001, Meghalaya, India

By Order of the Board

Company Secretary



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED

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MePDCL/CS/GM/2012/1829

NOTICE OF THE ADJOURNED FOURTEENTH ANNUAL GENERAL MEETING

To,

1. Shri S. Goyal, IAS, Chairman-cum-Managing Director & Member.
2. Shri S. Goyal, IAS, Commissioner & Secretary to the Government of Meghalaya, Power Department, Member
3. Shri S. Goyal, IAS, Chairman-cum-Managing Director, MeECL, representing the MeECL, Member.
4. Shri R. Chitturi, IAS, Director (Finance) & Member.
5. Smt I. Majaw, MCS, Director (Corporate Affairs) & Member
6. Shri P. Sahkhar, Director (Distribution), MePDCL & Member.
7. Shri J. Hynniewta, Director (Transmission), MePTCL, Member.
8. Shri R. Majaw, Director (Generation), MePGCL, Member.
9. Shri L. M. Sangma, Independent Director
10. Smt. M. N. Nampui, Independent Director
11. M/s P. Gaggar & Associates, Chartered Accountants, Statutory Auditors for the financial year 2022-23.
12. M/s Amit Pareek & Associates, Company Secretaries, Secretarial Auditor for financial year 2022-23
13. M/s Niran & Co., Cost Accountants, Cost Auditor for the financial year 2022-23.

Notice is hereby given that the adjourned fourteenth Annual General Meeting of the Company will be held on Tuesday, the 9th day of April, 2024 at 12 noon at the registered office of the company at MeECL's Conference room, Lumjingshai, Shillong – 793001, to transact the following business:

Ordinary Business:

Ordinary Resolution:

1. TO RECEIVE, CONSIDER AND ADOPT THE REPORTS OF THE BOARD OF DIRECTORS, BALANCE SHEET AS AT 31ST MARCH, 2023, STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2023, CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2023 AND AUDITORS' REPORT THEREON AND ALSO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA.

By Order of the Board



Company Secretary

Dated: 13th March, 2024

Registered office:

LumJingshai, Short Round Road,
Shillong -793001, Meghalaya, India

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and a poll to vote instead of himself, and the need not be a member of the company.
2. Proxies in order to be effective must be lodged with the Company not less than 48 hours before the commencement of the Annual General Meeting.



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PROXY FORM

(Pursuant to the provisions of section 105 of the companies Act, 2013)

Reg Folio No _____

No. of Shares held _____

I/We _____ of _____ being a Member of M/s Meghalaya Power Distribution Corporation Limited (MePDCL) hereby appoint _____ of _____ or failing him _____ of _____ as my/ our proxy to vote for me/ us on my/ our behalf at the adjourned fourteenth Annual General Meeting of the Company which will be held on Tuesday, the 9th day of April, 2024 at 12 noon at the registered office of the company at MeECL's Conference room, Lumjingshai, Shillong – 793001 and at any adjournment thereof.

Signed this _____ the day of _____, 2024

Signed

Affix
Re 1/-
Revenue
Stamp

Note: This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting

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MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED

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ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Room/hall)

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Full name of the Member (in BLOCK LETTERS) _____

Full name of the Proxy (in BLOCK LETTERS) _____

Member's/ Proxy's Signature _____

DIRECTORS' REPORT

Dear Members
Meghalaya Power Distribution Corporation Ltd.

Your Directors are pleased to present the fourteenth Annual Report on the performance and operating result of the Company for the financial year ending as on **31st March, 2023** together with the Audited Statement of Accounts and the Report thereon of the Statutory Auditors and Comptroller and Auditor General of India (CAG).

GOVERNMENT NOTIFICATION

Restructuring of MeSEB

Pursuant to the Government of Meghalaya notification on 'The Meghalaya Power Sector Reforms Transfer Scheme, 2010' dated 31st March, 2010 and Subsequent Amendment Notification dated 31st March, 2012, the Meghalaya State Electricity Board (MeSEB) was restructured into four companies namely, Meghalaya Energy Corporation Ltd. (MeECL) which was incorporated on 14th September, 2009 as holding company of Meghalaya Power Distribution Corporation Ltd. (MePDCL), Meghalaya Power Transmission Corporation Ltd. (MePTCL), Meghalaya Power Generation Corporation Ltd. (MePGCL). The MeECL had carried all the activities of its own and its three subsidiary companies for the two financial years 2010-11 and 2011-12.

The Meghalaya Power Distribution Corporation Ltd. (MePDCL) was incorporated on 18th December, 2009.

STATE OF AFFAIRS OF MEGHALAYA POWER DISTRIBUTION CORPORATION LTD. (MEPDCL)

The MePDCL is a Government Company within the meaning of Section 45 of the Companies Act, 2013. The present share-holding is 100% owned by the Meghalaya Energy Corporation Ltd. (MeECL), a Government of Meghalaya Enterprise.

Your Company is licensee mandated with distribution of power to consumers within the State of Meghalaya. Your Company has started carrying its business operations with effect from 1st April, 2012.

The MePDCL has commenced filing its separate tariff petition before the Meghalaya State Electricity Regulatory Commission (MSERC) with effect from 1st April, 2013.

REGULATORY FRAMEWORK: TARIFF FIXATION/DETERMINATION

The Meghalaya State Electricity Regulatory Commission is a statutory body established in accordance with the provisions of the Electricity Act, 2003 and is responsible for licensing transmission, distribution and trade of electricity in the State. The other important responsibilities of the MSERC include; fixation of tariff, regulation of procurement and creation of a consumer friendly grievance settlement framework.

CONSUMER ADVOCACY

The Electricity Act, 2003 provides for active participation of consumers in all areas of generation, transmission and distribution of electricity. The regulatory mechanism created by this legislation has been deliberately designed to receive inputs from consumers and citizens.

From the framing of regulations to the stage of licensing utilities and fixing tariff, the Act requires that the people be provided an opportunity to participate in decision making. In fact the Act even requires the Commission disseminate knowledge among consumers about the means by which they can involve themselves and make the regulatory function sensitive to the needs of the community at large.

Given the importance of electricity in our daily lives the Commission expects that consumers and citizens will participate more actively in determining the contours of the service they expect from their service providers.

Beyond the framework already in place, the Commission being a quasi-judicial body with powers of a civil court, functions transparently. This implies that its regulatory activities are carried out in a transparent manner and all deliberations and decisions are open to the public. To ensure that consumers and their interests are not lost sight of; the Act authorises the Commission to even appoint, if necessary, suitable individuals or institutions to effectively represent the consumers.

OPERATIONS

During the year, your Company has suffered a loss of Rs. 146562.93 Lakh.

FINANCIAL PERFORMANCE

PARTICULARS	2022-23 (Rupees in Lakh)	2021-22 (Rupees in Lakh)
Revenue from Operations	124606.37	109925.49
Other Incomes	17453.96	9816.52
Prior Period Incomes		-
Total Revenue	142060.33	117742.00
Expenses:		
Power Purchase Costs	111324.18	92659.20
Employee Benefits	23855.73	21341.28
Finance Costs	16727.11	14259.15
Depreciation & amortization	7105.94	4626.71
Prior Period items		
Other Expenses	2388.23	2114.64
Total Expenses		
Profit/(loss) before exceptional items and tax	(19340.86)	(15258.97)
Exceptional Items	-	(23.58)
Current Tax		-
Less: MAT Credit entitlement		-
Income tax related to earlier year		-
Deferred Tax		
Profit/(loss) for the period	(19340.86)	(15282.55)
Other Comprehensive Income		
I. Items that will not be reclassified to profit or loss	(127222.07)	-
Total comprehensive profit/(loss) for the period	(146562.93)	(15282.55)

DIVIDEND

Due to loss suffered by the Company, the Directors of your Company express their inability to recommend any dividend for the year.

FINALIZATION OF ANNUAL ACCOUNTS: DELAY AND REASONS THEREOF ALSO STEPS FOR ADDRESSING THE ISSUE

The transfer values as on 1st April, 2012 for the respective assets and liabilities transferred from MeECL to the respective subsidiary companies namely MePGCL, MePDCL and MePTCL was notified by the Government of Meghalaya on 29th April, 2015. Based on the above notified values, the annual accounts for the financial year 2012-13 was finalized.

The Annual Accounts for the financial year 2022-23 was approved by the Board of Directors on 14th August, 2023 and the Statutory Auditors signed and submit its report on 24th September, 2023. The supplementary audit report from the C&AG has received on 22nd January, 2024.

SHARE CAPITAL

The authorized share capital of the Company is Rs.1000 Cr. The paid up share capital of the Company as on 31st March, 2023 was Rs. 85021.80 Lakh. The entire share capital of the Company is subscribed by the Meghalaya Energy Corporation Limited (a Government of Meghalaya owned Enterprise).

STATUS OF THE VARIOUS ON-GOING SCHEMES FY 2022-23:

1. SAUBHAGYA & DDUGJY (Addl. Infra) Scheme in Meghalaya

Meghalaya Power Distribution Corporation Limited (MePDCL) is implementing SAUBHAGYA scheme in all districts under the jurisdiction of MePDCL in Meghalaya State to energize the left out houses across the State by providing the Saubhagya Kits & creating adequate Infrastructure for which Govt of India sanctioned an amount of Rs.275.73 Cr. vide letter No. REC/DDUGJY-Saubhagya/2018-19/303/7170 Dated 24/07/2018 However, the amount of Rs.275.73Cr was not enough to create the Additional infrastructure for the last-mile Household connectivity under the Saubhagya. On the request of MePDCL/Govt of Meghalaya, the Govt of India sanctioned an amount of Rs.381.33 Cr. (207.96+173.37)Cr. vide letter No.REC/DDUGJY/Addl. Infra./Meghalaya/ 2018-19/613 Dated 05/10/2018 & letter No. REC/DDUGJY/Addl. Infra./Meghalaya/ 2018-19/1445 Dated 29/03/2019 for additional infrastructure.

The Sanctioned Details:

Serial	Particulars	Amount Sanctioned (Rs. in crores)
1	Sanction[letter dated 6 th August 2018]	275.73
2	Additional sanction[dated 9 th August 2018]	207.96
3	Extra sanction[dated 29 th March 2019]	173.37
Grand Total		657.06

AMOUNT RECEIVED AS ON 31-03-2023

in crores		
Central Government	State Government	TOTAL
459.70	148.67	608.37

Name of Circle	Scope of Work as per Closure							Number of H/Hs
	Parameters			11/.4 KV DTs				
	11 KV Line on Weasel conductor	LT Line		25	63	100	250	
		3 PH 4 W	1 PH 2 W					
Ckt Km	Ckt Km	Ckt Km	Nos	Nos	Nos	Nos		

EGH	245.33	149.97	1256.13	236	107	6	2	21049
WGH	225.03	132.41	1225.78	184	126	27	4	53358
SGH	32.735	23.07	317.605	38	14	3	0	9537
EKH	100.8	113.4	692.2	96	72	11	4	21016
JH	159.8	138.7	701.7	59	80	40	0	24388
RB	92.00	72.4	602.1	69	98	3	0	16369
WKh	143.3	69	825.6	84	41	5	1	16253
Total	998.995	698.95	5621.12	766	538	95	11	161970
Off Grid								598
								162568

2. IPDS : System Strengthening

The DPR to Power Finance Corporation Ltd was submitted after consulting public representatives including Members of Parliaments and Resolution of the 1st State Distribution Reform Committee meeting dated 15th October 2015.

3.

Consequently, the PFC Ltd conveyed the sanction of the Monitoring Committee of MOP/GOI on 16.3.2016. The Scheme has been sanctioned in respect of the nine statutory towns namely Shillong, in East Khasi Hills District, Jowai under West Jaintia Hills District, Mairang, Nongstoin under West Khasi Hills District, Nongpoh under Ribhoi District, Williamnagar under East Garo Hills District Tura under West Garo Hills District, Resubelpara under North Garo Hills District and Baghmara in South Garo Hills District. The total sanctioned cost of the project is **Rs 62.03 Crores** and that the PMA cost is **Rs. 0.31 Crores**, the details of which is as indicated below:

4.

5.

Sl. No.	Name of Circle	Name of Towns:	Overall Sanctioned Cost (Rs. Cr.)		
			Approved Project Cost	Approved PMA Cost	Approved Project + PMA Cost
1	Eastern Circle	Jowai	6.58	0.03	6.61
2	West Garo Hills Circle	Tura	10.55	0.05	10.61
3	Shillong Circle	Shillong	19.07	0.10	19.17
4	East Garo Hills Circle	Resu, William & Baghmara	12.65	0.06	12.71
5	Western Circle	Nongpoh	4.55	0.02	4.58
6	Central Circle	Mairang & Nongstoin	8.64	0.04	8.68
Total:			62.03	0.310	62.33

Status of works:

Sr. No.	Milestone Name	Unit	Sanctioned Quantity	Awarded Quantity	Completion Status
1	New Sub-station	MVA	41	41	41
2	Nos. of New Sub-station	No	6	6	6
3	33 KV Bay Extension	No	1	1	1
4	Capacity addition 33/11 KV Xr	MVA	5	5	5
5	Nos. of 33/11 KV Additional Xr	No	2 (10 MVA)	2 (10MVA)	2 (10MVA)
6	R&M of 33/11 KV S/S	No	10	10	10
7	33 KV New Feeders	Km	11	11	11

8	11 KV New Feeders	Km	81	81	81
9	11 KV Feeder Reconductoring	Km	10	10	10
10	Installation of New DT	MVA	5	5	5
11	Nos of Installation of New DT	No	53	53	53
12	Capacity Enhancement of DT	MVA	7	7	7
13	Nos Capacity Enhancement of DT	No	43	43	43
14	New LT Lines	Km	60	60	60
15	LT Line Reconductoring	Km	36	37	37
16	Pre Paid Meter	No	6400	6400	6382
17	Solar Panels	Kwp	210	210	210
18	Boundary Meter	No	10	12	12

**ROOFTOP SOLAR PV SYSTEM AT PROPOSED AND EXISTING 33/11 KV NEW SUBSTATIONS AND OFFICES
IN DIFFERENT IPDS TOWNS UNDER INTEGRATED POWER DEVELOPMENTS SCHEME**

The solar PV system generates DC electricity when sun light fall on the Solar PV Modules. A PV module is made up of small Solar Cell connected in series to get desired voltage and wattage. A number of such PV Modules are connected in series and parallel called solar array.

These solar PV modules/arrays are connected to MPPT controller which draws maximum power from the solar Modules under different irradiation and temperature and put it in to the input of the Inverter. The Inverter converts the DC input to AC and exported to grid with matching voltage, frequency and phase. The output of the inverter is connected to mains through interfacing panel, metering panel as the case may be.

In grid-connected solar photo-voltaic (PV) systems, solar energy is fed into the building loads that are connected to the MePDCL grid through service connection with surplus energy being fed into the grid and shortfall being drawn from the grid. Production of surplus energy may happen when solar energy produced exceeds the energy consumption of the building. This surplus is fed into the grid. During the night, or when during the day energy demand in the building exceeds solar energy generation, energy is drawn from the grid. Grid-connected solar PV systems have no battery storage and will not work during grid outage. For buildings with grid-connected solar PV systems, the service connection meter needs to be of the bidirectional type, whereby import kWh and export kWh are separately recorded.

Solar Roof Top Installation in MePDCL (Under IPDS)

A. Under Eastern Zone

Sl. No.	Circle	Division	Sub Division	Location	Cap (Kw)	Remarks
1	Shillong Distribution Circle	Shillong Central Distribution Division	Polo Distribution S/D	MeECL Complex	60	Completed
2			Polo Distribution S/D	33/11 KV Meter Factory S/S	6	Completed shifted to MeECL Complex
3			Shillong Central Distribution S/D	33/11 KV Kenches Trace S/S	6	Completed

4			Shillong Central Distribution S/D	Main Office BC House, Shillong	36	Completed
5			Shillong Central Distribution S/D	33/11 KV Keating Road S/S	6	Completed shifted to MeECL Complex
6			Shillong Central Distribution S/D	33/11 KV Mawprem S/S	6	Completed
7		Shillong Esat Distribution Division	Nongthymmai Distribution S/D	33/11 KV Nongthymmai S/S	6	Shifted to Umiew
8			Lapalang Distribution S/D	33/11 KV SE Falls S/S	6	Completed
9		Shillong West Distribution Division	Mawlai Distribution Sub Division	33/11 KV Mawlai S/S	6	Completed
10	Jaintia Hills Distribution Circle	Jowai Distribution Division	Jowai Distribution Sub Division	33/11 KV Jowai S/S	6	Completed
11	Ri Bhoi Distribution Circle	Nongpoh Distribution Division	Nongpoh Distribution S/D	33/11 KV Nongpohi S/S, Control room	6	Completed
12	Khasi Distribution Circle	West Khasi Hills Distribution Division	Mairang Distribution S/D	33/11 KV Mawsawa S/S, Control Room	6	Completed
13			Nongstoin Distribution S/D	33/11 KV Nongstoin S/S, Control Room	6	Completed
A	Sub Total :				162	

B. Under Western Zone

1	Tura Distribution Circle	Tura Distribution Division	Tura East Distribution S/D	33/11 KV Hawakhana, control room	6	03.10.2020
2		Tura Distribution Division	Tura East Distribution S/D	Main Hawakhana Office Building	6	05.10.2020
3	East Garo Hills Distribution Circle	East Garo Hills Distribution Division	Williamnagar Distribution S/D	33/11 KV Williamnagar S/S, control room	6	22.11.2019
4			Williamnagar Distribution S/D	Williamnagar Main Office	6	09.10.2020
5			Mendipathar Distribution S/D	33/11 KV Mendipathar, control room	6	07.10.2020
6			Mendipathar Distribution S/D	33/11 KV Resubelpara, control room	6	07.10.2020

7	South Garo Hills Distribution Division	Baghmara Distribution S/D	33/11 KV Baghmara S/S, control room	6	24.11.2019
8		Williamnagar Distribution S/D	33/11 KV IPDS Baghmara S/S, control room	6	24.11.2019
B	Sub Total :			48	

Grand Total : 210

Pre-Paid Metering System under Integrated Power Development Scheme.

The Scope of work under this scheme includes installation and commissioning of pre paid meters, vending stations including technical support and supervision of pre payment system, Base Computer System and Meter Reading Instruments in the premises of the consumers and training in the operation including token generation and other system functionality in specified towns of Meghalaya

The status of Installation of Pre-paid Meters are as follows:

Sl No	Name of Circle	No. of Pre-paid meters installed
System Strengthening		
1	Eastern Circle	506
2	Western Circle	750
3	Central Circle	342
4	Shillong Circle	2094
5	East Garo Hills Circle	1840
6	West Garo Hills Circle	850
	Total	6382

3. RT-DAS (Real Time Data Acquisition System):-

The Power Finance Corporation Limited has, additionally sanctioned, under IPDS scheme the following:

Sl. No.	Name of the Scheme:	Sanctioned Date	Sanctioned Amount (Rs. In Crores)	Executed Amount (Rs. In Crores)
1	RT-DAS-for SAFI SAIDI Measurement	10-12-2018	1.94	1.60

Scope of work:

Supply, Installation, Testing & Commissioning of Hardware & Software for implementing "Real Time Data Acquisition System (RT- DAS)" covering 15 no's 33/11kv Substations (49 feeders) of IPDS Non-SCADA towns in Meghalaya.

Objectives:

To calculate the System Average Interruption Duration Index (**SAIDI**) & System Average Interruption Frequency Index (**SAIFI**) for reliable power supply to the consumers.

Status of works:

Feeder remote terminal unit installed at the following 15 Nos Substation across the Meghalaya comprising of 49 Nos feeders. The control center was set up at MeECL Head Quarter Premises. All others works completed except integration which will be completed shortly.

Sl No	Name of Substation	Name of Town
1	Lapalang	Shillong
2	Umjarain	Shillong
3	Mawpat	Shillong
4	Charphalong	Shillong
5	Mawiong Police Batalian	Shillong
6	Williamnagar	Williamnagar
7	Resubelpara	Resubelpara
8	Dobasipara	Dobasipara
9	Tura Rongkong	Tura
10	Jyntru	Nongpoh
11	Smit	Shillong
12	Umiew	Shillong
13	Khyletreshi	Jowai
14	Tura	Tura
15	Chirangre	Tura

Project Benefit

- Accurate measurement & Improvement in reliability of the power supply.
- 24x7 power supply for consumers in urban area.
- Reduction of Losses to meet AT&C loss reduction trajectory.
- Improvement in quality of supply like voltage level, PF etc
- Prompt and effective solution to the consumer queries / grievances

4. North Eastern Region System Improvement Project (NERPSIP)

Recognizing the critical need to improve the performance of the transmission and distribution networks, the Government of India (GoI) has developed a comprehensive scheme for NER in consultation with POWERGRID and the State Governments to (i) augment the existing transmission and distribution infrastructure to improve the availability and reliability of service delivery across all the NER states; and (ii) build institutional capacity of the power utilities/ departments in NER. This network expansion scheme is part of GoI's wider efforts to extend last mile electricity connectivity to households and to have 24 x 7 Power for All. Under the proposed scheme, to be financed jointly by the GOI and the World Bank, investments for augmenting transmission and distribution networks (up to 33kV), and technical assistance and capacity building will be provided to key sector stakeholders.

Three number of packages awarded for Meghalaya are as follows:

Sl. No.	Name of the agency	Package Name	Award Cost (Rs. In Cr.)
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3	M/s NECCON Power & Infra Ltd.	MEG-DMS-01 – Jaintia Hills	37
4	M/s NECCON Power & Infra Ltd.	MEG-DMS-02- West Garo Hills	33
5	M/s NECCON Power & Infra Ltd.	MEG-DMS-03- East Khasi Hills	48
			118

The Scope of Works are as follows:

Particulars	Total Scope (Nos.)
New 220/132/33kV Substation	4
220/132/33kV Extension / Augmentation Substation	2
New 33/11kV Substation	11
33/11kV Extension / Augmentation Substation	4
220kV & 132kV Transmission Line	3
33kV Transmission Line	17
LIVE LINE 132 kV OPGW	7
Total	48

Status of NERPSIP:

DMS-01 (Jaintia Hills)

1. 33/11 kV Mynkre S/S -2 x 5 MVA

Balance Works:

Laying and termination of 11kV XLPE 3Cx400 sq.mm power cables from Transformer to C/R.
Laying and termination of 11kV XLPE 3Cx120 sq.mm power cables for 11kV Outgoing feeders.
Station Transformer, LM treated earthing balance.
Pre commissioning testing procedure yet to be done

2. 33/11 kV Rymbai S/S - 1x 5 MVA

Balance Works:

Laying and termination of 11kV XLPE 3Cx400 sq.mm power cables from Transformer to C/R.
Laying and termination of 11kV XLPE 3Cx120 sq.mm power cables for 11kV Outgoing feeders.
LM (1nos.) C/R panels (1nos), Outgoing feeder (2nos.), treated earthing
Earthmat laying-60% balance
Control room painting works
Fencing of switchyard area.
Pre commissioning testing procedure yet to be done.

3. 33/11kV Byndihati SS – 2 x 5 MVA

Balance Works:

Laying and termination of 11kV XLPE 3Cx400 sq.mm power cables from Transformer to C/R.
Laying and termination of 11kV XLPE 3Cx120 sq.mm power cables for 11kV Outgoing feeders.
LM (1nos.) C/R panels (1nos), Outgoing feeder (2nos.), treated earthing
Earthmat laying-60% balance
Control room painting works
Fencing of switchyard area.
Pre commissioning testing procedure yet to be done.

4. 33/11 kV Sutnga S/S -2 x 10 MVA

Balance Works:

- Re-cabling & termination work along with fixing of missing components to be completed in C&R panels

/ Battery Charger.

- Pre commissioning testing procedure yet to be done.

DMS-03 (Khasi Hills)

	Particulars	Parameters	Status
A	New 33/11KV substation		
1	Mawpat (Belfontte)	2x10 MVA	Completed but not yet operationalised.
2	New Shillong Mawkasiang	2x10 MVA	Completed but not yet commissioned due to non availability of man power. Temporary arrangement of man power by transfer from Mawpat (Belfontte) to Mawkasiang, but before taking over, it was found battery is not functioning properly. 33Kv incoming feeder is temporarily taken from 132/33KV, 5MVA IIM substation.
3	Construction of New 33/11KV substation at Mawkynrew	2x5 MVA	98% completed. Stringing of OPGW inside the Switchyard. Water logging near the Gate due to improper drainage and fencing foundation. Installation of Gang Switch for Station Service transformer is at a height where it is not easy to operate.
4	Construction of New 33/11KV substation at Mawryngkneng	2x7.5 MVA	95% completed. Internal wiring and painting works of the C/Room is yet to be taken up. Installation of Gang Switch for Station Service transformer is at a height where it is not easy to operate. XLPE Cables yet to be installed from Panels to the 11KV 4(four) Pole structure.
B	Augumentation of 33/11KV substation		
1	SE Falls	2x5MVA to 2x10MVA	Transformer charged but laying of panels yet to be completed
2	Bay Extension at 33/11KV Jongksha substation and installation of Panel Room	NA	Completed
C	New 33KV line		
1	From 220/132/33 KV s/s to 33/11KV Mawpat s/s Belfontte)	10.72km	In progress. ROW problem at Mawpat. 80% completed
2	From 220/132/33 KV s/s to 33/11KV New Shillong Mawkasiang s/s	3.862km	Completed
3	Existing 33KV line from 33/11KV SE Falls s/s to 33/11KV Mawpat s/s	2.33km	Work stopped due to ROW at Pynthor dongkadiang. Workmanship is very poor.
4	Construction of New 33KV line from Jongksha to Mawkynrew	6.5 Km	92% completed. Stringing of OPGW from Jongksha to Mawkynrew. Low overhead clearance from ground in 2-locations along the hill top needs to be rectified.

5	Re-conductoring of 33KV line (S/C) from Mawlyndep to Happy Valley	7.9 Km	Work completed, except in one span (1-phase conductor) at Sohryngkham area due to damage of conductor at many places was observed strands twisted and opened needs to be replaced.
6	Re-conductoring of 33KV line (D/C) from Happy Valley (MES tapping point) to Lad Nongkrem substation	6.5 Km	Work yet to be started
7	Construction of New 33KV line (S/C) from New Shillong (Saisiej) GIS to Mawryngkneng ss	17.23 Km	80% completed. 2-locations of the 11KV line crossing above the 33KV line and 3-locations of LT line crossing above the 33KV line which needs to be rectified. In many locations needs to be rectified due to low overhead clearance and poor performance of works which needs to be rectified.
8	LILO of 33KV existing Jowai - Lad Nongkrem line at Mawryngkneng ss	1 Km	90% completed.1(one) location pending. 4-Pole structure slanting needs to be rectified.
9	Re-construction of New 33KV line (S/C) along the existing route from Mawlyndep 132/33KV ss to Mawryngkneng ss	6.09 Km	25% completed.145 of poles were erected out of 172. Fitting of accessories are yet to be executed.

Activities done during FY 2022-23 under the O/o the Chief Engineer (Commercial), MePDCL, Shillong:

Annual Energy Audit (Accounting) Report:

During the financial year 2022-23 MePDCL for the first time, was able to submit the Annual Energy Audit (Accounting) reports to BEE in compliance with the Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in Electricity Companies) Regulation, 2021. The reports for FY 2020-21 & 2021-22 were submitted on 27th January, 2023 and 2nd February, 2023 respectively and the same were acknowledged by BEE on 31st January, 2023 and 3rd February, 2023. The reports have also been posted at MeECL website.

Tariff:

During the year MePDCL had filed Petition for revision of Tariff for FY 2023-24 in time. Further, it had filed true up petitions for FY 2020-21 & 2021-22, review petitions against the True Up Orders FY 2018-19 & 2019-20. Accordingly, MSERC had issued orders for true up of FY 2020-21 and review orders for True up FY 2018-19 & 2019-20.

T&D Loss and AT&C Loss:

The T&D loss and AT&C Losses of FY 2022-23 vis-avis FY 2021-23 & 2020-21 are as follows -

FY	T&D Loss		AT&C loss
	MU	%	
2020-21	491.69	27.04	26.72
2021-22	512.33	24.85	24.96
2022-23	408.35	19.20	28.00

From the above table it can be seen that even though the T&D loss has reduced drastically however, due to low collection efficiency, the AT&C Loss for FY 2022-23 is higher than that of FY 2020-21

& 2021-22. One of the factors which contributed to low collection efficiency is because the industrial consumers which were billed on normal category (IHT/ IEHT) made payment on Special Tariff category.

Unified Billing Software:

It was during the month of October 2023 that all consumers (other than the prepaid conventional metered consumers) have been brought into one Unified Billing Software (UGO Billing software). With the implementation of the unified Billing software the billing could be streamline to the great extend. The status of billing for the month of March 2023 vis-à-vis November 2022 is as follows –

Parameters	Nov '22	Mar '23
Billing %	79.80	89.80
OK Billing %	62.80	71.00
HT Billing %	92.80	97.10
Online payment	24.00	28.00

Meghalaya Power Distribution Sector Improvement Project (Externally Aided Project) under ADB assistance:

The project will strengthen and modernize the power distribution network, reduce technical and commercial losses, and improve the power quality of the distribution network in Meghalaya State. The project will enhance the institutional capacity of Meghalaya Power Distribution Corporation Limited (MePDCL) by (i) supporting the preparation of a distribution sector road map and financial road map to improve MePDCL's planning capability, and financial performance and sustainability; (ii) introducing innovative components in project design; and (iii) building MePDCL's capacity to monitor project implementation, including the environmental and social impacts of projects. The project will also support pilot testing of gender and socially inclusive renewable mini grid energy systems, which have the potential for future replication.

Scope of works and status as on year 2022-23 are as follows:

S	Package Name	Scope	Date of Award	Physical Progress FY2022-23 (%)	Financial Progress FY2022-23 (%)
1	33/11KV Substation, East Khasi Hills	Construction of New 33/11KV Substation - 7 Nos	16.11.2020	41.14 %	26.50%
		Augmentation / Bay extension of existing 33/11KV Substation - 11 Nos			
		Mobile Substation, 3.15MVA, 33/11KV - 1 No			
		2500LPH Oil Filter Plant - 1 No			
2	33/11KV Substation, West Khasi Hills	Construction of New 33/11KV Substation - 5 Nos	24.11.2020	67.62 %	30.38%
		Augmentation / Bay extension of existing 33/11KV Substation - 10 Nos			
3	33/11KV Substation, East Garo Hills	Construction of New 33/11KV Substation - 8 Nos	24.11.2020	8.40%	8.94%
		Augmentation / Bay extension of existing 33/11KV Substation - 10 Nos			
		2500LPH Oil Filter Plant - 1 No			
4	33/11KV Substation, West	Construction of New 33/11KV Substation - 4 Nos	16.11.2020	80.22%	58.33%

	Garro Hills	Augmentation / Bay extension of existing 33/11KV Substation - 13 Nos			
		2500LPH Oil Filter Plant - 1 No			
5	Smart Metering	Replacement of 1Ph Consumer Meters - 1,78,022 Nos	16.02.20 21	65.34%	41.98%
		Replacement of 3Ph Consumer Meters - 1,978 Nos			
		Spare 1Ph Consumer Meters - 19,483 Nos			
		Spare 3Ph Consumer Meters - 517 Nos			
		DT Meters - 6,500 Nos			
		HT Bulk Consumer Meters - 285 Nos			
		LT Bulk Consumer Meters - 230 Nos			
		Advance Metering Infrastructure System and others			
6	Project Implementation Consultant	Project Consultation for 30 months for ADB assisted projects.	15.03.20 21	70.09%	50.00%
7	33KV & 11KV Lines Development in Garo Hills Circles (East & West)	New 33KV S/C Line with Wolf/Raccoon Conductor – 201 Ckm	07.05.20 21	6.28%	7.95%
		New 33KV S/C Line with Wolf Conductor on Lattice Towers – 217 Ckm			
		New 11KV S/C Line with Raccoon Conductor – 65.15 Ckm			
		Re-conductoring of 33KV Line with Wolf Conductor – 135 Ckm			
		Re-conductoring of 11KV Line with Raccoon Conductor – 48 Ckm			
		Replacement of 11KV rusted poles – 5910 Nos			
		Supply & Installation of 11KV Auto Re-closures – 19 Nos			
		Supply & Installation of Fault Passage Indicators on Lines – 324 Nos			
		Supply of Maintenance Vehicles – 4 Nos			
8	33KV & 11KV Lines Development in Khasi Hills Circle (East & West)	New 33KV S/C Line with Wolf/Raccoon Conductor – 269 Ckm	07.05.20 21	0.1%	7.46% (Mobilizati on advance)
		New 33KV S/C Line with Wolf Conductor on Lattice Towers – 3.2 Ckm			
		New 33KV Line on Covered Conductor (100 Sqmm) – 52 Ckm			
		New 11KV S/C Line with Raccoon Conductor – 380.8 Ckm			
		Re-conductoring of 33KV Line with Wolf Conductor – 162 Ckm			
		Re-conductoring of 11KV Line with			

		Raccoon Conductor – 140 Ckm			
		Replacement of 11KV rusted poles – 400 Nos			
		Supply & Installation of 11KV Auto Reclosures – 117 Nos			
		Supply & Installation of Fault Passage Indicators on Lines – 273 Nos			
		Supply of Maintenance Vehicles – 4 Nos			
9	Distribution Roadmap	Distribution asset survey and GIS mapping, Network development roadmap, Knowledge transfer, Training and Capacity building, Distribution Construction Standards, Approach and methodology (in 7 Circles)	23.12.2022	40%	17%

Revamped Distribution Sector Scheme (RDSS)

The government of India has approved the Revamped Distribution Sector Scheme (RDSS) to help DISCOMs improve their operational efficiencies and financial sustainability by providing result-linked financial assistance to DISCOMs to strengthen supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks. The scheme has an outlay of Rs 3,03,758 Crore over 5 years i.e. FY 2021-22 to FY 2025-26. The outlay includes an estimated Government Budgetary Support (GBS) of Rs 97,631 Crore.

The Scheme has the following components:

Part A –

Component I: Metering (Sanctioned accord vide dated 14-07-2022- Rs 307.82 Cr)

Component II: Distribution Infrastructure Works

a. Loss Reduction (Sanctioned accord vide date 14-07-2022- Rs 784.72 Cr)

b. System Modernization (will be sanctioned based on performance)

Component III: Project Management

Part B – Training & Capacity Building and other Enabling & Supporting Activities

Objective of the Scheme:

To Improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient Distribution Sector.

To Reduce the AT&C losses to pan-India levels of 12-15% by 2024-25.

To Reduce ACS-ARR gap to zero by 2024-25.

Scope of works:

Sl. No.	Work	Scope	Status as on 31.3.2023
1	Consumer Smart Prepaid Metering including Smart Feeder & DT metering	Consumer Metering – 4,60,000 DT Metering – 11,419 Feeder & Boundary Metering - 1324	Tendering Stage
2	Distribution Infrastructure	Conversion of LT line to HT, Reconductoring	Tendering Stage

	Works (Loss Reduction)	of 33KV & 11KV line using Covered Conductor, New 11KV line, Conversion of bare LT to covered cable, New LT AB Cable, New DTR of 63VA, 100KVA & 250KVA	
3	IT/OT (Utility Billing System)	Consumer Billing for 6,70,000 numbers	Tendering Stage
4	Project Management Agency (PMA)	Consultancy Services for Infrastructure Works and Smart Metering	Tendering in process

BOARD OF DIRECTORS

At the beginning of the financial year 2022-23, the following was the composition of the Board of Directors of the Company:

1. Shri. D. P. Wahlang, IAS - Chairman-cum-Managing Director
2. Shri Ambrose Ch. Marak, IAS - Director (Corporate Affairs)
3. Shri P. Bakshi, IAS - Director (Finance)
4. Shri L. M. Sangma - Independent Director
5. Shri R.Syiem : Director (Distribution)

During the year, following changes occurred in the composition of the Board of Directors:

1. Shri. D. P. Wahlang, IAS ceased as the Chairman-cum-Managing Director of the Company with effect from the 7th October, 2022 (date of handing over of charge).
2. Shri Sanjay Goyal, IAS was appointed as the Chairman-cum-Managing Director of the Company with effect from the 7th October, 2022 (date of taking over of charge).
3. Shri Ambrose Ch. Marak, IAS ceased as the Director (Corporate Affairs) of the Company with effect from the 22nd November, 2022 (date of handing over of charge).
4. Shri D. Hynniewta, MCS was appointed as the Director (Corporate Affairs) of the Company with effect from the 22nd November, 2022 (date of taking over of charge).
5. Shri P. Bakshi, IAS ceased as Director (Finance) of the Company with effect from 17th August, 2022 (date of handing over of charge).
6. Shri Ramakrishna Chitturi, IAS was appointed as the Director (Finance) of the Company with effect from the 7th October, 2022 (date of taking over of charge).
7. Smt. Merilyn Nellie Nampui was appointed as the Independent Director of the Company with effect from 8th July, 2022 (date of taking over of charge).
8. Shri R. Syiem ceased as the Director (Distribution) of the Company with effect from the 31st October, 2022 (date of handing over of charge).
9. Shri Moonstar Shangpliang appointed as the Director (Distribution) with effect from 31st October, 2022 (date of taking over of charge).

As on date of approval of this Directors' Report, the following is the strength of your Board:

- | | |
|------------------------------|--|
| i. Shri S. Goyal, IAS | : Chairman-cum-Managing Director |
| ii. Shri C. Ramakrishna, IAS | : Director (Finance) |
| iii. Smt. I. Majaw | : Director (Corporate Affairs) |
| iv. Shri P. Sahkhar | : Director (Distribution) |
| v. Shri L. M. Sangma | : Independent Director |
| vi. Smt. M.N. Nampui | : Independent Director and Woman Director. |

AUDIT COMMITTEE:

During the financial year 2022-23, following are the members of the audit committee:

- | | |
|-------------------------------------|----------|
| i) Independent Director | Chairman |
| ii) Director (Corporate Affairs) | Member |
| iii) Independent cum woman Director | Member |
| iv) Company Secretary | Convener |

PLACING OF ACCOUNTS BEFORE THE AUDIT COMMITTEE:

Due to vacancy in the post of the Director (corporate Affairs), the Audit Committee could not be constituted and therefore, the annual accounts of the company for the financial year 2022-23 could not be placed before the Audit Committee.

APPOINTMENT OF WHOLE TIME DIRECTOR

Shri. M. Shangliang was appointed as the Director (Distribution), Whole Time Director of the Company on 31st October, 2022.

APPOINTMENT OF INDEPENDENT DIRECTOR AND WOMAN DIRECTOR

As per the provisions of section 149 of the Companies Act, 2013 read with the relevant rules thereon, two Independent Directors including one Woman Director namely Shri L. M. Sangma and Smt. M.N. Nampui are appointed by the Governor of Meghalaya in the Board of MeECL and its three subsidiary companies.

Smt. M.N. Nampui was appointed as the Independent and Woman Director of the company on 08-07-2022 and Sri. L. M. Sangma was appointed as the Independent Director on 15.12.2020.

The Independent Directors are the members of the following committees formed by the Board:

- i. Audit Committee
- ii. Nomination and Remuneration Committee

DECLARATION BY THE INDEPENDENT DIRECTOR

The Independent Directors of the Company have given the certificate of independence for the Financial Year 2022-23 to your Company stating that they meet the criteria of independence as mentioned under section 149(6) of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL (KMP) OF THE COMPANY

As per the provisions of section 203 of the Companies Act, 2013, at the beginning of the financial year 2022-23 the following persons were designated/appointed as the Key Managerial Personnel (KMP) of your company:

- i. Shri. D. P. Wahlang, IAS - Chairman-cum-Managing Director
- ii. Shri P. Bakshi, IAS - Director (Finance) & Chief Financial Officer
- iii. Shri R.Syiem : Director (Distribution)
- iv. Shri G. S. Mukherjee – Company Secretary

During the year, following changes occurred in the list of KMP:

- a. Shri. D. P. Wahlang, IAS ceased as the Chairman-cum-Managing Director of the Company with effect from the 7th October, 2022 (date of handing over of charge).
- b. Shri Sanjay Goyal, IAS was appointed as the Chairman-cum-Managing Director of the Company with effect from the 7th October, 2022 (date of taking over of charge).
- c. Shri P. Bakshi, IAS ceased as Director (Finance) of the Company with effect from 17th August, 2022 (date of handing over of charge).

- d. Shri Ramakrishna Chitturi, IAS was appointed as the Director (Finance) of the Company with effect from the 7th October, 2022 (date of taking over of charge).
- e. Shri R. Syiem ceased as the Director (Distribution) of the Company with effect from the 31st October, 2022 (date of handing over of charge).
- f. Shri Moonstar Shangpliang appointed as the Director (Distribution) with effect from 31st October, 2022 (date of taking over of charge)

As on the date of approval of the Director's Report, the following persons are the Key Managerial Personnel (KMP) of the Company:

- i. Shri S. Goyal, IAS - Chairman-cum-Managing Director
- ii. Shri C. Ramakrishna, IAS - Director (Finance) & Chief Financial Officer
- iii. Shri P. Sahkhar- Director (Distribution)
- iv. Shri G. S. Mukherjee – Company Secretary

NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2022-23:

A. During the financial year 2022-23, the Board of your company has hold fourteenth (14) meetings on the following dates:

1. 29TH APRIL, 2022
2. 9TH JUNE, 2022
3. 8TH JULY, 2022
4. 10TH AUGUST, 2022
5. 18TH AUGUST, 2022
6. 06TH SEPTEMBER, 2022
7. 20TH SEPTEMBER, 2022
8. 8TH NOVEMBER, 2022
9. 28TH NOVEMBER, 2022
10. 15TH DECEMBER, 2022
11. 13TH JANUARY, 2023
12. 30TH JANUARY, 2023
13. 13TH MARCH, 2023
14. 29TH MARCH, 2023

B. DATES OF AUDIT COMMITTEE MEETINGS.

During the financial year 2022-23, the Audit Committee held four (4) meetings on the following dates:

1. 19th September, 2022
2. 19th October, 2022
3. 1st November, 2022
4. 15th December, 2022

C. COMMON NOMINATION AND REMUNERATION COMMITTEE

Earlier there exists a common Nomination and Remuneration Committee for MeECL and its subsidiaries. Pursuant to the decision of the Board of Directors dated 10th August, 2022, a separate Nomination and Remuneration Committee (NRC) of the Company was formed with the following members:

- | | |
|-----------------------------------|----------|
| 1. Independent Director | Chairman |
| 2. Director (Corporate Affairs) | Member |
| 3. Independent and Woman Director | Member |

During the financial year 2022-23, the approval on promotions of officers was obtained from the common Nomination and Remuneration Committee (NRC), MeECL through circulation dated 11th August, 2022.

As on the date of approval of the Director's Report, there exists separate NRC with following members:

- i. Independent and Woman Director : Chairperson
- ii. Director (Corporate Affairs) : Member
- iii. Independent Director : Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As per section 135 (9) of the Companies Act, 2013 inserted by the Companies (Amendment) Act, 2020 provides that where the amount to be spent by a company does not exceed fifty lakh rupees, the requirement under sub-section (1) of section 135 of the Companies Act, 2013 for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee shall be discharged by the Board of Directors of such company.

RISK MANAGEMENT COMMITTEE

The Board of Directors in its meeting held on 17th November, 2023 has constituted the Risk Management Committee in compliance with the Corporate Governance Guidelines issued by the Ministry of Power, with following members:

- 1) Director (Finance), MeECL - Chairman
- 2) Sri L.M. Sangma, Independent Director --Member
- 3) Director (Corporate Affairs) -- Member
- 4) Company Secretary convener

GRIEVANCE REDRESSAL FORUM

In line with regulation 3 of the Meghalaya State Electricity Regulatory Commission Redressal of Grievances (Amendment) Regulations, 2011, the Holding Company has constituted a Forum for redressal of grievances of consumers, at Headquarter located at Lumjing Shai, Short Round Road, Shillong.

PARTICULARS OF EMPLOYEES UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014:

NIL

STATUTORY AUDITORS

M/s P Gaggar & Associates, Chartered Accountants, Guwahati, was appointed as statutory auditor of your Company for the financial year 2022-23 by the Comptroller and Auditor General (C&AG) of India. The statutory audit report on the annual accounts 2021-22 was submitted by the auditors on 24th September, 2023 the CAG has submitted the supplementary audit report on 19th February, 2024.

COST AUDIT

M/s Niran & Co., Cost Accountants, Kolkata, was appointed as the Cost Auditor of the Company for the financial year 2022-23 in compliance to Section 148 of the Companies Act, 2013 read with Companies (cost records and audit) Rules, 2014. The cost audit report for FY 2022-23 was received from the Auditor and Corporation has filed the cost audit report with the Ministry of Corporate Affairs on 17-10-2023.

MATERIAL CHANGES AND COMMITMENTS, IF ANY; AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE BALANCE SHEET RELATES AND THE DATE OF THE REPORT.

The details under the above head are incorporated in the notes to the accounts of the company for the year ending 31st March, 2023.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Particulars required under the conservation of energy, technology absorption, foreign exchange earnings and outgo, in the manner as prescribed in Rule 8(3) of the Companies (Accounts) Rules, 2014 is Nil.

STATEMENT ON DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

The management of your company is taking necessary decision from time to time for addressing/mitigating elements of risk with an objective to ensure sustainable business growth with stability and to promote pro-active approach in reporting, evaluating and resolving risks, which are associated with the business. The comprehensive risk management policy will be framed in coming years.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company's internal financial control system is commensurate with the size and nature of its business and complexity of its operations. The internal control system is designed to give assurance that correct information is provided and adequate control on all activities is implemented, with a special focus on areas of higher risk.

There is common Internal Audit Department of MeECL & Subsidiaries which carries risk focused audits across all divisions, enabling identification of areas where risk management process may need to be improved. The Internal audit reports are placed before the Audit Committee from time to time for its consideration.

Different audits like System audit, transaction audit etc. are also conducted by the Comptroller and Auditor General of India (CAG) from time to time which also highlights the risk concern areas.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year ending 31st March, 2023 no transaction occurred carrying foreign exchange.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013: NIL

PUBLIC DEPOSIT

The Company has not accepted any deposit from the public, pursuant to section 73 of the Companies Act, 2013.

ANNUAL RETURN

The Annual Return of the Company for the relevant financial year 2022-23 will be published in the website of the Corporation at www.meecl.nic.in

VIGIL MECHANISM

In compliance of Section 177(10) of the Companies Act, 2013, the necessary steps for implementation of Common policy on Vigil Mechanism for MeECL and subsidiaries have been taken and the same was published in the website of the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT

Your Company has already in place 'Prohibition of sexual harassment of working women" as per MeSEB Employees (conduct) Regulations, 1996, since adopted by MeECL. Further, a common policy on the 'prevention of Sexual harassment of Women at Workplace' for MeECL and its subsidiaries, as per the requirement of the Sexual harassment of women at Workplace (prevention, prohibition and Redressal) Act, 2013 is also in place. As on the end of the relevant financial year, the Company has not received any complaints of sexual harassment.

TRAINING AND HUMAN RESOURCE DEVELOPMENT:

The training and human resource development activities have been categorized as a common service for all the employees working with the MeECL and its three subsidiary companies and are being looked after by the Human Resource Development Center under the MeECL.

EVALUATION OF BOARD, ITS COMMITTEES AND ALL DIRECTORS:

As per notification no. G.S.R. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of Chapter IX, clause (p) of subsection (3) of section 134 Shall not apply in case the directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case may be, the State Government, as per its own evaluation methodology.

As per notification no. G.S.R. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Chapter XII, subsections (2), (3) and (4) of section 178 of the Companies Act, 2013 shall not apply to Government company except with regard to appointment of 'senior management' and other employees.

COMPLIANCE WITH SECRETARIAL STANDARD

The Board of your company is vigilant and is taking necessary steps and efforts from time to time, for complying with the applicable Secretarial Standard, issued by the Institute of Company Secretaries of India (ICSI).

STATUTORY AUDITORS' AND COMPTROLLER AND AUDITOR GENERAL (CAG) OF INDIA OBSERVATIONS AND MANAGEMENT'S REPLY THEREON:

The replies to the points referred to in the Statutory Auditors' Report and on the comments of the Comptroller & Auditor General of India are given below –

A. OBSERVATION OF THE STATUTORY AUDITORS

ANNEXURE – A

Sl.	STATUTORY AUDITORS' COMMENTS	REPLIES
	<p>ANNEXURE – A TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 2022-23 (Referred to in Para 6(1) of our report of even date)</p>	
	<p>(Referred to in paragraph 6(1) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Meghalaya Power Distribution Corporation Limited on the Standalone IndAS Financial Statement for the year ended on 31st March'2023.) In terms of the information and explanations sought by us and given by the company and the books of account and records</p>	

	examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:	
1	<p>1 (a) (A) The company has not maintained Fixed Assets Register as per the requirement laid down in the Companies Act. The Fixed asset register maintained by the company does not contain specific details about the quantitative details, location and identification of such assets. Further, the Fixed Asset Register, as maintained, by the company is not in reconciliation with the books of accounts and as such, we cannot comment on the completeness and accuracy of the same.</p> <p>(B) The Company has not maintained proper records showing full particulars of intangible assets.</p> <p>(b) According to the information and explanations given to us and on the basis of our examination of the record, the Company does not have approved fixed asset physical verification policy. Further the company has not performed physical verification of fixed assets for the F.Y. 2022-23. Having regard to the size of the organization, we are of the opinion that the physical verification process has not been conducted at reasonable intervals. In the absence of physical verification report, we are unable to quantify the consequential impact of the outcome of such verification on the financial statements.</p> <p>(c) The title deeds of immovable properties of some of the divisions were produced to us for our verification; hence we are unable to comment upon the other divisions that the company has recorded title deeds in its own name in respect of all the immovable properties in the possession of the company. The</p>	<p>1.a.A - The matter is noted.</p> <p>1.a.B - The matter is noted</p> <p>1.b - The matter is noted.</p> <p>1.c - The matter is noted.</p>

	<p>management has informed us that the company is in the process of getting its name incorporated in the various assets and liabilities transferred to it from its holding company. As per provisions of The "Meghalaya Power Sector Reforms Transfer Scheme 2010" and till date major part of the assets transferred to the company are still in the name of its Holding Company i.e. Meghalaya Energy Corporation Limited.</p> <p>(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment or Intangible Assets during the year ended March 31, 2023. Accordingly the reporting requirements under Provisions of the clause 3(i)(d) of the order are not applicable to the Company.</p> <p>(e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.</p>	<p>1.d - The matter is noted</p>
2	<p>a) With reference to our comments in Annexure C of the Audit Report, and according to the information and explanations given to us the inventory in 16 divisions out of 18 inventory holding divisions have been physically verified by the management at reasonable intervals. The company has not reconciled the value and quantity of physically verified inventory with the books of accounts and in the absence of such reconciliation, we are unable to quantify the consequential impact of the outcome of such verification on the financial statements.</p>	<p>The matter is noted</p>
	<p>b) In our opinion and according to the information and explanations given to us, the company has not been sanctioned working capital limits in excess of Rs. Five Crores in aggregate from Banks and/or Financials Institution during any point of time of the year on the basis of security of current assets. Accordingly, the requirements to report on clause 3(ii)(b) of the Order is</p>	

	not applicable to the Company.	
3	<p>With reference to our comments in Annexure C of the Audit Report, we would like to that the company has included various ledger balances in its related party advances that are predominantly used by the company to account for transfers/transactions between the various division/sub-division/HQ of the company. In our opinion and based on the details provided to us, inclusion of such balances in related party balances is incorrect. Further the company could not provide us the actual balances of all the related parties along with related party confirmations. Accordingly, we are unable to comment if the company has granted any loan or advances in nature of loan, secured or unsecured to its Holding and Fellow Subsidiaries.</p> <p>Subject to above, the Company has not provided any guarantee or security or granted any loans or advances in nature of loan, secured or unsecured to any other company (except for its Holding and Fellow Subsidiaries), firms, Limited Liability partnerships or any other parties during the year and accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable to the Company.</p>	The matter is noted
4	<p>With reference to our comments in Annexure C of the Audit Report, we would like to that the company has included various ledger balances in its related party advances that are predominantly used by the company to account for transfers/transactions between the various division/sub-division/HQ of the company. In our opinion and based on the details provided to us, inclusion of such balances in related party balances is incorrect. Further the company could not provide us the actual balances of the all related parties along with related party confirmations. According, we are unable to comment if the company has complied with the provisions of section 185 and 186 of the act.</p>	The matter is noted
5	<p>In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits during the year. However there is a share application money received from Meghalaya Energy Corporation Limited (MeECL), which is pending allotment amounting to Rs. 27,704.56 Lakhs which shall be considered as deemed deposits within the meaning of Section 73 to 76 of the Companies (Acceptance of Deposits Rules, 2014 (as amended). The company has not made the requisite compliances under the companies Act.</p>	<p>The Subsidiaries are receiving funds from the State Government through MeECL (i.e. Holding Company) in the form of Grant/Loans etc. and at that stage, there are no specific order/Communication from the Government to treat it as "application money" as mentioned under Section 42(6) of the Companies Act. However after approval of the</p>

		<p>Promoter represented by the shareholder (100% holding by Government of Meghalaya) in General Meeting or by the Board of Directors, to treat it as equity capital, the aforesaid Fund become application money as on the date of approval.</p> <p>Accordingly, the equity shares are issued within the stipulated time period from the date of approval in compliance to Section 42(6) of the Companies Act.</p>
6	<p>The Central Government has prescribed maintenance of Cost records u/s 148(1) of the Act for the products of the Company. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Records and Audit) Rules 2014, prescribed by the Central government under section 148(1) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have however not made a detailed examination of the said records with a view to determine the accuracy or completeness of the record.</p>	
7	<p>a) With reference to our comments in Annexure C of the Audit Report, the company could not provide us with requisite details & information with respect to transaction and payment of statutory and as such, we are unable to comment as to whether the Company has been regular in depositing undisputed statutory dues including Goods and Service tax, Provident Fund, Employees State Insurance, Income-Tax, Electricity Duty, Cess and any other statutory dues with the appropriate authorities. Further, in absence of information, we cannot comment if there are undisputed amounts payable in respect of statutory dues which were outstanding at the year end for a period of more than six months from the date they became payable.</p>	The matter is noted
	<p>b) The company could not provide us with requisite details & information and as such, we are unable to comment as to whether there are any dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.</p>	The matter is noted
8	<p>According to the information and explanation given to us, The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.</p>	
9	<p>a) Based on our audit, and as per the information and explanation given by the management, the company has defaulted in the repayment of dues of principal or</p>	There has been instances of delay in servicing of dues towards interest and Principal, however, the

	<p>interest on loan to the financial institutions, banks and Government. However, the company could not provide us with complete details & information with respect of all these defaults. Defaults as per details provided by the company is as follows:</p> <table border="1" data-bbox="316 374 1019 1051"> <thead> <tr> <th data-bbox="321 374 488 645">Nature of borrowing including debt security</th> <th data-bbox="488 374 662 645">Name of Lender</th> <th data-bbox="662 374 748 645">Amount in Rs. Lakhs</th> <th data-bbox="748 374 911 645">Whether Principal or Interest</th> <th data-bbox="911 374 1015 645">No. of days delay or unpaid as on 31.03.2023</th> </tr> </thead> <tbody> <tr> <td data-bbox="321 645 488 782">Term Loan under Rural Electric Corporation</td> <td data-bbox="488 645 662 782">REC Ltd</td> <td data-bbox="662 645 748 782">204.00</td> <td data-bbox="748 645 911 782">Interest & Principal</td> <td data-bbox="911 645 1015 782">0 to 90 Days</td> </tr> <tr> <td data-bbox="321 782 488 920">Term loan under Atmanirbhar Scheme</td> <td data-bbox="488 782 662 920">REC Ltd</td> <td data-bbox="662 782 748 920">904.82</td> <td data-bbox="748 782 911 920">Interest & Principal</td> <td data-bbox="911 782 1015 920">0 to 59 Days</td> </tr> <tr> <td data-bbox="321 920 488 1051">Term Loan from State Government</td> <td data-bbox="488 920 662 1051">Govt. of Meghalaya</td> <td data-bbox="662 920 748 1051">354.56</td> <td data-bbox="748 920 911 1051">Interest & Principal</td> <td data-bbox="911 920 1015 1051">0 to 365 Days</td> </tr> </tbody> </table>	Nature of borrowing including debt security	Name of Lender	Amount in Rs. Lakhs	Whether Principal or Interest	No. of days delay or unpaid as on 31.03.2023	Term Loan under Rural Electric Corporation	REC Ltd	204.00	Interest & Principal	0 to 90 Days	Term loan under Atmanirbhar Scheme	REC Ltd	904.82	Interest & Principal	0 to 59 Days	Term Loan from State Government	Govt. of Meghalaya	354.56	Interest & Principal	0 to 365 Days	<p>Corporation has ensured that such delays in servicing of the said dues has not lapsed into NPA i.e., the dues were cleared before the 90th day from the due date.</p>
Nature of borrowing including debt security	Name of Lender	Amount in Rs. Lakhs	Whether Principal or Interest	No. of days delay or unpaid as on 31.03.2023																		
Term Loan under Rural Electric Corporation	REC Ltd	204.00	Interest & Principal	0 to 90 Days																		
Term loan under Atmanirbhar Scheme	REC Ltd	904.82	Interest & Principal	0 to 59 Days																		
Term Loan from State Government	Govt. of Meghalaya	354.56	Interest & Principal	0 to 365 Days																		
	<p>b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.</p>																					
	<p>c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, except for in case of Term Loan received from Government of Meghalaya, where requisite information was not made available to verify the purpose of such loan were sanctioned by the Government.</p>	<p>The matter is noted</p>																				
	<p>d) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of short term loans. Accordingly, the provisions of clause 3 (ix) (d) of the Order are not applicable to the Company.</p>																					
	<p>e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.</p>																					
	<p>f) The Company does not have any subsidiary, associate or</p>																					

	joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.	
10	a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.	
	b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.	
11	a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.	
	b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by using Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.	
	c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.	
12	The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.	
13	Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone IndAS financial statements, as required by the applicable accounting standards.	
14	a) In our opinion and based on our examination, the company has an internal audit system, however the same is not commensurate with the size and nature of its business.	The matter is noted
	b) The Internal Audit team of the company has audited only 1 Division of the company for F.Y. 2022-23 (out of total 23 Divisions/Units). The audit report has been provided to us for verification and has been considered by us for determining the nature, timing and extent of our audit procedures.	The matter is noted
15	The Company has not entered into any non-cash transactions	

	with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.	
16	The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) to 3(xvi)(d) of the Order is not applicable to the Company.	
17	The Company has incurred cash losses approximately amounting to Rs. 18,657.95 Lakhs in the current year and amounting to Rs. 14,970.73 Lakhs in the immediately preceding financial year respectively. Cash losses has been calculated by reducing the Grant amortisation and adding the depreciation to the Net Profit after taxes of the company.	The matter is noted
18	There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.	
19	According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company.	
	We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.	
20	The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.	
21	The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.	

ANNEXURE C

	ANNEXURE C TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 22-23 (Referred to in Para 2 of our report of even date)	
A	A. NOTE 1: COMPANY INFORMATION AND SIGNIFICANT ACCOUNTING	

	<p><u>POLICIES</u></p> <p>1. Clause 10 Government Grants: As per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance', government grant for capital assets is recognized in the Statement of Profit and Loss on a systematic basis over the period, in which the entity amortizes the related costs of such capital asset. However, the Company assumes that the creation of assets against capital grants received during the period take more than a year for completion and the same are thereby booked under capital work-in-progress and amortized @5.28% of their opening balance for the reporting period. Due to non-availability of sufficient and appropriate audit evidence with regard to utilization of grants, we are unable to comment on the consequential impact of the policy followed by the company with respect to amortization of Grants on the Standalone Financial Statements of the Company.</p>	<p>The matter is noted</p>
<p>B</p>	<p><u>B. NOTE 2: PROPERTY, PLANT AND EQUIPMENT: Rs. 1,04,213.06 lakhs</u></p> <p>1. The company has not maintained Fixed Assets Register as per the requirement laid down in the Companies Act. The Fixed asset register maintained by the company does not contain specific details about the quantitative details, location and identification of such assets. Further, the Fixed Asset Register, as maintained, by the company is not in reconciliation with the books of accounts. Due to non-availability of sufficient and appropriate audit evidence with regards to the completeness and accuracy of the fixed assets, we are unable to comment on the consequential impact on the Standalone Financial Statements of the Company.</p> <p>2. The company has not disclosed a list of title deeds of immovable properties (other than properties where the company is lessee and the lease agreements are duly executed in favour of the lessee) which are not held in the name of the company. However, as per our sample testing, we have noted that various immovable properties used by the company are not registered in the name of Company, but are registered in the name of the holding company, Meghalaya Energy Corporation Limited.</p> <p>3. The Company could not produce before us for verification an approved Physical verification policy of the company. Further the company has not performed physical verification of fixed assets for the F.Y 2022-23. In absence of such policy and the Physical Verification report, we cannot comment on the existence of assets of the company.</p> <p>4. The company has capitalized Property, plant and equipment to the tune of Rs. 47,993.21 Lakhs during the financial year from Capital Work in Progress. Out of this, assets of Rs. 47,795.98 Lakhs were put to use prior to F.Y. 2022-23. The company has taken has shown the same as additions during the year but depreciation on these asset were taken as prior period expense to the tune of Rs. 2142.54 Lakhs. This is not in accordance with the principles of IND AS 16 "Property, Plant and Equipment". Further, the Company could not produce before us for verification the detailed Work Completion Certificate mentioning the area, amount, date, scheme name, contractor name, etc based on which such capitalization was done. In absence of the complete details, reconciliation or audit trail, we are unable to quantify the impact of on the depreciation and value of fixed assets.</p>	<p>1. The matter is noted.</p> <p>2. The matter is noted.</p> <p>3. The matter is noted.</p> <p>4. The matter is noted.</p>

	<p>5. The company has not applied the provisions for impairment of assets as per the requirements of Ind AS 36 "Impairment of Assets" and as such we are unable to comment on the impact of impairment, if any, on account of impairment of assets.</p> <p>6. Based on our sample testing, Insurance coverage has not been done for Property, Plant and Equipment except for vehicles in use.</p>	<p>5. The matter is noted</p> <p>6. The matter is noted</p>
C	<p>C. NOTE 3: CAPITAL WORK-IN-PROGRESS: Rs.1,00,810.36 Lakhs</p> <p>1. The company could not provide us with complete scheme wise details or asset wise details of the CWIP/Capital Stock along with put to use/commissioning dates, if any. In absence of the complete reconciliation or audit trail, we are unable to quantify the impact of non-capitalization of Capital work in progress/Capital Stock on the depreciation and value of fixed assets.</p> <p>2. Based on our verification, we have observed that there is a significant delay in issuance of Work Completion Certificate. In many cases, it is also observed that Work Completion Certificate has not been issued at all. Due to this delay/non-receipt of Work Completion Certificate, the company has not capitalized assets accounted in 66 ledgers to the tune of Rs. 17,003.21 lakhs, wherein no transactions have been taken place during the financial year 2022-23. In absence of the complete details, reconciliation or audit trail, we are unable to quantify the impact of non-capitalization of Capital work in progress on the depreciation and value of fixed assets.</p> <p>3. The company has passed rectification entries of Rs. 21,491.21 Crores during the financial year. The company, however, could not produce before us for verification complete details of inaccuracies rectified and in absence of such details, we are unable to quantify the impact, if any, on the balance of CWIP.</p>	<p>1. Reconciliation of various works in progress is under process.</p> <p>2. The matter is noted. The Firm Fiscus Consilium Private Limited, has been appointed for the above works.</p> <p>3. The rectification was carried out as various provisions and ATDs with regards to various Central Schemes was not accounted for in the Divisions and HQ. The working sheets had been provided to</p>

	<p>4. As observed during the course of audit, interest paid/ payable on RAPDRP loan amounting to Rs 1046.31 lakhs and IPDS Loan amounting to Rs. 53.99 lakhs have been charged to Profit and Loss A/c, however the corresponding assets of RAPDRP and IPDS are lying in CWIP. Thus, the treatment of interest as an expense is not in accordance with the principles of IND AS 23 "Borrowing Costs". Interest expenses are overstated and CWIP is understated by Rs. 1100.30 Lakhs.</p>	<p>the Auditors. However, the same is required to be reviewed and further rectification s as required will be taken up in subsequent periods.</p> <p>4. With regards to IPDS, the matter will be taken up in subsequent periods.</p> <p>With regards to RAPDRP, the matter will be scrutinized by the Corporation and necessary action, if required, will be taken up.</p>
D	<p>D. Note 4:NON-CURRENT FINANCIAL ASSETS: OTHERS Rs. 3,200.98 lakhs</p> <p>1. Balance Confirmation has not been provided to us for amount recoverable from Government of Meghalaya of Rs. 3,200.98 Lakhs. In absence of such confirmation, we are unable to comment on the completeness, accuracy and existence of the same.</p>	<p>It may be stated that partial amount has arisen from Opening balance upon trifurcation. Due to unavailability of data from the consultant firm which carried out trifurcation process for accounts, it is currently not possible to identify the</p>

		subsidiary concerned. Resolving of this issue will require detailed study of all companies together.
E	<p>E. NOTE 5: OTHER NON CURRENT ASSET: CAPITAL ADVANCES: Rs.5,782.33lakhs.</p> <p>1. Out of the total capital advances of Rs. 5,782.33 Lakhs, vendor wise breakup of Rs.5,079.40 Lakhs has been provided to us for verification. The balance amount of Rs.702.93 is unreconciled. In the absence of such a breakup, we are unable to comment on the completeness, accuracy and existence of the same.</p> <p>2. On verification of advances given to vendors under the Asian Development Bank Scheme, it was observed that statutory compliances like deduction of TDS under Income tax and GST were not adhered to.</p>	<p>1. The matter is noted.</p> <p>2. The matter is noted.</p>
F	<p>F. NOTE 6: CURRENT ASSETS: INVENTORIES: Rs. 2,159.64 Lakhs</p> <p>1. Proper inventory records could not be produced before us for verification. Complete details of Inventories such as quantity, item name, rates, etc. could not be provided to us for verification. Due to non-availability of sufficient and appropriate audit evidence, we are unable to comment on the completeness, valuation and accuracy of the inventories.</p> <p>2. The Company has conducted physical verification of inventories as on 31st March, 2023 of Sixteen Divisions. As per the company, there are 18 divisions which hold inventories. Further, the total valuation of inventory as per physical verification conducted amounted to Rs. 826.34 Lakhs, whereas, total inventory as per the books of accounts is Rs. 2,159.64 Lakhs. Further, a reconciliation of the value of inventory as per books and the physical verification could not be provided to us. Hence, we are unable to comment on the consequential impact of the outcome of such verification on the financial statements.</p> <p>3. The company has not identified non-moving, slow moving, obsolete and damaged items of inventory and has neither provided any provision for the same. This is in contravention of the requirements as laid down under Ind AS 2 - Inventories.</p> <p>4. As per the Division II - Ind AS Schedule III to the Companies Act 2013 the mode of valuation of inventories is required to be stated in the notes, however, no such disclosure has been made in the financial statements under Note 6 on Inventories.</p>	<p>1. The matter is noted.</p> <p>2. The matter is noted. The Firm Fiscus Consilium Private Limited, has been appointed for the above works.</p> <p>3. The matter is noted.</p> <p>4. The mode of Valuation of Inventory is disclosed in Note 1 (7) in the Accounting Policies of</p>

		the company.
G	<p>G. NOTE 7: CURRENT FINANCIAL ASSETS: TRADE RECEIVABLE: Rs. 90,531.52 Lakhs</p> <p>1. Complete customer wise bifurcation of trade receivables could not be produced before us for verification. In absence of such sub-ledger reconciliation, we are unable to comment on the accuracy and completeness of these balances.</p> <p>2. With respect to the outstanding balances of the consumers, the company has provided us with a consumer outstanding report (compiled by Executive Engineer, Management Information Services, MePDCL, Shillong). The total consumers outstanding balance as per the report as on 31.03.2023 is Rs. 62,939.01 Lakhs. However, the total consumer outstanding balance as per books of accounts is Rs. 71,803.44 Lakhs. The reconciliation between the figures could not been provided to us.</p> <p>3. As per the consumer outstanding report, there are 52 individual consumers having outstanding for more than Rs. 50 lakhs as on 31.03.2023 and the total outstanding balance is Rs. 24,660.57 lakhs. Out of these 52 consumers, 9 Non-Government consumers whose connection was disconnected owe Rs. 869.09 lakhs as on 31.03.2023.</p> <p>4. With respect to the outstanding balances towards Institutional Consumers (who trade in power), Unscheduled Interchange Debtors / Reactive Charges debtors, IBDF debtors etc, the total outstanding as on 31.03.2023 is Rs. 19,322.49 Lakhs. The company did not have a policy of reconciling its balances with these consumers. However, the company has recently undertaken the process of reconciling its debtors. In absence of proper reconciliation or confirmation from these vendors, we are unable to comment on the accuracy and completeness of these balances.</p> <p>5. On analyzing the average collections as compared to the electricity bills raised during the year, we have noticed that collections were abysmally low for at least 8 divisions namely, East Garo Hills Divisions, Garo Hills Revenue Division, Jowai Revenue Division (Revenue Accounts), KhilehriatDist Div (Rev), Nongpoh Distribution Div Revenue, Revenue Div Williamnagar, Tura (D) Division Rev and Western Revenue Division (Revenue). No proper explanation for the same could be provided for such low collections. Due to non-availability of sufficient and appropriate audit evidence, unable to comment on the existence of such balances.</p>	<p>1. The matter is under process of reconciliation.</p> <p>2. Reconciliation of consumer outstanding with accounts is in progress. The Firm Fiscus Consilium Private Limited, has been appointed for the above works.</p> <p>3. The matter is noted.</p> <p>4. The matter is noted.</p> <p>5. The matter is noted.</p>

	<p>6. The company has not created any provision with respect Sundry Debtors as per Expected Credit Loss Method, which is in contravention of Ind AS 109 Financial Instruments. In absence of a provision matrix and forward lookingbehavioural pattern of the customers, we are unable to quantify the consequential impact of such deviation on the overall ECL provisioning.</p> <p>7. Details of unutilized balances of prepaid consumers as on 31st March,2023 has not been provided to us.</p>	<p>6. The matter is noted.</p> <p>7. The matter is noted.</p>																																			
H	<p>H. Note 8: CURRENT FINANCIAL ASSETS: CASH AND CASH EQUIVALENTS: Rs. 6084.23 Lakhs</p> <p>1. Cash on hand Rs.197.11 lakhs</p> <p>i) The balance not only pertains to cash but also includes Cheques in hand, Postage Stamps, Postal Orders, Drafts which is not a correct depiction of cash in hand. The exact amount of cheques included in the cash balance is not made available.</p> <p>ii) Cash certificate mentioning the denomination-wise bifurcation of the Cash in hand of 22 Divisions as on 31.03.2023 was provided for verification whereas Cash Certificates of 32 Divisions were not produced before us for verification. In absence of these cash certificates, we are unable to comment on the completeness, existence and accuracy of the cash in hand.</p> <p>iii) The company has provided us with various cash reconciliation statements from respective divisions. It is observed that in various divisions, the balance of cash as per cash reconciliation statements were negative, which implies incorrect accounting by the company. Further, It is also observed that the there were differences between the balances as per cash Reconciliation statement and cash Balances reflected in books of accounts, details of which are as below:</p>	<p>1.i The matter is noted.</p> <p>1.ii The matter is noted.</p> <p>1.iii Corporation is in process of reconciling the aforementioned negative balances. The Firm Fiscus Consilium Private Limited, has been appointed for the above works.</p>																																			
	<table border="1"> <thead> <tr> <th>Division Name</th> <th>Sub-Division Name</th> <th>As per Cash Reconciliation (Rs. In Lakhs)</th> <th>As per books (Rs. In Lakhs)</th> <th>Difference (Rs. in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>East Khasi Hills (Rev)</td> <td>Pynursla</td> <td>-</td> <td>14.40</td> <td>-14.40</td> </tr> <tr> <td>East Khasi Hills (Rev)</td> <td>Cherrapunjee</td> <td>-</td> <td>100.19</td> <td>100.19</td> </tr> <tr> <td>Byrnihat Distribution Div Revenue</td> <td>Killing</td> <td>5.71</td> <td>170.91</td> <td>-165.20</td> </tr> <tr> <td>Jowaa Revenue Division (Revenue Accounts)</td> <td>Khliehtyrchi Rev</td> <td>41.53</td> <td>25.53</td> <td>16.01</td> </tr> <tr> <td>Jowai Revenue Division (Revenue Accounts)</td> <td>Khliehtyrchi Rev</td> <td>-29.19</td> <td>61.47</td> <td>32.28</td> </tr> <tr> <td>Jowai Revenue Division</td> <td>Amlarem</td> <td>2.12</td> <td>2.73</td> <td>4.85</td> </tr> </tbody> </table>	Division Name	Sub-Division Name	As per Cash Reconciliation (Rs. In Lakhs)	As per books (Rs. In Lakhs)	Difference (Rs. in Lakhs)	East Khasi Hills (Rev)	Pynursla	-	14.40	-14.40	East Khasi Hills (Rev)	Cherrapunjee	-	100.19	100.19	Byrnihat Distribution Div Revenue	Killing	5.71	170.91	-165.20	Jowaa Revenue Division (Revenue Accounts)	Khliehtyrchi Rev	41.53	25.53	16.01	Jowai Revenue Division (Revenue Accounts)	Khliehtyrchi Rev	-29.19	61.47	32.28	Jowai Revenue Division	Amlarem	2.12	2.73	4.85	
Division Name	Sub-Division Name	As per Cash Reconciliation (Rs. In Lakhs)	As per books (Rs. In Lakhs)	Difference (Rs. in Lakhs)																																	
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(Revenue Accounts)				
Khliehriat Dist Div (Rev)	Sutnga	0.11	0.01	0.10
West Khasi Hills Dist Div	Mairang Rev S/D	0.09	- 1.55	1.64
West Khasi Hills Dist Div	Nongstoin Rev S/D	-3.50	0.81	-4.31
East Garo Hills Division	Bajengdoba S/D	-	- 0.000164	0.000164
Garo Hills Revenue Division	Selsella Dist. S/D	16.84	29.97	-13.14
Jowai Distribution Div Revenue	Jowai Distribution Div Revenue	171.04	224.14	-53.10
Central Revenue Division	Mawkyrwat Rev S/D	-	1.33	1.33
Tura (D) Division Rev	Tura Rev S/D	0.30	- 1.90	2.20
Western Revenue Division (Revenue)	Umiam Rev S/D	0.88	16.33	-15.45
West Khasi Hills Dist Div	Riangdo distribution	6.26	5.19	1.07
East Garo Hills Division	Williamnagar Rev S/D	0.0223	- 0.00270	- 0.024925

Pending reconciliation, the effect of these differences on the balances appearing in the books cannot be ascertained. In the absence of complete information, we cannot comment in the consequential impact of the same on the financial statements.

2. Balance with banks Rs.5,758.80 Lakhs:

- i) Based on our verification, it was observed that many of the bank accounts appearing in the books of the company were in the name of the holding company "Meghalaya Energy Corporation Limited". As explained to us by the management, the error was due to insufficient understanding of the unbundling of the discom amongst the employees. The management is under the process of changing the name of the account holder in the banks.
- ii) Balance with schedule banks in current accounts include un-reconciled items, unidentified credits in the bank, cheques deposited but not credited etc. detailed breakup of which is not available with the company. The company has undertaken the process of reconciling the same. Pending reconciliation, the effect of these differences on the balances appearing in the books cannot be ascertained and the impact of the above on the Revenue Account, Assets & Liabilities could not be determined.

2.i The matter is noted.

2.ii Corporation is in process of reconciling the same. The Firm Fiscus Consilium Private Limited, has been appointed for the above works.

	<p>iii) The company has not provided us with bank reconciliation statement as on 31.03.2023 for 11 bank accounts. Further, out of the reconciliation statements provided by the company, reconciliation for 18 bank accounts were not proper as balance as per books in the reconciliation was not matching with the actual balance of the respective ledgers in the books of account. In absence of such reconciliation, we cannot comment on the accuracy of the balances.</p> <p>3. <u>Cash imprest with staffs Rs.128.32 Lakhs:</u></p> <p>i) Employee wise breakup of Cash Imprest with staff was not made available to us for verification. In absence of such sub-ledger details, we could not comment on the accuracy and completeness of this balance.</p>	<p>2.iii The matter is noted. The Firm Fiscus Consilium Private Limited, has been appointed for the above works.</p> <p>3.i The matter is noted. However the details of Cash imprest are available in the Divisional Field offices.</p>
I	<p><u>I. Note 9: CURRENT FINANCIAL ASSETS: BALANCES OTHER THAN CASH AND CASH EQUIVALENTS: Rs. 5,921.42 Lakhs</u></p> <p>1. Fixed/term deposits with bank which are made out of grants and loan funds received from the donor/lender are not disclosed separately. Since the interest earned on such FD's is to be treated as part of respective grants etc. proper disclosure of the details should have been made in the notes on accounts.</p> <p>2. On sample verification of accrual of interest on fixed deposit, it was noted by us that the company has accrued interest that is appearing in the fixed deposit statement and as such has not booked accrued interest where the bank has not accrued interest at the year end. In absence of complete details, we are unable to quantify the impact on the same.</p> <p>3. 17 number of Fixed Deposits Receipts amounting to Rs. 1,468.91 Lakhs could not be produced before us for verification. In the absence of sufficient appropriate audit evidence, we are unable to comment on the existence of the same.</p>	<p>1. The matter is noted.</p> <p>2. The matter is noted.</p> <p>3. The statement of FDs have been provided to the Auditors.</p>
J	<p><u>J. Note 10: CURRENT FINANCIAL ASSETS: LOANS: Rs. 55.48 Lakhs</u></p> <p>1. Employee wise breakup of Loans and advance to employees was not provided to us for verification. In absence of the sub-ledger reconciliation, we are unable to comment on the accuracy and completeness of the same.</p>	<p>The matter is noted.</p>
K	<p><u>K. Note 11: CURRENT FINANCIAL ASSETS: OTHERS: Rs. 41,509.16 Lakhs</u></p> <p>1. We would like to draw your attention to Note 11.1, with states that related party balances are not reconciled. Further, the company has not provided us with the balance confirmation on amount receivable from Meghalaya Energy Corporation Limited (MeECL) amounting to Rs. 14,448.73 Lakhs. In absence of reconciliation, we are unable to comment</p>	<p>1. The matter is noted</p>

on the accuracy of these balances.

2. Further, we have also observed that these related party figures include various ledger balances that are predominantly used by the company to account for transfers/transactions between the various division/sub-division/HQ of the company. In our opinion and based on the details provided to us, Inclusion of such balances in related party balances is incorrect.
3. On review of these inter-unit accounts, we have observed that many of inter-unit accounts are having large unreconciled balances. The effect of reconciliation, if any, on the financial statements is not determinable.
4. In 'DGM(W) MePDCL', 'DGM(E),MePDCL', and 'Revenue DivnShillong' funds were transferred to open certain new bank accounts. As per documents received from 'Revenue Divn Shillong', bank accounts were opened in the F.Y. 2021-22, however such amount is reflecting under the head financial assets (others) instead of showing it under Cash & Cash Equivalents. Details of same are as follows:-

Particulars	Division Name	Closing Balances (Rs. In Lakhs)
24.501 (Mawlai) (Account Opening (Mawlai))	DGM(W) MePDCL	0.10
24.501 (Umlyngka) (Account Opening (Umlyngka))	DGM(W) MePDCL	0.10
24.501 (Upper Shillong) (Account Opening (Upper Shillong))	DGM(W) MePDCL	0.10
24.501 Lapalang (Account Opening Lapalang)	DGM(E),Me.PDCL	0.10
24.501 Mawprem (Account Opening Mawprem)	Revenue Divn Shillong	0.10
24.501 New Shillong (Account Opening New Shillong)	DGM(E),Me.PDCL	0.10
24.501 Nongthymmai (Account Opening Nongthymmai)	DGM(E),Me.PDCL	0.10
24.501 Polo (Account Opening Polo)	Revenue Divn Shillong	0.10
24.501 Umjarain (Account Opening Umjarain)	Revenue Divn Shillong	0.10

2. The matter is noted.
3. The matter is noted. The Firm Fiscus Consilium Private Limited, has been appointed for the above works.
4. The matter is noted. Necessary reconciliation will be taken up in subsequent years.

<p>5. <u>Other Receivables</u>: It has been observed that under the head Other Receivables Rs. 708.08 Lakhs, Rs.8.05 Lakhs has been booked in books of 'WESTERN REVENUE DIVISION' in Ledger 28. Bank Guarantee (Bank Guarantee) which is Bank Guarantee charges. The reason for the same was not provided by the management. Further, an amount of Rs.700.00 Lakhs has been booked as receivable from Principal MEPDCL a/c with a corresponding Payable to MEPDCL Saubhagya a/c of Rs. 700.00 Lakhs in Liability for expenses. This has resulted in overstatement of Asset and Liabilities by Rs. 700.00 Lakhs.</p> <p>6. <u>Other income accrued and due Rs 34.38 lakhs</u>: The amount is outstanding since before 2017 and no details regarding the same could be provided to us.</p>	<p>5. This represents the bank guarantee executed by the Corporation in favour of Airports Authority of India Limited for various works at Umroi airport. An amount of Rs. 700 lakhs had been transferred from Saubhagya A/c to MePDCL and the amount is required to be replenished by MePDCL to the Scheme. As such, the amount had been accounted as Payable by MePDCL and Receivable by the Scheme.</p> <p>6. The matter is noted.</p>
<p>L. <u>Note 12 : CURRENT TAX ASSETS: INCOME TAX REFUNDABLE Rs.170.42 Lakhs</u></p> <p>1. The company could not provide us with reconciliation of the Income Tax refundable as appearing in the books of account with the respective income tax return. In absence of this reconciliation, we are unable to</p>	<p>The matter is noted.</p>

	comment on the accuracy, completeness and existence of the balances.	
M	<p>M. Note 13 : OTHER CURRENT ASSETS: Rs. 1498.93 Lakhs</p> <ol style="list-style-type: none"> <u>Advances other than capital advances: Rs. 368.64 Lakhs:</u> Vendor wise breakup of transactions and balances could not be provided to for verification, as such, in absence of complete details, we are unable to comment on the accuracy of the same. <u>Balance with Govt. Authorities: Rs. 961.08 Lakhs:</u> The amount pertains to GST ITC balances. As per the GST Portal ledgers provided to us for verification, the GST ITC balance post filing of March'23 return is Rs. 1494.36 Lakhs. As per the company, it has claimed ITC while filing GST returns which were ineligible and are yet to reverse the same on the GST Portal. The company, however, could not provide us with reconciliation of the GST ITC actually claimed and claimable by the company. In absence of such reconciliation, we are unable to comment on the existence of such balance. <u>Staff Related Advance Rs. 168.08 Lakhs:</u> Employee-wise breakup of transactions and balances could not be provided to for verification, as such, in absence of complete details, we are unable to comment on the accuracy of the same. 	<ol style="list-style-type: none"> The matter is noted. The amounts are under process of reconciliation. The matter is noted.
N	<p>N. Note 15 : OTHER EQUITY: Rs.3,82,714.74 Lakhs</p> <ol style="list-style-type: none"> <u>Equity share capital pending allotment Rs.27,704.56 Lakhs:</u> It is observed that the company has outstanding share application money of Rs.27,704.56 Lakhs. In terms of Rule 2 (vii) (a) of the Companies Acceptance of Deposits Rule, 2014 it has been directed that if allotment of shares cannot be made within 60 days from the date of receipt of the application money and such advance could not be refunded within 15 days from the date of completion of sixty days such amount shall be treated as a deposit under these rules read with section 74 of the Companies, 2013. However, the company has not treated the same as Deposit. 	<ol style="list-style-type: none"> The Subsidiaries are receiving funds from the State Government through MeECL (i.e. Holding Company) in the form of Grant/Loans etc. and at that stage, there are no specific order/Communication from the Government to treat it as "application money" as mentioned under Section 42(6) of the Companies Act.

	<p>2. The Authorized share capital of the company is Rs 1,00,000 Lakhs and paid-up share capital of the company is Rs 85,021.80 Lakhs. The company can infuse additional fund by way of Equity within the limit of the Authorized share capital of the company as defined under section 2(8) of Companies Act, 2013. However, the company has accepted share application money of Rs. 27,704.56 lakhs which combined with the current paid up share capital of the company exceeds the authorized share capital of the company as on 31st March, 2023.</p>	<p>However after approval of the Promoter represented by the shareholder (100% holding by Government of Meghalaya) in General Meeting or by the Board of Directors, to treat it as equity capital, the aforesaid Fund become application money as on the date of approval. Accordingly, the equity shares are issued within the stipulated time period from the date of approval in compliance to Section 42(6) of the Companies Act.</p> <p>2. Noted</p>
O	O. Note 16, 18 and 20 :BORROWINGS:	

1. As per the various covenants of the loan agreements with Lenders, a penal interest would be payable by the company, in case, the company defaults in repayment of loan. As mentioned in Note 16.3, the company has defaulted on various loans, but has not booked Penal Interest on the same. Details of such loans are follows:

- Loan from State Government
- 8% Term (Restructured) Loan from REC.

In absence of complete information, we are unable to quantify the total penal interest payable by the company.

1. In matters pertaining to penal interest booking, the same cannot be booked as on 31st March 2023 as the date of payment of interest is subjected to availability of funds hence booking of penal interest on the above date could lead to either understatement/overstatement of liabilities.

2. Balance confirmation for following loans has not been provided by us for verification and hence we cannot comment on the accuracy of the same.

Particulars	Amount as on 31st March 2023 (Rs. In Lakhs)
9% Loan from Power Finance Corporation (PFC) Limited , R-APDRP-Part A	1,219.40
9% Loan from Power Finance Corporation (PFC) Limited R-APDRP-Part B)	10,406.24
Loan from State Government	17,544.58

2. The PFC Ltd who is the Sanctioning Authority for PFC Loan RAPDRP Part A and Part B has never included PFC Loan RAPDRP Part A and Part B in their confirmation of balances which is sent at the end of March 31st of every

<p>3. It was also observed that current maturity are not considered in case of loans from PFC (R-APDRP - Part A) and Loan from PFC (R-APDRP - Part B).</p> <p>4. The company has breached various financial covenants as per the agreements with various Lenders. Due to these breach, the lenders can demand for the payment of the entire outstanding amount on immediate basis. The company has not assessed the impact of these breaches on the classification of loans and borrowings as on 31.03.2023. In absence of complete information, we are unable to comment on the classification of various loans as Long Term Borrowings.</p>	<p>Financial Year. It is to be noted that the confirmation as received from PFC Ltd which does not include RAPDRP Part A and Part B was also shared with the Auditors.</p> <p>3. PFC Ltd. Has never provided any balance confirmation on the Loans pertaining to PFC RAPDRP (Part A & Part -B). Further, the repayment terms and conditions have not been specified categorically .</p> <p>4. Despite the financial constraints faced by the Company it has always ensured all the overdues of principal and interest are cleared before the same can be classified as</p>
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	<p>5. Interest payable to the Govt. of Meghalaya Rs. 1732.72 Lakhs is subject to confirmation and reconciliation, hence we cannot comment on the accuracy of the same.</p>	<p>NPA.</p> <p>5. No confirmation is made available by the Government of Meghalaya on all disbursements made towards loans and grants.</p>
<p>P</p>	<p>P. Note 17 & 23: DEFERRED REVENUES</p> <p>1. <u>Government Grants:</u></p> <p>i) Further, out of the identified grant figures, their corresponding investment could not be ascertained as details/breakup of CWIP, Fixed Assets, Cash and Bank Balances and Advances to Contractors created out of these grants were not provided for verification.</p> <p>ii) Majority of grants/funds/loans from Government of Meghalaya (GoM) are received by the Holding company, who in-turn transfer's such fund to the respective subsidiary company. The company has produced before us for verification the financial sanctions for grants received by the Holding company for the subsidiary. However, in majority instances, the funds are received by the holding company for all the subsidiaries of the group and the amount are bifurcated between the subsidiaries by the holding company. Further, it is observed that various earmarked funds are also not transferred to the MePDCL on an immediate basis in a separate grant account held in the name of the company. It is also observed that on various occasions, the grant is expended directly by the Holding company and the relevant costs are allocated to MePDCL. In absence of sufficient appropriate audit evidence with respect to all grants received by the Holding Company for MePDCL and all expense done by the Holding company for MePDCL, we are unable to comment on the completeness and utilization of all Grant received by the company.</p> <p>iii) On verification of the bank accounts maintained for individual grants, it was observed that:</p> <p>(1) The company has transferred Rs. 4253.46 Lakhs to DDUGJY Account from its Revenue Account for payments to be made under the scheme. As per the explanations received from the company, these payments were a refund of amounts transferred earlier to the Revenue A/c. However, complete details are not provided for verification and such, we are unable to comment on the accuracy of grant utilization and booking by the company.</p> <p>(2) The company has transferred Rs. 2178.77 Lakhs to RGGVY</p>	<p>1.i The item is under reconciliation.</p> <p>1.ii The matter is noted.</p> <p>1.iii 1.The matter is noted</p>

	<p>Account from its Revenue Account for payments to be made under the scheme. As per the explanations received from the company, these payments were replenishment of amounts adjusted at source by REC towards Loans & Interest of MLHEP, a division of Meghalaya Power Generation Corporation Limited. The amount adjusted by REC should have been shown as Disbursement of RGGVY Grant with a corresponding receivable from MEPGCL. However, complete details are not provided for verification and such, we are unable to comment on the accuracy of grant utilization and booking by the company.</p> <p>(3) The company has received an amount of Rs. 1891.92 Lakhs towards Saubhagya Scheme, out of the which, Rs. 1800.00 Lakhs has been transferred to the Holding Company / Fellow Subsidiaries/ Revenue Account. No proper explanation for such transfer was provided to us and as such, we are unable to comment on the accuracy of grant utilization and booking by the company.</p> <p>(4) The Government of Meghalaya has provided a grant of Rs. 1013.21 Lakhs to MEPDCL towards specific purpose of procurement of 342 Transformers and repair 450 damaged transformers vide letter POWE/0081/31082022/2801/66 of the Power department, GoM. The said amount has been received by the Holding company but has not been transferred to MePDCL. Complete details are not provided for verification and as such, we are unable to comment on the accuracy of grant utilization and booking by the company.</p> <p>In the absence of sufficient appropriate audit evidence such as reconciliation of funds with their corresponding utilization, we are unable to comment on the utilization, diversion, accuracy and completeness of grants booked by the company.</p> <p>2. <u>Consumer Contribution towards Cost of Capital Assets:</u></p> <p>i) Consumer's Contribution towards cost of capital assets has not been booked in various Divisions. Due to this, Consumer's Contribution towards cost of capital assets is understated in the financial statements along with corresponding understatement of the assets of the company. Details of such assets couldn't be provided to us and as such we are unable to quantify the same.</p> <p>ii) In case of 7 Divisions, amount received from the consumer has been directly credited to "Consumer Contribution towards Cost of Capital Assets" instead of Deposit work account. This has led to inaccurate creation of Consumer Contribution towards Cost of Capital Assets to the tune of Rs. 284.49 Lakhs during the F.Y. 2022-23.</p>	<p>1.iii 2.The matter is noted.</p> <p>1.iii 3.The transfers were undertaken as directed to clear REC critical dues and PFC NPA dues</p> <p>1.iii 4.The amount was transferred to MePDCL on 15th September 2022 (MePDCL Bank Account No. 40564541417)</p> <p>2.i The matter is noted.</p> <p>2.ii The matter is noted.</p>
Q	<p>Q. Note 19: FINANCIAL LIABILITIES: TRADE PAYABLES Rs. 84.083.03 Lakhs</p> <p>1. <u>Payable Against Purchase of Power: Other: Rs.70,350.84 Lakhs</u></p> <p>i) Balance confirmation for various vendors clubbed in the sub head - "Others" has been produced before us for verification. However, confirmation for the vendors as noted below was not provided for</p>	<p>1.i The item is undergoing</p>

verification.

reconciliation.

Particulars	Closing Balances (Rs. In Lakhs) Dr/(Cr)
41.200 (VAR POOL) (Prov. For Liability For Purchase Of Power (VARPOOL))	-50.01
41.200 (PTCIL) (Prov. For Liability For Purchase Of Power (PTCIL))	6.66
41.200 (NTPC) (Prov. For Liability For Purchase Of Power(NTPC))	-66,439.99
41.200 (NVVN) (Prov. For Liability For Purchase Of Power (NVVN))	-29.65
41.200(MPL) (Prov. For Liability For Purchase Of Power (MPL))	-4.46
41.200(SAPL) (Prov. For Liability For Purchase Of Power (SAPL))	-0.86
41.200 (GMRETL) (Prov. For Liability For Purchase Of Power (GMRETL))	-4.01

- ii) Out of the confirmations produced before us for verification, we have observed that there are differences between the balance confirmation received from the vendor and the balance appearing in the books of accounts. A summary of the same is as follows:

1.ii The item is undergoing reconciliation.

Name of Vendor	Balance as per Books of Accounts (Rs. In Lakhs)	Balance as per Balance Confirmation (Rs. In Lakhs)	Differences (Rs. In Lakhs)
41.200 (NHPC) (Prov. For Liability For Purchase Of Power (NHPC))	-308.47	-317.74	9.27

The management is currently reconciling the said balances and in absence of such reconciliation we are unable to comment on the accuracy of the same.

2. Payable Against Transmission and Wheeling Charges: Rs. 5,263.16 Lakhs

2.i. The item is under reconciliation.

- i) Balance confirmation for various vendors clubbed in the sub head - "Others" has been produced before us for verification. However, confirmation for the vendors as noted below was not provided for verification.

Particulars	Closing Balances (Rs. In Lakhs)
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	<table border="1" data-bbox="446 160 1193 218"> <tr> <td>Assam State Electricity Board (ASEB)</td> <td>-1460.46</td> </tr> </table> <p data-bbox="389 252 1201 424">ii) Out of the confirmations produced before us for verification, we have observed that there are various differences between the balance confirmation received from the vendor and the balance appearing the books of accounts. A summary of the same is as follows:</p> <table border="1" data-bbox="446 424 1193 757"> <thead> <tr> <th>Name of vendor</th> <th>Balance as per Books of Accounts (Rs. In Lakhs)</th> <th>Balance as per Balance Confirmation (Rs. In Lakhs)</th> <th>Difference (Rs. In Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Power Grid Corporation of India Limited (PGCIL)</td> <td>-2006.63</td> <td>-1477.63</td> <td>-529.00</td> </tr> </tbody> </table> <p data-bbox="438 792 1209 895">The management is currently reconciling the said balances and in absence of such reconciliation we are unable to comment on the accuracy of the same.</p> <p data-bbox="341 906 1209 1044">3. Payables for Operations and Maintenance Related Supplies: Complete Vendor-wise outstanding balances as appearing in various Ledgers clubbed under this head have not been provided to us for verification. A list of such un-reconciled ledgers are as follows:</p> <ul data-bbox="487 1044 1161 1343" style="list-style-type: none"> • 43.100 (Liability, For Supply Of Materials Works-O & M) • 43.200 (Suppliers Control Account- (O & M)) • 43.300 (Provision For Liabilities For Supply Of Materials/Works (O& M)) • 43.500 (Contractor's Control (O&M)) • 43.600 (Provision for Liability for Works (O&M)) <p data-bbox="397 1354 1209 1435">In absence of such vendor wise breakup, we are unable to comment on the accuracy and existence of such balances.</p>	Assam State Electricity Board (ASEB)	-1460.46	Name of vendor	Balance as per Books of Accounts (Rs. In Lakhs)	Balance as per Balance Confirmation (Rs. In Lakhs)	Difference (Rs. In Lakhs)	Power Grid Corporation of India Limited (PGCIL)	-2006.63	-1477.63	-529.00	<p data-bbox="1218 264 1388 355">2.ii.The item is undergoing reconciliation.</p> <p data-bbox="1218 906 1404 964">3.The matter is noted.</p>
Assam State Electricity Board (ASEB)	-1460.46											
Name of vendor	Balance as per Books of Accounts (Rs. In Lakhs)	Balance as per Balance Confirmation (Rs. In Lakhs)	Difference (Rs. In Lakhs)									
Power Grid Corporation of India Limited (PGCIL)	-2006.63	-1477.63	-529.00									
R	<p data-bbox="316 1435 1193 1469">R. Note 20: CURRENT FINANCIAL LIABILITIES: OTHERS: Rs.2,72,794.89 lakhs</p> <p data-bbox="349 1480 1218 1584">1. <u>Liabilities for capital supplies Rs. 18,951.62 lakhs:</u> Complete Vendor-wise outstanding for Liability for capital supplies were not furnished to us and as such we cannot comment on the accuracy of the same.</p> <p data-bbox="349 1595 1218 1733">2. <u>Staff related liabilities of Rs. 1594.04 lakhs:</u> Employee-wise breakup of transactions and balances could not be provided to for verification, as such, in absence of complete details, we are unable to comment on the accuracy of the same.</p> <p data-bbox="349 1744 1177 1779">3. <u>Security Deposits and Retention Moneys Payable Rs. 30,363.41 lakhs:</u></p> <p data-bbox="406 1790 1218 1871">i) Deposits received from Consumers against Load security, meter security, etc. Rs. 9,122.76 Lakhs:</p> <p data-bbox="438 1871 1218 1986">(1) Customer wise breakup of transactions and balances could not be provided to for verification, as such, in absence of complete details, we are unable to comment on the accuracy of the same</p>	<p data-bbox="1250 1492 1453 1561">1. The matter is noted.</p> <p data-bbox="1250 1595 1453 1664">2. The matter is noted.</p> <p data-bbox="1234 1790 1437 1859">3.i The matter is noted.</p>										

<p>(2) As per IND AS, the balance should have been classified as Non-Current.</p> <p>(3) As per Supply Code regulation, 2018 interest has to be paid to consumers for their Load Security deposit. However interest on such load security has not been accounted for in books of accounts, which results in under booking of expense and understatement of Liabilities. In absence of complete information, we are unable to quantify the misstatement.</p> <p>ii) Security deposit from supplier and contractor Rs. 7,002.09 Lakhs:</p> <p>(1) Complete Vendor-wise detail of the same was not made available to us and as such we cannot comment on the accuracy of the same. Further, outstanding for few vendors amounting to Rs. 4,995.04 Lakhs were provided to us, however, confirmation of the same could not be produced for verification.</p> <p>iii) Liability towards deposit for electricity/ service connection/ execution of deposit work Rs. 14,151.55 Lakhs: Customer-wise/Division-wise detail of the same was not made available to us and as such we cannot comment on the accuracy of the same.</p> <p>iv) Security deposit for vehicle hiring, employees, stale cheques etc. Rs 87.01 Lakhs: Complete Vendor/employee-wise detail of the same was not made available to us and as such we cannot comment on the accuracy of the same.</p> <p>4. <u>Liabilities for expenses Rs. 5892.94 Lakhs :</u></p> <p>i) Complete Vendor-wise outstanding balances as appearing in various Ledgers clubbed under this head have not been provided to us for verification. A list of such un-reconciled ledgers is as follows:</p> <ul style="list-style-type: none"> • Rs. 5014.25 Lakhs (Provision For Liability For Expenses) • Rs. 27.30 Lakhs (Excess Payment Recoverable From Contractors/ suppliers) • Rs. 151.39 Lakhs (Amounts Adjusted from REC Receipts of Saubhagya Scheme) 	<p>3.ii The matter is noted.</p> <p>3.iii The matter is noted</p> <p>3.iv The matter is noted</p> <p>4. i)The matter is noted. Efforts are being made to resolve the same. The amount Rs 151.39 pertains to interest earned from banks against fund received from the Scheme. The amount may perhaps be adjusted from amount receivable against the Scheme, as such, the amount has been booked accordingly.</p>
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<p>ii) An amount of Rs. 700.00 Lakhs has been booked as Payable to MEPDCL Saubhagya a/c with a corresponding receivable from Principal MEPDCL a/c of Rs. 700.00 Lakhs in Assets. This has resulted in overstatement of Asset and Liabilities by Rs. 700.00 Lakhs.</p> <p>5. <u>Other Liabilities Rs. 6569.29 Lakhs:</u></p> <p>Out of the Other Liabilities of Rs. 6,569.29 Lakhs, amount payable to REC RGGY amounts to Rs. 6,500.00 Lakhs. The amount has been received by the Holding company from the GoM under the head "Repayment of loan component and interest thereto on account of RGVVY". However, as per the company, the GoM has used incorrect head while preparing the financial sanctions in case of UDAY Scheme and as such, the company has not been able to account the funds in the manner in which they were sanctioned to be. The company is in discussion with the GoM to get these sanctions rectified. In absence of proper clarification from the GoM on this matter, we are unable to comment on the proper classification and accounting this balance.</p> <p>6. <u>Related Party Payables Rs. 198,066 lakhs:</u></p> <p>i) We would like to draw your attention to Note 20.1, with states that Related party balances are not reconciled. We have not been provided confirmations for related party transactions and balances of MeECL to the tune of Rs. 22,739.72 Lakhs. In absence of reconciliation, we are unable to comment on the accuracy of these balances.</p> <p>ii) Further, we have also observed that these related party figures include various ledger balances that are predominantly used by the company to account for transfers/transactions between the various</p>	<p>ii) An amount of RS Rs 700 lakhs had been transferred from Saubhagya A/c to MePDCL and the amount is required to be replenished by MePDCL to the Scheme. As such, the amount had been accounted as Payable by MePDCL and Receivable by the Scheme.</p> <p>5. The Company is in process of discussion on the same.</p> <p>6. i) The matter is noted.</p> <p>6. ii) The matter is noted.</p>
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	<p>division/sub-division/HQ of the company. In our opinion and based on the details provided to us, Inclusion of such balances in related party balances is incorrect.</p> <p>iii) On review of these inter-unit accounts, we have observed that many of inter-unit accounts are having large un-reconciled balances. The effect of reconciliation, if any, on the financial statements is not determinable.</p>	<p>6.iii)The matter is noted. The Firm Fiscus Consilium Private Limited, has been appointed for reconciliation of Inter unit accounts.</p>														
S	<p>S. NOTE 21: PROVISIONS: Rs. 2327.63 lakhs</p> <p>7. Provision for employee benefits of Rs. 2327.63 Lakhs: The amount pertain to provision created for Revision of Pay 2015 but not yet fully utilized. The management has not evaluated the estimate of ROP expenses on regular intervals, which is in contravention of the principles of Ind AS 37. In absence of management revaluation of estimates, we are unable to quantify the effect of the same on the financial statements.</p>	<p>The matter is noted. However the balance amount (45%) of Revision Of Pay will be paid off in 13 (thirteen) instalments as per Office Order MeECL/CA/PB/77/2017/72 dated 1st November 2023.</p>														
T	<p>S. NOTE 22: OTHER CURRENT LIABILITIES: Rs. 6,305.13 lakhs</p> <p>1. <u>Statutory dues payable</u>: Details of the same along with payment challans and reconciliation were not provided to us by management for verification. Hence we cannot comment on the accuracy of the same.</p> <p>2. <u>Non-Compliance of Statutory Deductions</u>: We have observed that there are several instances wherein the liability of deducting and depositing TDS under Income Tax Act have arisen but the same has not been complied with by the company. Such instances include:</p> <p>i) Non deduction of TDS on payment of Mobilisation Advances</p> <p>ii) Non deduction of TDS on payment of Hiring of Vehicle, Rent, Commission payable to franchisee for collection from consumer etc.</p>	<p>1. The matter is noted.</p> <p>2. The matter is noted.</p>														
U	<p>T. NOTE 24: REVENUE FROM OPERATION: Rs. 1,24,606.37 Lakhs</p> <p>1. It is observed that Rebates on Purchase of Energy of Rs. 584.90 Lakhs been clubbed under the heading "Other Operating Revenue". In our opinion the same should have been reduced from the cost of power purchase.</p> <p>2. On analysing the revenue booked by various divisions, it was observed that there were large fluctuations in the revenue bookings during the year for the following divisions:</p> <p style="text-align: right;"><i>(Rs. In Lakhs)</i></p> <table border="1"> <thead> <tr> <th>Sl. No</th> <th>Division</th> <th>Month</th> <th>Previous Month</th> <th>Month in which there is fluctuation</th> <th>Next Month</th> <th>% Increase as compare</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Sl. No	Division	Month	Previous Month	Month in which there is fluctuation	Next Month	% Increase as compare								<p>1. The matter is noted.</p> <p>2. The matter is noted.</p>
Sl. No	Division	Month	Previous Month	Month in which there is fluctuation	Next Month	% Increase as compare										

				n in revenue		d to average billing	
1)	Byrnihat Distribution Div. Revenue	June	2,240.5 2	4,328.27	2,343.9 9	193%	
2)	East Garo Hills Division	Februar y	200.68	713.87	302.64	356%	
3)	Garo Hills Revenue Division	June	121.94	3,836.97	46.47	3147%	
4)	KhliehriatDi st Dev (Rev)	January	1,563.6 9	2,585.11	1,361.6 7	165%	

Further, it is also pertinent to note that these high revenue booking figures were not collected from the customer by the division. Adequate response from the divisions in this regards was not made available us as on date of this report. In absence of sufficient appropriate audit evidence, we are unable to comment on the occurrence and accuracy of the revenue booked by the company and the existence of debtors of the company.

3. The company is liable to pay GST on forward charge mechanism @ 18% (Circular No. 34/8/2018-GST Dt. 1st March, 2018) on Meter rent of Rs. 856.89 Lakhs collected during the F.Y. 2022-23. However, no GST Liability has been booked in Books while booking of such revenue. As such, revenue is overstated and liability understated.

3. Noted

V **U. Note 25: OTHER INCOME: Rs. 17,453.96 Lakhs**

1. Interest Income from Bank includes Rs. 12.18 Lakhs Interest earned on surplus of ADB Project funds parked in the Saving Bank Account. As per generally accepted norms, this income on unspent/surplus project fund has to be refunded to the Project Authority as and when such direction is received. As such, the treatment of such interest as income is inaccurate and the same should be treated as a liability.

The matter will be looked into and if required, necessary action will be taken.

W **W. Note 27- EMPLOYEE BENEFIT EXPENSES Rs. 23,855.73 Lakhs**

1. On sample verification of Employee benefit expenses, it was observed that WKH D/D Nongstoin Division has booked the employee benefit expenses twice for the month of March'23 and as such expenses are overstated by Rs. 17.16 Lakhs and provisions are overstated by Rs 17.16 Lakhs

The matter is noted. Necessary rectification entries has been made in FY 2023-24.

X **X. Note 28- FINANCE COSTS Rs. 16,727.11 Lakhs**

1. In ledger 78.550 (IPDS) (Interest on Loan From PFC (IPDS)), Interest charged to profit and loss in Current Year is Rs. 54.00 Lakhs and

1. The matter will be

	<p>Cumulative of previous years Rs.162.05 Lakhs. The same should be have been capitalized instead of being expensed out.</p> <p>2. In ledger 78.586 B (Interest on PFC Loan RAPDRP B), Interest charged to profit and loss in Current Year is Rs. 741.26 Lakhs and in Cumulative previous years Rs.2,529.43 Lakhs. The same should have been capitalized instead of being expensed out.</p> <p>3. In ledger 78.586 (Interest on Loan From RAPDRP (PFC)), Interest charged to profit and loss in Current Year is Rs. 305.05 Lakhs and in Cumulative previous years Rs. 1106.27 Lakhs. The same should have been capitalized instead of being expensed out.</p> <p>4. As per Note 16.4 of the financial statements, the company has not booked any interest on Loans from the State Government of Meghalaya amounting to Rs. 10,126 Lakhs. As per the information provided by the company, the High Power Committee formed for taking decision of the tenure and interest rate is yet to ascertain the terms and conditions of such loan. In the absence of complete information, we are unable to quantify the effect of the same on the financial statements.</p> <p>5. We were not provided with documentary evidences for the basis of calculation relating to Guarantee charges booked in Ledger 78.884 (Guarantee Charges) in 'MePDCL Loan' for Rs. 815.56 lakhs.</p>	<p>taken up in subsequent periods.</p> <p>2. The matter will be scrutinized by the Corporation and necessary action, if required, will be taken up.</p> <p>3. The matter will be scrutinized by the Corporation and necessary action, if required, will be taken up.</p> <p>4. The matter is noted.</p> <p>5. The matter is noted</p>
Y	<p>Y. <u>Note 29: DEPRECIATION AND AMORTIZATION EXPENSE Rs. 7,105.94 Lakhs</u></p> <p>1. Depreciation for assets added during the current year has been calculated on the basis of month in which asset has been capitalized. However, as per Ind AS, depreciation should be calculated pro-rata from the date of capitalization of the Asset. As such, there is an overstatement of depreciation for the assets capitalized during the year and a consequential understatement of Fixed Assets.</p> <p>2. As mentioned in Point B.4 above, the company has capitalized Property, plant and equipment to the tune of Rs. 47,993.21 Lakhs during the financial year from Capital Work in Progress. Out of this, assets of Rs. 47,795.98 Lakhs were put to use prior to F.Y 2022-23. The company has taken has shown the same as additions during the year but depreciation</p>	<p>1. The matter is noted.</p> <p>2. The matter is noted.</p>

	<p>on these asset were taken as prior period expense to the tune of Rs. 2142.54 Lakhs. This is not in accordance with the principles of IND AS 16 "Property, Plant and Equipment". Further, the Company could not produce before us for verification the detailed Work Completion Certificate mentioning the area, amount, date, scheme name, contractor name etc. based on which such capitalization was done. In absence of the complete details, reconciliation or audit trail, we are unable to quantify the impact of on the depreciation and value of fixed assets.</p>	
Z	<p>Z. Note 30: OTHER EXPENSES Rs. 2,388.23 Lakhs</p> <ol style="list-style-type: none"> 1. On verification of Hire Charges, Travelling Allowances, Repair & Maintenance etc. we have observed that majority of expenses in these heads are booked on payment basis/cash basis. In absence of complete information, we are unable to quantify the consequential impact of invoices raised by vendors, but not booked by the company, on the financial statements. 2. We have observed that in certain cases the entity has been claiming GST Input Tax Credit for expenditures incurred, which are disallowed in accordance with the Rule 42 & 43 of CGST Rules as the correspondence outward supplies are excluded from the purview of GST. 	<ol style="list-style-type: none"> 1. The matter is noted. 2. GST Input Credit was taken for Deposit Works Supply as the company was of the view that if Deposit works is a Taxable supply then the company is entitled for input on the same.
A A	<p>AA. TERMINAL BENEFITS AND OTHER COMPREHENSIVE INCOME</p> <ol style="list-style-type: none"> 1. During the year, MeECL, the holding company, has allocated Rs. 1,34,500.44 Lakhs as expenses towards defined benefit plans under Gratuity, Pension and Leave Encashment. Out of the total amount, Rs. 1,27,222.07 Lakhs has been booked as Other Comprehensive Expenses and remaining Rs. 7,278.37 Lakhs as terminal benefits under Employee Benefit Expenses. The company has shown the above amounts as payable to the Holding Company, i.e., MeECL. The said treatment is not in compliance with Para 8, Para 41, Para 104, and Para 129 of Ind AS 19 Employee Benefits. 2. As per Para 149, of Ind AS 19 Employee Benefits, an entity participates in a defined benefit plan that shares risks between entities under common control, it shall disclose the contractual agreement or stated policy for charging the net defined benefit cost or the fact that there is no such 	<p>Employee Benefit Expenses are shared in the ratio of 30:30:30:10 between Distribution, Transmission, Generation and Holding Company. The company during the year has booked liability as per the</p>

	<p>policy. Further, the entity shall also disclose the policy for determining the contribution to be paid by the entity. The company could not provide us with sufficient appropriate audit evidence regarding the policy for agreements/policies and as such we are unable to comment if the company should recognize a cost equal to their contribution payable for the period or recognize the net defined benefit cost as determined. In absence of complete details, we are unable to quantify the impact on Net profit/loss, total comprehensive income, other equity, provisions and payable to related parties.</p>	<p>actuarial valuation report as required under IND AS 19. Detailed calculation on apportionment of terminal benefits are disclosed in Note 15.</p>
B B	<p>BB. Non Compliance to Additional Disclosures required vide notification no. G.S.R. (E), dated 24.03.2021 and Schedule III of the Companies Act, 2013 :-</p> <ol style="list-style-type: none"> 1. Age wise analysis of Trade payables and Trade receivables has not disclosed in the financial statement. 2. Fixed deposits having a maturity period of less than 3 months has to be separately disclosed. Further, Earmarked balances with banks which are restricted for its use has not been disclosed separately. 3. Status of their satisfaction of charges with the ROC, has not been disclosed by the company. 4. Disclosure with regards to Immovable Property not held in the name of the company such as description, gross carrying value, title deed owner name, period of holding of such properties and the reason for not holding the title deeds in the name of the company has not been disclosed by the company. 5. Disclosures with respect to Loans or Advances in the nature of loans that are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, and are: (a) repayable on demand or (b) without specifying any terms or period of repayment; have not been disclosed by the company. 	<ol style="list-style-type: none"> 1. The matter is noted. 2. The matter is noted. 3. The matter is noted 4. The matter is noted. 5. Disclosures with respect to Loans or Advances in the nature of loans that are granted to promoters, directors, KMPs and the related parties has been disclosed in Note 54(v) of the

		Financial Statement of FY 2022-23.
C C	<p>CC. GENERAL OBSERVATION:</p> <ol style="list-style-type: none"> 1. Internal Audit Reports for the F.Y. 2022-23 of only Shillong West Distribution Division was produce before us for verification and Internal Audit Report of other divisions could not be produced before us for verification till date of signing of this report. 2. The company has not maintained double entry books of accounts on a transaction level basis. The company follows a pattern of maintain various manual ledger/cash books at department/division levels from where entries are posted in the Books of Accounts on a Monthly/Quarterly/Half-yearly/Yearly basis. 3. We invite attention to Note 47 Additional information: The note states the various issues with the financial statements and matters pending reconciliation. 4. The balances appearing under sundry advances, debtors, loans, deposits are subject to confirmation/ reconciliation and consequential adjustments. In the absence of confirmation of balances and / or reconciliation in respect of the above we are not in position to quantify the consequential impact on the financial statements. 5. Based on the information/documents provided to us for verification, TDS is generally deposited by the company based on payments made to the vendors. This is in contravention of the Income Tax Act, 1961 which states that TDS needs to be deducted on payment or credit whichever is earlier. Such practice followed by the company will attract interest and penalty. 6. Certain accounts under the liabilities head are showing debit balances whereas under assets head they are showing credit balances. As this is apparently not correct, it needs verification and correction. In absence of information the effect of reconciliation on the financial results of the company cannot be quantified. 	<ol style="list-style-type: none"> 1. The matter is noted. 2. The matter is noted. 3. The matter is noted. 4. The matter is noted. 5. The matter is noted. 6. The Company has historical practice of maintainin gseparate ledgers for the debits and credits of certain liabilities. Taken individuall y there may be case of debit/cred it balance appearing. However, when the ledgers

	<p>7. The Balances appearing under various accounting head has no changes during the reporting financial year. Further their breakup and age wise analysis also not produced to us for our verification.</p> <p>8. Disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006 read with MCA notification GSR 719(E) dated 16/11/2007 were not provided by the Company.</p> <p>9. The company has not disclosed all the restated opening balances for the comparative year as per the requirements laid down in Ind AS – 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.</p>	<p>are taken together, the balances appear in the correct manner.</p> <p>7. The matter is noted.</p> <p>8. The matter is noted.</p> <p>9. Disclosure in respect of Restatement of opening balances has been disclosed in Note 32 of the Financial Statement</p>
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ANNEXURE D

	<p>ANNEXURE D TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 2022-23 (Referred to in Para 6(3)(f) of our report of even date)</p>	
	<p>Adverse Opinion</p> <p>According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2023:</p> <p>a. The Company did not have appropriate internal controls for reconciliation of physical inventory and Fixed Asset with the inventory records and Fixed asset records, which has resulted in misstatement of inventory and fixed asset values in the books of account. The management has failed to design controls to safeguard assets from loss, damage or misappropriation.</p>	<p>a. The matter is noted</p>

<p>b. The company did not have appropriate internal controls for reconciliations of significant accounts like trade receivables, trade payables, security deposits, loans and advances and other accounts as mentioned in Annexure C to the Independent Auditors' report, in a timely or accurate manner.</p> <p>c. The company did not have appropriate internal controls over the period end financial reporting process, including controls over procedures used to enter transaction totals into the general ledger; initiate, authorize, record, and process journal entries into the general ledger; and record recurring and non-recurring adjustments to the financial statements as mentioned in Annexure C to the report. There are no adequate preventive or detective controls over recording of transactions so as to permit preparation of financial statements which are free from material misstatements.</p> <p>A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.</p> <p>In our opinion, because of the effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting as of March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.</p> <p>We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2023 standalone financial statements of the Company, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a disclaimer of opinion on the standalone financial statements.</p>	<p>b. The matter is noted</p> <p>c. The matter is noted</p>
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**B. REPLY TO COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL
OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF
MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH 2023**

Comments	Replies by the Management
<p>A. Balance Sheet Assets - Non- Current Assets</p> <p>Capital Work-in-Progress (Note 3): ₹ 1,008.10 crore</p> <p>1. The above has been arrived at after adjusting the negative (credit) balances aggregating to ₹ 314.02 crore, which should have been reconciled to depict the realistic value of the Capital Work-In-Progress in the books of accounts as on 31 March 2023. Pending reconciliation, the 'Capital Work-In-Progress' and 'Current Liabilities' stand understated to that extent.</p>	<p>Noted.</p> <p>However, it may be stated that most of the negative balances arise from individual ledgers created in field units. Whereas, the conversion/rectifications of these CWIP balances may be carried out at Head Office level. Therefore, the individual ledgers from the field units may show a negative balance. However, taking the ledgers together in totality as a Corporation (MePDCL), the balance of the various ledgers depicts a debit balance.</p>
<p>2. The above includes ₹ 1.13 crore which had been booked twice (December 2022 and March 2023) against the unpaid Erection Bill of the Contractor (M/s Gupta Power Infrastructure Limited) for Civil Works relating to ADB Project, which requires rectification. Pending rectification entry, the 'Capital Work-In-Progress' and 'Current Liabilities' stand overstated by ₹ 1.13 crore each.</p>	<p>It may be stated that the necessary rectification accounting was passed on 29.05.2023 to rectify the same.</p>
<p>3. This is understated by ₹ 1.15 crore due to non-accounting the cost of the civil works executed under ADB Project as confirmed during the joint measurement (March 2023) of the work carried out by the Company and the Contractor. This has correspondingly resulted in understatement of 'Current Liabilities' to the same extent.</p>	<p>It may be stated that the CWIP amounting to Rs 1.15 crore has been booked in accounts on 21.09.2023.</p>
<p>Current Assets Financial Assets - Trade Receivables -Note 7 Unsecured, considered good: ₹ 905.32 crore</p> <p>4. This includes Receivables against inter-state power sales aggregating to ₹ 40.65 crore (Unscheduled Interchange (UI) sale of power: ₹ 39.35 crore, Mizoram: ₹ 0.14 crore, Lanco: ₹ 1.00 crore, NTPC: ₹ 0.10 crore and PTCIL: ₹ 0.06 crore), which remained unrecovered/unadjusted for periods ranging between 9 and 24 years without any confirmation from the Debtors concerned. Since the chance of recovery of these 'Receivables' was remote, same should have been provided for. This resulted in overstatement of the above head (Trade Receivables) and understatement of 'Loss for the year' by ₹ 40.65 crore each.</p>	<p>The matter is noted. The Firm Fiscus Consilium Private Limited, has been appointed for reconciliation of the Trade receivables.</p>

<p>5. Refer CAG's Comments (No. A1) on the Accounts of the Company for the year 2020-21 pointing out short provisioning of ₹ 82.95 crore against doubtful dues recoverable from the consumers whose supply was disconnected for more than two years as on 31 March 2021 and hence, these dues became time barred in terms of Section 56(2) of the Electricity Act 2003. During 2022-23, further dues of ₹ 57.80 crore from 11,644 consumers became time barred as supply was disconnected for more than two years (disconnected between 2019 and 2021). The Company has not kept any provision against these Receivables. This has resulted in overstatement of the above head (Trade Receivables) by ₹ 140.75 crore (₹ 82.95 crore plus ₹ 57.80 crore) with corresponding understatement of 'Loss for the year' to the same extent.</p>	<p>Matter is Noted.</p> <p>However, it may be informed that the matter has been taken up with the office of the Director Distribution for further reconciliation and resolution.</p>
<p>Other Non-Current Assets -Note 5 Unsecured, considered good: Capital Advances: ₹ 57.82 crore</p> <p>6. This includes ₹ 12.53 crore, being the capital advances pending for recovery/ adjustment since 2013-14 without any details/confirmation from the Suppliers/ Contractors concerned. As chance of recovery of these advances was remote, the same should have been provided for. This resulted in overstatement of the above head (Capital Advances) with corresponding understatement of 'Loss for the year' by ₹ 12.53 crore each.</p>	<p>The matter is noted. It may be stated that the amount arises from Opening balance upon trifurcation as well as transactions from the Divisions. Due to unavailability of data from the consultant firm which carried out trifurcation process for accounts, it is currently not possible to identify the parties concerned. Further, it is possible that due to trifurcation issue, that the party may actually pertain to a different subsidiary of MeECL and therefore the subsequent transactions may arise from there. Resolving of this issue will require detailed study of all companies together.</p>
<p>B. Statement of Profit and Loss Incomes - Revenue from Operations (Note 24) Revenue from sale of power through Franchisee: ₹ 24.52 crore</p> <p>1. This is understated by ₹ 1.35 crore due to non-accounting of the revenue receivable from Input Based Distribution Franchisees against the energy bills pertaining to the current year (January to March 2023). This has correspondingly resulted in overstatement of 'Loss for the year' and understatement of 'Current Assets-Trade Receivables' to the same extent.</p>	<p>It may be stated that Final Invoices relating to Mawsynram (Jan 23 to Mar 23) and Nangalbibra (Mar 23) have been booked in the Accounts of 2023-24 (Qtr ending June 23) since the said invoices were received by this office during the month of May 2023.</p>
<p>Expenses Power Purchase Costs (Note 26): ₹ 1,113.24 crore</p> <p>2. This is understated by ₹ 31.02 crore due to non-accounting of revised power purchase bills raised</p>	<p>Noted for future reference.</p>

by Central Power Sector PSEs for the period from 2016-17 to 2022-23. Since the power purchase bills were received before approval (14 August 2023) of the Annual Accounts of the Company for 2022-23, necessary provisions for the same should have been kept in the accounts. This has correspondingly resulted in understatement of 'Current Financial Liabilities-Trade Payables' and 'Loss for the year' by ₹ 31.02 crore each.

However, it may be informed some bills were received after the preparation of Quarterly Accounts for the period ended 31.03.2023 and hence the same were accounted in the following financial year. Further, it may be informed all the bills mentioned in the para are supplementary bills and not the main bills and have been accounted in the FY 2023-24.

STAFF WELFARE

Inter-alia other staff welfare functions, the MeECL (Holding Company) takes appropriate measures to updates its 'list of approved medical hospitals/institutes', for providing better medical benefits to its employees and pensioners.

RIGHT TO INFORMATION ACT, 2005 (RTI)

The Company has put in place RTI machinery for effective implementation of the provisions of the RTI Act, 2005. The designated Public Information Officer (PIO) and Appellate Authority are in place to deal with the appeals received under RTI Act, 2005.

SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and rules made there under M/s Amit Pareek & Associates, Guwahati was appointed as the Secretarial Auditor of the Company for the financial year 2022-23. The Secretarial Audit report for the said financial year was received on 1st November, 2023 and the same is enclosed herewith as Annexure -1.

Replies of the Management- Observations contained in Secretarial Audit Report for the financial year 2022-23.

Sl. N.	Observation of the Secretarial Auditor	Replies of the Management
1	<i>Pursuant to the Secretarial Standard issued by ICSI, the Company has defaulted in compliance of SS-1 Para 8.3 relating to registers of the Company which are required to be kept under the custody of the Company Secretary.</i>	<p>Pursuant to the decision of the Board taken in its meeting held on 29th March, 2023 on the <i>proper constitution and functioning of the Nomination and Remuneration Committee (NRC), the meeting of the NRC is properly conducted and minutes of the NRC are kept with the office of the Company Secretary.</i></p> <p>Further, in respect of Board Meetings etc. the Corporation is maintaining <i>all registers of which are required to be kept under the custody of the Company Secretary.</i></p>
2	<i>The AGM for the financial year 2021-22 was duly held on 6th September, 2022 which was adjourned for adoption of audited financial statements. The adjourned AGM for the FY</i>	<p>Noted</p> <p><i>The annual accounts of the company</i></p>

	<p>2021-22 was held on 1st September, 2023 wherein Audited Financial Statements were adopted.</p>	<p>for FY 2021-22 was approved by the Board of Directors in its meeting held on 8-11-2022</p> <p>The statutory audit was completed on 16-2-23</p> <p>The supplementary audit from the office of the Comptroller and Auditor General of India was received on 9-8-23</p> <p>After preparing of the Directors' report, the audited annual accounts was adopted in the adjourned annual General Meeting held on 1st September, 2023.</p>
3	<p>The Company, during the financial year has defaulted in Filing of requisite Annual return, forms with necessary reports and annexure with the Registrar of Companies, MCA within due time.</p>	<p>Noted</p> <p>After holding the adjourned 13th Annual General Meeting on 1st September, 2023 for the Financial Year 2021-22, the steps were taken to file the Annual return of the Company.</p> <p>As on date, the same is filed with the Ministry of Corporate Affairs.</p>
4	<p>During the period under review, it was observed that the Company has filed few forms with The Registrar of Companies bearing huge additional fee. In our opinion the Company should avoid filing forms and returns with such abnormal delay</p>	<p>Noted</p> <p>Under the Companies Act, 2013, there is specific time-period for filing of different e-forms with the ROC/CG and delay attracts additional fees.</p> <p>Online filing of all forms, as specified under the Companies Act, 2013, are done through in-house from the office of the Company Secretary.</p> <p>Reasons for delay:</p> <ol style="list-style-type: none"> 1) Due to delay in finalisation of accounts, there is delay in filing of some forms (Aoc-4, MGT-7) which are filed with the Registrar of Companies along with penalty/additional fee. 2) Further, some forms like DIR-12 for appointment of Directors are required to be filed with the ROC within 30 days of appointment, however due to time involved in obtaining DIN, digital signatures and necessary declarations &

		<p>disclosures from the Director, being mandatory attachment of Form DIR-12, generally forms are filed with few days of delay.</p> <p>Further, we have also faced the difficulties in filing of forms due to the problem with the MCA portal.</p>
5	<p><i>During the course of our audit, it was observed that the Company is regular in non-compliance of the provisions of Section 173(3) of the Companies Act, 2013 relating to calling of meeting of Board at a shorter notice i.e. less than seven days. Agenda items of the notices were also not sent seven days in advance. In our opinion, for the compliance of the Act and for meaningful participation and smooth functioning of the Board the notices together with agenda items should be sent seven days in advance.</i></p>	<p>Section 173(3) of the Companies Act, 2013 states that "a meeting of the Board shall be called by giving not less than seven days' notice in writing to every: Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting: Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any."</p> <p>It is to mention that the Board meetings which are held on a shorter notice period are duly conducted in the presence of minimum one Independent Director and therefore there is no incident of non-compliance of the Companies Act, 2013.</p> <p>However, the observation of the Auditor to give minimum seven days notice period along with agenda, is noted by the management for future.</p>

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors confirm that in the preparation of the annual accounts for the year ended March 31,2023:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the

- state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
 - d) the directors had prepared the annual accounts on a going concern basis; and
 - e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1):

The details under the above head are incorporated in the statement of Accounts of the Company for the financial year 2022-23.

ACKNOWLEDGEMENT

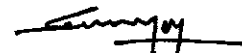
The Directors are thankful to the Power Department, Government of Meghalaya for their support in reforming the Power Sector in Meghalaya.

The Directors also expressed their appreciation for the assistance and co- operation received from the Ministry of Power, Government of India, Meghalaya State Electricity Regulatory Commission, Central Electricity Regulatory Commission, Power Finance Corporation Ltd., Rural Electrification Corporation Ltd.

The Board acknowledges with thanks the constructive suggestions received from the Comptroller and Auditor General and the Statutory Auditors.

The Directors wish to place on record the appreciation for the committed services of officers, and staff of the Company.

On behalf of the Board of Directors,



(S. Goyal, IAS)

Chairman-cum-Managing Director

Place: Shillong

Date: 13.03.2024

FORM MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended **31ST MARCH, 2023**

Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
CIN: U40101ML2009SGC008394
Lum Jingshai Short Round Road
Shillong-793001 (Meghalaya)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED** (hereinafter called "**the company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

We report that:

- a. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
- b. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of the financial statement of the Company.
- d. The compliance of the provisions of the Corporate and other applicable Laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verifications of procedures on test basis.
- e. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of **M/s MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31ST day of March, 2023 ("audit period")**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED ("The Company")** for the financial year ended on **31ST March, 2023** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) Other Laws as may be applicable to the Company as provided by the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to our observations made in **Annexure-1**.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Whole Time Directors, Non-Executive Directors, Woman Director and Independent Directors subject to our observations made in **Annexure-1**. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all the directors to schedule the Board Meetings but agenda and detailed notes on agenda **were not sent** at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board decisions are normally carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company had no specific events/ actions which is having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

We further report that during the audit period there were no instances of:

- (i) Public /Right/ Bonus /sweat equity
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction, etc.
- (iv) Foreign technical collaborations.

Date: 01/11/2023

Place: GUWAHATI

UDIN: F005714E001561257

FOR, AMIT PAREEK & ASSOCIATES

COMPANY SECRETARIES

(AMIT PAREEK)

Proprietor

FCS: 5714

COP: 4289

ANNEXURE -1

During the course of our audit of the Company, following non-compliance/observations were made: -

- 1) *Pursuant to the Secretarial Standard issued by ICSI, the Company has defaulted in compliance of SS-1 Para 8.3 relating to registers of the Company which are required to be kept under the custody of the Company Secretary.*
- 2) *The AGM for the financial year 2021-22 was duly held on 6th September, 2022 which was adjourned for adoption of audited financial statements. The adjourned AGM for the FY 2021-22 was held on 1st September, 2023 wherein Audited Financial Statements were adopted.*
- 3) *The Company, during the financial year has defaulted in Filing of requisite Annual return, forms with necessary reports and annexure with the Registrar of Companies, MCA within due time.*
- 4) *During the period under review, it was observed that the Company has filed few forms with The Registrar of Companies bearing huge additional fee. In our opinion the Company should avoid filing forms and returns with such abnormal delay.*
- 5) *During the course of our audit, it was observed that the Company is regular in non-compliance of the provisions of Section 173(3) of the Companies Act, 2013 relating to calling of meeting of Board at a shorter notice i.e. less than seven days. Agenda items of the notices are also not sent seven days in advance. In our opinion, for the compliance of the Act and for meaningful participation and smooth functioning of the Board the notices together with agenda items should be sent seven days in advance.*

Date: 01/11/2023
Place: GUWAHATI
UDIN: F005714E001561257

FOR AMIT PAREEK & ASSOCIATES
COMPANY SECRETARIES

(AMIT PAREEK)
Proprietor
FCS: 5714
COP: 4289

[Annexure -II]

Format for the Annual Report on CSR Activities to be Included in the Board's Report For Financial Year 2022-23.

1. Brief outline on CSR Policy of the Company. The CSR policy is published in the website of the Corporation at www.meecl.nic.in.

2. Composition of CSR Committee: As per section 135 (9) of the Companies Act, 2013 inserted by the Companies (Amendment) Act, 2020 provides that where the amount to be spent by a company does not exceed fifty lakh rupees, the requirement under sub-section (1) of section 135 of the Companies Act, 2013 for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee shall be discharged by the Board of Directors of such company. Hence, at present there is no such committee.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. : The CSR policy is published in the website of the Corporation at www.meecl.nic.in. As per section 135 (9) of the Companies Act, 2013 inserted by the Companies (Amendment) Act, 2020 provides that where the amount to be spent by a company does not exceed fifty lakh rupees, the requirement under sub-section (1) of section 135 of the Companies Act, 2013 for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee shall be discharged by the Board of Directors of such company. Due to loss suffered by the Company in previous years, the requirement for CSR expenditure is not applicable.

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **Not Applicable.**

5. (a) Average net profit of the company as per section 135(5), is as follows:

Financial Year	2021-22	2020-21	2019-20
Profit/(Loss)	(15282.55 Lakh)	(10094.12 lakh)	(135778.65 lakh)

(b) Two percent of average net profit of the company as per section 135(5) : **0**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **Not Applicable**

(d) Amount required to be set off for the financial year, if any: **Not Applicable**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]. **Not Applicable**

6. (a) Amount spent on CSR projects (both Ongoing project and other than on-going project): **Nil**

(b) Amount spent in Administrative Overheads: **Nil**

(c) Amount spent on Impact Assessment, if applicable: **Nil**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **Nil**

(e) CSR amount spent or unspent for the Financial Year: **Nil**

Total Amount Spent for the	Amount Unspent (in Rs.)	
		Total Amount transferred to Unspent CSR Account as per section 135(6).

Financial Year. (in Rs.)					
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(f) Excess amount for set-off, if any: **Not applicable**

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per subsection (5) of section 135	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)] in	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off succeeding Financial Years [(iii)-(iv)]	

7. Details of Corporate Social responsibility amount for the preceding three financial years: **Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		

1	FY-1							
2.	FY-2							
3.	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not applicable**

Yes No

If Yes, enter the number of Capital assets created/ acquired


Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable**

Sl.No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: **Not Applicable.**

On behalf of the Board of Directors,


(S. Goyal, IAS)

Chairman-cum-Managing Director

Place: Shillong

Date: 13.03.2024

INDEPENDENT AUDITOR'S REPORT

**TO
THE MEMBERS OF
MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
SHILLONG**

1. Disclaimer of Opinion

We are engaged to audit the accompanying Standalone Ind AS financial statements of Meghalaya Power Distribution Corporation Limited ('the Company'), which comprise:

- a) The Standalone Balance Sheet as at March 31, 2023;
- b) The Standalone Statement of Profit and Loss (including Statement of other Comprehensive Income) for the Financial Year ended as at 31st March 2023;
- c) The Standalone Statement of Changes in Equity for the Financial Year ended as at 31st March 2023;
- d) The Standalone Cash Flow Statement for the Financial Year ended as at 31st March 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying Standalone Ind AS financial statements of the company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

2. Basis for Disclaimer of Opinion:

Our observation have been attached in Annexure A & C of the report and as a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded Property, Plant and Equipment, Capital Work-in-Progress, Inventories, Cash & Bank balances, Borrowings and Interest payable, Current Liabilities & Provision including accounting for Grants, Accounts Receivable/ Payable, Loans & Advances and the elements making up the Statement of Profit and Loss and the Cash Flow Statement.



3. Information other than the Standalone Financial Statements and Auditors' Report

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

The annual report is expected to be made available to us after the date of auditor's report. Hence, we have nothing to report in this regard.

4. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under and accounting system laid under the provisions of the Electricity Act, 2003 and relevant Central Electricity Regulatory Commission (CERC) regulation in respect of Depreciation and other recognized accounting practices and policies.



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

5. Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

6. Report on Other Legal and Regulatory Requirements

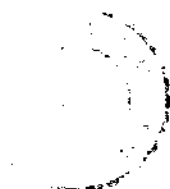
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure-A**", a statement on the matters specified in paragraphs 3 & 4 of the Order.
2. As required by the Companies Act, 2013 under section 143(5), we have attached "**Annexure-B**" a statement on matters directed by C&AG.
3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations except on the matters detailed in **Annexure A** and **Annexure C**.
 - b. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph section of our report, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity, the Cash Flow Statement dealt with by this Report are in agreement with the books of account accept for matters referred to in 'Basis for Disclaimer of opinion' paragraph.
 - d. Due to the possible effects of matters described in the "**Basis for Disclaimer of opinion**" paragraph above, the aforesaid standalone Ind AS financial statements have not fully complied with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2015;

- e. On the basis of the Gazette Notification No 372 dated 05.06.2015 issued by the Ministry of Corporate Affairs, Government of India, the provisions of Section 164(2) of the Companies Act, 2013 regarding the "Disqualification of Directors" for appointment as Director of company shall not apply being a Government Company.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure D". Our report expresses **ADVERSE opinion** on the operating effectiveness of the Company's Internal control with reference to Standalone Financial Statements;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has not disclosed the impact of pending litigation on its financial position in its standalone Ind AS financial statements
 - ii. The Company has not made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, of any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b)The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement;

v. No dividend has been declared or paid during the year by the Company.



PLACE : SHILLONG
DATE : 24.09.2023

UDIN : 23040259BGXLHT6177

**For P. GAGGAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 318074E**

**(P. GAGGAR)
PARTNER(M.NO.040259)**

ANNEXURE – A

TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 2022-23 (Referred to in Para 6(1) of our report of even date)

(Referred to in paragraph 6(1) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Meghalaya Power Distribution Corporation Limited on the Standalone Ind AS Financial Statement for the year ended on 31st March'2023.)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- 1 (a) (A) The company has not maintained Fixed Assets Register as per the requirement laid down in the Companies Act. The Fixed asset register maintained by the company does not contain specific details about the quantitative details, location and identification of such assets. Further, the Fixed Asset Register, as maintained, by the company is not in reconciliation with the books of accounts and as such, we cannot comment on the completeness and accuracy of the same.

(B) The Company has not maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the record, the Company does not have approved fixed asset physical verification policy. Further the company has not performed physical verification of fixed assets for the F.Y. 2022-23. Having regard to the size of the organization, we are of the opinion that the physical verification process has not been conducted at reasonable intervals. In the absence of physical verification report, we are unable to quantify the consequential impact of the outcome of such verification on the financial statements.
- (c) The title deeds of immovable properties of some of the divisions were produced to us for our verification; hence we are unable to comment upon the other divisions that the company has recorded title deeds in its own name in respect of all the immovable properties in the possession of the company. The management has informed us that the company is in the process of getting its name incorporated in the various assets and liabilities transferred to it from its holding company. As per provisions of The "Meghalaya Power Sector Reforms Transfer Scheme 2010" and till date major part of the assets transferred to the company are still in the name of its Holding Company i.e. Meghalaya Energy Corporation Limited.



ANNEXURE - A

TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 2022-23 (Referred to in Para 6(1) of our report of even date)

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment or Intangible Assets during the year ended March 31, 2023. Accordingly the reporting requirements under Provisions of the clause 3(i)(d) of the order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.
- 2 (a) With reference to our comments in Annexure C of the Audit Report, and according to the information and explanations given to us the inventory in 16 divisions out of 18 inventory holding divisions have been physically verified by the management at reasonable intervals. The company has not reconciled the value and quantity of physically verified inventory with the books of accounts and in the absence of such reconciliation, we are unable to quantify the consequential impact of the outcome of such verification on the financial statements.
- (b) In our opinion and according to the information and explanations given to us, the company has not been sanctioned working capital limits in excess of Rs. Five Crores in aggregate from Banks and/or Financials Institution during any point of time of the year on the basis of security of current assets. Accordingly, the requirements to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- 3 With reference to our comments in Annexure C of the Audit Report, we would like to that the company has included various ledger balances in its related party advances that are predominantly used by the company to account for transfers/transactions between the various division/sub-division/HQ of the company. In our opinion and based on the details provided to us, inclusion of such balances in related party balances is incorrect. Further the company could not provide us the actual balances of all the related parties along with related party confirmations. Accordingly, we are unable to comment if the company has granted any loan or advances in nature of loan, secured or unsecured to its Holding and Fellow Subsidiaries.

Subject to above, the Company has not provided any guarantee or security or granted any loans or advances in nature of loan, secured or unsecured to any other company (except for its Holding and Fellow Subsidiaries), firms, Limited Liability partnerships or any other parties during the year and accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable to the Company.

ANNEXURE – A

TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 2022-23 (Referred to in Para 6(1) of our report of even date)

- 4 With reference to our comments in Annexure C of the Audit Report, we would like to that the company has included various ledger balances in its related party advances that are predominantly used by the company to account for transfers/transactions between the various division/sub-division/HQ of the company. In our opinion and based on the details provided to us, inclusion of such balances in related party balances is incorrect. Further the company could not provide us the actual balances of the all related parties along with related party confirmations. According, we are unable to comment if the company has complied with the provisions of section 185 and 186 of the act.
- 5 In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits during the year. However there is a share application money received from Meghalaya Energy Corporation Limited (MeECL), which is pending allotment amounting to Rs. 27,704.56 Lakhs which shall be considered as deemed deposits within the meaning of Section 73 to 76 of the Companies (Acceptance of Deposits Rules, 2014 (as amended). The company has not made the requisite compliances under the companies Act.
- 6 The Central Government has prescribed maintenance of Cost records u/s 148(1) of the Act for the products of the Company. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Records and Audit) Rules 2014, prescribed by the Central government under section 148(1) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have however not made a detailed examination of the said records with a view to determine the accuracy or completeness of the record.
- 7 (a) With reference to our comments in Annexure C of the Audit Report, the company could not provide us with requisite details & information with respect to transaction and payment of statutory and as such, we are unable to comment as to whether the Company has been regular in depositing undisputed statutory dues including Goods and Service tax, Provident Fund, Employees State Insurance, Income-Tax, Electricity Duty, Cess and any other statutory dues with the appropriate authorities. Further, in absence of information, we cannot comment if there are undisputed amounts payable in respect of statutory dues which were outstanding at the year end for a period of more than six months from the date they became payable.

(b) The company could not provide us with requisite details & information and as such, we are unable to comment as to whether there are any dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.



ANNEXURE - A
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 2022-23
(Referred to in Para 6(1) of our report of even date)

- 8 According to the information and explanation given to us, The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- 9 (a) Based on our audit, and as per the information and explanation given by the management, the company has defaulted in the repayment of dues of principal or interest on loan to the financial institutions, banks and Government. However, the company could not provide us with complete details & information with respect of all these defaults. Defaults as per details provided by the company is as follows:

Nature of borrowing including debt security	Name of Lender	Amount in Rs. Lakhs	Whether Principal or Interest	No. of days delay or unpaid as on 31.03.2023
Term Loan under Rural Electric Corporation	REC Ltd	204.00	Interest & Principal	0 to 90 Days
Term loan under Atmanirbhar Scheme	REC Ltd	904.82	Interest & Principal	0 to 59 Days
Term Loan from State Government	Govt. of Meghalaya	354.56	Interest & Principal	0 to 365 Days

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, except for in case of Term Loan received from Government of Meghalaya, where requisite information was not made available to verify the purpose of such loan were sanctioned by the Government.

ANNEXURE – A
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 2022-23
(Referred to in Para 6(1) of our report of even date)

- (d) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of short term loans. Accordingly, the provisions of clause 3 (ix) (d) of the Order are not applicable to the Company.
 - (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
 - (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- 10 (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- 11 (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by using Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- 12 The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.

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ANNEXURE - A
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 2022-23
(Referred to in Para 6(1) of our report of even date)

- 13 Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone IndAS financial statements, as required by the applicable accounting standards.
- 14 (a) In our opinion and based on our examination, the company has an internal audit system, however the same is not commensurate with the size and nature of its business.
- (b) The Internal Audit team of the company has audited only 1 Division of the company for F.Y. 2022-23 (out of total 23 Divisions/Units). The audit report has been provided to us for verification and has been considered by us for determining the nature, timing and extent of our audit procedures.
- 15 The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- 16 The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) to 3(xvi)(d) of the Order is not applicable to the Company.
- 17 The Company has incurred cash losses approximately amounting to Rs. 18,657.95 Lakhs in the current year and amounting to Rs. 14,970.73 Lakhs in the immediately preceding financial year respectively. Cash losses has been calculated by reducing the Grant amortisation and adding the depreciation to the Net Profit after taxes of the company.
- 18 There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- 19 According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company.

ANNEXURE - A
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 2022-23
(Referred to in Para 6(1) of our report of even date)

We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- 20 The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.
- 21 The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.



PLACE : SHILLONG
DATE : 24.09.2023

UDIN : 23040259BGXLHT6177

For P. GAGGAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 318074E

(P. GAGGAR)
PARTNER (M.NO.040259)

**Annexure B to the Independent Auditor's Report
for the Financial Year 2022-23
(Referred to in paragraph 6(2) of our report of even date)**

Compliance Certificate

We have conducted the Audit of Accounts of **MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED**, having its Registered office at Shillong (Meghalaya), for the Financial Year ended 31st March, 2023 in accordance with the Directions issued by the Comptroller & Auditor General of India Under Section 143 (5) of the Companies Act, 2013 and certify that we have complied with all the Directions / Sub-directions issued to us.



**PLACE : SHILLONG
DATE : 24.09.2023**

UDIN : 23040259BGLHT6177

**For P. GAGGAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 318074E**



**(P. GAGGAR)
PARTNER (M.NO.040259)**

**Annexure B to the Independent Auditor's Report
for the Financial Year 2022-23
(Referred to in paragraph 6(2) of our report of even date)**

**DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013 FOR THE
FINANCIAL YEAR ENDED 31ST MARCH, 2023**

Sl. No.	Directions	Action Taken
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	No the Company does not have system in place to process all accounting transactions through IT system.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Based on the details provided by the Management and our audit we observed that during the period under audit there is no restructuring of an existing loan or waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	We draw your attention to Note P(1) of Annexure C to this audit report. Majority of grants/funds/loans from Government of Meghalaya (GoM) are received by the Holding company, who in-turn transfer's such fund to the respective subsidiary company. The company has produced before us for verification the financial sanctions for grants received by the Holding company for the subsidiary. However, in majority instances, the funds are received by the holding company for all the subsidiaries of the group and the amount are bifurcated between the subsidiaries by the holding company.

**Annexure B to the Independent Auditor's Report
for the Financial Year 2022-23
(Referred to in paragraph 6(2) of our report of even date)**

Sl. No.	Directions	Action Taken
		<p>Further, it is observed that various earmarked funds are also not transferred to the MePDCL on an immediate basis in a separate grant account held in the name of the company. It is also observed that on various occasions, the grant is expended directly by the Holding company and the relevant costs are allocated to MePDCL. In absence of sufficient appropriate audit evidence with respect to all grants received by the Holding Company for MePDCL and all expense done by the Holding company for MePDCL, we are unable to comment on the completeness and utilization of all Grant received by the company.</p> <p>Further, based on over verification, we have observed that Rs. 1800.00 Lakhs received for Saubhagya Schemes were transferred to the Holding/Fellow Subsidiaries/ Revenue Account of Company. Reason for such transfer was not provided to us by the management.</p> <p>Further, the Government of Meghalaya has provided a grant of Rs. 1013.21 Lakhs to MEPDCL towards specific purpose of procurement of 342 Transformers and repair 450 damaged transformers vide letter POWE/0081/31082022/2801/66 of the Power department, GoM. The said amount has been received by the Holding company but has not been transferred to MePDCL. Complete details are not</p>

**Annexure B to the Independent Auditor's Report
for the Financial Year 2022-23
(Referred to in paragraph 6(2) of our report of even date)**

Sl. No.	Directions	Action Taken
		provided for verification and as such, we are unable to comment on the accuracy of grant utilization and booking by the company.



PLACE : SHILLONG
DATE : 24.09.2023

UDIN : 23040259BGXLHT6177

For P. GAGGAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 318074E

(P. GAGGAR)
PARTNER(M.NO.040259)

ANNEXURE C
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 22-23
(Referred to in Para 2 of our report of even date)

A. NOTE 1: COMPANY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

1. Clause 10 Government Grants: As per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance', government grant for capital assets is recognized in the Statement of Profit and Loss on a systematic basis over the period, in which the entity amortizes the related costs of such capital asset. However, the Company assumes that the creation of assets against capital grants received during the period take more than a year for completion and the same are thereby booked under capital work-in-progress and amortized @ 5.28% of their opening balance for the reporting period. Due to non-availability of sufficient and appropriate audit evidence with regard to utilization of grants, we are unable to comment on the consequential impact of the policy followed by the company with respect to amortization of Grants on the Standalone Financial Statements of the Company.

B. NOTE 2: PROPERTY, PLANT AND EQUIPMENT: Rs. 1,04,213.06 lakhs

1. The company has not maintained Fixed Assets Register as per the requirement laid down in the Companies Act. The Fixed asset register maintained by the company does not contain specific details about the quantitative details, location and identification of such assets. Further, the Fixed Asset Register, as maintained, by the company is not in reconciliation with the books of accounts. Due to non-availability of sufficient and appropriate audit evidence with regards to the completeness and accuracy of the fixed assets, we are unable to comment on the consequential impact on the Standalone Financial Statements of the Company.
2. The company has not disclosed a list of title deeds of immovable properties (other than properties where the company is lessee and the lease agreements are duly executed in favour of the lessee) which are not held in the name of the company. However, as per our sample testing, we have noted that various immovable properties used by the company are not registered in the name of Company, but are registered in the name of the holding company, Meghalaya Energy Corporation Limited.
3. The Company could not produce before us for verification an approved Physical verification policy of the company. Further the company has not performed physical verification of fixed assets for the F.Y 2022-23. In absence of such policy and the Physical Verification report, we cannot comment on the existence of assets of the company.



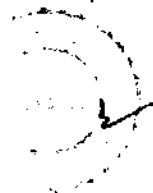
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4. The company has capitalized Property, plant and equipment to the tune of Rs. 47,993.21 Lakhs during the financial year from Capital Work in Progress. Out of this, assets of Rs. 47,795.98 Lakhs were put to use prior to F.Y. 2022-23. The company has taken has shown the same as additions during the year but depreciation on these asset were taken as prior period expense to the tune of Rs. 2142.54 Lakhs. This is not in accordance with the principles of IND AS 16 "Property, Plant and Equipment". Further, the Company could not produce before us for verification the detailed Work Completion Certificate mentioning the area, amount, date, scheme name, contractor name, etc based on which such capitalization was done. In absence of the complete details, reconciliation or audit trail, we are unable to quantify the impact of on the depreciation and value of fixed assets.
5. The company has not applied the provisions for impairment of assets as per the requirements of Ind AS 36 "Impairment of Assets" and as such we are unable to comment on the impact of impairment, if any, on account of impairment of assets.
6. Based on our sample testing, Insurance coverage has not been done for Property, Plant and Equipment except for vehicles in use.

C. NOTE 3: CAPITAL WORK-IN-PROGRESS: Rs.1.00.810.36 Lakhs

1. The company could not provide us with complete scheme wise details or asset wise details of the CWIP/Capital Stock along with put to use/commissioning dates, if any. In absence of the complete reconciliation or audit trail, we are unable to quantify the impact of non-capitalization of Capital work in progress/Capital Stock on the depreciation and value of fixed assets.
2. Based on our verification, we have observed that there is a significant delay in issuance of Work Completion Certificate. In many cases, it is also observed that Work Completion Certificate has not been issued at all. Due to this delay/non-receipt of Work Completion Certificate, the company has not capitalized assets accounted in 66 ledgers to the tune of Rs. 17,003.21 lakhs, wherein no transactions have been taken place during the financial year 2022-23. In absence of the complete details, reconciliation or audit trail, we are unable to quantify the impact of non-capitalization of Capital work in progress on the depreciation and value of fixed assets.
3. The company has passed rectification entries of Rs. 21,491.21 Crores during the financial year. The company, however, could not produce before us for verification complete details of inaccuracies rectified and in absence of such details, we are unable to quantify the impact, if any, on the balance of CWIP.



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4. As observed during the course of audit, interest paid/ payable on RAPDRP loan amounting to Rs 1046.31 lakhs and IPDS Loan amounting to Rs. 53.99 lakhs have been charged to Profit and Loss A/c, however the corresponding assets of RAPDRP and IPDS are lying in CWIP. Thus, the treatment of interest as an expense is not in accordance with the principles of IND AS 23 "Borrowing Costs". Interest expenses are overstated and CWIP is understated by Rs. 1100.30 Lakhs.

D. Note 4:NON-CURRENT FINANCIAL ASSETS: OTHERS Rs. 3,200.98 lakhs

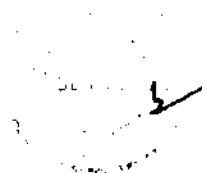
1. Balance Confirmation has not been provided to us for amount recoverable from Government of Meghalaya of Rs. 3,200.98 Lakhs. In absence of such confirmation, we are unable to comment on the completeness, accuracy and existence of the same.

E. NOTE 5: OTHER NON CURRENT ASSET: CAPITAL ADVANCES: Rs.5,782.33lakhs.

1. Out of the total capital advances of Rs. 5,782.33 Lakhs, vendor wise breakup of Rs.5,079.40 Lakhs has been provided to us for verification. The balance amount of Rs.702.93 is unreconciled. In the absence of such a breakup, we are unable to comment on the completeness, accuracy and existence of the same.
2. On verification of advances given to vendors under the Asian Development Bank Scheme, it was observed that statutory compliances like deduction of TDS under Income tax and GST were not adhered to.

F. NOTE 6: CURRENT ASSETS: INVENTORIES: Rs. 2,159.64 Lakhs

1. Proper inventory records could not be produced before us for verification. Complete details of Inventories such as quantity, item name, rates, etc. could not be provided to us for verification. Due to non-availability of sufficient and appropriate audit evidence, we are unable to comment on the completeness, valuation and accuracy of the inventories.
2. The Company has conducted physical verification of inventories as on 31st March, 2023 of Sixteen Divisions. As per the company, there are 18 divisions which hold inventories. Further, the total valuation of inventory as per physical verification conducted amounted to Rs. 826.34 Lakhs, whereas, total inventory as per the books of accounts is Rs. 2,159.64 Lakhs. Further, a reconciliation of the value of inventory as per books and the physical verification could not be provided to us. Hence, we are unable to comment on the consequential impact of the outcome of such verification on the financial statements.



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3. The company has not identified non-moving, slow moving, obsolete and damaged items of inventory and has neither provided any provision for the same. This is in contravention of the requirements as laid down under Ind AS 2 - Inventories.
4. As per the Division II - Ind AS Schedule III to the Companies Act 2013 the mode of valuation of inventories is required to be stated in the notes, however, no such disclosure has been made in the financial statements under Note 6 on Inventories.

G. NOTE 7: CURRENT FINANCIAL ASSETS: TRADE RECEIVABLE: Rs. 90,531.52 Lakhs

1. Complete customer wise bifurcation of trade receivables could not be produced before us for verification. In absence of such sub-ledger reconciliation, we are unable to comment on the accuracy and completeness of these balances.
2. With respect to the outstanding balances of the consumers, the company has provided us with a consumer outstanding report (compiled by Executive Engineer, Management Information Services, MePDCL, Shillong). The total consumers outstanding balance as per the report as on 31.03.2023 is Rs. 62,939.01 Lakhs. However, the total consumer outstanding balance as per books of accounts is Rs. 71,803.44 Lakhs. The reconciliation between the figures could not be provided to us.
3. As per the consumer outstanding report, there are 52 individual consumers having outstanding for more than Rs. 50 lakhs as on 31.03.2023 and the total outstanding balance is Rs. 24,660.57 lakhs. Out of these 52 consumers, 9 Non-Government consumers whose connection was disconnected owe Rs. 869.09 lakhs as on 31.03.2023.
4. With respect to the outstanding balances towards Institutional Consumers (who trade in power), Unscheduled Interchange Debtors / Reactive Charges debtors, IBDF debtors etc, the total outstanding as on 31.03.2023 is Rs. 19,322.49 Lakhs. The company did not have a policy of reconciling its balances with these consumers. However, the company has recently undertaken the process of reconciling its debtors. In absence of proper reconciliation or confirmation from these vendors, we are unable to comment on the accuracy and completeness of these balances.
5. On analyzing the average collections as compared to the electricity bills raised during the year, we have noticed that collections were abysmally low for at least 8 divisions namely, East Garo Hills Divisions, Garo Hills Revenue Division, Jowai Revenue Division (Revenue Accounts), Khilehriat Dist Div (Rev), Nongpoh Distribution Div Revenue, Revenue Div Williamnagar, Tura (D) Division Rev and Western Revenue Division

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(Revenue). No proper explanation for the same could be provided for such low collections. Due to non-availability of sufficient and appropriate audit evidence, unable to comment on the existence of such balances.

6. The company has not created any provision with respect Sundry Debtors as per Expected Credit Loss Method, which is in contravention of Ind AS 109 Financial Instruments. In absence of a provision matrix and forward looking behavioral pattern of the customers, we are unable to quantify the consequential impact of such deviation on the overall ECL provisioning.
7. Details of unutilized balances of prepaid consumers as on 31st March,2023 has not been provided to us.

H. Note 8: CURRENT FINANCIAL ASSETS: CASH AND CASH EQUIVALENTS: Rs. 6084.23 Lakhs

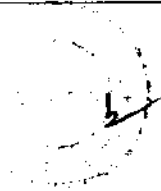
1. Cash on hand Rs.197.11 lakhs

- i) The balance not only pertains to cash but also includes Cheques in hand, Postage Stamps, Postal Orders, Drafts which is not a correct depiction of cash in hand. The exact amount of cheques included in the cash balance is not made available.
- ii) Cash certificate mentioning the denomination-wise bifurcation of the Cash in hand of 22 Divisions as on 31.03.2023 was provided for verification whereas Cash Certificates of 32 Divisions were not produced before us for verification. In absence of these cash certificates, we are unable to comment on the completeness, existence and accuracy of the cash in hand.
- iii) The company has provided us with various cash reconciliation statements from respective divisions. It is observed that in various divisions, the balance of cash as per cash reconciliation statements were negative, which implies incorrect accounting by the company. Further, It is also observed that the there were differences between the balances as per cash Reconciliation statement and cash Balances reflected in books of accounts, details of which are as below:

Division Name	Sub-Division Name	As per Cash Reconciliation (Rs. In Lakhs)	As per books (Rs. In Lakhs)	Difference (Rs. In Lakhs)
East Khasi Hills (Rev)	Pynursia	-	14.40	-14.40

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Division Name	Sub-Division Name	As per Cash Reconciliation (Rs. In Lakhs)	As per books (Rs. In Lakhs)	Difference (Rs. In Lakhs)
East Khasi Hills (Rev)	Cherrapunjee	-	-100.19	100.19
Byrnihat Distribution Div Revenue	Killing	5.71	170.91	-165.20
Jowaai Revenue Division (Revenue Accounts)	Khliehtyrchi Rev	41.53	25.53	16.01
Jowai Revenue Division (Revenue Accounts)	Khliehtyrchi Rev	-29.19	-61.47	32.28
Jowai Revenue Division (Revenue Accounts)	Amlarem	2.12	-2.73	4.85
Khliehriat Dist Div (Rev)	Sutnga	0.11	0.01	0.10
West Khasi Hills Dist Div	Mairang Rev S/D	0.09	-1.55	1.64
West Khasi Hills Dist Div	Nongstoin Rev S/D	-3.50	0.81	-4.31
East Garo Hills Division	Bajengdoba S/D	-	-0.000164	0.000164
Garo Hills Revenue Division	Selsella Dist. S/D	16.84	29.97	-13.14



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Division Name	Sub-Division Name	As per Cash Reconciliation (Rs. In Lakhs)	As per books (Rs. In Lakhs)	Difference (Rs. In Lakhs)
Jowai Distribution Div Revenue	Jowai Distribution Div Revenue	171.04	224.14	-53.10
Central Revenue Division	Mawkyrwat Rev S/D	-	1.33	-1.33
Tura (D) Division Rev	Tura Rev S/D	0.30	-1.90	2.20
Western Revenue Division (Revenue)	Umiam Rev S/D	0.88	16.33	-15.45
West Khasi Hills Dist Div	Riangdo distribution	6.26	5.19	1.07
East Garo Hills Division	Williamnagar Rev S/D	0.0223	-0.00270	-0.024925

Pending reconciliation, the effect of these differences on the balances appearing in the books cannot be ascertained. In the absence of complete information, we cannot comment in the consequential impact of the same on the financial statements.

2. Balance with banks Rs.5,758.80 Lakhs:

- i) Based on our verification, it was observed that many of the bank accounts appearing in the books of the company were in the name of the holding company "Meghalaya Energy Corporation Limited". As explained to us by the management, the error was due to insufficient understanding of the unbundling of the discom amongst the employees. The management is under the process of changing the name of the account holder in the banks.
- ii) Balance with schedule banks in current accounts include un-reconciled items, unidentified credits in the bank, cheques deposited but not credited etc. detailed breakup of which is not available with the company. The company has undertaken the process of reconciling the same. Pending reconciliation, the effect of these differences on the balances appearing in the books cannot be ascertained and the impact of the above on the Revenue Account, Assets & Liabilities could not be determined.

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iii) The company has not provided us with bank reconciliation statement as on 31.03.2023 for 11 bank accounts. Further, out of the reconciliation statements provided by the company, reconciliation for 18 bank accounts were not proper as balance as per books in the reconciliation was not matching with the actual balance of the respective ledgers in the books of account. In absence of such reconciliation, we cannot comment on the accuracy of the balances.

3. **Cash imprest with staffs Rs.128.32 Lakhs:**

i) Employee wise breakup of Cash imprest with staff was not made available to us for verification. In absence of such sub-ledger details, we could not comment on the accuracy and completeness of this balance.

I. Note 9: CURRENT FINANCIAL ASSETS: BALANCES OTHER THAN CASH AND CASH EQUIVALENTS: Rs. 5,921.42 Lakhs

1. Fixed/term deposits with bank which are made out of grants and loan funds received from the donor/lender are not disclosed separately. Since the interest earned on such FD's is to be treated as part of respective grants etc. proper disclosure of the details should have been made in the notes on accounts.
2. On sample verification of accrual of interest on fixed deposit, it was noted by us that the company has accrued interest that is appearing in the fixed deposit statement and as such has not hooked accrued interest where the bank has not accrued interest at the year end. In absence of complete details, we are unable to quantify the impact on the same.
3. 17 number of Fixed Deposits Receipts amounting to Rs. 1,468.91 Lakhs could not be produced before us for verification. In the absence of sufficient appropriate audit evidence, we are unable to comment on the existence of the same.

J. Note 10: CURRENT FINANCIAL ASSETS: LOANS: Rs. 55.48 Lakhs

1. Employee wise breakup of Loans and advance to employees was not provided to us for verification. In absence of the sub-ledger reconciliation, we are unable to comment on the accuracy and completeness of the same.

K. Note 11: CURRENT FINANCIAL ASSETS: OTHERS: Rs. 41,509.16 Lakhs

1. We would like to draw your attention to Note 11.1, with states that related party balances are not reconciled. Further, the company has not provided us with the balance confirmation on amount receivable from Meghalaya Energy Corporation Limited (MeECL) amounting to Rs. 14,448.73 Lakhs. In absence of reconciliation, we are unable to comment on the accuracy of these balances.

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2. Further, we have also observed that these related party figures include various ledger balances that are predominantly used by the company to account for transfers/transactions between the various division/sub-division/HQ of the company. In our opinion and based on the details provided to us, inclusion of such balances in related party balances is incorrect.
3. On review of these inter-unit accounts, we have observed that many of inter-unit accounts are having large unreconciled balances. The effect of reconciliation, if any, on the financial statements is not determinable.
4. In 'DGM(W) MePDCL', 'DGM(E),MePDCL', and 'Revenue DivnShillong' funds were transferred to open certain new bank accounts. As per documents received from 'Revenue Divn Shillong', bank accounts were opened in the F.Y. 2021-22, however such amount is reflecting under the head financial assets (others) instead of showing it under Cash & Cash Equivalents. Details of same are as follows:-

Particulars	Division Name	Closing Balances (Rs. In Lakhs)
24.501 (Mawlai) (Account Opening (Mawlai))	DGM(W) MePDCL	0.10
24.501 (Uml yngka) (Account Opening (Uml yngka))	DGM(W) MePDCL	0.10
24.501 (Upper Shillong) (Account Opening (Upper Shillong))	DGM(W) MePDCL	0.10
24.501 Lapalang (Account Opening Lapalang)	DGM(E),Me.PDCL	0.10
24.501 Mawprem (Account Opening Mawprem)	Revenue Divn Shillong	0.10
24.501 New Shillong (Account Opening New Shillong)	DGM(E),Me.PDCL	0.10
24.501 Nongthymmai (Account Opening Nongthymmai)	DGM(E),Me.PDCL	0.10



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Particulars	Division Name	Closing Balances (Rs. In Lakhs)
24.501 Polo (Account Opening Polo)	Revenue Divn Shillong	0.10
24.501 Umjarain (Account Opening Umjarain)	Revenue Divn Shillong	0.10

5. **Other Receivables:** It has been observed that under the head Other Receivables Rs. 708.08 Lakhs, Rs.8.05 Lakhs has been booked in books of 'WESTERN REVENUE DIVISION' in Ledger 28. Bank Guarantee (Bank Guarantee) which is Bank Guarantee charges. The reason for the same was not provided by the management. Further, an amount of Rs.700.00 Lakhs has been booked as receivable from Principal MEPDCL a/c with a corresponding Payable to MEPDCL Saubhagya a/c of Rs. 700.00 Lakhs in Liability for expenses. This has resulted in overstatement of Asset and Liabilities by Rs. 700.00 Lakhs.
6. **Other income accrued and due Rs 34.38 lakhs:** The amount is outstanding since before 2017 and no details regarding the same could be provided to us.

L. Note 12 : CURRENT TAX ASSETS: INCOME TAX REFUNDABLE Rs.170.42 Lakhs

1. The company could not provide us with reconciliation of the Income Tax refundable as appearing in the books of account with the respective income tax return. In absence of this reconciliation, we are unable to comment on the accuracy, completeness and existence of the balances.

M. Note 13 : OTHER CURRENT ASSETS: Rs. 1498.93 Lakhs

1. **Advances other than capital advances: Rs. 368.64 Lakhs:** Vendor wise breakup of transactions and balances could not be provided to for verification, as such, in absence of complete details, we are unable to comment on the accuracy of the same.
2. **Balance with Govt. Authorities: Rs. 961.08 Lakhs:** The amount pertains to GST ITC balances. As per the GST Portal ledgers provided to us for verification, the GST ITC balance post filing of March'23 return is Rs. 1494.36 Lakhs. As per the company, it has claimed ITC while filing GST returns which were ineligible and are yet to reverse the same on the GST Portal. The company, however, could not provide us with reconciliation of the GST ITC actually claimed and claimable by the company. In absence of such reconciliation, we are unable to comment on the existence of such balance.



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3. Staff Related Advance Rs. 168.08 Lakhs: Employee-wise breakup of transactions and balances could not be provided to for verification, as such, in absence of complete details, we are unable to comment on the accuracy of the same.

N. Note 15 : OTHER EQUITY: Rs.3,82,714.74 Lakhs

1. Equity share capital pending allotment Rs.27,704.56 Lakhs: It is observed that the company has outstanding share application money of Rs.27,704.56 Lakhs. In terms of Rule 2 (vii) (a) of the Companies Acceptance of Deposits Rule, 2014 it has been directed that if allotment of shares cannot be made within 60 days from the date of receipt of the application money and such advance could not be refunded within 15 days from the date of completion of sixty days such amount shall be treated as a deposit under these rules read with section 74 of the Companies, 2013. However, the company has not treated the same as Deposit.
2. The Authorized share capital of the company is Rs 1,00,000 Lakhs and paid-up share capital of the company is Rs 85,021.80 Lakhs. The company can infuse additional fund by way of Equity within the limit of the Authorized share capital of the company as defined under section 2(8) of Companies Act, 2013. However, the company has accepted share application money of Rs. 27,704.56 lakhs which combined with the current paid up share capital of the company exceeds the authorized share capital of the company as on 31st March, 2023.

O. Note 16, 18 and 20 :BORROWINGS:

1. As per the various covenants of the loan agreements with Lenders, a penal interest would be payable by the company, in case, the company defaults in repayment of loan. As mentioned in Note 16.3, the company has defaulted on various loans, but has not booked Penal Interest on the same. Details of such loans are follows:

- Loan from State Government
- 8% Term (Restructured) Loan from REC.

In absence of complete information, we are unable to quantify the total penal interest payable by the company.

2. Balance confirmation for following loans has not been provided by us for verification and hence we cannot comment on the accuracy of the same.



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Particulars	Amount as on 31st March 2023 (Rs. In Lakhs)
9% Loan from Power Finance Corporation (PFC) Limited , R-APDRP-Part A	1,219.40
9% Loan from Power Finance Corporation (PFC) Limited R-APDRP-Part B)	10,406.24
Loan from State Government	17,544.58

3. It was also observed that current maturity are not considered in case of loans from PFC (R-APDRP - Part A) and Loan from PFC (R-APDRP - Part B).
4. The company has breached various financial covenants as per the agreements with various Lenders. Due to these breach, the lenders can demand for the payment of the entire outstanding amount on immediate basis. The company has not assessed the impact of these breaches on the classification of loans and borrowings as on 31.03.2023. In absence of complete information, we are unable to comment on the classification of various loans as Long Term Borrowings.
5. Interest payable to the Govt. of Meghalaya Rs. 1732.72 Lakhs is subject to confirmation and reconciliation, hence we cannot comment on the accuracy of the same.

P. Note 17 & 23: DEFERRED REVENUES

1. Government Grants:

- i) Further, out of the identified grant figures, their corresponding investment could not be ascertained as details/breakup of CWIP, Fixed Assets, Cash and Bank Balances and Advances to Contractors created out of these grants were not provided for verification.
- ii) Majority of grants/funds/loans from Government of Meghalaya (GoM) are received by the Holding company, who in-turn transfer's such fund to the respective subsidiary company. The company has produced before us for verification the financial sanctions for grants received by the Holding company for the subsidiary. However, in majority instances, the funds are received by the holding company for all the subsidiaries of the group and the amount are bifurcated between the subsidiaries by the holding company. Further, it is observed that various earmarked funds are also not transferred to the MePDCL

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on an immediate basis in a separate grant account held in the name of the company. It is also observed that on various occasions, the grant is expended directly by the Holding company and the relevant costs are allocated to MePDCL. In absence of sufficient appropriate audit evidence with respect to all grants received by the Holding Company for MePDCL and all expense done by the Holding company for MePDCL, we are unable to comment on the completeness and utilization of all Grant received by the company.

iii) On verification of the bank accounts maintained for individual grants, it was observed that:

- (1) The company has transferred Rs. 4253.46 Lakhs to DDUGJY Account from its Revenue Account for payments to be made under the scheme. As per the explanations received from the company, these payments were a refund of amounts transferred earlier to the Revenue A/c. However, complete details are not provided for verification and such, we are unable to comment on the accuracy of grant utilization and booking by the company.
- (2) The company has transferred Rs. 2178.77 Lakhs to RGGVY Account from its Revenue Account for payments to be made under the scheme. As per the explanations received from the company, these payments were replenishment of amounts adjusted at source by REC towards Loans & Interest of MLHEP, a division of Meghalaya Power Generation Corporation Limited. The amount adjusted by REC should have been shown as Disbursement of RGGVY Grant with a corresponding receivable from MEPGCL. However, complete details are not provided for verification and such, we are unable to comment on the accuracy of grant utilization and booking by the company.
- (3) The company has received an amount of Rs. 1891.92 Lakhs towards Saubhagya Scheme, out of the which, Rs. 1800.00 Lakhs has been transferred to the Holding Company / Fellow Subsidiaries/ Revenue Account. No proper explanation for such transfer was provided to us and as such, we are unable to comment on the accuracy of grant utilization and booking by the company.
- (4) The Government of Meghalaya has provided a grant of Rs. 1013.21 Lakhs to MePDCL towards specific purpose of procurement of 342 Transformers and repair 450 damaged transformers vide letter POWE/0081/31082022/2801/66 of the Power department, GoM. The said amount has been received by the Holding company but has not been transferred to MePDCL. Complete details are not provided for verification and as such, we are unable to comment on the accuracy of grant utilization and booking by the company.

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In the absence of sufficient appropriate audit evidence such as reconciliation of funds with their corresponding utilization, we are unable to comment on the utilization, diversion, accuracy and completeness of grants booked by the company.

2. Consumer Contribution towards Cost of Capital Assets:

- i) Consumer's Contribution towards cost of capital assets has not been booked in various Divisions. Due to this, Consumer's Contribution towards cost of capital assets is understated in the financial statements along with corresponding understatement of the assets of the company. Details of such assets couldn't be provided to us and as such we are unable to quantify the same.
- ii) In case of 7 Divisions, amount received from the consumer has been directly credited to "Consumer Contribution towards Cost of Capital Assets" instead of Deposit work account. This has led to inaccurate creation of Consumer Contribution towards Cost of Capital Assets to the tune of Rs. 284.49 Lakhs during the F.Y. 2022-23.

Q. Note 19: FINANCIAL LIABILITIES: TRADE PAYABLES Rs. 84.083.03 Lakhs

1. Payable Against Purchase of Power: Other: Rs.70,350.84 Lakhs

- i) Balance confirmation for various vendors clubbed in the sub head - "Others" has been produced before us for verification. However, confirmation for the vendors as noted below was not provided for verification.

Particulars	Closing Balances (Rs. In Lakhs) Dr/(Cr)
41.200 (VAR POOL) (Prov. For Liability For Purchase Of Power (VARPOOL))	-50.01
41.200 (PTCIL) (Prov. For Liability For Purchase Of Power (PTCIL))	6.66
41.200 (NTPC) (Prov. For Liability For Purchase Of Power(NTPC))	-66,439.99
41.200 (NVVN) (Prov. For Liability For Purchase Of Power (NVVN))	-29.65
41.200(MPL) (Prov. For Liability For Purchase Of Power (MPL))	-4.46

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(Referred to in Para 2 of our report of even date)

Particulars	Closing Balances (Rs. In Lakhs) Dr/(Cr)
41.200(SAPL) (Prov. For Liability For Purchase Of Power (SAPL))	-0.86
41.200 (GMRETL) (Prov. For Liability For Purchase Of Power (GMRETL))	-4.01

- ii) Out of the confirmations produced before us for verification, we have observed that there are differences between the balance confirmation received from the vendor and the balance appearing in the books of accounts. A summary of the same is as follows:

Name of Vendor	Balance as per Books of Accounts (Rs. In Lakhs)	Balance as per Balance Confirmation (Rs. In Lakhs)	Differences (Rs. In Lakhs)
41.200 (NHPC) (Prov. For Liability For Purchase Of Power (NHPC))	-308.47	-317.74	9.27

The management is currently reconciling the said balances and in absence of such reconciliation we are unable to comment on the accuracy of the same.

2. Payable Against Transmission and Wheeling Charges: Rs. 5,263.16 Lakhs

- i) Balance confirmation for various vendors clubbed in the sub bead - "Others" has been produced before us for verification. However, confirmation for the vendors as noted below was not provided for verification.

Particulars	Closing Balances (Rs. In Lakhs)
Assam State Electricity Board (ASEB)	-1460.46

- ii) Out of the confirmations produced before us for verification, we have observed that there are various differences between the balance confirmation received from the vendor and the balance appearing the books of accounts. A summary of the same is as follows:



ANNEXURE C
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 22-23
(Referred to in Para 2 of our report of even date)

Name of vendor	Balance as per Books of Accounts (Rs. In Lakhs)	Balance as per Balance Confirmation (Rs. In Lakhs)	Difference (Rs. In Lakhs)
Power Grid Corporation of India Limited (PGCIL)	-2006.63	-1477.63	-529.00

The management is currently reconciling the said balances and in absence of such reconciliation we are unable to comment on the accuracy of the same.

3. Payables for Operations and Maintenance Related Supplies: Complete Vendor-wise outstanding balances as appearing in various Ledgers clubbed under this head have not been provided to us for verification. A list of such un-reconciled ledgers are as follows:

- 43.100 (Liability, For Supply Of Materials Works-O & M)
- 43.200 (Suppliers Control Account- (O &M))
- 43.300 (Provision For Liabilities For Supply Of Materials/Works (O& M))
- 43.500 (Contractor's Control (O&M))
- 43.600 (Provision for Liability for Works (O&M))

In absence of such vendor wise breakup, we are unable to comment on the accuracy and existence of such balances.

R. Note 20: CURRENT FINANCIAL LIABILITIES: OTHERS: Rs.2,72,794.89 lakhs

1. Liabilities for capital supplies Rs. 18,951.62 lakhs: Complete Vendor-wise outstanding for Liability for capital supplies were not furnished to us and as such we cannot comment on the accuracy of the same.
2. Staff related liabilities of Rs. 1594.04 lakhs: Employee-wise breakup of transactions and balances could not be provided to for verification, as such, in absence of complete details, we are unable to comment on the accuracy of the same.
3. Security Deposits and Retention Moneys Payable Rs. 30,363.41 lakhs:
 - i) Deposits received from Consumers against Load security, meter security, etc. Rs. 9,122.76 Lakhs:



ANNEXURE C
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 22-23
(Referred to in Para 2 of our report of even date)

- (1) Customer wise breakup of transactions and balances could not be provided to for verification, as such, in absence of complete details, we are unable to comment on the accuracy of the same
- (2) As per IND AS, the balance should have been classified as Non-Current.
- (3) As per Supply Code regulation, 2018 interest has to be paid to consumers for their Load Security deposit. However interest on such load security has not been accounted for in books of accounts, which results in under booking of expense and understatement of Liabilities. in absence of complete information, we are unable to quantify the misstatement.

ii) **Security deposit from supplier and contractor Rs. 7,002.09 Lakhs:**

- (1) Complete Vendor-wise detail of the same was not made available to us and as such we cannot comment on the accuracy of the same. Further, outstanding for few vendors amounting to Rs. 4,995.04 Lakhs were provided to us, however, confirmation of the same could not be produced for verification.

iii) **Liability towards deposit for electricity/ service connection/ execution of deposit work Rs. 14,151.55 Lakhs: Customer-wise/Division-wise detail of the same was not made available to us and as such we cannot comment on the accuracy of the same.**

iv) **Security deposit for vehicle hiring, employees, stale cheques etc. Rs 87.01 Lakhs: Complete Vendor/employee-wise detail of the same was not made available to us and as such we cannot comment on the accuracy of the same.**

4. **Liabilities for expenses Rs. 5892.94 Lakhs :**

- i) Complete Vendor-wise outstanding balances as appearing in various Ledgers clubbed under this head have not been provided to us for verification. A list of such un-reconciled ledgers is as follows:
 - Rs. 5014.25 Lakhs (Provision For Liability For Expenses)
 - Rs. 27.30 Lakhs (Excess Payment Recoverable From Contractors/ suppliers)
 - Rs. 151.39 Lakhs (Amounts Adjusted from REC Receipts of Saubhagya Scheme)



ANNEXURE C
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 22-23
(Referred to in Para 2 of our report of even date)

- ii) An amount of Rs. 700.00 Lakhs has been booked as Payable to MEPDCL Saubhagya a/c with a corresponding receivable from Principal MEPDCL a/c of Rs. 700.00 Lakhs in Assets. This has resulted in overstatement of Asset and Liabilities by Rs. 700.00 Lakhs.

5. Other Liabilities Rs. 6569.29 Lakhs:

Out of the Other Liabilities of Rs. 6,569.29 Lakhs, amount payable to REC RGGY amounts to Rs. 6,500.00 Lakhs. The amount has been received by the Holding company from the GoM under the head "Repayment of loan component and interest thereto on account of RGVVY". However, as per the company, the GoM has used incorrect head while preparing the financial sanctions in case of UDAY Scheme and as such, the company has not been able to account the funds in the manner in which they were sanctioned to be. The company is in discussion with the GoM to get these sanctions rectified. In absence of proper clarification from the GoM on this matter, we are unable to comment on the proper classification and accounting this balance.

6. Related Party Payables Rs. 198,066 lakhs:

- i) We would like to draw your attention to Note 20.1, with states that Related party balances are not reconciled. We have not been provided confirmations for related party transactions and balances of MeECL to the tune of Rs. 22,739.72 Lakhs. In absence of reconciliation, we are unable to comment on the accuracy of these balances.
- ii) Further, we have also observed that these related party figures include various ledger balances that are predominantly used by the company to account for transfers/transactions between the various division/sub-division/HQ of the company. In our opinion and based on the details provided to us, Inclusion of such balances in related party balances is incorrect.
- iii) On review of these inter-unit accounts, we have observed that many of inter-unit accounts are having large un-reconciled balances. The effect of reconciliation, if any, on the financial statements is not determinable.

S. NOTE 21: PROVISIONS: Rs. 2327.63 lakhs

- 1. Provision for employee benefits of Rs. 2327.63 Lakhs: The amount pertain to provision created for Revision of Pay 2015 but not yet fully utilized. The management has not evaluated the estimate of ROP expenses on regular intervals, which is in contravention of the principles of ind AS 37. In absence of management revaluation of estimates, we are unable to quantify the effect of the same on the financial statements.

ANNEXURE C
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 22-23
(Referred to in Para 2 of our report of even date)

T. NOTE 22: OTHER CURRENT LIABILITIES: Rs. 6,305.13 lakhs

1. Statutory dues payable: Details of the same along with payment challans and reconciliation were not provided to us by management for verification. Hence we cannot comment on the accuracy of the same.
2. Non-Compliance of Statutory Deductions: We have observed that there are several instances wherein the liability of deducting and depositing TDS under Income Tax Act have arisen but the same has not been complied with by the company. Such instances include:
 - i) Non deduction of TDS on payment of Mobilisation Advances
 - ii) Non deduction of TDS on payment of Hiring of Vehicle, Rent, Commission payable to franchisee for collection from consumer etc.

U. NOTE 24: REVENUE FROM OPERATION: Rs. 1,24,606.37 Lakhs

1. It is observed that Rebates on Purchase of Energy of Rs. 584.90 Lakhs been clubbed under the heading "Other Operating Revenue". in our opinion the same should have been reduced from the cost of power purchase.
2. On analysing the revenue booked by various divisions, it was observed that there were large fluctuations in the revenue bookings during the year for the following divisions:

(Rs. In Lakhs)

Sl. No.	Division	Month	Previous Month	Month in which there is fluctuation in revenue	Next Month	% Increase as compared to average billing
1)	Byrnihat Distribution Div. Revenue	June	2,240.52	4,328.27	2,343.99	193%
2)	East Garo Hills Division	February	200.68	713.87	302.64	356%
3)	Garo Hills Revenue Division	June	121.94	3,836.97	46.47	3147%
4)	Khliehriat Dist Dev (Rev)	January	1,563.69	2,585.11	1,361.67	165%

ANNEXURE C
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 22-23
(Referred to in Para 2 of our report of even date)

Further, it is also pertinent to note that these high revenue hooking figures were not collected from the customer by the division. Adequate response from the divisions in this regards was not made available us as on date of this report. In absence of sufficient appropriate audit evidence, we are unable to comment on the occurrence and accuracy of the revenue booked by the company and the existence of debtors of the company.

3. The company is liable to pay GST on forward charge mechanism @ 18% (Circular No. 34/8/2018-GST Dt. 1st March, 2018) on Meter rent of Rs. 856.89 Lakhs collected during the F.Y. 2022-23. However, no GST Liability has been booked in Books while booking of such revenue. As such, revenue is overstated and liability understated.

V. Note 25: OTHER INCOME: Rs. 17,453.96 Lakhs

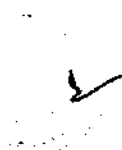
1. Interest Income from Bank includes Rs. 12.18 Lakhs Interest earned on surplus of ADB Project funds parked in the Saving Bank Account. As per generally accepted norms, this income on unspent/surplus project fund has to be refunded to the Project Authority as and when such direction is received. As such, the treatment of such interest as income is inaccurate and the same should be treated as an liability.

W. Note 27- EMPLOYEE BENEFIT EXPENSES Rs. 23,855.73 Lakhs

1. On sample verification of Employee benefit expenses, it was observed that WKH D/D Nongstoin Division has booked the employee benefit expenses twice for the month of March'23 and as such expenses are overstated by Rs. 17.16 Lakhs and provisions are overstated by Rs 17.16 Lakhs

X. Note 28- FINANCE COSTS Rs. 16,727.11 Lakhs

1. In ledger 78.550 (IPDS) (Interest on Loan From PFC (IPDS)), Interest charged to profit and loss in Current Year is Rs. 54.00 Lakhs and Cumulative of previous years Rs.162.05 Lakhs. The same should be have been capitalized instead of being expensed out.
2. In ledger 78.586 B (Interest on PFC Loan RAPDRP B), Interest charged to profit and loss in Current Year is Rs. 741.26 Lakhs and in Cumulative previous years Rs.2,529.43 Lakhs. The same should have been capitalized instead of being expensed out.
3. In ledger 78.586 (Interest on Loan From RAPDRP (PFC)), Interest charged to profit and loss in Current Year is Rs. 305.05 Lakhs and in Cumulative previous years Rs. 1106.27 Lakhs. The same should have been capitalized instead of being expensed out.



ANNEXURE C
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 22-23
(Referred to in Para 2 of our report of even date)

4. As per Note 16.4 of the financial statements, the company has not booked any interest on Loans from the State Government of Meghalaya amounting to Rs. 10,126 Lakhs. As per the information provided by the company, the High Power Committee formed for taking decision of the tenure and interest rate is yet to ascertain the terms and conditions of such loan. In the absence of complete information, we are unable to quantify the effect of the same on the financial statements.
5. We were not provided with documentary evidences for the basis of calculation relating to Guarantee charges booked in Ledger 78.884 (Guarantee Charges) in 'MePDCL Loan' for Rs. 815.56 lakhs.

Y. Note 29: DEPRECIATION AND AMORTIZATION EXPENSE Rs. 7,105.94 Lakhs

1. Depreciation for assets added during the current year has been calculated on the basis of month in which asset has been capitalized. However, as per ind AS, depreciation should be calculated pro-rata from the date of capitalization of the Asset. As such, there is an overstatement of depreciation for the assets capitalized during the year and a consequential understatement of Fixed Assets.
2. As mentioned in Point B.4 above, the company has capitalized Property, plant and equipment to the tune of Rs. 47,993.21 Lakhs during the financial year from Capital Work in Progress. Out of this, assets of Rs. 47,795.98 Lakhs were put to use prior to F.Y 2022-23. The company has taken has shown the same as additions during the year but depreciation on these asset were taken as prior period expense to the tune of Rs. 2142.54 Lakhs. This is not in accordance with the principles of IND AS 16 "Property, Plant and Equipment". Further, the Company could not produce before us for verification the detailed Work Completion Certificate mentioning the area, amount, date, scheme name, contractor name etc. based on which such capitalization was done. In absence of the complete details, reconciliation or audit trail, we are unable to quantify the impact of on the depreciation and value of fixed assets.

Z. Note 30: OTHER EXPENSES Rs. 2,388.23 Lakhs

1. On verification of Hire Charges, Travelling Allowances, Repair & Maintenance etc. we have observed that majority of expenses in these heads are booked on payment basis/cash basis. In absence of complete information, we are unable to quantify the consequential impact of invoices raised by vendors, but not booked by the company, on the financial statements.



ANNEXURE C
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 22-23
(Referred to in Para 2 of our report of even date)

2. We have observed that in certain cases the entity has been claiming GST Input Tax Credit for expenditures incurred, which are disallowed in accordance with the Rule 42 & 43 of CGST Rules as the correspondence outward supplies are excluded from the purview of GST.

AA. TERMINAL BENEFITS AND OTHER COMPREHENSIVE INCOME

1. During the year, MeECL, the holding company, has allocated Rs. 1,34,500.44 Lakhs as expenses towards defined benefit plans under Gratuity, Pension and Leave Encashment. Out of the total amount, Rs. 1,27,222.07 Lakhs has been booked as Other Comprehensive Expenses and remaining Rs. 7,278.37 Lakhs as terminal benefits under Employee Benefit Expenses. The company has shown the above amounts as payable to the Holding Company, i.e., MeECL. The said treatment is not in compliance with Para 8, Para 41, Para 104, and Para 129 of Ind AS 19 Employee Benefits.
2. As per Para 149, of ind AS 19 Employee Benefits, an entity participates in a defined benefit plan that shares risks between entities under common control, it shall disclose the contractual agreement or stated policy for charging the net defined benefit cost or the fact that there is no such policy. Further, the entity shall also disclose the policy for determining the contribution to be paid by the entity. The company could not provide us with sufficient appropriate audit evidence regarding the policy for agreements/policies and as such we are unable to comment if the company should recognize a cost equal to their contribution payable for the period or recognize the net defined benefit cost as determined. In absence of complete details, we are unable to quantify the impact on Net profit/loss, total comprehensive income, other equity, provisions and payable to related parties.

BB. Non Compliance to Additional Disclosures required vide notification no. G.S.R. (E), dated 24.03.2021 and Schedule III of the Companies Act, 2013 :-

1. Age wise analysis of Trade payables and Trade receivables has not disclosed in the financial statement.
2. Fixed deposits having a maturity period of less than 3 months has to be separately disclosed. Further, Earmarked balances with banks which are restricted for its use has not been disclosed separately.
3. Status of their satisfaction of charges with the ROC, has not been disclosed by the company.

b

ANNEXURE C

TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 22-23

(Referred to in Para 2 of our report of even date)

4. Disclosure with regards to Immovable Property not held in the name of the company such as description, gross carrying value, title deed owner name, period of holding of such properties and the reason for not holding the title deeds in the name of the company has not been disclosed by the company.
5. Disclosures with respect to Loans or Advances in the nature of loans that are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, and are: (a) repayable on demand or (b) without specifying any terms or period of repayment; have not been disclosed by the company.

CC. GENERAL OBSERVATION:

1. Internal Audit Reports for the F.Y. 2022-23 of only Shillong West Distribution Division was produce before us for verification and Internal Audit Report of other divisions could not be produced before us for verification till date of signing of this report.
2. The company has not maintained double entry books of accounts on a transaction level basis. The company follows a pattern of maintain various manual ledger/cash books at department/division levels from where entries are posted in the Books of Accounts on a Monthly/Quarterly/Half-yearly/Yearly basis.
3. We invite attention to Note 47 Additional information: The note states the various issues with the financial statements and matters pending reconciliation.
4. The balances appearing under sundry advances, debtors, loans, deposits are subject to confirmation/ reconciliation and consequential adjustments. In the absence of confirmation of balances and / or reconciliation in respect of the above we are not in position to quantify the consequential impact on the financial statements.
5. Based on the information/documents provided to us for verification, TDS is generally deposited by the company based on payments made to the vendors. This is in contravention of the Income Tax Act, 1961 which states that TDS needs to be deducted on payment or credit whichever is earlier. Such practice followed by the company will attract interest and penalty.
6. Certain accounts under the liabilities head are showing debit balances whereas under assets head they are showing credit balances. As this is apparently not correct, it needs verification and correction. In absence of information the effect of reconciliation on the financial results of the company cannot be quantified.



ANNEXURE C
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 22-23
(Referred to in Para 2 of our report of even date)

7. The Balances appearing under various accounting head has no changes during the reporting financial year. Further their breakup and age wise analysis also not produced to us for our verification.
8. Disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006 read with MCA notification GSR 719(E) dated 16/11/2007 were not provided by the Company.
9. The company has not disclosed all the restated opening balances for the comparative year as per the requirements laid down in Ind AS – 8 "Accounting Policies, Changes in Accounting Estimates and Errors".



PLACE : SHILLONG
DATE : 24.09.2023

UDIN : 23040259BGXLHT6177

For P. GAGGAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 318074E

A handwritten signature in black ink, appearing to be 'P. Gaggar'.

(P. GAGGAR)
PARTNER(M.NO.040259)

ANNEXURE D
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 2022-23
(Referred to in Para 6(3)(f) of our report of even date)

Report on the Internal Financial Controls under Clause (f) of sub- section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Meghalaya Power Distribution Corporation Limited (the Company') as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). The responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit to Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control bases on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.



ANNEXURE D
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 2022-23
(Referred to in Para 6(3)(f) of our report of even date)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of the Management of the Company, and (3) provided reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Adverse Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2023:

- a. The Company did not have appropriate internal controls for reconciliation of physical inventory and Fixed Asset with the inventory records and Fixed asset records, which has resulted in misstatement of inventory and fixed asset values in the books of account. The management has failed to design controls to safeguard assets from loss, damage or misappropriation.

ANNEXURE D

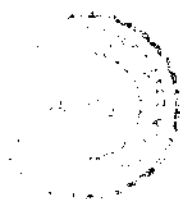
TO THE INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR 2022-23 (Referred to in Para 6(3)(f) of our report of even date)

- b. The company did not have appropriate internal controls for reconciliations of significant accounts like trade receivables, trade payables, security deposits, loans and advances and other accounts as mentioned in Annexure C to the Independent Auditors' report, in a timely or accurate manner.
- c. The company did not have appropriate internal controls over the period end financial reporting process, including controls over procedures used to enter transaction totals into the general ledger; initiate, authorize, record, and process journal entries into the general ledger; and record recurring and non-recurring adjustments to the financial statements as mentioned in Annexure C to the report. There are no adequate preventive or detective controls over recording of transactions so as to permit preparation of financial statements which are free from material misstatements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting as of March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2023 standalone financial statements of the Company, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a disclaimer of opinion on the standalone financial statements.

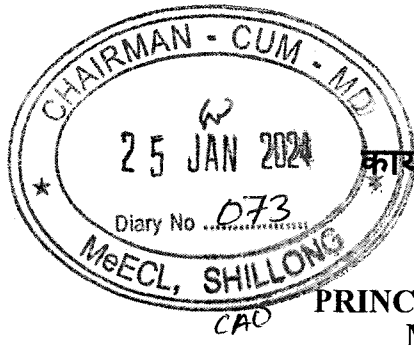


**PLACE : SHILLONG
DATE : 24.09.2023**

UDIN : 23040259BGXLHT6177

**For P. GAGGAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 318074E**

**(P. GAGGAR)
PARTNER(M.NO.040259)**



कार्यालय प्रधान महालेखाकार (लेखापरीक्षा)
मेघालय, शिलांग - 793 001.

OFFICE OF THE
PRINCIPAL ACCOUNTANT GENERAL (AUDIT),
MEGHALAYA, SHILLONG - 793 001

Ltr. No. AMG-II/3-13/MePDCL(AA 2022-23)/2023-24/996

Date: 22 January 2024

To,

The Chairman cum Managing Director,
Meghalaya Power Distribution Corporation Limited,
Lumjingshai, Short Round Road,
Shillong -793001.

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013 on the Financial Statements of Meghalaya Power Distribution Corporation Limited for the year ended 31 March 2023.


Sir,


I am to forward herewith the Comments of the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013 on the Financial Statements of Meghalaya Power Distribution Corporation Limited for the year ended 31 March 2023 for necessary action at your end.

2. The date of adoption of the above comments in the Annual General Meeting of the Company may be intimated to this office.
3. Five copies of the printed Annual Reports, when ready may be sent to this office and its date of placing in the State Legislature may also be communicated.
4. Receipt of the letter along with enclosures may kindly be acknowledged.

Yours faithfully,

Encl: As stated above


Dy. Accountant General
Audit Management Group-II

Dy CAO
Audit

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02/02/24

**COMMENTS OF THE COMPTROLLER AND AUDITOR
GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE
COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF
MEGHALAYA POWER DISTRIBUTION CORPORATION
LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

The preparation of financial statements of **Meghalaya Power Distribution Corporation Limited** for the year ended **31 March 2023** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing an opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the auditing standards prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **24 September 2023**.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **Meghalaya Power Distribution Corporation Limited** for the year ended **31 March 2023**. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which, in my view, are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Balance Sheet

Assets

Non- Current Assets

Capital Work-in-Progress (Note 3): ₹ 1,008.10 crore

1. The above has been arrived at after adjusting the negative (credit) balances aggregating to ₹ 314.02 crore, which should have been reconciled to depict the realistic value of the Capital Work-In-Progress in the books of accounts as on 31 March 2023. Pending reconciliation, the 'Capital Work-In-Progress' and 'Current Liabilities' stand understated to that extent.

2. The above includes ₹ 1.13 crore which had been booked twice (December 2022 and March 2023) against the unpaid Erection Bill of the Contractor (M/s Gupta Power Infrastructure Limited) for Civil Works relating to ADB Project, which requires rectification.

Pending rectification entry, the 'Capital Work-In-Progress' and 'Current Liabilities' stand overstated by ₹ 1.13 crore each.

3. This is understated by ₹ 1.15 crore due to non-accounting the cost of the civil works executed under ADB Project as confirmed during the joint measurement (March 2023) of the work carried out by the Company and the Contractor. This has correspondingly resulted in understatement of 'Current Liabilities' to the same extent.

Current Assets

Financial Assets

Trade Receivables -Note 7

Unsecured, considered good: ₹ 905.32 crore

4. This includes Receivables against inter-state power sales aggregating to ₹ 40.65 crore (Unscheduled Interchange (UI) sale of power: ₹ 39.35 crore, Mizoram: ₹ 0.14 crore, Lanco: ₹ 1.00 crore, NTPC: ₹ 0.10 crore and PTCIL: ₹ 0.06 crore), which remained unrecovered/unadjusted for periods ranging between 9 and 24 years without any confirmation from the Debtors concerned. Since the chance of recovery of these 'Receivables' was remote, same should have been provided for. This resulted in overstatement of the above head (Trade Receivables) and understatement of 'Loss for the year' by ₹ 40.65 crore each.

5. Refer CAG's Comments (No. A1) on the Accounts of the Company for the year 2020-21 pointing out short provisioning of ₹ 82.95 crore against doubtful dues recoverable from the consumers whose supply was disconnected for more than two years as on 31 March 2021 and hence, these dues became time barred in terms of Section 56(2) of the Electricity Act 2003. During 2022-23, further dues of ₹ 57.80 crore from 11,644 consumers became time barred as supply was disconnected for more than two years (disconnected between 2019 and 2021). The Company has not kept any provision against these Receivables. This has resulted in overstatement of the above head (Trade Receivables) by ₹ 140.75 crore (₹ 82.95 crore plus ₹ 57.80 crore) with corresponding understatement of 'Loss for the year' to the same extent.

Other Non-Current Assets -Note 5

Unsecured, considered good:

Capital Advances: ₹ 57.82 crore

6. This includes ₹ 12.53 crore, being the capital advances pending for recovery/adjustment since 2013-14 without any details/confirmation from the Suppliers/ Contractors concerned. As chance of recovery of these advances was remote, the same should have been provided for. This resulted in overstatement of the above head (Capital Advances) with corresponding understatement of 'Loss for the year' by ₹ 12.53 crore each.

B. Statement of Profit and Loss

Incomes

Revenue from Operations (Note 24)

Revenue from sale of power through Franchisee: ₹ 24.52 crore

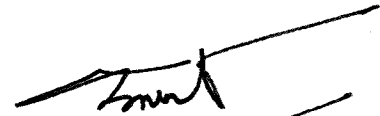
1. This is understated by ₹ 1.35 crore due to non-accounting of the revenue receivable from Input Based Distribution Franchisees against the energy bills pertaining to the current year (January to March 2023). This has correspondingly resulted in overstatement of 'Loss for the year' and understatement of 'Current Assets-Trade Receivables' to the same extent.

Expenses

Power Purchase Costs (Note 26): ₹ 1,113.24 crore

2. This is understated by ₹ 31.02 crore due to non-accounting of revised power purchase bills raised by Central Power Sector PSEs for the period from 2016-17 to 2022-23. Since the power purchase bills were received before approval (14 August 2023) of the Annual Accounts of the Company for 2022-23, necessary provisions for the same should have been kept in the accounts. This has correspondingly resulted in understatement of 'Current Financial Liabilities- Trade Payables' and 'Loss for the year' by ₹ 31.02 crore each.

**For and on behalf of
the Comptroller and Auditor General of India**



(John K. Sellate)

Principal Accountant General (Audit)

Place: Shillong

Date: 22 January 2024

**MEGHALAYA POWER DISTRIBUTION
CORPORATION LIMITED**

SHILLONG



LIGHTING UP YOUR LIFE

Me PDCL

STATEMENT OF ACCOUNTS

2022-23

(In LAKHS)

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED

BALANCE SHEET AS AT 31st MARCH 2023

(Amount in INR Lakhs)

Particulars	Note No	As at 31st March 2023	As at 31st March 2022 (Restated)
(I) ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	1,04,213.06	62,960.40
(b) Capital Work-in-Progress	3	1,00,810.36	1,22,854.76
(c) Financial Assets:-			
(i) Others	4	3,200.98	1,145.68
(d) Other Non-Current Assets	5	5,782.33	2,104.79
x Total Non-Current Assets		2,14,006.72	1,89,065.63
(2) Current Assets			
(a) Inventories	6	2,159.64	1,789.28
(b) Financial Assets:-			
(i) Trade receivables	7	90,531.52	68,998.42
(ii) Cash and cash equivalents	8	6,084.23	3,260.31
(iii) Balances other than cash and cash equivalents	9	5,921.42	8,134.92
(iv) Loans	10	55.48	56.33
(v) Others	11	41,509.16	32,392.70
(c) Current Tax Assets	12	170.42	202.19
(d) Other current assets	13	1,498.93	2,861.71
Total Current Assets		1,47,930.79	1,17,695.86
TOTAL ASSETS		3,61,937.51	3,06,761.49
(II) EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share Capital	14	85,021.80	85,021.80
(b) Other Equity	15	(3,82,712.74)	(2,62,712.61)
Total Equity		(2,97,690.94)	(1,77,690.81)
(2) LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities:-			
(i) Borrowings	16	1,54,971.40	1,62,340.45
(b) Deferred Revenue	17	1,24,827.36	1,12,768.93
Total Non-Current Liabilities		2,79,798.76	2,75,109.38
Current Liabilities			
(a) Financial Liabilities:-			
(i) Borrowings	18	6,945.05	6,806.30
(ii) Trade payables:-	19		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		84,083.03	72,801.29
(iii) Other financial liabilities	20	2,72,794.89	1,17,076.66
(b) Provisions	21	2,327.63	2,327.63
(c) Other current liabilities	22	6,305.13	5,371.51
(d) Deferred Revenue	23	7,373.97	4,959.55
Total Current Liabilities		3,79,829.70	2,09,342.92
Total Liabilities		6,59,628.46	4,84,452.30
TOTAL EQUITY AND LIABILITIES		3,61,937.51	3,06,761.49

The accompanying notes 1 to 57 forms integral part of financial statements

As per our report of even date attached
For P Gaggar & Associates
Chartered Accountants
(Firm Regn. No. 318074E)

CA P. Gaggar
Partner (M.No.040259)



For and on behalf of the Board

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

Ramakrishna Chitturi, IA
Director Finance &
Chief Financial
Officer
DIN: 09712409

Place: Shillong
Date: 24-09-2023

UDIN: 230402591061XLHT6177

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

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2023

(Amount in INR Lakhs)

I	Revenue From Operations			
II	Other Income	24	1,24,606.37	1,10,079.55
III	Total Income	25	17,453.96	10,307.12
IV	Expenses		1,42,060.33	1,20,386.67
(i)	Power Purchase Costs			
(ii)	Employee benefits expense	26	1,11,324.18	92,659.20
(iii)	Finance costs	27	23,855.73	21,341.28
(iv)	Depreciation and amortization expense	28	16,727.11	14,259.15
(v)	Other expenses	29	7,105.94	5,667.29
		30	2,388.23	2,138.22
V	Profit/(loss) before exceptional items and tax		(19,340.86)	(15,678.46)
VI	Exceptional Items			
VII	Profit/(loss) before tax		(19,340.86)	(15,678.46)
VIII	Tax Expense			
(i)	Current tax		-	-
(ii)	Deferred tax		-	-
IX	Profit (loss) for the year		(19,340.86)	(15,678.46)
X	Other Comprehensive Income			
A.	(i) Items that will not be reclassified to profit or loss	15	(1,27,222.07)	-
	(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		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	Total comprehensive income for the period		(1,46,562.93)	(15,678.46)
XII	Earnings per equity share			
(i)	Basic	42	(2.27)	(1.85)
(ii)	Diluted		(2.27)	(1.85)

The accompanying notes 1 to 57 forms integral part of financial statements

As per our report of even date attached

For P Gaggar & Associates

Chartered Accountants

(Firm Regn. No. 318074E)

P. Gaggar

CA P. Gaggar
Partner (M.No.040259)



For and on behalf of the Board

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

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

Place: Shillong

Date: 24-09-2023

G.S. Mukherjee

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

UDIN: 23040259B69XLHT6177

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

(Amount in INR Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March 2022 (Restated)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before Tax as per Statement of Profit and Loss	(19,340.86)	(15,678.46)
Adjustments for:		
Depreciation & Amortization of Assets	7,105.94	5,667.29
Amortization of Grants	(15,848.60)	(4,652.25)
Provisions created	-	0.33
Interest Income	(256.89)	(224.75)
Prior Period Adjustments	(237.21)	(454.89)
Finance Costs	16,727.11	14,259.15
Operating Profit before Working Capital Changes	(11,850.51)	(1,083.59)
Adjustments for increase/decrease in:		
Inventories	(370.36)	(175.57)
Trade receivables	(21,533.09)	(8,332.10)
Balances other than cash and cash equivalents	2,213.50	902.12
Loans and Advances	0.85	(5.91)
Other Financial Assets	(9,116.46)	2,997.63
Current Tax Assets	31.77	(118.50)
Other Current Assets	1,362.77	129.99
Trade Payables	11,281.74	(46,816.29)
Other Financial Liability	29,194.09	18,846.73
Other Current Liability	933.62	633.11
Cash generated from Operations	2,147.93	(33,022.37)
Less: Taxes paid	-	-
Net Cash from Operating Activities	2,147.93	(33,022.37)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition in Property, Plant and Equipment	(48,358.60)	822.24
Investment CWIP	22,044.40	(24,746.29)
Other Financial Asset	(2,055.30)	(735.39)
Other Non Current Assets	(3,677.54)	(893.29)
Interest Income	256.89	224.75
Net Cash from Investing Activities	(31,790.14)	(25,327.98)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Equity Share Capital/ Pending allotment	26,800.00	87.56
Non Current Borrowings	(7,230.29)	46,087.78
Deferred Revenue	30,321.45	21,683.23
Finance Cost	(17,425.04)	(9,999.59)
Other Non Current Liabilities	-	-
Net Cash from Financing Activities	32,466.12	57,858.98
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	2,823.91	(491.37)
Opening balance of Cash and Cash Equivalents	3,260.31	3,751.69
Closing balance of Cash and Cash Equivalents:	6,084.23	3,260.31
Consisting of:		
Balances with Banks	5,758.80	3,033.48
Cash on hand	197.11	106.90
Cash Imprest with Staff	128.32	119.93
Sub total (Note 8)	6,084.23	3,260.31
	6,084.23	3,260.31

The accompanying notes 1 to 57 forms integral part of financial statements

As per our report of even date attached
For P Gaggar & Associates
Chartered Accountants
(Firm Regn. No. 318074E)

CA P. Gaggar
Partner (M.No.040259)



For and on behalf of the Board

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

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

Place: Shillong
Date: 24-09-2023

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

UDIN : 23040259B9XLHT6177

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2023

A. Equity Share Capital

a) As at March 31, 2023

Particulars	(Amount in INR Lakhs)				
	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
Authorized Share Capital 10,00,00,000 Equity Shares of Rs. 10 each (Face Value)	1,00,000.00	-	-	-	1,00,000.00
Issued Share Capital 85,02,17,969 Equity Shares of Rs. 10 each (Face Value)	85,021.80	-	-	-	85,021.80

b) As at March 31, 2022 (Restated)

Particulars	(Amount in INR Lakhs)				
	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
Authorized Share Capital 10,00,00,000 Equity Shares of Rs. 10 each (Face Value)	1,00,000.00	-	-	-	1,00,000.00
Issued Share Capital 85,02,17,969 Equity Shares of Rs. 10 each (Face Value)	84,685.80	-	-	336.00	85,021.80

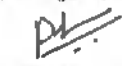
B. Other Equity

Particulars	(Amount in INR Lakhs)			
	Retained Earnings	Equity Share Capital Pending Allotment	Other Items of OCI	Total other Equity
Balance as at 1st April, 2022 (Restated)	(2,63,617.17)	904.56	-	(2,62,712.61)
Prior period errors	(237.21)	-	-	(237.21)
Restated balance at the beginning of reporting period	(2,63,854.37)	904.56	-	(2,62,949.81)
Profit/(Loss) for the year	(19,340.86)	-	-	(19,340.86)
Other Comprehensive Income for the Year	(1,27,222.07)	-	-	(1,27,222.07)
Total Comprehensive Income for the Year	(1,46,562.93)	-	-	(1,46,562.93)
Investment made by MeECL- Holding Company	-	26,800.00	-	26,800.00
Transfer to Equity Share Capital	-	-	-	-
Balance as at 31st March, 2023	(4,10,417.30)	27,704.56	-	(3,82,712.74)

Particulars	(Amount in INR Lakhs)			
	Retained Earnings	Equity Share Capital Pending Allotment	Other Items of OCI	Total other Equity
Balance as at 1st April, 2022	(2,47,483.82)	1,153.00	-	(2,46,330.82)
Prior period errors	(454.89)	-	-	(454.89)
Restated balance at the beginning of reporting period	(2,47,938.71)	1,153.00	-	(2,46,785.71)
Profit/(Loss) for the year	(15,678.46)	-	-	(15,678.46)
Other Comprehensive Income for the Year	-	-	-	-
Total Comprehensive Income for the Year	(15,678.46)	-	-	(15,678.46)
Investment made by MeECL- Holding Company	-	87.56	-	87.56
Transfer to Equity Share Capital	-	(336.00)	-	(336.00)
Balance as at 31st March, 2022 (Restated)	(2,63,617.17)	904.56	-	(2,62,712.61)

The accompanying notes 1 to 57 forms integral part of financial statements


As per our report of even date attached
For P Gaggar & Associates
Chartered Accountants
(Firm Regn. No. 318074E)

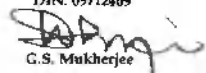

CA P. Gaggar
Partner (M.No.040259)



For and on behalf of the Board


Sanjay Goyal, IAS
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DIN: 06738413


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


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

Place: Shillong

Date: 24-09-2023

UDIN: 23040259B9XLHT6177

Note: - 1 Company Information and Significant Accounting Policies

A. Corporate Information of reporting entity

The Meghalaya Power Distribution Corporation Limited (MePDCL) was incorporated under the erstwhile Companies Act, 1956 on 18.12.2009. The company was entitled to commence business according to the Certificate for Commencement of Business issued by the Registrar of Companies, Meghalaya w.e.f. 17.03.2010. The authorized share capital of the company is Rs. 1,00,000.00 (Rupees One Thousand Crores) divided into Rs. 10,000.00 (One 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 Holding Company i.e., the Meghalaya Energy Corporation Limited (a company wholly owned by the Government of Meghalaya), except the equity shares allotted to the Signatories of the Memorandum of Association of the company.

B. Basis of preparation and presentation

i. Statement of Compliance

a) 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 decimal) 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 as 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 cost 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/ component are capitalized and the corresponding replaced assets/ component removed/ retired from active use are derecognized.

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 capitalized 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-recognized. 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.

5. Depreciation/amortization

The rates of depreciation or amortization and estimated useful life thereon as prescribed by the Central Electricity Regularity 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 distribution 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%

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

The Company is engaged in the business of distribution of electricity and the Inventories shown in the books of accounts are consumables.

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 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, Lines and Cable Networks. There, 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

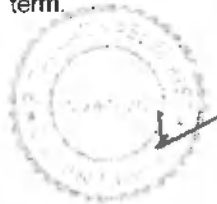
- a) Items used in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates, i.e., the functional currency. The functional and presentation currency for the company is Indian Rupee (INR).
- b) Foreign currency transactions, 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

The Company's revenues arise from the distribution of power and other income. Revenue from distribution of power is regulated and governed by the applicable MSERC Tariff Regulations under the Electricity Act, 2003. Revenue from other income comprises interest from banks, employees, contractors etc., surcharge received from customers for delayed payments, sale of scrap, other miscellaneous income, etc.

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 recognizes 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.

The incentives/disincentives are accounted for based on the norms notified/approved by the MSERC as per the principles enunciated in Ind AS 115. Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

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.

a) Revenue from Sale of Power:

The company is engaged in the business of distribution of power as defined in "The Meghalaya Power Sector Reforms Transfer Scheme 2010".

Timing of Recognition and Measurement of Revenue: The revenue for the above had been determined in accordance with tariff orders awarded by the Meghalaya State Electricity Regulatory Commission (MSERC), as applicable to the consumers.

b) Other Income:

- i. Other operating revenues from consumers: Meter rents, Delayed Payment Charges, Rebates, etc are recognized on accrual basis, except other charges from consumers which are recognized on actual realisation basis.
- ii. Income from sale of scrap, fees, penalties and miscellaneous receipts are accounted for on the basis of actual realisation.
- iii. Interest income on term deposit is recognised 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).
- iv. Interest incomes other than that on term deposits are accounted for on actual realisation basis.
- 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. Employee benefits

Employee benefits include inter – alia, wages and salaries, General Provident Fund (GPF), gratuity, pension, 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 company has all its employees on deputation from the Holding Company, i.e., the Meghalaya Energy Corporation Limited (MeECL).

• **Defined contribution plans**

Provident fund – The contribution to Provident Fund is transferred to the Holding Company i.e., Meghalaya Energy Corporation Limited (MeECL). Thereafter, the said transferred contributions are deposited with the General Provident Fund (GPF) Trust Account of Meghalaya Energy Corporation Limited (MeECL).

Contributory Pension Scheme (CPS) - The contribution to the Contributory Pension Scheme is transferred to the Holding Company i.e., Meghalaya Energy Corporation Limited (MeECL). Thereafter, the said transferred contributions are deposited with the Contributory Pension Scheme (CPS) Cell of the Company.

• **Defined benefits 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.

• **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.

The expenses relating to terminal benefits of employees comprising of provident fund, pension, Contributory Pension Scheme (CPS), gratuity, leave encashment etc. during the reporting period have been taken into consideration on the basis of allocation given by the holding company and the same has been paid or adjusted accordingly.

• **Short term obligations**

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 in OCI or equity.

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.

Impairment of Financial Assets:

Allowances for Doubtful Debts have been calculated at 3% of outstanding receivables as on the 31st of March of each year.

De-recognition of Financial Assets:-

Financial assets are derecognized 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.

The Company has not designated any financial liability as at fair value through profit and loss.

De-recognition

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and 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

(Amount in INR Lakhs)

S.No	Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT			
		As at 1st April 2022	Additions	Disposals/Reductions	As at 31st March 2023	As at 1st April 2022	Additions	Disposals/Reductions	As at 31st March 2023	As at 31st March 2022 (Restated)	
1	Land	185.58	17.49	-	203.07	-	-	-	-	203.07	185.58
2	Buildings	1,159.83	3,167.78	-	4,327.61	491.68	-	640.53	3,687.08	668.15	720.15
3	Plant and Equipment	8,950.09	11,834.71	-	20,784.79	2,968.78	1,127.60	4,096.38	16,688.41	5,981.31	6,869.60
4	Furniture and Fixtures	37.87	-	-	37.87	21.51	1.85	-	23.36	14.51	18.15
5	Vehicles	38.38	-	-	38.38	22.39	3.32	-	25.71	12.67	19.32
6	Office equipment	142.66	161.56	-	304.22	70.35	35.16	-	105.52	198.70	225.51
7	Others	-	-	-	-	-	-	-	-	-	-
7 (a)	Hydraulic Works	8.16	-	-	8.16	2.52	0.43	-	2.94	5.22	6.07
7 (b)	Other Civil Works	235.50	-	-	235.50	70.06	10.02	-	80.09	155.41	175.46
7 (c)	Lines and Cable Network	71,780.61	33,177.06	-	1,04,957.67	15,930.99	5,778.70	-	21,709.69	83,247.98	89,357.31
	Total	82,538.68	48,355.60	-	1,30,897.27	19,578.28	7,105.94	-	26,684.22	1,04,213.06	62,960.40

(Amount in INR Lakhs)

S.No	Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT			
		As at 1st April 2021	Additions	Disposals/Reductions	As at 31st March 2022 (Restated)	As at 1st April 2021 (Restated)	Additions	Disposals/Reductions	As at 31st March 2022 (Restated)	As at 31st March 2021	
1	Land	199.40	1.75	15.57	185.58	-	-	-	-	185.58	199.40
2	Buildings	1,159.83	-	-	1,159.83	439.68	51.99	-	491.68	668.15	720.15
3	Plant and Equipment	8,949.97	0.12	-	8,950.09	2,080.37	888.41	-	2,968.78	5,981.31	6,869.60
4	Furniture and Fixtures	37.70	0.17	-	37.87	19.55	1.96	-	21.51	16.36	18.15
5	Vehicles	38.38	-	-	38.38	19.06	3.32	-	22.39	15.99	19.32
6	Office equipment	125.74	16.92	-	142.66	53.23	17.13	-	70.35	72.31	72.51
7	Others	-	-	-	-	-	-	-	-	-	-
7 (a)	Hydraulic Works	8.16	-	-	8.16	2.09	0.43	-	2.52	5.64	6.07
7 (b)	Other Civil Works	235.50	-	-	235.50	60.04	10.02	-	70.06	165.43	175.46
7 (c)	Lines and Cable Network	71,504.28	276.33	-	71,780.61	11,236.97	4,694.02	-	15,930.99	55,849.62	60,357.31
	Total	82,258.95	295.30	15.57	82,538.68	13,910.99	5,667.29	-	19,578.28	62,960.40	68,347.96

Note 2.1- Land includes 'Land and Land Rights', if any.

Note 2.2- The Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of 1st April 2015 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as on the transition date as per the option available under Ind AS 101-First time adoption of Indian Accounting Standards' and not applying the provisions of Ind AS 16-'Property, plant and equipment' retrospectively.

Note 2.3- For details of 'Assets under lease', kindly refer Note 4B.

Note 2.4- The Company is in the process of identifying the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held other than in the name of the company.



Note 2: PROPERTY, PLANT AND EQUIPMENT (WITHOUT IND AS ADJUSTMENT)

(Amount in INR Lakhs)

(a) S. No	Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT		
		As at 1st April 2022	Additions	Disposals/deductions	As at 31st March 2023	As at 1st April 2022	Additions	Disposals/deductions	As at 31st March 2023	As at 31st March 2023
1	Land	185.58	17.49	-	203.07	-	-	-	203.07	185.58
2	Buildings	1,359.89	3,167.78	-	4,527.67	691.74	148.86	-	840.60	3,687.08
3	Plant and Equipment	10,617.73	11,834.71	-	22,452.44	4,636.43	1,127.60	-	5,764.03	16,688.41
4	Furniture and Fixtures	99.34	-	-	99.34	82.98	1.85	-	84.83	14.51
5	Vehicles	68.87	-	-	68.87	52.88	3.32	-	56.20	12.67
6	Office equipment	219.57	161.56	-	381.13	147.26	35.16	-	182.43	198.70
7	Others	-	-	-	-	-	-	-	-	-
7 (a)	Hydraulic Works	8.70	-	-	8.70	3.06	0.43	-	3.48	5.22
7 (b)	Other Civil Works	304.66	-	-	304.66	139.23	10.02	-	149.25	155.41
7 (c)	Lines and Cable Network	87,937.21	33,177.06	-	1,21,114.26	32,087.59	5,778.70	-	37,866.28	83,247.98
	Total	1,00,801.56	48,358.60	-	1,49,160.16	37,841.16	7,105.94	-	44,947.10	1,04,213.06

(Amount in INR Lakhs)

(b) S. No	Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT		
		As at 1st April 2021	Additions	Disposals/deductions	As at 31st March 2022 (Restated)	As at 1st April 2021	Additions	Disposals/deductions	As at 31st March 2022 (Restated)	As at 31st March 2021
1	Land	199.40	1.75	15.57	185.58	-	-	-	185.58	199.40
2	Buildings	1,359.89	-	-	1,359.89	639.75	51.99	-	691.74	720.15
3	Plant and Equipment	10,617.61	0.12	-	10,617.73	3,748.02	888.41	-	4,636.43	6,869.60
4	Furniture and Fixtures	99.17	0.17	-	99.34	81.02	1.96	-	82.98	16.36
5	Vehicles	68.87	-	-	68.87	49.55	3.32	-	52.88	15.99
6	Office equipment	202.65	16.92	-	219.57	130.14	17.15	-	147.26	72.31
7	Others	-	-	-	-	-	-	-	-	-
7 (a)	Hydraulic Works	8.70	-	-	8.70	2.63	0.43	-	3.06	6.07
7 (b)	Other Civil Works	304.66	-	-	304.66	129.20	10.02	-	139.23	175.46
7 (c)	Lines and Cable Network	87,660.88	276.33	-	87,937.21	27,393.56	4,694.02	-	32,087.59	55,849.62
	Total	1,00,521.83	295.30	15.57	1,00,801.56	32,173.87	5,667.29	-	37,841.16	68,347.96

Note 2.1- Land includes "Land and Land Rights", if any.

Note 2.2- The Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of 1st April 2015 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as on the transition date as per the option available under Ind AS 101-'First time adoption of Indian Accounting Standards' and not applying the provisions of Ind AS 16-'Property, plant and equipment' retrospectively.

Note 2.3- For details of 'Assets under lease', kindly refer Note 4B.

Note 2.4- The Company is in the process of identifying the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Note 3: CAPITAL WORK-IN-PROGRESS

(Amount in INR Lakhs)

(a)	S.No.	Particulars	As at 1st April 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31st March 2023
	1	Capital Work-in-Progress	1,20,794.29	47,624.56	69,699.67	98,719.18
	2	Capital Stock	2,060.47	542.41	511.71	2,091.17
		Total	1,22,854.76	48,166.98	70,211.38	1,00,810.36

(Amount in INR Lakhs)

(b)	S.No.	Particulars	As at 1st April 2021	Additions during the year	Deductions/ Adjustments during the year	As at 31st March 2022 (Restated)
	1	Capital Work-in-Progress	96,026.14	25,163.06	394.91	1,20,794.29
	2	Capital Stock	2,082.33	417.77	439.62	2,060.47
		Total	98,108.47	25,580.83	634.54	1,22,854.76

Note 3.1- 'Capital Work-in-Progress' mainly comprises of costs incurred towards execution of schemes and projects relating

Note 3.2- 'The details of major schemes under 'Capital Work-in-Progress (CWIP)' are stated as under:-

(a) Year ending 31st March 2023

(Amount in INR Lakhs)

S.No.	Schemes	As at 1st April 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31st March 2023
1	Accelerated Power Development and Reforms (APDRP)	6,052.46	209.75	-	6,262.21
2	Restructured Accelerated Power Development and Reforms Programme (RAPDRP)	13,197.46	2,713.66	304.92	15,606.20
3	Rajiv Gandhi Grameen Viduytikaran Yojana (RGGVY)	32,939.24	1,534.09	10,587.88	23,885.44
4	Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	24,051.28	22,384.43	46,446.31	(10.60)
5	Normal Development Scheme	1,538.65	-	-	1,538.65
6	IPDS (Integrated Power Development Scheme)	6,008.75	6,527.80	11,502.71	1,033.84
7	SCA (Special Central Assistance)	39.14	-	-	39.14
8	SPA (State Plan Assistance)	740.84	119.21	1.71	858.34
9	Saubhagya incl Additional Infra under DDUGJY	8,188.56	4,556.16	854.64	11,890.08
10	Asian Development Bank	20,580.32	9,120.45	0.99	29,699.78
11	Others	7,457.60	459.00	0.51	7,916.09
	Total	1,20,794.29	47,624.56	69,699.67	98,719.18

(b) Year ending 31st March 2022

(Amount in INR Lakhs)

S.No.	Schemes	As at 1st April 2021	Additions during the year	Deductions/ Adjustments during the year	As at 31st March 2022 (Restated)
1	Accelerated Power Development and Reforms (APDRP)	6,052.46	-	-	6,052.46
2	Restructured Accelerated Power Development and Reforms Programme (RAPDRP)	13,197.46	-	-	13,197.46
3	Rajiv Gandhi Grameen Viduytikaran Yojana (RGGVY)	32,939.24	-	-	32,939.24
4	Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	23,170.71	880.57	-	24,051.28
5	Normal Development Scheme	1,538.31	0.34	-	1,538.65
6	IPDS (Integrated Power Development Scheme)	2,840.09	3,554.20	385.54	6,008.75
7	SCA (Special Central Assistance)	39.14	-	-	39.14
8	SPA (State Plan Assistance)	640.95	99.88	-	740.84
9	Saubhagya incl Additional Infra under DDUGJY	8,188.30	9.63	9.37	8,188.56
10	Asian Development Bank	-	20,580.32	-	20,580.32
11	Others	7,419.48	38.12	-	7,457.60
	Total	96,026.14	25,163.06	394.91	1,20,794.29



Note 3.3 - Following are the details of deductions/adjustments during the year in capital work in progress:-

(Amount in INR Lakhs)			
Sl. No.	Particulars	Year ending 31.03.2023	Year ending 31.03.2022 (Restated)
1	Capitalised during the year	47,993.21	-
2	Rectification entries	21,419.21	254.44
3	Swapping/ Transfer Entry	287.25	140.47
	Total	69,699.67	394.91

Note 3.4 - Capital work in progress (CWIP) Ageing Schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
Projects in Progress					
1. PMGY SCHEME (Pradhan Mantri Gramodaya Yojana)				2,472.67	2,472.67
2. RGGVY SCHEME (Rajiv Gandhi Grameen Viduyutikatai Yojana)	1,362.32			22,523.13	23,885.44
3. APDRF (Accelerated Power Development And Reform Programme)	209.75			6,052.46	6,262.21
4. PGCIL/SCADA (Powergrid Corporation of India Limited)/(Supervisory Control And Data Acquisition)				524.19	524.19
5. DDUGJY (Deendayal Upadhyaya Gram Jyoti Yojana)	-10.60				-10.60
6. RAPDRP (Restructured Accelerated Power Development & Reforms Program)	2,408.74			13,197.46	15,606.20
7. Normal Development Scheme				1,538.65	1,538.65
8. State Power Minimum Needs Programme				169.95	169.95
9. TIS (Technological Innovation System)				13.17	13.17
10. CRE (CWIP- CRE)				428.99	428.99
11. NLCPR (Non Lapsable Central Pool of Resources)				850.55	850.55
12. SCA (Special Central Assistant)				39.14	39.14
13. State Plan Assistant (SPA)	117.51			740.84	858.34
14. NERPSIP (Northeast Region Power Supply Improvement Programme)	157.94			29.31	187.25
15. NEC (North Eastern Council)	300.55			226.96	527.50
16. Canal Small Hydro Project I & II lines and Cables Network				37.83	37.83
17. 14.9x2,4,5,6,7				316.66	316.66
18. IPDS (Integrated Power Development Scheme)	1,033.84				1,033.84
19. REMNP (Rural Electrification Minimum Needs Programme)				2,026.63	2,026.63
20. 14.74				6.04	6.04
21. 14.81T				0.73	0.73
22. PM Package Lines and Cables HV				351.29	351.29
23. Sautbhagaya	3,701.53			8,188.56	11,890.08
24. Overall Scheme				2.65	2.65
25. ADB (Asian Development Bank)	9,119.46	20,580.32			29,699.78
Total	18,401.04	20,580.32	-	59,737.83	98,719.18



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(b) As at March 31, 2022 (Restated)

Particulars	Amount in CWIP for a period of				(Amount in INR Lakhs)
	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
Projects in Progress					
1. PMGY SCHEME (Pradhan Mantri Gramodaya Yojana)				2,472.67	2,472.67
2. RGGVY SCHEME (Rajiv Gandhi Grameen Vidyutikaran Yojana)				32,939.24	32,939.24
3. APDRP (Accelerated Power Development And Reform Programme)				6,052.46	6,052.46
4. PGCIL/SCADA (Powergrid Corporation of India Limited)/(Supervisory Control And Data Acquisition)				524.19	524.19
5. DDUGJY (Deendayal Upadhyaya Gram Jyoti Yojana)				24,051.28	24,051.28
6. RAPDRP (Restructured Accelerated Power Development & Reforms Program)				13,197.46	13,197.46
7. Normal Development Scheme				1,538.65	1,538.65
8. State Power Minimum Needs Programme				169.95	169.95
9. TIS (Technological Innovation System)				13.17	13.17
10. CRE (CWIP- CRE)				428.99	428.99
11. NLCPR (Non Lapsable Central Pool of Resources)				850.55	850.55
12. Special Central Assistant (SCA)				39.14	39.14
13. State Plan Assistant (SPA)				740.84	740.84
14. North Eastern Region Power System Improvement Project (NERPSIP)				29.31	29.31
15. North Eastern Council (NEC)				226.96	226.96
16. Ganol Small Hydro Project I & II Lines and Cables Network				37.83	37.83
17. 14.9x2,4,5,6,7				316.66	316.66
18. IPDS (Integrated Power Development Scheme)				6,008.75	6,008.75
19. REMNP (Rural Electrification Minimum Needs Programme)				2,026.63	2,026.63
20. 14.74				6.04	6.04
21. 14.81T				0.73	0.73
22. PM Package Lines and Cahles HV				351.29	351.29
23. Saubhagaya				8,188.56	8,188.56
24. Overall Scheme				2.65	2.65
25. ADB (Asian Development Bank)		20,580.32			20,580.32
Total		20,580.32		1,00,213.97	1,20,794.29



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Note 4 - NON-CURRENT FINANCIAL ASSETS: OTHERS

(Amount in INR Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Unsecured, Considered Good: Recoverable from State Government	3,200.98	1,145.68
Total	3,200.98	1,145.68

Note 4.1- The above include balance as per Transfer Scheme Notification No. Power-79/2009/Pt-1/422 dated 29.04.2015 towards re-vesting of assets and liabilities by the holding company, i.e., Meghalaya Energy Corporation Limited (MeECL). The above amount is recoverable from the Govt. of Meghalaya for DDUGJY, SAUBHAGYA, RGGVY (Rajiv Gandhi Grameen Vidyutikaran Yojana) Loan along with interest of Govt. of Meghalaya, borne by the Company.

Note 5- OTHER NON CURRENT ASSETS

(Amount in INR Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Unsecured, Considered Good: Capital Advances	5,782.33	2,104.79
Total	5,782.33	2,104.79

Note 6- CURRENT ASSETS: INVENTORIES

(Amount in INR Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Operational and Maintenance Stock	2,159.64	1,789.28
Total	2,159.64	1,789.28



Note 7- CURRENT FINANCIAL ASSETS: TRADE RECEIVABLES

(Amount in INR Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Trade receivables:		
Unsecured, considered good	90,531.52	68,998.42
Credit impaired	-	-
Sub-Total	90,531.52	68,998.42
Less: Allowances for Doubtful Debts	-	-
Total	90,531.52	68,998.42

Note 7.1 - Management is under process of reconciliation of ageing of trade receivables.

Note 7.2- For details of 'Allowances for Doubtful Debts', kindly refer Note 47 (VIII).

Note 7.3- Receivables towards 'Delayed Payment Surcharges (DPS)'-

In accordance with Point No. 1 of the Minutes (dated 7th of February, 2017) of the Meeting held on the 17th of November, chaired by the Chief Engineer (Distribution) pertaining to Receivables towards 'Delayed Payment Surcharges (DPS)', Letter No. /COMP/MePDCL/FA/2017-18/368/18, dated 26-10-2018 had been addressed to the Company Secretary. The said Letter has proposed for the approval of the Board, regarding the following: -

1. The outstanding DPS be written off in a phase manner @ 20% per year [As per Point No. 1 (ii) of the aforesaid minutes].

2. The calculation of remaining outstanding DPS for the Financial Year 2017-18 has been proposed as under :-

(Amount in INR Lakhs)

Particulars	Amount
Balance of DPS outstanding as on 31-03-2018 (a)	14,840.83
Less: Balance of March 2018 (b)	387.06
Remaining Outstanding DPS [c= (a-b)]	14,453.77
DPS to be written off for the month of March 2017 (d)	498.69
e=(c-d)	13,955.08
DPS to be written off (f=20% of c)	2,791.02
(e-f)	11,164.06

Consequent to the above matter being raised, the Board has decided to constitute a committee with Director (Distribution), Company Secretary and Officers from Commercial and Accounts wing to examine the proposal and furnish a report thereof to the Board, for a final decision. Report on the same is yet to be furnished. No meeting convened from the office of the Director (Distribution) and its period of 5 years are already over.

Note 7.4- Gross Trade Receivables comprise of the following: -

(Amount in INR Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Receivables from Sale of Power, including FPPA (within the State)	59,346.30	44,468.12
Receivables from Sale of Power- Inter State (Assam)	0.72	0.72
Receivables from Sale of Power- Inter State (Mizoram)	13.69	13.69
Receivables from Sale of Power- Outside the State (Unscheduled Interchange and others)	7,682.75	5,550.04
Receivables from Sale of Power- Miscellaneous, including RRAS	19,178.87	15,731.77
Electricity Duties Receivable	4,309.20	3,234.08
Total	90,531.52	68,998.42

Note 7.5 - The One Time Settlement Scheme -2020, was passed by the Board through circulation vide No. MePDCL/CS/CR/2013/41 dated 3rd Nov, 2020 and noted by the Board vide Resolution No. 3(B) Dated 07.12.2020 was accounted for INR 2,779.29 lakhs in FY 2020-21. Since some customers were unable to clear the outstanding dues on time, the amount due from such customers had been written back to the tune of Rs. 1,036.54 lakhs in FY 2021-22 as Delayed Payment Charges. The figures of OTS were subject to reconciliation pending further clarification from the O/o the Director Distribution, MePDCL, Shillong as requested vide Letter No. ACT/COMP/OTS/2022-23/437/4 Dated 31.10.2022.

The OTS 2020 figures had been finalised in FY 2022-23 and the data had been submitted by the Nodal Officer OTS for Consumers who had availed the Scheme in all Sub-Divisions under MePDCL. The actual figures of waiver of the Outstanding to the Consumer under the Scheme amounts to INR 1,675.38 lakhs (Energy Charges INR 1,189.81 lakhs; DPC INR 485.57 lakhs)



Note 8- CURRENT FINANCIAL ASSETS: CASH AND CASH EQUIVALENTS

(Amount in INR Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Balances with Banks	5,758.80	3,033.48
Cash on hand	197.11	106.90
Cash Imprest with Staff	128.32	119.93
Total	6,084.23	3,260.31

Note 9- CURRENT FINANCIAL ASSETS: BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Amount in INR Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Other Bank Balances (Term Deposits - original maturity more than 3 month but less than 12 month)	5,921.42	8,134.92
Total	5,921.42	8,134.92

Note 10- CURRENT FINANCIAL ASSETS: LOANS

(Amount in INR Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Unsecured, Considered Good: Loan to Employees	55.48	56.33
Total	55.48	56.33

Note 11- CURRENT FINANCIAL ASSETS: OTHERS

(Amount in INR Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Unsecured, Considered Good: Related Party Receivables:		
i.) Meghalaya Energy Corporation Limited (MeECL)- Receivables against Remittances of Cash and Cash Equivalents	14,448.73	21,637.11
Receivables against Operations, Capital and Others	-	88.64
ii.) Meghalaya Power Generation Corporation Limited (MePGCL)- Receivables against Operations, Capital and Others	23,469.52	7,776.04
iii.) Meghalaya Power Transmission Corporation Limited (MePTCL)- Receivables against Operations, Capital and Others	2,848.44	2,848.44
Other Receivables	708.08	8.08
Other Income- Accrued And Due	34.38	34.38
Total	41,509.16	32,392.70



MECHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Note 11.1- Related Party Receivables as stated in Note 11 and Related Party Payables as stated in Note 20 (Intra-group and intra-unit transactions) primarily comprise of the following transactions :-

Remittances of Cash and Cash Equivalents:

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

Remittances of Fuel, Materials, Personnel and Others:

- i) Transfer of fuel related expense of one underlying division on behalf of another such division, which may cut across underlying divisions of different companies within the group as well.
 - ii) Transfer of materials between underlying divisions of all the companies within the group and the Central Stores administered by the Holding Company.
 - iii.) Transfer of Capital Asset related expenditures or capital incomes of one underlying division on behalf of another such division, which may cut across underlying divisions of different companies within the group as well.
 - iv) Transfer of stock of stationery between underlying divisions of all the companies within the group and the Central Stores administered by the Holding Company.
 - v.) Record of any other inter-division transactions , including personnel related balances.
- Operations, Capital and Others:
- i) Intra-group receipts and expenses related to segregation of Principal Accounts of cash and banking transactions.
 - ii) Recognition of Equity of Holding Company in the company.
 - iii) Transfer of Intra-group Loans.
 - iv) Transfer of Investments in term deposits and interest thereof from Holding Company to relevant subsidiary companies.
 - v) Apportionment of Holding Company's expenses to the related subsidiaries.

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

Note 12- CURRENT TAX ASSETS

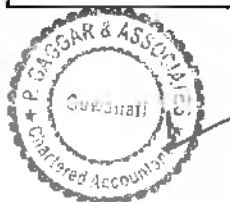
(Amount in INR Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Income Tax Refundable	170.42	202.19
Total	170.42	202.19

Note 13- OTHER CURRENT ASSETS

(Amount in INR Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Unsecured Considered Good :		
Advances other than capital advances:		
Operational and Maintenance Advances	368.64	384.29
Prepaid Expenses	1.13	0.57
Balance with Govt Authorities	961.08	2,341.06
Staff Related Advances	168.08	135.79
Total	1,498.93	2,861.71



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Note 14- EQUITY SHARE CAPITAL

(Amount in INR Lakhs)

	31st March 2023	31st March 2022
(a) Authorised: 1,00,00,00,000 (Previous year 1,00,00,00,000) Equity Shares of Rs. 10 each	1,00,000.00	1,00,000.00
(b) Issued, subscribed and fully paid up: 85,02,17,969 (Previous year 85,02,17,969) Equity Shares of Rs. 10 each	85,021.80	85,021.80
Total	85,021.80	85,021.80

Note 14.1- The Company has only one class of equity shares (without differential rights), having par value of Rs. 10 per share. Each shareholder is eligible to one vote per share held.

14.2- Reconciliation of the number of Equity Shares outstanding: -

(Amount in INR Lakhs)

Particulars	31st March 2023		31st March 2022 (Restated)	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at the beginning of the year	8,502.18	85,021.80	8,468.58	84,685.80
Add:- Shares issued during the year	-	-	33.60	336.00
Equity Shares at the end of the year	8,502.18	85,021.80	8,502.18	85,021.80

14.3- Details of shares held by the Holding Company:-

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

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

Particulars	As at 31st March 2023		As at 31st March 2022 (Restated)	
	No. of shares	% held	No. of shares	% held
Meghalaya Energy Corporation Limited (MeECL) and its nominees	8,502.18	100%	8,502.18	100%

Note 14.5- Details of shares held by promoters

As at March 31, 2023

Particulars	As at 31st March 2023		As at 31st March 2022 (Restated)	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 10 each fully paid up Meghalaya Energy Corporation Limited (MeECL) and its nominees	8,502.18	-	8,502.18	100%
Total	8,502.18	-	8,502.18	100%

As at March 31, 2022 (Restated)

Particulars	As at 31st March 2022 (Restated)		As at 31st March 2021 (Restated)	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 10 each fully paid up Meghalaya Energy Corporation Limited (MeECL) and its nominees	8,468.58	33.60	8,502.18	100%
Total	8,468.58	33.60	8,502.18	100%



Note 15- OTHER EQUITY

(Amount in INR Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022 (Restated)
Retained Earnings		
Opening Balance	(2,63,617.17)	(2,47,483.82)
Add: Profit/(Loss) during the year as per Statement of Profit & Loss	(19,340.86)	(15,678.46)
Add/(Less): Prior Period Items	(237.21)	(454.89)
	(2,83,195.23)	(2,63,617.17)
Items of Other comprehensive income recognized directly in retained earnings		
- Net Actuarial Gain /(Loss) on Defined benefit Obligations	(1,27,222.07)	-
Closing Balance (A)	(4,10,417.30)	(2,63,617.17)
Share Application Pending Allotment		
Opening Balance	904.56	1,153.00
Add/(Less): Addition during the year	26,800.00	87.56
(Less): Allotment During the Year	-	(336.00)
Add/(Less): Prior Period Error	-	-
Closing Balance (B)	27,704.56	904.56
Total (A+B)	(3,82,712.74)	(2,62,712.61)

Note 15.I Details of 'Grants and Subsidies' received during the current and previous year are as under :-

(Amount in INR Lakhs)

S. No.	Purpose of grant	Scheme Name	For the year ended 31st March, 2023	For the year ended 31st March, 2022 (Restated)
1	Construction of New 33KV S/C Line from Rongkhon to Dadenggre	NEC	-	87.56
2	System Improvement works under R-APDRP-Part B for nine towns	Direct Equity	-	-
2	Financial Assistance to tide over the financial crisis under MeECL and its subsidiaries	Financial Assistance	26,800.00	-
Total			26,800	88



Note No. 15:

Terminal Benefit expenditure of Rs. 127222.07 lakh has been debited in Profit & Loss Accounts in Financial Year 2022-23 under the head Other Comprehensive Income, as prior period expenditure:

- a) which represents the Terminal Benefit Expenditure accrued against Privilege Leave, Gratuity & Pension;
 b) which has been accounted for differential accrued expenditure (for Terminal Benefits) till the period of 31st March 2022, as per under mentioned calculations;

Particulars	Rs. In Lakh	Rs. In Lakh
A. Ascertained Liability as of 31/03/2023, as per Actuarial Valuation Report of MeECL and its three Subsidiaries Companies:		
Gratuity Rs. 10259.93		
Earned Leave Rs. 12961.74		
Pension Rs. 320770.20		343991.88
Less: B1. Terminal Benefits Liability Receivables from State Govt.:		
Receivables from State Government against the terminal benefit of Staffs of MeSEB/ MeECL up to the period of 31 st March 2010' amounting to Rs. 84,004.24 Lakhs, taken in accordance with Transfer Notification No. POWER/79/ 2009/514/ dated 23 rd of December 2013.	84004.24	
Less: Amount Recovered from State Govt. and paid to MeSEB Pension Trust against the Terminal Benefit Liability till the period of 31.03.2010	16894.49	67109.75
Less B2: Annual Provisioning of Terminal Benefits Liability in Books of Accounts, which were not recovered as Tariff Cost in respective Financial Years:		
Annual Provisioning of Terminal Benefits in Books of Accounts of MeECL in FY 2010-11, 2011-12 & 2012-13:	4745.71	
Annual Provisioning of Terminal Benefits Liabilities (Provisions made minus amount settled on retirement) in Books of Accounts of MeECL & its three subsidiaries from FY 2013-14 to 2021-22	13297.40	18043.11
Less B3: Amount of Terminal Benefit Expenses Liability provided in the Books of Accounts for the Financial Year 2022-23 for the period of 1st April 2022 to 31st March 2023 and debited in Profit & Loss Accounts under the head Employee Benefit Expenses.		14700.38
C. Differential accrued expenditure for Terminal Benefits till the period 31st March 2023. (A-B1-B2-B3), which has also not been recovered as Tariff Cost, in earlier preceding years and Retained/ Apportioned in MeECL and its Subsidiaries Books on the basis of Salary, as per under mentioned details:		244138.64
Retained in Accounts of MeECL	2115.18	
Apportioned to MePDCL	127222.07	
Apportioned to MePGCL	74984.46	
Apportioned to MePTCL	39816.94	

- c) which is payable to MeSEB Pension Trust against the accrued liability till the period of 31st March 2022 to meet out the retirement obligation liabilities of carried over employee of MeSEB and succeeding appointed employee continuing on employment of MeECL and its three subsidiaries.



Note 16 - NON-CURRENT FINANCIAL LIABILITIES: BORROWINGS

(Amount in INR Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022 (Restated)
Secured:		
(i) Term Loans:		
(a) From Banks:		
9.75% Vehicle Loan from Central Bank of India (The loan has been availed for procurement of Distribution Vans. It has been taken on the personal guarantee	-	-
(a) From Others:		
(i) 8% Loan from Rural Electrification Corporation (REC) Limited (Restructured) (The terms of the loan	348.00	955.00
(ii) 9% Loan from Power Finance Corporation (PFC) Limited (Restructured Accelerated Power Development	1,219.40	3,389.40
(iii) 9% Loan from Power Finance Corporation (PFC) Limited (Restructured Accelerated Power Development	10,406.24	8,236.24
(iv) 12.65% Loan from Power Finance Corporation (PFC) Limited (This loan has been availed for power	21,781.12	27,584.69
(v) 11.15% Loan from PFC Ltd against IPD Scheme (The loan is to be repaid in 108 equal monthly installment	481.62	518.82
(vi) 9.50% Amanirbhar Bharat Abhiyaan Scheme		
The Loan is backed by State Government Guarantee, with a tenure of 10 years including a moratorium		
(i) REC Ltd	55,067.75	55,067.75
(ii) PFC Ltd	55,067.75	55,067.75
Unsecured:		
(i) Term Loans:		
(a) From Others:		
Loan from State Government (Loans have been availed with terms of semi-annual repayments in 10 Years	17,544.58	17,544.58
(ii) Related Party:		
11.50% (11.00%-11.75%) Loan from Meghalaya Energy Corporation Limited, MeECL- Holding Company	-	782.52
Sub-Total	1,61,916.46	1,69,146.74
Less: Current Maturities of Long Term Debts	6,945.05	6,806.30
Total	1,54,971.40	1,62,340.45



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Note 16.1-The details of 'Current Maturities of Long Term Debts' are stated as under:-

Particulars	As at 31st March, 2023	As at 31st March, 2022 (Restated)
Secured:		
(i) Term Loans:		
(a) From Others:		
8% Loan from Rural Electrification Corporation (REC) Limited (Restructured)	348.00	737.86
12.65% Loan from Power Finance Corporation (PFC) Limited	4,642.86	4,642.86
10.90% Loan from PFC Ltd against IPD Scheme	37.20	37.20
9.50% Atmanirbhar Bharat Abhiyaan Scheme	-	-
(i) REC Ltd	655.57	-
(ii) PFC Ltd	655.57	-
Unsecured:		
(i) Term Loans:		
(a) From Others:		
Loan from State Government	605.86	605.86
(ii) Related Party:		
11.50% Loan from Meghalaya Energy Corporation Limited, MeECL- Holding Company	-	782.52
Total	6,945.05	6,806.30

Note 16.2-Consequent to the Notification of RBI Dated 27th Mar, 2020, w.e.f. 1st Mar, 2020 upto 31st Aug, 2020, and as per the moratorium agreement signed with the PFC Ltd. & REC Ltd., the dues of principal interest, penal interest and overdue interest have been added back to the principal amount of the loan and the repayment of which has been deferred to the end tenure of the loan. Further, it may also be mentioned that the loan balance as per the Statement of Accounts also matches with Loan Confirmation sent by the Financial Institutions.

Note 16.3-Amount and Period of Default in Repayment:-

Particulars	As at 31st March 2023			As at 31st March 2022 (Restated)		
	Period of defaults	Principal	Interest	Period of defaults	Principal	Interest
12.65% Term Loan from PFC	-	-	-	Jan'22	1,160.71	869.98
8% Loan from REC (Restructured)	Jan '23 to Mar '23	165.89	38.11	-	-	-
Atmanirbhar Scheme 9.50%						
i) From REC Ltd	Jan '23 to Feb '23	-	904.82	-	-	-
Loan from State Government	Apr '22 to Mar '23	53.22	301.34	Apr '22 to Mar'22	53.22	301.34
Loan from MeECL	-	-	-	Jan'22 to Mar'22	782.52	29.57



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Note I6.4- The details of 'Loans from State Government' are stated as under:-

(Amount in INR Lakhs)

Serial No.	Particulars/Purpose	As at 1st April, 2022	Rate of Interest	Additions during the Financial Year 2022-23	Amount of Default in Repayment during the Financial Year 2022-23	As At 31st March, 2023	Interest Accrued during the Financial Year 2022-23
1	Construction, Modification of Sub-Station at Mawngap	4.50	9.31%	-	0.45	4.50	0.42
2	Construction of New 33KV Line at Bajengdoba Sub-Station No. 2	22.00	9.31%	-	2.20	22.00	2.05
3	Shifting of 33KV line in Ri-Bhoi	6.30	9.31%	-	0.63	6.30	0.59
4	Construction of 33KV Double Circuit Line on Wolf Conductor KV, Mawphlang	32.00	9.31%	-	3.20	32.00	2.98
5	Construction of 33 KV Line on Wolf Conductor from Dakopgre to Praharnagar	12.00	9.31%	-	1.20	12.00	1.12
6	Renovation of 33KV Nangalbibra - Baghmara Line	4.50	9.31%	-	0.45	4.50	0.42
7	Smart Metering	68.80	9.31%	-	6.88	68.80	6.41
8	Construction of 33KV at Mokpara (Ampati)	14.70	9.31%	-	1.47	14.70	1.37
9	Construction of 33KV D/C Line, Mawphlang Air Force	38.00	9.31%	-	3.80	38.00	3.54
10	Construction of 33KV line from Killing to Khanapara	27.69	9.31%	-	2.77	27.69	2.58
11	Construction of 33/11 KV line with control room, Nangalbibra	32.10	9.31%	-	3.21	32.10	2.99
12	Rubber Matting for Sub-Station of the Company	30.00	9.31%	-	3.00	30.00	2.79
13	Construction of 33KV Line from Byrnihat to Nongpoh, with provision of Double Circuit Line	17.78	9.31%	-	1.78	17.78	1.66
14	Construction of 33KV line on ST Pole with Racocon conductor from Khliehtyrshi to Wahiajer (33/11 KV)	13.33	9.31%	-	1.33	13.33	1.24
15	Construction of 33KV Line on ST Pole with Racocon Conductor from Khliehtyrshi to Wahiajer	14.44	9.31%	-	1.44	14.44	1.34
16	Construction of new 33 KV Line along with 33/11 KV, 2.5 MVA , at Bajengdoba Sub-Station	7.35	8.59%	-	0.74	7.35	0.63
17	Construction of new 33 KV Wolf Conductor from Dakopgre to Praharnagar & Construction of 33/11 KV, 2.5 MVA Sub-Station at Praharnagar with Control Room	6.54	8.59%	-	0.65	6.54	0.56
18	Construction of new 33 KV Wolf Conductor from Dakopgre to Praharnagar & Construction of 33/11 KV, 2.5 MVA S/S at Praharnagar with Control Room	5.46	8.59%	-	0.55	5.46	0.47
19	Construction of new 33 Kv Line along with 33/11 KV, 2.5 MVA , at Bajengdoba Sub-Station	6.15	8.59%	-	0.62	6.15	0.53
20	Construction of new 33 KV Line from Byrnihat to Nongpoh with a provision for Double Circuit Line	17.78	9.31%	-	1.78	17.78	1.66



21	Construction of New 33 KV Line on Wolf Conductor from Dakopgre to Praharinagar & Construction of 33/11 KV, 2.5 MVA Sub-Station at Praharinagar with Control Room	5.00	8.09%	-	0.50	5.00	0.40
22	Construction of new 33 KV Single Circuit Line from Rongkhon to Dadenggre and strengthening of the 11 KV and LT network	8.38	7.18%	-	0.84	8.38	0.60
23	Construction of New 33KV Line Raccoon Conductor from Khliehtyrshi to Wahiager with Control Room2	6.26	0.00%	-	0.63	6.26	-
24	Construction of 33KV line Byrnihat - Nongpoh	8.90	7.43%	-	0.89	8.90	0.66
25	Sanction for improvement of power Supply in dadenggre area by Const. of New 33KV S/C Line from Rongkhon to Dadenggre and Strengthening of thr 11KV and Lt network under West Garo Hills (D) Div.	22.22	7.69%	-	2.22	22.22	1.71
26	Sanction for Upgradation of Sub-Station & associated infrastructure in peri-urban location not covered under RGGVY	100.00	8.74%	-	10.00	100.00	8.74
27	Sanction for "Opening of unconditional, irrevocable, revolving and monthly Letter of Credit (LC) with NTPC Ltd. (during 2019-20) (Loan)	1,360.00	0.00%	-	-	1,360.00	-
28	Sanction for "Improvement of power supply in Dedenggre area by construction of new 33 kv S/C line from Rongkhon to Dadenggre and strengthening of 11 kv and LT network under West Garo Hills (D) Division during 2020-21 (3rd installment)	16.70	7.20%	-	1.67	16.70	1.20
29	Sanction for "Improvement of power supply in Dedenggre area by construction of new 33 kv S/C line from Rongkhon to Dadenggre and strengthening of 11 kv and LT network under West Garo Hills (D) Division during 2020-21 (Loan)	9.70	7.20%	-	0.97	9.70	0.70
30	Sanction of Payment of PGCIL dues(Loan) during 2020-21	3,500.00	7.20%	-	350.00	3,500.00	252.00
31	Sanction for Payment of PGCIL dues (Loan) during 2021	2,000.00	0.00%	-	200.00	2,000.00	-
32	Recd from Dy. Secy, Power Deptt, Govt. of Meghalaya being Loan for Payment of PGCIL Dues & payment of outstanding dues against the Loan availed from PFC Ltd	4,651.00	0.00%	-	-	4,651.00	-
33	Recd from Dy. Secy, Power Deptt, Govt. Of Meghalaya being Loan for payment of PGCIL Dues & payment of Outstanding Dues against the Loan availed from PFC Ltd	5,475.00	0.00%	-	-	5,475.00	-
Total		17,544.58	-	-	605.86	17,544.58	301.34



(Amount in INR Lakhs)

Serial No.	Particulars/ Purpose	As at 1st April, 2021	Rate of Interest	Additions during the Financial Year 2021-22	Amount of Default in Repayment during the Financial Year 2021-22	As At 31st March, 2022 (Restated)	Interest Accrued during the Financial Year 2021-22
1	Construction, Modification of Sub-Station at Mawngap	4.50	9.31%	-	0.45	4.50	0.42
2	Construction of New 33KV Line at Bajengdoba Sub-Station No. 2	22.00	9.31%	-	2.20	22.00	2.05
3	Shifting of 33KV line in Ri-Bhoi	6.30	9.31%	-	0.63	6.30	0.59
4	Construction of 33KV Double Circuit Line on Wolf Conductor KV, Mawphlang	32.00	9.31%	-	3.20	32.00	2.98
5	Construction of 33 KV Line on Wolf Conductor from Dakopgre to Praharnagar	12.00	9.31%	-	1.20	12.00	1.12
6	Renovation of 33KV Nangalbibra - Baghmara Line	4.50	9.31%	-	0.45	4.50	0.42
7	Smart Metering	68.80	9.31%	-	6.88	68.80	6.41
8	Construction of 33KV at Mokpara (Ampatl)	14.70	9.31%	-	1.47	14.70	1.37
9	Construction of 33KV D/C Line, Mawphlang Air Force	38.00	9.31%	-	3.80	38.00	3.54
10	Construction of 33KV line from Kifling to Khanapara	27.69	9.31%	-	2.77	27.69	2.58
11	Construction of 33/11 KV line with control room, Nangalbibra	32.10	9.31%	-	3.21	32.10	2.99
12	Rubber Matting for Sub-Station of the Company	30.00	9.31%	-	3.00	30.00	2.79
13	Construction of 33KV Line from Byrnihat to Nongpoh, with provision of Double Circuit Line	17.78	9.31%	-	1.78	17.78	1.66
14	Construction of 33KV line on ST Pole with Racocon conductor from Khliehtyrshi to Wahiajer (33/11 KV)	13.33	9.31%	-	1.33	13.33	1.24
15	Construction of 33KV Line on ST Pole with Racocon Conductor from Khliehtyrshi to Wahiajer	14.44	9.31%	-	1.44	14.44	1.34
16	Construction of new 33 KV Line along with 33/11 KV, 2.5 MVA , at Bajengdoba Sub-Station	7.35	8.59%	-	0.74	7.35	0.63
17	Construction of new 33 KV Wolf Conductor from Dakopgre to Praharnagar & Construction of 33/11 KV, 2.5 MVA Sub-Station at Praharnagar with Control Room	6.54	8.59%	-	0.65	6.54	0.56
18	Construction of new 33 KV Wolf Conductor from Dakopgre to Praharnagar & Construction of 33/11 KV, 2.5 MVA S/S at Praharnagar with Control Room	5.46	8.59%	-	0.55	5.46	0.47
19	Construction of new 33 Kv Line along with 33/11 KV, 2.5 MVA , at Bajengdoba Sub-Station	6.15	8.59%	-	0.62	6.15	0.53
20	Construction of new 33 KV Line from Byrnihat to Nongpoh with a provision for Double Circuit Line	17.78	9.31%	-	1.78	17.78	1.66
21	Construction of New 33 KV Line on Wolf Conductor from Dakopgre to Praharnagar & Construction of 33/11 KV, 2.5 MVA Sub-Station at Praharnagar with Control Room	5.00	8.09%	-	0.50	5.00	0.40



22	Construction of new 33 KV Single Circuit Line from Rongkhon to Dadenggre and strengthening of the 11 KV and LT network	8.38	7.18%	-	0.84	8.38	0.60
23	Construction of New 33KV Line Racocon Conductor from Khliehtyrshi to Wahiager with Control Room2	6.26	0.00%	-	0.63	6.26	-
24	Construction of 33KV line Bymihat - Nongpoh	8.90	7.43%	-	0.89	8.90	0.66
25	Sanction for improvement of power Supply in dadeuggre area by Const. of New 33KV S/C Line from Rongkhon to Dadenggre and Strengthening of thr 11KV and Lt network under West Garo Hills (D) Div.	22.22	7.69%	-	2.22	22.22	1.71
26	Sanction for Upgradation of Sub-Station & associated infrastructure in peri-urban location not covered under RGGVY	100.00	8.74%	-	10.00	100.00	8.74
27	Sanction for "Opening of unconditional, irrevocable, revolving and monthly Letter of Credit (LC) with NTPC Ltd. (during 2019-20) (Loan)	1,360.00	0.00%	-	136.00	1,360.00	-
28	Sanction for "Improvement of power supply in Dedenggre area by construction of new 33 kv S/C line from Rongkhon to Dadenggre and strengthening of 11 kv and LT network under West Garo Hills (D) Division during 2020-21 (3rd installment)	16.70	7.20%	-	1.67	16.70	1.20
29	Sanction for "Improvement of power supply in Dedenggre area by construction of new 33 kv S/C line from Rongkhon to Dadenggre and strengthening of 11 kv and LT network under West Garo Hills (D) Division during 2020-21 (Loan)	9.70	7.20%	-	0.97	9.70	0.70
30	Sanction of Payment of PGCIL dues(Loan) duriug 2020-21	3,500.00	7.20%	-	350.00	3,500.00	252.00
31	Sanction for Payment of PGCIL dues (Loan) during 2021	2,000.00	0.00%	-	200.00	2,000.00	-
32	Recd from Dy. Secy, Power Deptt, Govt. of Meghalaya being Loan for Payment of PGCIL Dues & payment of outstanding dues against the Loan availed from PFC Ltd	-	0.00%	4,651.00	-	4,651.00	-
33	Recd from Dy. Secy, Power Deptt, Govt. Of Meghalaya being Loan for payment of PGCIL Dues & payment of Outstanding Dues against the Loan availed from PFC Ltd	-	0.00%	5,475.00	-	5,475.00	-
	Total	7,418.58	-	10,126.00	741.86	17,544.58	301.34

Note:

Loans amounting to INR 10,126 lakhs have been sanctioned as a special financial assistance to the company for repayment of outstanding dues of PGCIL. The sanction letter does not state the repayment schedule and interest rate on which the loan has been sanctioned. The sanction is subject to the condition that the amount shall be repaid within a specific time frame to be determined by the High Power Committee chaired by the Chief Secretary.



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Note 17- Deferred Revenue

(Amount in INR Lakhs)

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
1	Government Grants	1,20,977.44	1,08,870.88
2	Consumers Contribution Towards Cost of Capital Asset	3,849.92	3,898.05
	Total	1,24,827.36	1,12,768.93

Note 17.1 Details of movement in 'Grants and Subsidies' (read with note 17 and 23)

(Amount in INR Lakhs)

S.No.	Particulars	As at 1st April, 2022 (Restated)	Additions during the year	Deductions during the year	As at 31st March, 2023
1	Government Grants	1,13,523.13	30,356.91	15,848.60	1,28,031.45
2	Consumers Contribution Towards Cost of Capital Asset	4,205.34	284.49	319.96	4,169.88
	Total	1,17,729.48	30,641.40	16,168.55	1,32,201.33

S.No.	Particulars	As at 1st April, 2021	Additions during the year	Deductions during the year	As at 31st March 2022 (Restated)
1	Government Grants	95,964.36	22,211.03	4,652.25	1,13,523.13
2	Consumers Contribution Towards Cost of Capital Asset	4,272.81	239.82	307.29	4,205.34
	Total	1,00,238.17	22,450.85	4,959.55	1,17,728.48

Note 17.2- Consumers Contribution Towards Cost of Capital Asset has been created against receipts from consumers towards service connections.

Note 17.3- Details of 'Grants and Subsidies' received during the current year are as under:

(Amount in INR Lakhs)

S.No.	Purpose of Grant	Scheme	For the year ended 31st March 2023	For the year ended 31st March 2022 (Restated)
1	Grants towards Saubhagya including Additional Infra under DDUGJY scheme	Saubhagya including Additional Infra under DDUGJY scheme	8,452.12	1,719.99
2	Grants Towards MePDCL DDUGJY	DDUGJY	6,795.49	-
3	Grant towards IPDS Scheme - Central share	IPDS	-	2,577.80
6	Grant towards IPDS Scheme - State share	IPDS	-	220.67
5	Strengthening of lines and S/S at fencing at Mangsang, Jakrem (Kynroh Matma), Dkhiah, Rymbai and Mawiong Dlangpasoh.	Grants in Aid	-	35.50
6	Grant received under Secretary, Power Department, Meghalaya being reimbursement of State GST against supply / work done under the NERPSIP Projects	NERSIP	-	157.94
7	Grants towards Asian Development Bank Scheme	Asian Development Bank	14,096.09	17,499.13
8	Grant Received For Procurement Of New / Repaired Distribution Transformer And S/S Equipment For Replacement	Grants in Aid	1,013.21	-
	Total		30,356.91	22,211.03

Note 17.4- With regards to Grants received under Asian Development Bank Scheme (ADB), amortisation of grant as mentioned in the Significant Accounting Policies of the Company have not been undertaken as the Scheme has not been closed and the capitalisation of Capital Works-in-Progress to Concerned Property, Plant and Equipments from the said Grant-fund has not yet been undertaken.



MECHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Note 18 - CURRENT FINANCIAL LIABILITIES: BORROWINGS

(Amount in INR Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022 (Restated)
Current maturities of long-term debts:		
(a) Related Party- Meghalaya Energy Corporation Limited (MeECL)- Holding Company)	-	782.52
(b) Others	6,945.05	6,023.78
Total	6,945.05	6,806.30

Note 19- CURRENT FINANCIAL LIABILITIES: TRADE PAYABLES

(Amount in INR Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022 (Restated)
- Dues of micro and small enterprises	-	-
- Dues of other than micro and small enterprises		
(a) Payables against Purchase of Power		
(i) MePGCL (Meghalaya Power Generation Corporation Limited)	7,571.22	8,478.77
(ii) Others	70,350.84	60,666.91
(b) Payables against Transmission & Wheeling Charges		
(i) MePTCL (Meghalaya Power Transmission Corporation Limited)	1,796.07	-
(ii) Others	3,467.09	3,026.09
(c) Others		
Payables for Operational and Maintenance Related Supplies	897.81	629.53
Total	84,083.03	72,801.29

Note 19.1 - Management is under process of reconciliation of ageing of trade payables

Note 19.2 - The Balances of 'Payables against Purchase of Power from Outside Parties' have the underlying differences, which have been placed under reconciliation :-

(Amount in INR Lakhs)

Party Name	Closing Balance as per Statement of Superintendent Engineer (EM), MePDCL as on 31st March, 2023	Closing Balance as per Statement of Superintendent Engineer (EM), MePDCL as on 31st March, 2022
GMR Energy Trading Limited (GMRETL)	4.01	4.01
North Eastern Electric Power Corporation (NEEPCO) Limited	2,571.20	2,571.20
National Thermal Power Corporation (NTPC) Limited	66,439.99	66,439.99
National Hydroelectric Power Corporation (NHPC) Limited	308.72	308.47
Power Trading Corporation of India Limited (PTCIL)	-	(6.66)
Sobheksha Advisors Private Limited (SAPL)	0.86	0.86
Manikaran Power Limited (MPL)	4.46	4.46
Arunachal Pradesh Power Corporation Private Limited (APPCPL)	-	(0.00)
NTPC Vidyut Vyapar Nigam (NVVN) Limited	29.65	29.65
VAR- Pool	50.01	50.01
VAR- Assam State Electricity Board (ASEB)	-	62.00
Power System Operation Corporation (POSOCO) Limited	25.12	25.12
Maithon Power Plant Limited (MPPL)	-	0.00
ONGC Tripura Power Company (OTPC)	801.18	801.27
Unscheduled Interchange (Intra)	-	60.44
Total	70,235.22	70,350.84

(Amount in INR Lakhs)

Party Name	Closing Balance as per Statement of Superintendent Engineer (EM), MePDCL as on 31st March, 2022 (Restated)	Closing Balance as per Statement of Superintendent Engineer (EM), MePDCL as on 31st March, 2022 (Restated)
North Eastern Electric Power Corporation (NEEPCO) Limited	249.77	249.77
National Thermal Power Corporation (NTPC) Limited	60,193.10	60,193.10
National Hydroelectric Power Corporation (NHPC) Limited	118.01	118.01
Power Trading Corporation of India Limited (PTCIL)	0.00	(6.66)
Sobheksha Advisors Private Limited (SAPL)	1.63	1.63
Manikaran Power Limited (MPL)	1.06	1.06
Arunachal Pradesh Power Corporation Private Limited (APPCPL)	148.22	148.22
Deviation (Inter) / Unscheduled Interchange (Inter)	-	-
NTPC Vidyut Vyapar Nigam (NVVN) Limited	29.65	29.65
VAR- Pool	-	(0.00)
VAR- Assam State Electricity Board (ASEB)	-	62.00
Power System Operation Corporation (POSOCO) Limited	9.41	9.41
Maithon Power Plant Limited (MPPL)	-	0.00
ONGC Tripura Power Company (OTPC)	(199.73)	(199.73)
Unscheduled Interchange (Intra)	-	60.44
Total	60,551.13	60,666.91



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Note 19.3- The Balances of 'Payables against Wheeling Charges' have the underlying differences, which have been placed under reconciliation; -

(Amount in INR Lakhs)

Party Name	Closing Balance as per Statement of Superintendent Engineer (EM), MePDCE as on 31st March, 2023	Closing Balance as per Financial Statements as on 31st March, 2023
Assam State Electricity Board (ASEB)	1,460.46	1,460.46
Power Grid Corporation of India Limited (PGCIL)	26.78	4,150.36
Central Transmission Utility of India Ltd (CTUIL)	1,940.96	2,143.72
Total	3,428.21	7,754.54

(Amount in INR Lakhs)

Party Name	Closing Balance as per Statement of Superintendent Engineer (EM), MePDCL as on 31st March, 2022 (Restated)	Closing Balance as per Financial Statements as on 31st March, 2022 (Restated)
Assam State Electricity Board (ASEB)	1,460.46	1,460.46
Power Grid Corporation of India Limited (PGCIL)	1,467.95	1,565.62
Total	2,928.41	3,026.09

Note 20- CURRENT FINANCIAL LIABILITIES: OTHERS

(Amount in INR Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022 (Restated)
Interest accrued:		
(a) Related Party- Meghalaya Energy Corporation Limited (MeECL- Holding Company)	-	29.65
(b) Interest payable to the Govt. of Meghalaya	1,732.72	1,431.38
(c) Others	9,624.88	10,594.49
Liabilities for capital supplies	18,951.62	29,987.15
Staff Related Liabilities	1,594.04	2,258.40
Security Deposits and Retention Moneys Payable (Including Deposit Work)	30,363.41	28,377.66
Liabilities for Expenses	5,892.94	4,202.89
Other Liabilities	6,569.29	6,566.18
Related Party Payables:		
i.) Meghalaya Energy Corporation Limited (MeECL)		
Payables against Remittances of Fuel, Materials, Personnel and Others	22,739.72	8,669.26
Payables against Operations, Capital and Others	1,50,397.53	-
ii.) Meghalaya Power Transmission Corporation Limited (MePTCL)		
Payables against Operations, Capital and Others	24,928.75	24,959.60
Total	2,72,794.89	1,17,076.66

Note 20.1- The payments made to Pension Fund Regulatory and Development Authority (PFRDA) regarding transfer of such pension funds accumulated over the years had been cleared from a common pool in the Holding Company's books of accounts. Reconciliation of the same is under continuous process. During the Financial Year 2022-23, the cumulative payments made to PFRDA have been worked out for the company separately, and thereafter recorded in the books of the Company. Consequently, the book balance as on 31st of March, 2023, for the Company's liabilities regarding CPS stands at INR 8,751 lakhs

Note 20.2- All the liabilities towards General Provident Fund (GPF) have been transferred to the Holding Company (Meghalaya Energy Corporation Limited, MeECL), as MeECL holds all rights and liabilities towards settlements of dues to staffs, against GPF.



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023
 Note 21- PROVISIONS

(Amount in INR Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022 (Restated)
Provision for employee benefits	2,327.63	2,327.63
Total	2,327.63	2,327.63

Note 21.1 - For details in respect of afore mentioned Note, kindly refer Note 47 (VII).

Note 22- OTHER CURRENT LIABILITIES

(Amount in INR Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022 (Restated)
Statutory dues payable	6,305.13	5,371.51
Total	6,305.13	5,371.51

Note 23- DEFERRED REVENUE

(Amount in INR Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Government Grant to be amortised within one year	7,054.01	4,652.25
Consumer Contribution to be amortised within one year	319.96	307.29
Total	7,373.97	4,959.55



Note 24- REVENUE FROM OPERATIONS

(Amount in INR Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022 (Restated)
Sale of Power:		
Unscheduled Interchange Sales	1,954.25	3,139.46
Revenue earned from Cross Subsidy	758.48	1,371.02
Interstate billing on sale of Power to MPPL, APPL and HPPL	5,477.23	7,594.13
NTPC & NEEPCO RRAS	27.22	924.50
Categories of other Consumers:		
Domestic and Residential	28,223.48	25,289.02
Commercial	11,350.51	8,607.84
Industrial Medium and Low Voltage	475.92	710.80
Industrial High and Extra High Voltage	56,342.34	43,870.59
Public Lighting	124.85	35.91
Irrigation and Agriculture	3.33	4.89
Public Water Works	3,513.53	3,174.55
Bulk Supply to others	6,748.52	6,387.21
Miscellaneous and General Purpose	115.82	128.08
Construction Project High Tension	-	-
Revenue from sale of power through Franchisee.	2,452.39	2,974.64
Electricity Duty Recoveries	694.85	666.95
	1,18,262.72	1,04,879.61
Less: Electricity Duty	694.85	666.95
	1,17,567.87	1,04,212.65
Other operating revenues-		
Meter Rent	856.89	754.02
Margin Money from Regulated Power	-	82.59
Reconnection Fees	0.38	0.49
Delayed Payment Charges Collected From Consumers	3,682.79	2,832.25
Rebates on Purchase of Energy	584.90	311.66
Other Charges From Consumers	1,913.56	1,885.89
Total	1,24,606.37	1,10,079.55

Note 24.1- The break-up of the certain items under Sale of Power in Technical nomenclatures, along with Quantum of Sale is as under: -

Particulars (Categories of Consumers)		Year ended 31.03.2023 (MU)	Year ended 31.03.2022 (MU) (Restated)
In Technical Terms	In Financial Terms	Inside State	Inside State
Domestic	Domestic and	410.10	411.67
Kutir Jyoti	Residential	111.47	105.07
Crematorium		0.18	0.12
Commercial	Commercial	86.06	71.90
Public Lighting	Public Lighting	1.03	0.45
Irrigation and Agriculture	Irrigation and Agriculture	0.13	0.31
Public Water Works	Public Water Works	8.97	9.99
Industries:-			
Low Tension (LT)	Industrial Medium and Low Voltage	5.95	33.35
High Tension (HT) + Extra High Tension (EHT)	Industrial High and Extra High Voltage	1,002.00	871.81
Bulk supply	Bulk Supply to others	77.63	82.34
General purpose	Miscellaneous and General Purpose	15.32	16.59
Swapping	Intra-State Swapping	-	-



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023
 Note 24.2- Details of Revenue earned from Cross Subsidy is as under: -

(Amount in INR Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022 (Restated)
Green Valley Industries Ltd (GVIL)	12.57	175.76
RNB Cement Pvt Ltd	1.55	8.47
Shyam Century Pvt Ltd	-	-
Maitan Alloys Ltd	2.85	-
Pioneer Carbide Pvt Ltd (PCPL)	2.30	-
Meghalaya Power Ltd.	547.11	838.41
Dalmia Cement	17.27	202.34
M/s Amrit Cement	164.64	15.68
M/s Hills Cement Compay Limited (HCCL)	10.18	130.37
Total	758.48	1,371.02

Note 24.3- Quantum of Category-wise Sale of Power (Outside the State) is as under:

Particulars	Year ended 31.03.2023 (MU)	Year ended 31.03.2022 (MU) (Restated)
Swapping	501.66	73.83
DSM	35.66	30.37
Exchange	90.10	145.65
Non-solar	-	28.59
Bilateral Sale	20.25	15.48
Total	647.67	293.92

Note 24.4- Other Charges From Consumers primarily include Disconnection and Reconnection Charges (Temporary and Permanent), Load Enhancement Charges, Charges towards Shifting of Poles, Meter Testing Fees, Compensation Bills, Rentals of Poles, etc.

Note 25- OTHER INCOME

(Amount in INR Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022 (Restated)
Interest Income:		
From Banks	256.71	224.75
From Others	0.19	-
Other non-operating income:		
Rental and Hiring Income	0.15	3.13
Fees and Penalties	0.15	0.34
Sale of scrap, tender forms and others	4.72	-
Miscellaneous receipts	760.08	886.11
Amortization of Grants and Subsidies	6,103.08	4,652.25
Amortization of Consumer Contributions	319.96	307.29
Refund of surcharge from NEEPCO	-	-
Revenue Grants for Other Expenditures	8.94	2,018.68
Revenue Grants for UDAY	10,000.00	-
Sundry balances written back	-	2,214.55
Total	17,453.96	10,307.12



Note 26- POWER PURCHASE COSTS

(Amount in INR Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022 (Restated)
Power Purchase Costs	91,854.17	75,239.98
Surcharge on Power Purchases	1,764.74	1,784.81
Total Power Purchase Costs	93,618.92	77,024.79
Total Power Purchase Costs consist of:		
Related Party Purchases- Meghalaya Power Generation Corporation Limited (MePGCL)	24,166.54	14,450.23
Outside Party Purchases	69,452.37	62,574.55
	93,618.92	77,024.79
Wheeling Charges		
Related Party Charges- Meghalaya Power Transmission Corporation Limited (MePTCL)	7,349.00	5,024.00
Outside Party Charges	10,356.27	10,610.42
	17,705.27	15,634.42
Total	1,11,324.18	92,659.20

Note 26.1- The details of Supplementary Bills received during the Financial Year 2022-23, are as under: -

Name of Generating License	Debit Bills	Credit Bills	Net effect
NEEPCO	4,819.65	82.21	4,737.44
NHPC	1.49	-	1.49
Total	4,821.14	82.21	4,738.93

Name of Transmission License	Debit Bills	Credit Bills	Net effect
PGCIL	121.71	-	121.71
CTUIL	1,899.28	91.85	1,807.44
Total	2,020.99	91.85	1,929.15

Note 26.2- The details of Supplementary Bills received during the Financial Year 2021-22, are as under: -

Name of Generating License	Debit Bills	Credit Bills	Net effect
NEEPCO	2,938.22	952.17	1,986.05
NTPC	-	-	-
OTPC	11.41	-	11.41
Total	2,949.63	952.17	1,997.46

Name of Transmission License	Debit Bills	Credit Bills	Net effect
PGCIL	52.01	-	52.01
Total	52.01	-	52.01

Note 26.3-Debit bills pertain to increase in Power Purchase Costs, due to revision of earlier bills.

Note 26.4-Credit bills pertain to decrease in Power Purchase Costs, due to revision of earlier bills.



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Note 26.4 (a) - The Details of Power Purchase in consonance to the Revenue from Operation (MePGCL) for FY 2022-23 as per MSERC Tariff Order for FY 2022-23 are as follows:

Particulars	Amount in INR Lakhs
Net Total ARR for FY 2022-23 (Power Purchase Gross)	30,373.54
Less: True Up Surplus as per Review Order FY 2017-18	867.00
Less: True Up Surplus FY 2018-19	6,209.00
Add: True Up Gap FY 2019-20	869.00
Grand Total	24,166.54
Invoice Raised	24,166.54

Note 26.4 (b) - The Details of Power Purchase in consonance to the Revenue from Operation (MePGCL) for FY 2021-22 as per MSERC Tariff Order for FY 2021-22 are as follows:

Particulars	Amount in INR Lakhs
Net Total ARR for FY 2021-22 (Power Purchase Gross)	25,897.23
Less : True Up Surplus FY 2017-18	11,447.00
Grand Total	14,450.23
Invoice Raised	14,450.23

Note 26.4 (c) - The Details of Wheeling Charges in consonance to the Revenue from Operation (MePTCL) for FY 2022-23 as per MSERC Tariff Order for FY 2022-23 are as follows:

Particulars	Amount in INR Lakhs
Net Total ARR for FY 2022-23 (Wheeling Charges Gross)	10,578.00
Add: Correction True up of FY 2017-18	2,008.00
Less: True Up Surplus of FY 2018-19	3,139.00
Less: True Up Surplus of FY 2019-20	2,098.00
Grand Total	7,349.00
Invoice Raised	7,349.00

Note 26.4 (d) - The Details of Wheeling Charges in consonance to the Revenue from Operation (MePTCL) for FY 2021-22 as per MSERC Tariff Order for FY 2021-22 are as follows:

Particulars	Amount in INR Lakhs
Net Total ARR for FY 2021-22 (Wheeling Charges Gross)	7,787.00
Less : True Up Surplus FY 2017-18	2,763.00
Grand Total	5,024.00
Invoice Raised	5,024.00

Note 26.5- Quantum of Source-wise Power Purchase.

Name of Party	Year ended 31.03.2023 (MU)	Year ended 31.03.2022 (MU) (Restated)
National Hydroelectric Power Corporation (NHPC)	36.87	631.58
North Eastern Electric Power Corporation (NEEPCO) Limited	646.64	631.58
National Thermal Power Corporation (NTPC)	-	434.36
ONGC Tripura Power Company (OTPC)	517.23	1.95
Meghalaya Power Generation Corporation Limited, MePGCL (Related Party)	1,043.53	877.78
Swapping	576.34	423.89
IEX	53.57	43.55
DSM	21.77	24.78
Bilateral Purchase	9.05	22.95
Total	2,905.00	3,093.42

Note 26.6- Quantum of Open Access Charges for Power Purchase:

Particulars	Year ended 31.03.2023 (MU)	Year ended 31.03.2022 (MU) (Restated)
Kreate Energy India Private Limited (KEIPL)	281.55	188.89
Arunachal Pradesh Power Corporation Private Limited (APPCPL)	85.74	129.14
GMR Energy Trading Limited	92.16	26.64
Manikaran Power Limited (MPL)	64.80	56.28
Subheksha Advisors Private Limited (SAPL)	52.09	22.94
Total	576.34	423.89



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023
 Note 27- EMPLOYEE BENEFITS EXPENSE

(Amount in INR Lakhs)		
Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022 (Restated)
Salaries and wages	14,734.64	14,444.73
Terminal Benefits		
Gratuity Expense	604.71	-
Leave Encashment Expense	2,241.00	-
Pension Expense	4,432.66	-
Contribution to provident and other funds	650.31	280.66
Apportionment of Employee Benefit Expenses (from Holding Company)	1,192.41	6,615.89
Total	23,855.73	21,341.28

Note 27.1- Apportionment of Employee Benefit Expenses (from Holding Company) has the following break-up:-

(Amount in INR Lakhs)		
Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022 (Restated)
Pay & Allowances Expenses	800.93	1,285.48
Staff Welfare Expenses	1.36	1.76
Corporation Contribution To CPS Fund	6.48	4.55
Ex-Gratia expenses	0.24	-
Pension Contribution to Deputationist	1.31	-
Pension Expense	232.70	5,324.10
Gratuity Expense	31.74	-
Leave Encashment Expense	117.64	-
Total	1,192.41	6,615.89

Note 27.2- MePDCL has the policy to bear the Employees Cost of MeFCI. (Holding Company) to the tune of 30% of the total cost in a financial year. The policy is similar with respect to the contribution of the Corporation towards CPS, EPF, monthly pension and other postretirement benefit of the employees etc. incurred and provided.

Note 28- FINANCE COSTS

(Amount in INR Lakhs)		
Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022 (Restated)
Interest on Loan:		
To related party (Meghalaya Energy Corporation Limited, i.e., Holding Company)- including Penal Interest	19.54	246.28
To Others- including Penal Interest	15,888.87	13,144.26
Other Interest	-	11.73
Guarantee Charges	815.56	837.01
Other Charges	3.14	19.87
Total	16,727.11	14,259.15

Note 28.1- Penal Interest details are stated hereunder-

(Amount in INR Lakhs)		
Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022 (Restated)
Related Party (Meghalaya Energy Corporation Limited, i.e., Holding Company)	5.13	16.58
Others	481.83	170.38
Total	486.96	186.97

Note 29- DEPRECIATION AND AMORTIZATION EXPENSE

(Amount in INR Lakhs)		
Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022 (Restated)
Depreciation	7,105.94	5,667.29
Total	7,105.94	5,667.29



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023
 Note 30- OTHER EXPENSES

(Amount in INR Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022 (Revised)
Repairs and maintenance:		
Buildings	15.72	38.00
Plant and Equipment	164.46	92.67
Civil Works	4.22	38.32
Lines & Cables	406.56	354.42
Vehicles	11.36	11.49
Furniture and Fixtures	4.14	3.50
Office equipment	21.71	43.15
Administration, Operating and General Expenses:		
Insurance Charges	1.77	1.62
Bad debts written off	-	-
Staff Advances written off	-	-
Sundry Debits written off	-	-
Rent, Rates and Taxes	9.19	11.63
UGO Billing Software Services	412.12	126.58
Telegram, Postage, Telegraph and Telex charges	15.14	25.07
Training, conveyance and vehicle running expenses	837.07	961.02
Printing and stationery expenses	38.39	46.18
Auditors' remuneration*	6.11	6.11
Consultancy Charges	30.64	0.07
License and Registration Charges	0.03	0.33
Technical fees	2.27	0.11
Books & Periodicals	0.07	0.17
Fees and subscription expenses	0.09	0.11
Advertisement charges	19.26	24.95
Legal and professional charges	61.17	94.89
Fees to Meghalaya State Electricity Regulatory Commission (MSERC)	15.00	25.05
Electricity and Water Charges	53.05	18.97
Meter Reading Expenses	-	-
Franchisee Commission	84.41	88.71
Franchisee Transmission Loss	103.15	26.16
Discount allowed	25.40	52.02
Stamp Duty	1.24	3.36
Bank Charges	13.03	13.25
GST Expenses	0.96	1.85
ROC charges	0.50	1.80
Entertainment expenses	0.53	0.34
Compensation to staff for injuries, death and/or damages	-	0.40
Compensation to others for injuries, death and/or damages	12.80	23.18
Miscellaneous expenses	16.68	2.76
Total	2,388.23	2,138.22

Note 30.1 :- Please refer note no. 44 for details of audit fees.



31 Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"

31.1 Contingent Liabilities:

(a) Claims against the Company not acknowledged as debts:

With regards to Contingent liabilities, it must be noted that cases against the company are dealt with by the Holding Company, and treatment thereafter meted out on case-to-case basis in accordance with the guidelines specified by the Holding Company itself. Hence, details of all such cases are enumerated in the Annexures to the Separate Financial Statements of the Holding Company and the Consolidated Financial Statements of the group thereon. The Annexures enumerate the status of pending litigations and compensation along with status of theft of electricity, and other related matters.

With regards to income tax related issues, all cases of the company are being represented by the parent company, Meghalaya Energy Corporation Limited (MeECL). However, recognition of any liability thereon pertaining to unfavorable orders or judgments shall be passed on to the company. The details of Contingent Liabilities are appended for MePDCL are appended at Annexure No.

31.2 Contingent Assets:

There are no contingent assets as on March 31, 2023.

31.3 Capital Commitments

Requisite details of capital commitments and allied contractual obligations have not been entirely forthcoming from the underlying divisions. Thereby, ascertainment of the same is under progress.



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

32 Disclosures in respect of Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

As per requirements of Ind AS 8, Company has corrected Material prior period(s) errors 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, balances of the assets, liabilities and equity of the comparative period presented are restated. Immaterial prior period errors have been classified in their natural head of income and expenses. The details of prior period errors and their impact on financial statements are as under :-

Impact on opening balances of previous year balances (figures for 2021-22 restated due to above prior period items):

(Amount in INR Lakhs)

S. No.	Particulars	As on 31.03.2022 as per last audited Balance Sheet	Prior period items	Restatement	As on 31.03.2022 Restated	Remark
A. Balance Sheet (relevant items)						
Assets						
	Property, Plant and Equipment	65,102.94	-	(2,142.54)	62,960.40	The provision for depreciation under provided for prior period adjusted in the Financial Year 2021-22
	Trade Receivables	68,659.22	-	339.20	68,998.42	-Excess provision for bad and doubtful debts added back to the Sundry Debtors -Due to revised invoice of FEDCO
	Cash & Cash Equivalent	3,258.71	-	1.60	3,260.31	Uncashed Cheque Written
	Total	1,37,020.87		(1,801.74)	1,35,219.13	
Liabilities						
	Other Equity	(2,61,861.81)	-	(850.80)	(2,62,712.61)	Impact of prior period items on retained earnings opening balance as on 1.4.2022 and for the year 2021-22
	Borrowings	-	-	6,806.30	6,806.30	Reclassification of current maturities of long term borrowing in Short term borrowings
	Deferred Revenue	1,14,210.47	-	(1,441.55)	1,12,768.93	Amortization of grant for prior period
	Other Financial Liabilities	1,23,882.95	-	(6,806.30)	1,17,076.66	Reclassification of current maturities of long term borrowing in Short term borrowings
	Deferred Revenue	4,468.94	-	490.61	4,959.55	Amortization of grant for the year 2021-22
	Total	(19,299.45)		(1,801.74)	(21,101.18)	
B. Statement of Profit & Loss (relevant items)						
Income						
	Revenue	1,09,925.49	-	154.06	1,10,079.55	Due to revised invoice of FEDCO
	Other income	9,816.52	-	490.61	10,307.12	Amortization of grant for FY 2021-22
	Total	1,19,742.00		644.67	1,20,386.67	
Expenses						
	Depreciation & Amortization	4,626.71	-	1,040.58	5,667.29	The provision for depreciation under provided for prior period adjusted in the Financial Year 2021-22
	Other Expenses	2,114.64	-	23.58	2,138.22	Reclassification of Compensation to Staff/Others for injuries, death and/or damages from Exceptional Items to Other Expenses
	Total	6,741.35		1,064.16	7,805.51	



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

33 Disclosures in respect of Ind AS 107 - Financial Instruments

(a) Financial Instruments by Categories

The carrying value and fair value of financial instruments by categories were as follows:

(Amount in INR)

(i) Particulars	Financial assets/ liabilities at FVTPL as at March 31, 2023	Financial assets/ liabilities at fair value through OCI as at March 31, 2023	Amortized cost as at March 31, 2023
Financial Assets:			
Trade receivables	-	-	90,531.52
Cash and cash equivalents	-	-	6,084.23
Balances other than cash and cash equivalents	-	-	5,921.42
Loans			55.48
Other financial assets	-	-	44,710.14
Total Financial Assets	-	-	1,47,303.78
Financial Liabilities:			
Borrowings	-	-	1,61,916.46
Trade Payables	-	-	84,083.03
Other financial liabilities	-	-	2,72,794.89
Total Financial Liabilities	-	-	5,18,793.37

(Amount in INR Lakhs)

(ii) Particulars	Financial assets/ liabilities at FVTPL as at March 31, 2022	Financial assets/ liabilities at fair value through OCI as at March 31, 2022	Amortized cost as at March 31, 2022
Financial Assets:			
Trade receivables	-	-	68,998.42
Cash and cash equivalents	-	-	3,260.31
Balances other than cash and cash equivalents	-	-	8,134.92
Loans			56.33
Other financial assets	-	-	33,538.37
Total Financial Assets	-	-	1,13,989.36
Financial Liabilities:			
Borrowings	-	-	1,69,146.74
Trade Payables	-	-	72,801.29
Other financial liabilities	-	-	1,17,076.66
Total Financial Liabilities	-	-	3,59,023.69



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

34 Fair Value Hierarchy

- Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- Level 2 - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

The following table present fair value hierarchy of assets and liabilities measured at fair value:-

(Amount in INR Lakhs)				
(i) Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2023				
Financial assets measured at amortised cost:				
Trade receivables	-	-	90,531.52	90,531.52
Cash and cash equivalents	-	-	6,084.23	6,084.23
Balances other than cash and cash equivalents	-	-	5,921.42	5,921.42
Loans	-	-	55.48	55.48
Other financial assets	-	-	44,710.14	44,710.14
Total			1,47,303.78	1,47,303.78
Financial liabilities measured at amortised cost:				
Borrowings	-	-	1,61,916.46	1,61,916.46
Trade Payables	-	-	84,083.03	84,083.03
Other financial liabilities	-	-	2,72,794.89	2,72,794.89
			5,18,793.37	5,18,793.37
As at March 31, 2022 (Restated)				
Financial assets measured at amortised cost:				
Trade receivables	-	-	68,998.42	68,998.42
Cash and cash equivalents	-	-	3,260.31	3,260.31
Balances other than cash and cash equivalents	-	-	8,134.92	8,134.92
Loans	-	-	56.33	56.33
Other financial assets	-	-	33,538.37	33,538.37
Total			1,13,989.36	1,13,989.36
Financial liabilities measured at amortised cost:				
Borrowings	-	-	1,69,146.74	1,69,146.74
Trade Payables	-	-	72,801.29	72,801.29
Other financial liabilities	-	-	1,17,076.66	1,17,076.66
Total			3,59,023.69	3,59,023.69



35 Fair value of financial assets and financial liabilities measured at amortized cost :-

(Amount in INR Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022 (Restated)	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets:				
Trade receivables	90,531.52	90,531.52	68,998.42	68,998.42
Cash and cash equivalents	6,084.23	6,084.23	3,260.31	3,260.31
Balances other than cash and cash equivalents	5,921.42	5,921.42	8,134.92	8,134.92
Loans	55.48	55.48	56.33	56.33
Other financial assets	44,710.14	44,710.14	33,538.37	33,538.37
Total Financial Assets	1,47,302.78	1,47,302.78	1,13,988.36	1,13,988.36
Financial Liabilities:				
Borrowings	1,61,916.46	1,61,916.46	1,69,146.74	1,69,146.74
Trade Payables	84,083.03	84,083.03	72,801.29	72,801.29
Other financial liabilities	2,72,794.89	2,72,794.89	1,17,076.66	1,17,076.66
Total Financial Liabilities	5,18,794.37	5,18,794.37	3,59,024.69	3,59,024.69

35.1 (i) The carrying amount of current financial instruments such as trade receivables, loan to staff, other financial assets, cash and cash equivalents, other bank balances, trade payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

(ii) No borrowings of the company are substantially below market rate of interest

36 Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance :-

Risk	Exposure arising from	Measurement	Management
Market risk- Interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Company have taken all the borrowings at competitive markets rate of interest.
Credit risk	Cash and cash equivalents, trade receivables	Ageing analysis	Diversification of bank deposits in public sector banks and in trade receivables.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Maintaining adequate cash and cash equivalent



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

- a) Market Risk
 (i) Interest rate risk

The company have obtains borrowings at variable rate of Interest. Hence, company is exposed to change in interest rates. Company's borrowings are denominated in INR currency during March 31, 2023 and March 31, 2022.

The exposure of company's borrowings to interest rate changes at the end of reporting period are as follows :-

Particulars	(Amount in INR Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	21,781.12	28,367.21
Fixed rate borrowings	1,40,135.34	1,40,779.54
Total borrowings	1,61,916.46	1,69,146.74

- (ii) Sensitivity

Profit or loss is sensitive to higher/lower expense from borrowings as a result of change in interest rates. The table summarizes the impact of increase/decrease in interest rates on Profit or loss :-

Particulars	(Amount in INR Lakhs)	
	Impact on profit/(loss) before tax	
	March 31, 2023	March 31, 2022 (Restated)
Interest rates- increase by 25 Bsc Pts	(84.79)	(65.04)
Interest rates- decrease by 25 Bsc Pts	84.79	65.04

- b) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

- (i) Trade Receivable

The company has the following outstanding trade receivables :-

Particulars	(Amount in INR Lakhs)	
	March 31, 2023	March 31, 2022 (Restated)
Trade Receivables	90,531.52	68,998.42

Trade receivables are typically secured to the extent of customers security deposit received by the company and are derived from revenue earned from customers. Company has recognised the provision on debtors on the basis of policy approved by the board of directors.

- ii) Cash and cash equivalents

The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk. The company held the following cash and cash equivalents :-

Particulars	(Amount in INR Lakhs)	
	March 31, 2023	March 31, 2022 (Restated)
Cash and cash equivalents	6,084.23	3,260.31



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

c) Liquidity Risk

The company's principal sources of liquidity are cash and cash equivalents generated from operations and from bank overdrafts. Company manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls. Short term liquidity requirements consists mainly of trade payable, expense payable, other payable arising during the normal course of business as at each reporting date. Company maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

Company assess long term liquidity requirements on a periodical basis and manage them through internal accruals. The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The amount disclosed in the table is the contractual undiscounted cash flows. The table includes both principal & interest cash flows.

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Less than 6 months	2,688.02	3,491.48
6 months to 1 year	2,340.02	2,708.96
1-5 years	17,324.28	75,790.45
More than 5 years	1,10,393.92	69,611.28
Total	1,32,746.24	1,51,602.16

The above figures are shown at their original carrying amount excluding Ind AS Adjustment, short term loans and the loan from the state govt. as company is not repaying the loan currently

37 Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an appropriate capital structure of debt and equity.

The Board of Directors (BOD) has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in financial markets so as to maintain investors, creditors & markets' confidence and to sustain future development of the business. The Company's board reviews the capital structure on need basis. The funding requirements are met through a mixture of borrowings and equity capital. The Company's policy is to use short term and long-term borrowings to meet anticipated funding requirements.

The company has monitored the debt - equity ratio of the company which is as follows :-

(Amount in INR Lakhs)

Particulars	As at 31st March 2023	31st March 2022 (Restated)
Long term debt	1,54,971.40	1,62,340.45
Equity (including capital reserve)	(2,97,690.94)	(1,77,690.81)
Debt-Equity Ratio	(0.52)	(0.91)



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

- 36 **Disclosure in respect of Indian Accounting Standard (Ind AS)-23 "Borrowing Costs"**
 Company have not capitalised any borrowing cost for the year ended March 31, 2023 and March 31, 2022.
- 39 **Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"**
 In addition to the Significant Accounting Policies related to Property Plant and Equipment, it must be noted that ascertainment of impairment against any such asset has been deliberated to be taken up in course of subsequent reporting periods.
- 40 **Disclosure in respect of Indian Accounting standard (Ind AS)-108: "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 company is primarily engaged in a single line of business i.e business of distribution of Power. Hence, there is no operating segments. In the absence of any operating segments following entity wide disclosures are required to be disclosed as per Ind AS 108.

40.1 Entity-Wide Disclosures-

1. Information about revenue from major customers

There is no single external customer contributing 10 percent or more of total revenue.

2. Geographical Information

The company operates mainly in the state of Meghalaya and part of revenue is earned by sale of power to neighbouring states.

3. Revenue from major products

Revenue from external customers for each product and service are as follow:-

(Amount in INR Lakhs)

Particulars	March 31, 2023	March 31, 2022
Sale of Power	1,17,567.87	1,04,212.65
Meter Rent	856.89	754.02
Margin Money from Regulated Power	-	82.59
Reconnection Fees	0.38	0.49
Delayed Payment Charges Collected From Consumers	3,682.79	2,832.25
Rebates on Purchase of Energy	584.90	311.66
Other Charges From Consumers	1,913.56	1,885.89
Total	1,24,606.37	1,10,079.55



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

41 Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

a. Name of Related Parties and description of relationship:

(i) Key managerial personnel (KMP)

Name	Nature of Relationship	Date of Appointment	Date of Cession
Shri. Sanjay Goyal, IAS	Chairman-cum-Managing Director	07-10-2022	Continuing
Shri. Donald Phillips Wahlang, IAS	Chairman-cum-Managing Director	18-10-2021	07-10-2022
Smti. Rebecca Vanessa Suchiang, IAS	Chairman-cum-Managing Director	05-07-2021	18-10-2021
Shri Arunkumar Kembhavi, IAS	Chairman-cum-Managing Director	02-09-2020	05-07-2021
Shri. Ramakrishna Chitturi, IAS	Director Finance	17-08-2022	Continuing
Shri. Pravin Bakshi, IAS	Director Finance	25-10-2021	17-08-2022
Shri Arunkumar Kembhavi, IAS	Director Finance	02-09-2020	23-10-2021
Shri. Ramakrishna Chitturi, IAS	Chief Financial Officer	17-08-2022	Continuing
Shri. Pravin Bakshi, IAS	Chief Financial Officer	03-02-2022	17-08-2022
Shri B P Singh	Chief Financial Officer	19-09-2019	31-12-2021
Shri Moonstar Shangpliang	Whole Time Director	31-10-2022	Continuing
Shri R. Syiem	Whole Time Director	28-01-2022	31-10-2022
Shri M K Chetri	Whole Time Director	03-05-2021	31-12-2021
Shri Moonstar Shangpliang	Whole Time Director	12-01-2021	03-05-2021
Shri G.S. Mukherjee	Company Secretary	01-11-2011	Continuing

(ii) Holding Company and Fellow Subsidiary Companies

Name	Nature of Relationship
Meghalaya Energy Corporation Limited (MeECL)	Holding Company
Meghalaya Power Generation Corporation Limited (MePGCL)	Fellow subsidiary
Meghalaya Power Transmission Corporation Limited (MePTCL)	Fellow subsidiary

b. Compensation of key management personnel:

(Amount in INR Lakhs)

Name of KMP	Remuneration		Sitting Fee/Others	
	Year ended March 31, 2023	Year ended 31st March, 2022 (Restated)	Year ended March 31, 2023	Year ended 31st March, 2022 (Restated)
Shri. Sanjay Goyal, IAS (as CMD)	-	-	0.54	-
Shri. Donald Phillips Wahlang, IAS (as CMD)	-	-	0.59	0.56
Smti. Rebecca Vanessa Suchiang, IAS (as CMD)	-	-	-	0.34
Shri. Ramakrishna Chitturi, IAS, (as DF)	-	-	0.71	-
Shri. Pravin Bakshi, IAS (as DF)	-	-	0.44	0.31
Shri. Arunkumar Kembhavi, IAS (as DF)	-	-	-	0.33
Shri. Moonstar Shangpliang (as WTD)	6.28	24.75	-	-
Shri. R. Syiem (as WTD)	16.83	4.95	-	-
Shri. M K Chetri (as WTD)	-	14.40	-	-
Shri Gouri Sankar Mukherjee (as CS)	21.34	18.42	2.44	1.72
Shri. Pravin Bakshi, IAS (as CFO)	-	-	-	0.18
Shri Bishwanath Prasad Singh (as CFO)	-	17.45	-	-
Shri. L.M. Sangma (as Independent Director)	-	-	0.55	0.30
Shri M. N. Nangpui (as Independent Director)	-	-	0.40	-
Total	44.46	79.97	5.66	3.72

Note: The benefits of the following which have been paid from the Holding Company i.e. MeECL and subsequently apportioned to the Subsidiaries Company @ 30% of benefits due as follows and 10% was retained in the Holding Company



(Amount in INR)

Name of KMP	Remuneration		Sitting Fee/Others	
	Year ended March 31, 2023	Year ended 31st March, 2022 (Restated)	Year ended March 31, 2023	Year ended 31st March, 2022 (Restated)
Shri. Sanjay Goyal, IAS (as CMD)	-	-	0.16	-
Shri. Donald Phillips Wahlang, IAS (as CMD)	-	-	0.18	0.17
Smti. Rebecca Vanessa Suchiang, IAS (as CMD)	-	-	-	0.10
Shri. Ramakrishna Chitturi, IAS, (as DF)	-	-	0.21	-
Shri. Pravin Bakshi, IAS (as DF)	-	-	0.13	0.09
Shri. Arunkumar Kembhavi, IAS (as DF)	-	-	-	0.10
Shri Gouri Sankar Mukherjee (as CS)	6.40	5.53	-	0.51
Shri. Pravin Bakshi, IAS (as CFO)	-	-	-	0.05
Shri Bishwanath Prasad Singh (as CFO)	-	5.23	-	-
Total	6.40	10.76	0.68	1.03

c. Transaction between government and government related entities :-

100% beneficial interest in the shares of the company lies with the Governor, Government of Meghalaya. In light of the same, the company is a government-related entity' (with regards to the Government of Meghalaya) as defined by "Ind AS 24 (Related Party Disclosures)" i.e., an entity that is controlled, jointly controlled or significantly influenced by a government.

(Amount in INR Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022 (Restated)
	Transactions during the year:	
Capital Grants and Subsidies from the Government (including those routed through various government entities)	30,356.91	22,211.03
Recoverable From State Government	2,055.30	735.39
Non-current Borrowings from the Government	-	10,126.00
Interest payable to the Government	301.34	301.34
Electricity duty remittances to the Government	694.85	666.95
Revenue Grants and Subsidies received from the Government (including those routed through various government entities)	8.94	2,018.68
Interest on Government loans	301.34	301.34
Meghalaya State Electricity Regulatory Commission (MSERC) Fees	15.00	25.05
Outstanding Balances:		
Capital Grants and Subsidies from the Government (including those routed through various government entities)	1,28,031.45	1,13,523.13
Recoverable From State Government	3,200.98	1,145.68
Non-current Borrowings from the Government	17,544.58	17,544.58
Interest payable to the Government	1,732.72	1,431.38



d. Transactions with the Holding Company and within the group:

(Amount in INR Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022 (Restated)
(a) Transactions during the year:		
Equity Share Capital:		
Meghalaya Energy Corporation Limited (MeECL)	-	336.00
Equity Share Capital pending allotment:		
Meghalaya Energy Corporation Limited (MeECL)	26,800.00	(248.44)
Borrowings taken/(repaid):		
Meghalaya Energy Corporation Limited (MeECL)	(782.52)	(2,760.37)
Power Purchase Costs:		
Meghalaya Power Generation Corporation Limited (MePGCL)	24,166.54	14,450.23
Wheeling Charges:		
Meghalaya Power Transmission Corporation Limited (MePTCL)	7,349.00	5,024.00
Interest expenses:		
Meghalaya Energy Corporation Limited (MeECL)	19.54	246.28
Apportionment of Employee Benefit Expenses, made by:		
Meghalaya Energy Corporation Limited (MeECL)	1,192.41	6,615.89
Movement in receivables		
Meghalaya Energy Corporation Limited (MeECL)	(7,277.02)	7,512.04
Meghalaya Power Generation Corporation Limited (MePGCL)	15,693.48	7,776.04
Movement in payables		
Meghalaya Energy Corporation Limited (MeECL)	1,64,467.99	8,200.97
Meghalaya Power Generation Corporation Limited (MePGCL)	-	(7,827.15)
Meghalaya Power Transmission Corporation Limited (MePTCL)	(30.85)	368.97
(b) Onstanding Balances:		
Equity Share Capital:		
Meghalaya Energy Corporation Limited (MeECL)	85,021.80	85,021.80
Equity Share Capital pending allotment:		
Meghalaya Energy Corporation Limited (MeECL)	27,704.56	904.56
Borrowings:		
Meghalaya Energy Corporation Limited (MeECL)	-	782.52
Receivables:		
Meghalaya Energy Corporation Limited (MeECL)	14,448.73	21,725.75
Meghalaya Power Generation Corporation Limited (MePGCL)	23,469.52	7,776.04
Trade Payables:		
Meghalaya Power Generation Corporation Limited (MePGCL)	7,571.22	8,478.77
Meghalaya Power Transmission Corporation Limited (MePTCL)	1,796.07	-
Interest accrued:		
Meghalaya Energy Corporation Limited (MeECL)	-	29.65
Payables:		
Meghalaya Energy Corporation Limited (MeECL)	1,73,137.25	8,669.26
Meghalaya Power Generation Corporation Limited (MePGCL)	-	-



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

42 Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)"

i) Basic EPS

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the entity by the weighted average number of Equity shares outstanding during the year.

(Amount in INR Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022 (Restated)
Profit/ (loss) for the year, attributable to the owners of the company	(19,340.86)	(15,678.46)
Earnings used in calculation of basic earnings per share(A)	(19,340.86)	(15,678.46)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	8,502.18	8,484.58
Basic EPS(A/B)	(2.27)	(1.85)

ii) Diluted EPS

(Amount in INR Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022 (Restated)
Profit (loss) for the year, attributable to the owners of the company	(19,340.86)	(15,678.46)
Profit attributable to equity holders of the owner adjusted for the effect of dilution (A)	(19,340.86)	(15,678.46)
Weighted average number of Equity shares adjusted for the effect of dilution (B)	10,362.18	9,624.58
Diluted EPS* (A/B)	(1.87)	(1.63)
Diluted EPS**	(2.27)	(1.85)

* Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the entity (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

**Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. Therefore, Diluted EPS would be treated the same as Basic EPS.

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

43 Assets hypothecated as security

The carrying amount of assets pledged as security for current & non current borrowings are:

(Amount in INR Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Non Current assets		
Pledge	31,089.00	31,089.00



44 Payment to the Auditors

(Amount in INR Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Payment to the Auditors:		
- Statutory Audit Fees for current year	4.86	4.86
- Statutory Audit Fees for previous years	-	-
- Tax Audit Fees	0.50	0.50
- Other services	0.25	0.25
Payments to the Cost Auditors :		
- Cost Audit Fees for current year	0.50	0.50
- Cost Audit Fees for previous years		
Total	6.11	6.11
Payments to the Secretarial Auditors :		
- Secretarial Audit Fees for current year	0.25	0.25

45 Dealings in Foreign Currency

(Amount in INR Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Value of imports on CIF Basis	-	-
Earning in Foreign Currency	-	-
Expenditure in Foreign Currency	-	-



46 Disclosure in respect of Indian Accounting standard Ind AS 2 'Inventories'

Amount of inventories consumed and recognised as expense during the year is as under: -

Particulars	(Amount in INR Lakhs)	
	As at 31st March 2023	As at 31st March 2022 (Restated)
Consumption of spare parts	370.36	221.45
Total	370.36	221.45

47 ADDITIONAL INFORMATION

- I. Meghalaya Power Distribution Corporation Limited (MePDCL) was incorporated under the erstwhile Companies Act, 1956 on 18.12.2009. The company was entitled to commence business according to the Certificate for Commencement of Business issued by the Registrar of Companies, Meghalaya w.e.f. 17.03.2010. The authorized share capital of the company is Rs. 10,00,00,00,000.00 divided into 1,00,00,00,000.00 Equity Shares of Rs. 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 Holding Company i.e., Meghalaya Energy Corporation Limited (a company wholly owned by the Government of Meghalaya), except the equity shares allotted to Signatories of the Memorandum of Association of the company.
- II. At the time of formation of the Company, 50,000 Equity shares of Rs. 10 each were allotted to various persons being the signatories of the Memorandum of Association of the company. However, the beneficial interests for all the shares lie with the Holding Company i.e., Meghalaya Energy Corporation Limited (MeECL). The names of the shareholders are available in the Memorandum of Association (MoA) and the Articles of Association (AoA) issued by the Company.
- III. In exercise of the power conferred under Section 131 of the Electricity Act, 2003 the Government of Meghalaya unbundled the Meghalaya State Electricity Board (MeSEB) into four companies i.e., Meghalaya Energy Corporation Limited (MeECL), the holding company, Meghalaya Power Generation Corporation Limited (MePGCL), the generation utility, Meghalaya Power Transmission Corporation Limited (MePTCL), the transmission utility and Meghalaya Power Distribution Corporation Limited (MePDCL), the distribution utility, vide "The Meghalaya Power Sector Reforms Transfer Scheme, 2010" notified by State Government of Meghalaya vide Notification No. Power-79/2009/290 dated 31.03.2010. Subsequently through an amendment in the Transfer Scheme, the State Government transferred all the assets and liabilities of Meghalaya State Electricity Board (MeSEB) to the holding company only. The subsidiaries which comprise of the generation utility, transmission utility and distribution utility were made operational w.e.f. 01.04.2012 after re-vesting of assets and liabilities by the holding company as per Notification No. Power-79/2009/Pt-1/422 dated 29.04.2015.
- IV. The company is continuing the process of getting its name incorporated in the various assets and liabilities transferred to it from the Holding company, i.e. Meghalaya Energy Corporation Limited (MeECL), as per the provisions of "The Meghalaya Power Sector Reforms Transfer Scheme, 2010". The charge or mortgage created against the assets of the company as securities in respect of the borrowings of the erstwhile Meghalaya State Electricity Board (MeSEB) and/or the holding company or vice versa, which have been subsequently transferred to the company as on 1st April, 2012 pursuant to the aforementioned Transfer Scheme notified by the State Government continue to be valid and binding on the company.



V Reconciliation

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

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

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

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

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

Reference	Subject sought to be reconciled or resolved
Letter No. ACT/COMP/MePDCL/FA/2019-20/399/25	Recoverables from State Govt (Account Code 28.858, 28.858 (DDU), 28.858(Saubhagya) : Reconciliation thereof
Letter No. ACT/COMP/STOCK/2018/375/1 sent from the Accounts Section on the 13th of April, 2018 addressed to All Drawing and Disbursing Officers of the Company	Outstanding Inventories, which have remained unadjusted in the books, with regards to: a.) Capital Stock (Work-in-Progress). b.) Operational and Maintenance Stock.
Letter No. ACT/COMP/ATD-ATC/2017-18/374/1 sent from the Accounts Section on the 29th of March, 2018 addressed to All Drawing and Disbursing Officers of the Company	Long pending Outstanding ATDs (Advice Transfer Debits) in the books of accounts.
Letter No. ACT/COMP/MePDCL/FA/2020-21/409/51 dated the 7th of June, 2022, addressed to Director (Distribution), MePDCL	Information Division wise against OTS Scheme for DLT, KJT & CLT etc amounting to Rs 3,11,56.87.
Letter No. ACT/COMP/MePDCL/FA/2021-22/420/08 dated the 8th of June, 2022, addressed to Director (Distribution), MePDCL	To provide information for the List of CWIP, Original & Upto date Cost thereof.
Letter No. ACT/COMP/MePDCL/FA/2022-23/429/04 dated the 20th of September 2022, addressed to Director (Distribution), MePDCL	Billing Demand as per UGO Software and Manual Commercial Data.
Letter No. ACT/COMP/MePDCL/FA/2022-23/429/08 dated the 29th of March 2023, addressed to Director (Distribution), MePDCL	CWIP in MePDCL and starting dates/office thereof
Letter No. ACT/COMP/MePDCL/FA/2022-23/429/12 dated the 17th of May 2023, addressed to Chief Engineer (Commercial), MePDCL	Uncredited/Time barred Cheques against Revenue Collection
Letter No. ACT/COMP/FA/Pt-II/2022-23/430/37 sent from the Accounts Section on the 24th of May, 2023 addressed to All Drawing and Disbursing Officers of the Company	Balances of Cash Imprest as on 31.03.2023



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

VI Disclosures based on the Statement of Cash Flows:

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

VII PROVISIONS

Details of movements in provisions are as under: -

(Amount in INR Lakhs)

Provision for employee benefits	As at	As at
	31st March 2023	31st March 2022 (Restated)
As at the beginning of the Financial Year	2,327.92	2,327.59
Add: Adjustments during the Year	-	0.33
	2,327.92	2,327.92
Less: Settlements during the Financial Year	-	-
As at the end of the Financial Year	2,327.92	2,327.92

VIII Allowances for Doubtful Debts in Trade Receivables: -

(Amount in INR Lakhs)

Category of Trade Receivables	As at 31st March 2023		As at 31st March 2022 (Restated)	
	Receivables as on 31st of March, 2023	3% Allowance for Doubtful Debts	Receivables as on 31st of March, 2022	3% Allowance for Doubtful Debts
Cable TV	7.05	-	5.11	-
Domestic High Tension	409.40	-	304.01	-
Domestic Low Tension	19,247.35	-	18,963.11	-
Delayed Payment Charges	-	-	-	-
Kutir Jyoti	8,507.87	-	7,461.53	-
Commercial High Tension	337.64	-	375.85	-
Commercial Low Tension	4,334.69	-	4,686.38	-
General Purpose	585.20	-	434.36	-
Industrial Low Tension	1,359.68	-	1,654.56	-
Extra High Tension	11,059.88	-	8,828.96	-
Industrial High Tension- A	12,412.16	-	11,286.36	-
Industrial High Tension- B	-	-	-	-
Public Lighting	126.73	-	75.73	-
Agricultural Purpose	1.69	-	1.41	-
Water Supply High Tension	615.09	-	158.80	-
Water Supply Low Tension	349.09	-	151.72	-
Bulk Supply	432.08	-	389.76	-
Construction Project	-	-	-	-
Total	59,785.59	-	54,778.65	-

Allowances for Doubtful Debts have not been calculated for the current financial year due to non-availability of the Age Wise Analysis of the Trade Receivables. The values as mentioned supra have been obtained from the Office of the Executive Engineer, Management Information Services, MePDCL, Shillong. The figures stated may be subject to reconciliation.



48 Assets under Lease

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

District	Location of the Land	Year of Acquisition	Area (in acres)
East Khasi Hills	Shillong Cantonment Road Sub-Station	1995	0.25
	NEHU Sub-Station	1986	12.3
	SE Fall Sub-Station	1995	0.25
	Bishop Cotton Road	2008	0.40
	Kench's Trace	1995	0.30
Jaintia Hills	Amlarem	2004	7.02

The Company is undertaking the process of ascertaining all such similar assets which it has taken on lease. Furthermore, the proper bifurcation of such assets amongst the respective companies within the group is also under reconciliation, which is also in consonance with Point No. IV of this Note mentioned *supra*. Besides, determination of book values against all assets on lease is an ongoing process. In light of this, under Note 1- Property Plant and Equipment, no value-wise details of 'Assets on Lease' have been provided. The implementation of requirements in accordance with relevant Ind AS' also remains subject to the same impediment and shall be undertaken in subsequent years on mitigation of the same. Letter No. ACT/COMP/INFO(SOA)/Pt-V/2020-21/350/55 dated the 07th of September, 2021 has been addressed to the Joint Secretary, MeECL, Shillong, towards furtherance of the aforesaid matter.

49 Disclosure in respect of Indian Accounting standard Ind AS 12 'Income Taxes'

In accordance with Ind-AS 12 (Income Taxes), 'Deferred Tax Asset' has emerged on account of timing difference due to carried forward losses and depreciation; 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.

50 Investment Properties

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

District	Location of the Land	Year of Acquisition	Area (In square meters)
Ri-Bhoi	Umiam Hydro-electric Project	1961	713.72
		1961	600
		1961	802.45
	Kyrdemkulai & Nongmahur	1974	20234.3
	Lumpongdeang Island	1961	4046.86

The Company is undertaking the process of ascertaining all such similar assets which it has given on lease, and earning lease rentals thereon. Furthermore, the proper bifurcation of such assets amongst the respective companies within the group is also under reconciliation, which is also in consonance with Point No. IV of this Note mentioned *supra*. Besides, determination of book values against all such investment properties is an ongoing process. Moreover, the Notes to the Statement of Profit and Loss of the group is subject to inclusion of incomes which are of the nature of rental receipts, against unascertained investment properties. Proper bifurcation of such incomes amongst the correct companies within the group is also under reconciliation. Letter No. ACT/COMP/INFO(SOA)/Pt-V/2020-21/350/55 dated the 07th of September, 2021 has been addressed to the Joint Secretary, MeECL, Shillong, towards furtherance of the aforesaid matter.

51 Disclosure as per Ind AS 116 'Leases': Ind AS 116 'Leases' has become applicable on company from 1st April 2019 and the company has adopted and applied the standard to all lease contracts existing on 1st April 2019, using the modified retrospective method. Accordingly, the comparatives as at and for the year ended 31st March 2019 are not required to be restated. On the date of initial application, the company has reviewed all its lease obligations and found that all the lease obligations are with Govt. of Meghalaya and its departments and are cancellable and does not have non cancellable period. Therefore in terms of the standard, the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate at the date of initial application and a corresponding right-of-use asset adjusted for the amount of prepaid or accrued payments on the lease was not required to be recorded in the financial statements.

52 The company does not have any dues to micro and small enterprises as defined under the MSMED Act, 2006 (Based on the available information with the company).

53 Ratio Analysis and its element

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022 (Restated)	Change	Reason for change
Current Ratio	Current Assets	Current Liabilities	0.39	0.56	-30.73%	The decrease is mainly on account of increase in current liabilities from related parties
Debt-Equity Ratio	Total Debt	Shareholder's Equity	-0.52	-0.91	43.02%	Due to decrease of balance of Other Equity effected to due OCI of actuarial Valuation
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.00	0.00	12.46%	
Return on Equity Ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	0.02	0.02	11.94%	
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	14.10	13.61	3.53%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	0.39	0.42	-7.99%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	0.35	0.24	47.36%	Due to increase Power Purchase Cost as compared to previous year
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	-0.54	-1.20	55.26%	Due to higher revenue as compared to previous year
Net Profit Ratio	Net Profit	Net sales = Total sales - sales return	-0.16	-0.14	-8.98%	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-0.08	-0.06	-0.27	Due to increase in losses as compared to previous year
Return on Investment	Earnings on Investment	Average Investment	NA	NA	NA	



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

54 Other Statutory and Regulatory Information

- (i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- (ii) The Company is not declared as wilful defaulter by any bank or financial institutions or other lenders during the financial year.
- (iii) During the year, the Company has not revalued its Property, Plant and Equipments.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 55 These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency.
- 56 The financial statements of the company for the year ended March 31, 2023 were approved for issue by the Board of Directors on the 14th Aug, 2023.
- 57 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.

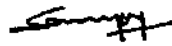
As per our report of even date attached
For P Gaggar & Associates
Chartered Accountants
(Firm Regn. No. 318074E)



CA P. Gaggar
Partner (M.No.040259)




For and on behalf of the Board



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


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


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

Place: Shillong

Date: 24-09-2023

UDIN : 23040259 B4XLHT6177

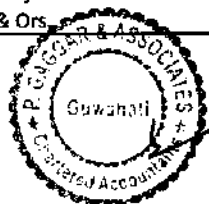
STATUS OF COURT CASES OF MePDCL AS ON 2022-2023.

A. IN THE HIGH COURT OF MEGHALAYA

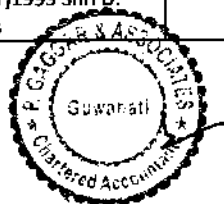
Sl. No.	Case No. and Name of Parties	Date of Commencement of proceedings	Name of Lawyers/Firms representing the Corporation	Present Status	Remarks/Amount	Name of the Entity
1.	WP(C) No. 345/2015 Minsngi Marboh-Vs-MeECL & Ors.	2015	Shri Amit Kumar	Pending		-MePDCL
2.	W.P (C)No. 469 of 2020 M/s Kamkshi Ispat Pvt Ltd Vs MePDCL & Ors.	2020	Shri Amit Kumar	Pending	₹ 9,11,807.00	MePDCL
3.	W.P (C) No. 413 of 2020 M/s Upendra Nath Saha Vs MeECL and Ors	2020	Shri Amit Kumar	Pending	₹ 2.47 crore	MePDCL
4.	W.P (C) No. 412 of 2020 Shri Sukumar Hajong Vs MeECL and Ors	2020	Shri Amit Kumar	Pending	₹ 2.63 crore	MePDCL
5.	W.P (c) No. 440 of 2020 Shri Sujon Langkroi Vs State of Meghalaya	2020	Shri Amit Kumar	Pending		MePDCL
6.	W.P (C) No. Nil of 2022 Memory Lyngdoh Vs MePDCL	2022	Shri Amit Kumar	Pending		MePDCL
7.	W.P (C) 213/2022 Satya Narayan Beriwal Vs MePDCL	2022	Shri Amit Kumar	Pending	₹ 22.22 crore	MePDCL
8.	Contempt Case No.1 of 2023 MeECL Vs Adarsh Jhunjhunwala & JUD Cements Ltd	2023	Shri Amit Kumar	Pending	₹ 21.00 crore	MePDCL

B. IN THE COURT OF DISTRICT SESSIONS COURT/ CJM/ ASSISTANT TO DEPUTY COMMISSIONER/MUNSIFF ETC. AT

Sl. No.	Case No. and Name of Parties	Date of Commencement of proceedings	Name of Lawyers/Firms representing the Corporation	Present Status	Remarks/Amount	Name of the Entity
1.	T.S. No. 85(T) 1995 Misc. Case No. 59(T) 1995. Smti. Jndrawati Devi-Vs-MeSEB	1995	Shri N. Mozika Shri P. Nonghri	Pending	-	-MePDCL
2.	M.S. No. 100(T)1989 MeSEB-Vs-M/S Jain & Associates.	1989	Shri N. Mozika Shri P. Nongbri	Pending	₹ 23,54,576.50	-MePDCL
3.	Misc. Case No. 19(H) 1997 T.S No. 16 (H) 1997 Shri Rajendra Kr. Sharma & Drs-Vs- Ram Gopal Agarwalla and MeSEB	1997	Shri N. Mozika	Pending	-	-MePDCL
4.	M.S. No. 25(T)1997 Shri Shrolenson Marbaniang -vs-MeSEB	1997	Shri P. Nongbri	Pending	-	-MePDCL
5.	Misc. Case No. 21(T)1999 T.S. No. 8(T)/1999 M/s Shillong Veneer products & Saw Mill, Shillong-vs-MeSEB	1999	Shri N. Mozika	Pending	-	-MePDCL
6.	Misc. case No. 64(T) 2000 T.S. No. 36(T)2000 Shri Pawan Kr. Mishra -Vs-MeSEB	2000	Shri P. Nongbri	Pending	-	-MePDCL
7.	Misc. Case No. 37 (H)2000 T.S.No. 24(H)2000 Smti. Memjulette Passah-Vs- MeSEB & Ors	2000	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL



8.	M.S. No. 3(T)1998 MeSEB-Vs-M/s Elias & Co.	1998	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
9.	Misc. case No. 26(H) 2002 T.S. No. 29(H)2002 Shri G.T. Jatiani-Vs-MeSEB	2002	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
10.	T.S.No.26(H)2002 Smti. M. Pakyntein & Ors -Vs-MeSEB	2002	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
11.	Misc. case No.1(H)2003 In T.S. No.1(H)2003 Ashok Kr. Jasrasaria -Vs-MeSEB & Ors.	2003	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
12.	Misc. Case No. 174(T)2005 In T.S. No. 75(T)2005 Principal St. Peter School -Vrs-MeSEB.	2005	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
13.	Misc. case No. 17(H)2004 T.S.No. 15(H)2004 Shri Arindem Chakraborty -Vs-MeSEB	2004	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
14.	Misc. case No. 15(T)2005 (n T.S. No. 6(T) of 2005 Smti. Diana Wahiang -Vs-Smti. Marbina Shabong, MeSEB.	2005	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
15.	T.S. No. 64(T)2005 Shri S.C. Choudhury-Vs-MeSEB	2005	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
16.	Misc. case No. 57(T)2006 T.S. No. 19(T)2006 Brosterwell Lyngdoh-Vs-MeSEB	2006	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
17.	Misc. case No. 56(T)2006 T.S. No. 9(T)2006 Smti. Sinolasibon Marbaniang-Vs- MeSEB.	2006	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
18.	Misc. case No. 27(H)2009 Smti. Chandra Devi Kar -Vs-Smti. Gomti Devi Sharma/MeSEB	2009	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
19.	T.S. No. 7(T)2013 Noor Muhammad-Vs-MeECL&Ors.	2013	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
20.	Mawlai P.S.No.49(8)2012 U/S 379 I.P.C./G.R. No. 331(A)2012,	2012 (In the Court of District & Session Judge, Shillong	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
21.	Misc. Case No. 126(T)2013 In T.S. No. 44(T)2013 Shri Nirendra Kr. Das-Vs-Smti. Debi Rani Das & MeECL	2013	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
22.	T.S.(Misc) case No. 8(H)2014-Smti. Rani Kaur-Vs-MeECL	2014 in the Munsiff Court, Shillong	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
23.	Misc. case No. 1(H)2014 Md. Taukil-Vs-Shri O.P. Goenka & Shri B.P. Geonka/MeECL	2014 In the Court of Asstt. District Judge, Shillong	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
24.	Rynjah P.S. Case No. 22(2)2015, U/S 379 I.P.C./G.R. Case No. 108(A)2015 State-vs-.....	2015 In the Court of C.J.M. Shillong.	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
25.	T.S. No. 9(H)1998 V. Hoondamai Mirpuri-Vs-MeSEB	1998 In the Court of Asstt. to D.C. Shillong	Shri S.R. Sen. And Shri K.S. Kynjing w.e.f. 31.10.2002	Pending	-	-MePDCL
26.	Misc. Case Ne. 1(T)1993 Shri D. Rymbai-vs-MeSEB	1993	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL



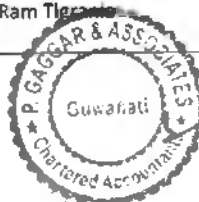
27.	M.S. No. 29(T)1992 MeSEB-vs-M/s Modi Cement Ltd.	1992	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
28.	M.S. No. 30(T)1993 MeSEB-Vs-Shri E. Thabah	1993	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
29.	M.S. No. 2(T)1995 MeSEB-vs-M/s Rajesh Enterprise	1995	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
30.	M.S. No. 38(T)1994 MeSEB-vs-M/s Carrier India Ltd.	1994	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
31.	M.S. No. 26(T)1994 MeSEB-vs-M/s Carrier India Ltd.	1994	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
32.	C.R. Case No. 350 (S) of 2018 Registrar of Companies Vs MePDCL	2018	Shri N. Mozika Shri P. Nongbri	Pending		MePDCL

C. BEFORE THE DISTRICT CONSUMER DISPUTES REDRESSAL FORUM, SHILLONG

Sl. No.	Case No. and Name of Parties	Date of Commencement of proceedings	Name of Lawyers/Firms	Present Status	Remarks/Amount	Name of the Entity
1.	C.C No. 8 of 2006 Smti. A. Dunai-vs-MeSEB	2006	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
2.	C.C. No. 13 of 2006 Shri Francis Reenborn-vs-MeSEB	2006	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
3.	C.C. No. 33/2007 Smti. Subalin Lyngdoh-vs-MeSEB	2007	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
4.	C.C. No. 11/2009 Smti. A. Majaw-vs-MeSEB	2009	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
5.	C.C. No. 14/2009 Smti. D.B.S. Mukhim & Dr. (Mrs) M. Wahlang & Ors-vs-MeSEB	2009	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
6.	C.C. No. 39 of 2009 Smti. V.R. Syiem-vs-MeSEB	2009	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
7.	C.C. No. 5 of 2010 E.S. Roy Thangkhiew-vs-MeSEB/MeECL	2010	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
8.	C.P. Case No. 1(M)1997 MeSEB-vs-M/s Oriental Insurance Co. Ltd.	1997	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL
9.	C.C. No. 3-8 of 2006 Shri H.P. Doling & Ka Synjuk ki Rangbah Shnong-vs-MeSEB	2006 In the Court of the State Consumer Dispute Redressal Commission, Shillong	Shri N. Mozika Shri P. Nongbri	Pending	-	- MePDCL
10.	Bahat Bawri-vs-MeECL	2015 Before the MSERC, Meghalaya, Shillong	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL

D. IN THE COURT OF ASSISTANT TO DEPUTY COMMISSIONER, ETC., NONGPOH

Sl. No.	Case No. and Name of Parties	Date of Commencement of proceedings	Name of Lawyers/Firms representing the Corporation	Present Status	Remarks/Amount	Name of the Entity
1.	CP.No. 2(NGP) 2005 Shri Gohinda Ram Tler-vs-MeSEB	2005	Shri N. Mozika Shri P. Nongbri	Pending	-	-MePDCL



2	Misc. Fatal Accident Compensation case No. 6/2006 Smti. Halimon Nesser –vs-MeSEB	2006	Shri N. Mozika Shri P. Nongbri	Fending	-	-MePDCL
3.	M.S. No. 2 (T) of 2011 MeSEB-vs-M/s Meghalaya Sova Ispat Pvt. Ltd.	2011	Shri N. Mozika Shri P. Nongbri	Pending	2,36,90,045.85	-MeFDCL
4	M.S. No. 3(T) of 2011 MeSEB-vs-M/S Bomber Cement Plant Pvt. Ltd.	2011	Shri N. Mozika Shri P. Nongbri	Pending	22,97,904.90	-MePDCL
5.	M.S. No. 1 (T) 2013 MeECL-vs-M/S Anirudha Steel (P) Ltd.	2013	Shri N. Mozika Shri P. Nongbri	Pending	1,09,81,355.00	-MeFDCL
6	T.S. No. 14(H) 2005 Shri Shilbrate Baruah-vs-MeSEB.	2005	Shri N. Mozika Shri P. Nongbri	Pending		MePDCL
7.	Case No. 2/96 Anjana Sinha-vs-MeSEB	1996 In the Court of Workman Compensation, Nongpoh	Shri N. Mozika Shri P. Nongbri	Pending	-	- MePDCL
8	M.S. No. 1(T) of 2011 MeECL-vs-M/s Gita Ferro Alloys (P) Ltd.	2011	Shri N. Mozika Shri P. Nongbri	Pending	46,48,494.94	- MeFDCL
9.	P.s. Nongpoh 24(2)2014 U/S 379 I.P.C G.R. No. 55/2014	2014	Shri N. Mozika Shri P. Nongbri	Pending	-	- MeFDCL

E. IN THE COURT OF ASSISTANT TO DEPUTY COMMISSIONER ETC. JOWAI

Sl. No.	Case No. and Name of Parties	Date of Commencement of proceedings	Name of Lawyers/Firms representing the Corporation	Present Status	Remarks/Amount	Name of the Entity
1	M.S. No. 1/1986 Chalna Mukhim-vs-MeSEB	1986	Shri N. Mozika Shri P. Nongbri	Pending	-	- MePDCL

F. IN THE DISTRICT CONSUMER DISPUTES REDRESSAL FORUM, JOWAI

Sl. No.	Case No. and Name of Parties	Date of Commencement of proceedings	Name of Lawyers/Firms representing the Corporation	Present Status	Remarks/Amount	Name of the Entity
1	C. Petition No. 14 of 2006 Smti. Testbina Nongsiej-vs-MeSEB	2006	Shri N. Mozika Shri P. Nongbri	Pending	-	MePDCL
2	Case No. 40 of 2011 Smti Tuphein Kyning-vs-MeECL	2011	Shri N. Mozika Shri P. Nongbri	Pending	-	MePDCL

G. OTHER CASES IN OTHER COURTS

Sl. No.	Case No. and Name of Parties	Date of Commencement of proceedings	Name of Lawyers/Firms representing the Corporation	Present Status	Remarks/Amount	Name of the Entity
1.	MHRC Case No. 09/2018 & 22/2018 Electrocutation in North Garo Hills	2018	Suo Moto Case	Pending		MePDCL
2.	MHRC Case No. 46/2019 Electrocutation Case at Tharia Village	2019	Suo Moto Case	Pending		MePDCL
3.	MHRC Case No.1/2020 Electrocutation case at Tura	2020	Suo Moto Case	Pending		MePDCL
4.	NHRC Case No. 30/1S/2/2022 Electrocutation case at MIDC, Umiam.	2022	Suo Moto Case	Pending		MePDCL

