



Meghalaya Power Limited  
Annual Report 2014-15

Gearing for  
**tomorrow**

# FORWARD LOOKING STATEMENT

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using

words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties

and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# CORPORATE INFORMATION

CIN: U40108ML2002PLC006921

## Board of Directors

Sanjay Kumar Agarwal, Managing Director

Sajjan Bhajanka, Director

Brij Bhushan Agarwal, Director

Prem Kumar Bhajanka, Director

Mangi Lal Jain, Director

Rangbahaduh Khonglah, Director

Lamshwa Kyndoh, Director

Manindra Nath Banerjee, Director

## Company Secretary

Manoj Agarwal

## Chief Financial Officer

Vishal Agarwal

## Auditors

Kailash B. Goel & Co.

Chartered Accountants

70, Ganesh Chandra Avenue, 1st Floor

Kolkata – 700 013

## Bankers

State Bank of India

Bank of Baroda

## Registered Office & Works

Vill:-Lumshnong, P.O.: Khaliehriat

Distt:- East Jaintia Hills

Meghalaya – 793 210

## Corporate Office

'Satyam Towers' 1st Floor,

Unit No. 9B

3, Alipore Road

Kolkata – 700 027

# DIRECTORS' REPORT

## Dear Shareholders,

Your Directors have pleasure in presenting Thirteenth Annual Report of the Company together with the Audited Balance Sheet as at 31<sup>st</sup> March, 2015 and the Statement of Profit & Loss for the year ended on that date.

## FINANCIAL HIGHLIGHTS

The highlights of the financial performance of the Company for the Financial Year ended 31<sup>st</sup> March, 2015 as compared to the previous Financial Year are as under:-

PARTICULARS	₹ in lacs	
	2014-15	2013-14
Net Sales/Income	10,322.76	8,606.48
Profit before Depreciation, Interest, Tax and Exceptional items	4,417.09	4,086.67
Exceptional items	0.02	0.38
Profit before Depreciation, Interest and Tax	4,417.11	4,087.05
Depreciation	(1,994.45)	(2,773.93)
Interest & Finance Charges	(1,135.27)	(1,028.83)
Profit/(Loss) before Tax	1,287.39	284.29
-Current Tax	(270.73)	(57.70)
-Less: MAT Credit entitlement	270.73	-
-Net Current Tax	-	(57.70)
-Deferred Tax	(759.25)	(50.78)
-MAT Credit Entitlement for earlier years	-	(24.88)
-Income Tax for earlier year	(16.52)	(0.40)
Profit/(Loss) after Tax	544.66	151.33

## INDUSTRY OUTLOOK

Indian Power Sector is one of the diversified sector in the world, it varies from coal, lignite, natural gas, oil, hydro and nuclear power to non-conventional such as wind, solar etc. In order to meet the rising demand of electricity, huge addition to installed capacity is required. With a production of 1,052 terra watt hours (Twh), the country is the 4th largest producer and electricity consumer in the world. As per International Energy Agency (IEA) publication on World Energy Statistics, 2013, our country ranked 110th in the per capita consumption of electricity. 'Power for All' slogan has accelerated capacity addition in the country.

Electricity production stood at 911.6 Twh in Financial Year 2013 and there was a sharp 4% growth in the Financial Year 2014 (other than captive generation). Over Financial Year 2007-14,

electricity production expanded at a compound annual growth rate (CAGR) at 5.6%.

In April, 2014, total thermal power installed capacity stood at 168.4 Gigawatt (GW), hydro and renewable energy installed capacity totalled at 40.5 GW and 31.7 GW respectively and Nuclear energy capacity was at 4.8 GW. Solar installations are at 1000 MW approximately.

Liberalization in policy has opened up a lot of investment opportunity in power sector. The Ministry of Power has set a target of adding 93,000 MW of installed capacity during 13th Five Year Plan (2017-2022). There is huge scope in the Wind energy sector too and it is expected to attract ₹20,000 crores (approx.) investment in coming years.



The Government of India has identified power sector as key sector to promote sustained industrial growth and has already initiated measures to boost the power sector in particular and industry as a whole in general.

Considering huge gap in demand and supply position of power in the country, the power sector is expected to perform better and your Company with installed capacity of 51 MW located strategically in power deficit region is also likely to be benefitted with the overall growth in power sector.

#### OPERATIONAL PERFORMANCE

During the year under review, the Company's power generation has increased to 1,679.23 lac units as compared to 1,465.74 lac units recorded in the previous year. Improvement has been noticed on Auxiliary consumption front too. During the Financial Year 2014-15, your Company registered revenue of ₹10,322.76 lacs as compared to ₹8,606.48 lacs recorded in the previous Financial Year.

Your Company posted PBT of ₹1,287.39 lacs and PAT of ₹544.66 lacs as against ₹284.29 lacs and ₹151.33 lacs respectively recorded in the previous Financial Year.

#### SHARE CAPITAL

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2015 was ₹1,713.06 lacs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options or sweat equity shares.

#### EXTRACT OF ANNUAL RETURN

In terms of requirement of Section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual return in form MGT-9 is annexed herewith and marked Annexure 1.

#### MEETINGS OF THE BOARD

During the year five (5) Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, a meeting of Independent Directors was held on 19<sup>th</sup> March, 2015 wherein the performance of the Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors at their meeting also assessed the quality, quantity and timeliness of

flow of information between the Company management and the Board of Directors of the Company.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement of Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013 the Directors hereby confirm and state that:

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures.
- The Directors have selected such accounting policies and have 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 as at 31<sup>st</sup> March, 2015 and of the profit of the Company for the year under review.
- The Directors have 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.
- The Directors have prepared the annual accounts on going concern basis.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. Mr. Mangilal Jain and Mr. Manindra Nath Banerjee are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in Section 149 of the Act and the Rules made thereunder about their status as Independent Directors of the Company.

#### POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES

The Board has framed a Remuneration Policy for selection, appointment and remuneration of Directors, Key Managerial

Personnel and Senior Management staff. The remuneration policy aims to enable the Company to attract, retain and motivate highly qualified members for the Board and at other executive levels. The remuneration policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

#### AUDITORS & AUDITORS' REPORT

M/s. Kailash B. Goel & Co., Chartered Accountants, Statutory Auditors (Firm Registration No. 322460E) of the Company, will retire at the conclusion of the ensuing Annual General Meeting of the Company. Being eligible, they have offered themselves for re-appointment and have confirmed that their appointment, if made, will be in accordance to the provisions of Section 141 read with Section 139 of the Companies Act, 2013 and the rules framed there under for re-appointment of auditors. Members are requested to approve and ratify their appointment. Members are also requested to empower the Board for fixation of Auditors' Remuneration.

The Auditors' Report to the Shareholders for the year under review does not contain any qualification.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your Company has not given any loan or made any investment or provided guarantee or security in connection with a loan to any person falling under ambit of Section 186 of the Companies Act, 2013.

#### RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the Financial Year under review were entered on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

A Statement of all related party transactions is presented before the Audit Committee on quarterly basis. The details of transactions entered into with the Related Parties are annexed herewith and marked Annexure 2.

#### RESERVES

During the year under review no amount was transferred to reserves.

#### DIVIDEND

In order to conserve resources to meet further expansion plan and to meet operational requirement, your Directors do not recommend any dividend for the year under review.

#### CONSERVATION OF ENERGY (STEPS TAKEN / IMPACT ON CONSERVATION OF ENERGY, STEPS TAKEN FOR UTILISING ALTERNATE SOURCES OF ENERGY, CAPITAL INVESTMENT IN ENERGY CONSERVATION EQUIPMENTS)

Your Company has taken following steps towards Conservation of Energy during the year under review:

1. Installation of Variable frequency Drives for ACC Fans.
2. Reduction in Power Tripping.
3. Installation of Fly Ash Conveying System.
4. Modification of Ash Conveying System.
5. Installation of CHP Crusher and Vibrating Screen.
6. Optimization of proactive Preventive Maintenance System
7. Installation of Auto Drain Valve in Compressed Air System.

#### TECHNOLOGY ABSORPTION

1. Installation of Variable frequency Drives for ACC fans has brought the stability in Exhaust Pressure & also reduced the power consumption of ACC fans.
2. By continuous analysis and rectification, the Power tripping has reduced and Plant performance has improved.
3. By installation of Fly Ash conveying system (PD Pump), transportation of fly ash has improved.
4. By modifying the Bends of Ash conveying system, efficiency of Ash conveying system has improved as also wastage of compressed air has minimized.
5. By Installation of CHP Crusher and Vibrating Screen, efficiency of CHP has improved.
6. By optimization of proactive preventive maintenance system, failure rate of equipment has decreased.
7. By installation of Auto Drain Valve in Compressed Air System, failure rate of pneumatic instruments has been minimized.

#### EXPENDITURE ON RESEARCH AND DEVELOPMENT

The Company has developed a Research & Development cell for carrying out R&D Projects in the plant with specific objective of development of advanced systems for quality improvement.

During the year under review, your Company incurred Capital expenditure of ₹18.83 lacs and Revenue Expenditure of ₹4.04 lacs in Research & Development.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under review, Foreign Exchange Earning was Nil and the Foreign Exchange Outgo was ₹2,917.89 lacs.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility has always been at the forefront of your Company's operating philosophy. The Company's focus

on CSR is on bringing about inclusive growth in the periphery villages of its operational area through interventions to improve education, providing safe drinking water, and maintenance of village infrastructure.

During the year under review, your Company has actively contributed in village development fund of Lumshnong village and Narpuh Elaka. Potable drinking water has been made available to the people of the local village and adjoining areas through a dedicated fleet of water tankers maintained by the Company.

The Company continued to maintain the street lighting system of local village and to bear the electricity expenses of the street lights.

### PERFORMANCE EVALUATION

In terms of requirements of the Companies Act, 2013, your Company has adopted a policy for evaluation of performance of the Board of Directors. The Nomination and Remuneration Committee at its meeting established the criteria based on which the Board will evaluate the performance of the Directors. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The evaluation reflected the overall engagement of the Board and the Committee. The performance evaluation of the Non-Independent Directors and the Board as a whole was also carried out by the Independent Directors.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

The shareholders have ratified the appointment of Mr. Manindra Nath Banerjee as Independent Director who was appointed as Additional Director with effect from 15<sup>th</sup> July, 2014 by the Board as also appointment of Mr. Mangilal Jain as Independent Director at the Annual General Meeting held on 9<sup>th</sup> September, 2014 for a period of five years.

In accordance with the provisions of Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Brij Bhushan Agarwal and Mr. Lamshwa Kyndoh will retire by rotation and being eligible, offer themselves for re-appointment. In view of their considerable experience, your Directors recommend their re-appointment as Directors of the Company.

The Board of Directors had, on the recommendation of the Nomination and Remuneration Committee appointed Mr. Vishal Agarwal and Mr. Manoj Agarwal as Chief Financial Officer and Company Secretary respectively with effect from 20<sup>th</sup> September, 2014.

The following person are Key Managerial Personnel of the Company:

1. Mr. Sanjay Kumar Agarwal - Managing Director
2. Mr. Vishal Agarwal - Chief Financial Officer
3. Mr. Manoj Agarwal - Company Secretary

### HOLDING, SUBSIDIARIES AND ASSOCIATE COMPANY

M/s Cement Manufacturing Company Limited continues to remain the Holding Company with a stake of 51% in your Company. Your Company continues to have long term power supply agreement with its Holding Company for supply of power to the Holding Company and its other subsidiaries.

Consequent to the Scheme of Arrangement between Star Ferro and Cement Limited and Shyam Century Ferrous Limited approved by the Hon'ble High Court of Meghalaya, Shillong by its order dated 31<sup>st</sup> March, 2015, the investment of Star Ferro and Cement Limited in your Company stands transferred to Shyam Century Ferrous Limited. With 48.80% holding, your Company has become Associate Company of Shyam Century Ferrous Limited as defined under Section 2 (6) of the Companies Act, 2013.

### DEPOSITS

The Company has not accepted any deposits during the Financial Year under review within the meaning of Section 73 of the Companies Act, 2013.

### CHANGES IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS

During the year under review, there have been no material orders passed by the Regulators/Courts impacting materially the going concern status or future operations of the Company.

### ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

### OCCUPATIONAL HEALTH & SAFETY

In pursuit of ensuring no harm anywhere to anyone associated with Company, Occupational Health & Safety remains the

Company's top priority. Your Company has put in place various safety measures for maintaining high standards of occupational health and safety at its unit. Workshops on safety measures are conducted on a regular basis to ingrain the philosophy of "safety first" amongst the employees and workers of the Company. Awareness on safety measures are also spread through regular interactions with the stakeholders through quiz competitions, elocution on safety, paintings and other methods.

#### AWARDS AND ACCOLADES

Your Directors are pleased to report that during the year under review, your Company was nominated for National Energy Conservation Award -2014 and was awarded with First Prize in the Thermal Power Station Sector.

#### RISK MANAGEMENT

The Company has evolved a risk management framework to identify, assess and mitigate the key risk factors of the business. The Board of the Company is kept informed about the risk management of the Company.

#### Committees of the Board

The details of composition of the Committees of the Board of Directors are as under:

##### a. Audit Committee

Your Company has an Audit Committee at the Board level, which acts as a link between the management, the statutory and internal auditors and the Board of Directors to oversee the financial reporting process. During the year under review, the Audit Committee was reconstituted as per the requirements of Section 177 (2) of the Companies Act, 2013.

The Composition of the Committee is as mentioned below:

Sl. No.	Name of the Director	Category	Chairman/ Members
1.	Mr. Manindra Nath Banerjee	Independent	Chairman
2.	Mr. Mangilal Jain	Independent	Member
3.	Mr. Sajjan Bhajanka	Non-Independent	Member

During the year, the Committee met on 17<sup>th</sup> May, 2014, 7<sup>th</sup> July, 2014, 15<sup>th</sup> October, 2014 and 13<sup>th</sup> January, 2015.

##### • Vigil mechanism

Pursuant to the requirement of the Act, the Company has established vigil mechanism. The Board has framed a Vigil Mechanism Policy of the Company. A Vigil (Whistle Blower) mechanism provides a channel to the Employees and Directors to report to the Management, concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees

and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

##### b. Nomination & Remuneration Committee

The Board of Company has also constituted a Committee for appointment and remuneration of Directors, Key managerial Personnel and Senior Management staff. The Committee was reconstituted during the year under review as per the requirements of Section 178(1) of the Companies Act, 2013 with the following members:

Sl. No.	Name of the Director	Category	Chairman/ Members
1.	Mr. Mangilal Jain	Independent	Chairman
2.	Mr. Manindra Nath Banerjee	Independent	Member
3.	Mr. Sajjan Bhajanka	Non-Independent	Member

During the year, the Committee met on 6<sup>th</sup> July, 2014 and 18<sup>th</sup> September, 2014.

#### PARTICULARS OF EMPLOYEES

The Company has no employee whose remuneration exceeds the limit prescribed under Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### ACKNOWLEDGEMENT

The Directors would like to express their grateful appreciation for the assistance and cooperation received from the Banks, Financial Institutions, Government Authorities, Local authorities, customers, vendors, business partners/associates and Holding Company for their continued guidance and support.

Your Directors would also like to place on record their sincere appreciation for the commitment, dedication and hard work put in by every member of the Company and dedicates the credit for the Company's achievements to them.

For and behalf of the Board of Director

Sanjay Kumar Agarwal  
Managing Director  
(DIN : 00232938)

Brij Bhushan Agarwal  
Director  
(DIN : 01125056)

Place: Kolkata

Date: 28<sup>th</sup> Day of April, 2015

# Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31<sup>st</sup> March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	U40108ML2002PLC006921
Registration Date	Company incorporated on 04 <sup>th</sup> October, 2002
Name of the Company	Meghalaya Power Limited
Category / Sub-Category of the Company	Company limited by Shares
Address of the Registered Office and contact details	Village: Lumshnong, P.O.: Khaliéhriat, Dist.: East Jaintia Hills, Meghalaya – 793210 Phone No. : 03655-278215/16/18
Whether listed company	No
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	NA

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the Company
Power	35102	94

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
Cement Manufacturing Company Ltd.	U26942ML2001PLC006663	HOLDING	51	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	-	15002	15002	0.09	-	15002	15002	0.09	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	17095618	17095618	99.80	-	17095618	17095618	99.80	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>-</b>	<b>17110620</b>	<b>17110620</b>	<b>99.89</b>	<b>-</b>	<b>17110620</b>	<b>17110620</b>	<b>99.89</b>	<b>-</b>
<b>(2) Foreign</b>									
(a) NRIs -									
Individuals	-	-	-	-	-	-	-	-	-
(b) Other –									
Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>-</b>	<b>17110620</b>	<b>17110620</b>	<b>99.89</b>	<b>-</b>	<b>17110620</b>	<b>17110620</b>	<b>99.89</b>	<b>-</b>

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public</b>									
<b>Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks / FI	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
(a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto ₹ 1 lac	-	20000	20000	0.11	-	20000	20000	0.11	-
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	-	-	-	-	-	-	-	-	-
(c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	20000	20000	0.11	-	20000	20000	0.11	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	<b>20000</b>	<b>20000</b>	<b>0.11</b>	-	<b>20000</b>	<b>20000</b>	<b>0.11</b>	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>17130620</b>	<b>17130620</b>	<b>100.00</b>	-	<b>17130620</b>	<b>17130620</b>	<b>100.00</b>	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Cement Manufacturing Company Ltd.	8736620	51.00	-	8736620	51.00	-	-
2.	Shyam Century Ferrous Limited	8358998	48.80	-	8358998	48.80	-	-
3.	Mr. Sajjan Bhajanka	15000	0.09	-	15000	0.09	-	-
4.	Mr. Rajesh Kumar Agarwal	1	0.00	-	1	0.00	-	-
5.	Mr. Hari Prasad Agarwal	1	0.00	-	1	0.00	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change in shareholding during the year			
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Mr. Bhabok G. Kharkangar				
	At the beginning of the year	5000	0.02	5000	0.02
	Changes during the year	NO CHANGE			
	At the End of the year	5000	0.02	5000	0.02

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Mr. Sajjan Bhajanka				
	At the beginning of the year	15000	0.09	15000	0.09
	Changes during the year	NO CHANGE			
	At the end of the year	15000	0.09	15000	0.09
2.	Mr. Brij Bhushan Agarwal				
	At the beginning of the year	15000	0.09	15000	0.09
	Changes during the year	NO CHANGE			
	At the end of the year	15000	0.09	15000	0.09

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	19,216.16	-	-	19,216.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.29	-	-	6.29
<b>Total (i+ii+iii)</b>	<b>19,222.45</b>	<b>-</b>	<b>-</b>	<b>19,222.45</b>
<b>Change in Indebtedness during the Financial Year</b>				
• Addition	-	-	-	-
• Reduction	2,238.19	-	-	2,238.19
<b>Net Change</b>	<b>2,238.19</b>	<b>-</b>	<b>-</b>	<b>2,238.19</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	16,984.12	-	-	16,984.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.14	-	-	0.14
<b>Total (i+ii+iii)</b>	<b>16,984.26</b>	<b>-</b>	<b>-</b>	<b>16,984.26</b>

\*Trade deposits from customers are not included.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		Mr. Sanjay Kumar Agarwal Managing Director		
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	-	-	-
	(b) Value of perquisites under Section 17(2) of the Income-Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity			
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

No remuneration is being given to Mr. Sanjay Kumar Agarwal, Managing Director. He was appointed on honorary basis.

### B. Remuneration to other Directors:

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Mangilal Jain	Mr. Manindra Nath Banerjee	Mr. Rangabudh Khonglah	Mr. Lamshwa Kyndoh	
1	Independent Directors					
	• Fee for attending board / committee meetings	0.25	0.15	-	-	0.40
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	0.25	0.15			0.40
2.	Other Non-Executive Directors					
	• Fee for attending board /committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify (Remuneration paid for availing professional services)	-	-	2.40	6.00	8.40
	Total (2)	-	-	2.40	6.00	8.40
	Total (B)=(1+2)	0.25	0.15	2.40	6.00	8.80
	Total Managerial Remuneration					
	Overall Ceiling as per the Act#					

# the overall ceiling limit for the sitting fees payable to the Non- Executive Directors is ₹100,000 per Board / Committee meeting.

### C. Remuneration to Key Managerial Personnel other than MD/Manager/ WTD:

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Vishal Agarwal Chief Financial Officer	Mr. Manoj Agarwal Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	4.03	-	4.03
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income-Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	4.03	-	4.03

\* Mr. Manoj Agarwal, Company Secretary draws salary from its Holding Company Cement Manufacturing Company Ltd.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(₹ in lacs)

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NONE		
Punishment					
Compounding					

## Annexure 2 to Directors' Report

## FORM AOC -2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

## 1. Details of contracts or arrangements or transactions not at arm's length basis :

During the year under review, the contracts or arrangements with related party were done at arm's length basis.

## 2. Details of material contracts or arrangement or transactions at arm's length basis :

Name of Related party	Nature of relationship	Duration of contract	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount (₹ In lacs)
<b>Purchase of goods and services</b>				
Cement Manufacturing Company Limited	Holding	Ongoing	Based on transfer pricing guidelines	21.61
Megha Technical & Engineers Private Limited	Fellow subsidiary	Ongoing	Based on transfer pricing guidelines	39.92
Century Plyboards (I) Limited	Associate	Short term	Based on transfer pricing guidelines	1.34
Star Cement Meghalaya Limited	Fellow subsidiary	Ongoing	Based on transfer pricing guidelines	15.03
<b>Sale of goods &amp; Services</b>				
Cement Manufacturing Company Limited	Holding	Ongoing	Based on transfer pricing guidelines	2,832.42
Megha Technical & Engineers Private Limited	Fellow subsidiary	Ongoing	Based on transfer pricing guidelines	1,286.22
Star Cement Meghalaya Limited	Fellow subsidiary	Ongoing	Based on transfer pricing guidelines	5,801.27
Shyam Century Ferrous Limited	Associate	Short Term	Based on transfer pricing guidelines	504.37

**Note:** The long term contracts entered into by the Company were ratified in the Board Meeting and Advances paid have been adjusted against billings, wherever applicable.

# INDEPENDENT AUDITORS' REPORT

To the members of  
MEGHALAYA POWER LIMITED

## Report on the Financial Statement

We have audited the accompanying financial statements of Meghalaya Power Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information

required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March 2015;
- (ii) in the case of the Statement of Profit and Loss account, of the Profit of the Company for the year ended on that date; and
- (iii) in the case of Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the order") as amended, issued by the Central Government of India in terms of sub-section (11) Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 & 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2015, from being appointed as a Director in terms of sub-section (2) of Section 164 of the Act.
  - f) 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 does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For KAILASH B. GOEL & CO.  
Firm Registration No. 322460E  
Chartered Accountants

CA. Arun Kumar Sharma  
Partner  
Membership No. 57329

Place : Kolkata  
Date : 28<sup>th</sup> April, 2015

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in Paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The fixed assets of the Company are physically verified by management according to a phased programme on a rotational basis, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
2. (a) The inventory, except goods in transit and materials lying with third parties, which have been substantially confirmed by them, has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of Inventory as compared to book records.
3. The Company has granted unsecured loan to a body corporate covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). At the year end, there is no outstanding balance of such loan.
  - (a) In the case of the loan granted to the body corporate listed in the register maintained under Section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand.
  - (b) There are no overdue amounts of more than rupees one lac in respect of the loans granted to the body corporate listed
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and other services. During the course of our audit, no major weakness has been noticed in these internal controls.
5. On the basis of our examination of books and records of the Company, in our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and therefore the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
6. In our opinion, maintenance of Cost records under Section 148(1) of the Companies Act 2013 is not applicable to the Company.
7. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income Tax and other statutory dues applicable to it. There are no undisputed amount payable in respect of Income tax and other applicable Statutory dues which were in arrears as at 31.03.2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, and the records of the Company examined by us, the particulars of disputed taxes and duties as at 31<sup>st</sup> March, 2015 which have not been deposited, are as under :

Name of the Statute	Nature of Dues	Amount (₹ in lacs)	Period to which amount relates	Forum Where dispute is pending
Meghalaya Electricity Duty Act, 1964	Electricity Duty	147.86	01.04.2009 to 31.03.2015	Government of Meghalaya, office of Superintendent of Taxes, Jaintia Hills, District Jowai.

- (c) According to the information & explanation give to us, there is no such amount which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder.
8. The Company has no accumulated losses at the end of the Financial Year. It has not incurred cash losses during the Financial Year covered by our audit and in the immediately preceding Financial Year.
9. Based on our audit procedures and as per the information & explanation given by the management, the Company has not defaulted in repayment of dues to Financial Institution or Banks. The Company has not issued any debentures.
10. The Company has not given any guarantee for loan taken by others from banks and Financial Institution.
11. In our opinion and on the basis of information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
12. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

For KAILASH B. GOEL & CO.  
Firm Registration No. 322460E  
Chartered Accountants

CA. Arun Kumar Sharma  
Partner  
Membership No. 57329

Place : Kolkata  
Date : 28<sup>th</sup> April, 2015

## BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in lacs)

	Notes	31.03.2015	31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	1,713.06	1,713.06
Reserves and Surplus	2.2	8,081.47	7,536.80
		<b>9,794.53</b>	<b>9,249.86</b>
<b>Non-current Liabilities</b>			
Long - Term Borrowings	2.3	11,600.95	14,345.06
Deferred Tax Liabilities	2.4	866.08	106.83
Other Long -Term Liabilities	2.5	370.71	1,013.91
Long -Term Provisions	2.6	9.13	3.86
		<b>12,846.87</b>	<b>15,469.67</b>
<b>Current Liabilities</b>			
Short -Term Borrowings	2.7	2,051.70	2,264.50
Trade Payables		2.34	302.59
Other Current Liabilities	2.8	4,223.84	3,654.60
Short -Term Provision	2.9	1.85	31.20
		<b>6,279.73</b>	<b>6,252.89</b>
		<b>28,921.13</b>	<b>30,972.42</b>
<b>Total</b>			
<b>ASSETS</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets</b>			
- Tangible Assets	2.10	23,836.31	18,687.41
- Capital Work in Progress (including Project Expenses)		663.35	6,645.31
		<b>24,499.66</b>	<b>25,332.72</b>
Long Term Loans and Advances	2.11	470.01	131.87
<b>Current Assets</b>			
Inventories	2.12	1,602.94	2,545.87
Trade Receivables	2.13	326.62	1,008.87
Cash and Cash Equivalents	2.14	128.39	67.77
Short Term Loans and Advances	2.15	1,893.51	1,885.33
		<b>3,951.46</b>	<b>5,507.84</b>
		<b>28,921.13</b>	<b>30,972.42</b>
<b>Total</b>			
Significant Accounting Policies and Notes on Accounts	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For Kailash B. Goel & Co.  
Firm Registration No.: 322460E  
Chartered Accountants

For and on behalf of the Board of Directors

CA. Arun Kumar Sharma  
Partner  
Membership No. 57329

Vishal Agarwal  
Chief Financial Officer

Sanjay Kumar Agarwal  
Managing Director  
DIN : 00232938

Place: Kolkata  
Date: 28<sup>th</sup> April, 2015

Manoj Agarwal  
Company Secretary

Brij Bhushan Agarwal  
Director  
DIN : 01125056

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lacs)

	Notes	2014-15	2013-14
<b>INCOME</b>			
Revenue from Operations (Gross)	2.16	10,334.13	8,607.01
Less: Excise Duty		37.08	3.69
Revenue from Operations (Net)		10,297.05	8,603.32
Other Income	2.17	25.71	3.17
<b>Total Revenue</b>		<b>10,322.76</b>	<b>8,606.48</b>
<b>EXPENSES</b>			
Purchase of Power (Trading)		323.97	-
Power Inventory (Increase)/Decrease	2.18	116.73	(687.15)
Employee Benefit Expenses	2.19	625.27	496.85
Finance Costs	2.20	1,135.27	1,028.83
Depreciation and Amortization Expenses		1,994.45	2,773.93
Other Expenses	2.21	4,839.70	4,710.12
<b>TOTAL EXPENSES</b>		<b>9,035.39</b>	<b>8,322.57</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>1,287.37</b>	<b>283.91</b>
Exceptional Items		0.02	0.38
<b>Profit / (Loss) before Tax</b>		<b>1,287.39</b>	<b>284.29</b>
<b>Tax Expenses</b>			
- Current Tax		270.73	57.70
Less: MAT Credit entitlement		(270.73)	-
- Net Current Tax		-	57.70
- Deferred Tax		759.25	50.78
- MAT Credit entitlement for earlier year		-	24.88
- Income Tax for earlier year		(16.52)	(0.40)
<b>Profit / (Loss) for the Period</b>		<b>544.66</b>	<b>151.33</b>
<b>EARNINGS PER EQUITY SHARE (face value of ₹10/- each) (refer Note 2.29)</b>			
Basic Earning per share		3.18	0.88
Diluted Earning per share		3.18	0.88
Significant Accounting Policies and Notes on Accounts	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For Kailash B. Goel & Co.  
Firm Registration No.: 322460E  
Chartered Accountants

For and on behalf of the Board of Directors

CA. Arun Kumar Sharma  
Partner  
Membership No. 57329

Vishal Agarwal  
Chief Financial Officer

Sanjay Kumar Agarwal  
Managing Director  
DIN : 00232938

Place: Kolkata  
Date: 28<sup>th</sup> April, 2015

Manoj Agarwal  
Company Secretary

Brij Bhushan Agarwal  
Director  
DIN : 01125056

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lacs)

PARTICULARS	2014-15	2013-14
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before tax and Exceptional Items	1,287.37	283.91
<b>Adjustments for :</b>		
Depreciation	1,994.45	2,773.93
Gain / (Loss) on sale of Assets	0.02	-
Interest Income	(5.42)	(1.50)
Interest Expenses	1,135.27	1,028.83
Income tax for earlier years	16.52	-
Provision for Income Tax	-	-
<b>Operating Profit before Working Capital changes</b>	<b>4,428.21</b>	<b>4,085.17</b>
<b>Adjustments for :</b>		
(Increase) / Decrease Trade receivables	682.25	(724.99)
(Increase) in Inventories	942.94	149.03
(Increase) / Decrease Other receivables	(44.22)	(49.30)
Increase / (Decrease) Other payable (Including Trade Payable)	244.90	1,255.44
<b>Cash Generated from Operations</b>	<b>6,254.08</b>	<b>4,715.35</b>
Direct Taxes Paid	(302.11)	(82.18)
<b>Net cashflow from Operating Activities (A)</b>	<b>5,951.97</b>	<b>4,633.17</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Including WIP) - Net*	(1,655.91)	(1,431.82)
Interest Received	5.42	1.50
<b>Net Cash used in Investing Activities (B)</b>	<b>(1,650.49)</b>	<b>(1,430.32)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(1,135.27)	(1,028.83)
Proceeds from / (Repayment of) Long Term Borrowings	(2,249.59)	(3,813.95)
Proceeds from / (Repayment of) Other Long Term Liabilities	(643.20)	120.19
Proceeds from / (Repayment of) Short Term Borrowings	(212.80)	1,526.21
<b>Net Cash used in Financing Activities (C)</b>	<b>(4,240.86)</b>	<b>(3,196.38)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>60.62</b>	<b>6.48</b>
<b>Cash and Cash Equivalents</b>		
Opening Balance	67.77	61.29
<b>Closing Balance</b>	<b>128.39</b>	<b>67.77</b>

\* Excluding notional foreign exchange loss of ₹494.52 lacs capitalized/reduced in accordance with para 46A of AS-11.

As per our report of even date  
For Kailash B. Goel & Co.  
Firm Registration No.: 322460E  
Chartered Accountants

For and on behalf of the Board of Directors

CA. Arun Kumar Sharma  
Partner  
Membership No. 57329

Vishal Agarwal  
Chief Financial Officer

Sanjay Kumar Agarwal  
Managing Director  
DIN : 00232938

Place: Kolkata  
Date: 28<sup>th</sup> April, 2015

Manoj Agarwal  
Company Secretary

Brij Bhushan Agarwal  
Director  
DIN : 01125056

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## CORPORATE INFORMATION

Meghalaya Power Limited (the Company) is a Public Limited Company domiciled in India and incorporated on 4<sup>th</sup> October, 2002 under the provisions of Companies Act, 1956. The Company is engaged in generation and sale of power. The power plant is located at Lumshnong, Meghalaya.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, to the extent notified. The financial statements are prepared under the historical cost convention on accrual basis and on the basis of going concern.

The accounting policies are consistently followed by the Company and changes in accounting policy are separately disclosed.

#### 1.2 Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the result of operation during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### 1.3 Fixed Assets

Fixed Assets are stated at their cost of acquisition, installation or construction (net of Cenvat credit and other recoverable, wherever applicable) less accumulated depreciation, amortization and impairment losses, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to working condition for its intended use. The Company has adopted the provisions of Para 46A of AS-11 "The Effects of Changes in Foreign Exchange Rates", accordingly exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

#### 1.4 Capital Work In Progress

Capital work in progress is carried at cost comprising direct cost and pre-operative expenses during construction period to be allocated to the fixed assets on the completion of construction.

#### 1.5 Depreciation

Depreciation on Fixed Assets is provided on Written Down Value method in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part 'C' thereof. Depreciation on amount capitalized pursuant to para 46A of AS 11 'The Effects of Changes in Foreign Exchange Rates' is provided over the balance useful life of depreciable capital assets. In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

#### 1.6 Investments

Current Investments are stated at lower of cost and market value. Long-term investments are stated at cost after deducting provisions for permanent diminution in the value, if any.

#### 1.7 Inventories

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Finished goods are valued at lower of cost and net realizable value. Cost includes direct materials & labour and a part of manufacturing overheads based on normal operating capacity.

Cost of Inventories is computed on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd...)

### 1.8 Retirement Benefits

#### (i) Defined Contribution Plan

Employees benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due.

#### (ii) Defined Benefit Plan

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

#### (iii) Other Long-term benefits

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/losses, if any, are recognized in the statement of Profit & Loss.

### 1.9 Revenue Recognition

Revenue from sale of Power is accounted for net unit exported on accrual basis. Sales of fly ash are recorded on dispatch to the customer and include excise duty and other taxes and are net of discount, rebates, and returns.

### 1.10 Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time for its intended use to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred. Borrowing cost includes exchange differences arising from relevant foreign currency borrowings to the extent that they are regarded as adjustment to the interest cost.

### 1.11 Expenditure During Construction Period

Expenditure incurred during construction/preoperative period including interest and finance charges on specified loan, prior to commencement of commercial production / completion of project is capitalized.

### 1.12 Foreign Currency Transactions & Balances

Transactions in foreign currencies entered into by the Company are accounted at the exchanges rates prevailing on the date of the transactions. Exchange differences arising on settlement /restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expenses in the Statement of Profit and Loss. All long term foreign currency monetary items consisting of liabilities which relate to acquisition of depreciable capital assets at the end of the period/ year are restated at the rate prevailing at the Balance Sheet date. The exchange difference arising as a result is added to or deducted from the cost of the assets in accordance with para 46A of Accounting Standard 11 'The Effects of Changes in Foreign Exchange Rates'. Profit/Loss arising out of cancellation of forward contracts is taken to revenue in the year of cancellation.

### 1.13 Taxes on Income

Tax expense comprises current and deferred tax. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized and carried forward for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The deferred tax in respect of timing differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act 1961. Deferred tax assets / liabilities are reviewed at each Balance Sheet date based on developments during the year to reassess realization / liabilities.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd...)

Minimum Alternate Tax (MAT) paid in the year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the carrying amount of MAT at each reporting date and writes down MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 1.14 Provisions and Contingencies

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimates of the amount required to settle the obligation at the Balance Sheet date. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to accounts.

Contingent Assets are neither recognized nor disclosed in the financial statements.

### 1.15 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

### 1.16 Government Grants/Subsidies

Government grant/subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants which are received by way of recoupment/reimbursement of any items of expenses are recognized in the Profit & Loss Account by reducing the same from the respective items of expenses. Capital grants/subsidies are credited to respective fixed assets where it relates to specific fixed assets. Other Capital grants/subsidies are credited to the Capital reserve.

### 1.17 Cash & Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments / deposits with an original maturity of three months or less.

### 1.18 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd...)

### 2.1 - SHARE CAPITAL

(₹ in lacs)

	31.03.2015	31.03.2014
<b>Authorised Capital</b>	2,000.00	2,000.00
2,00,00,000 (2,00,00,000 as at 31.03.14) Equity Shares of ₹10/- each fully paid		
<b>Issued, Subscribed &amp; fully Paid -up Shares</b>	1,713.06	1,713.06
1,71,30,620 (1,71,30,620 as at 31.03.14) Equity Shares of ₹10/- each fully paid		
	<b>1,713.06</b>	<b>1,713.06</b>

#### a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of Interim Dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### b) Reconciliation of No. of shares outstanding at the beginning and at the end of the reporting period

Equity Shares	No. of Shares	No. of Shares
At the beginning of the year	1,71,30,620	1,71,30,620
Issued during the period	-	-
Outstanding at the end of the period	<b>1,71,30,620</b>	<b>1,71,30,620</b>

#### c) Shares held by Holding / ultimate Holding Company out of Equity Shares issued by the Company, shares held by its Holding Company and ultimate Holding Company are as below:

Cement Manufacturing Company Ltd., the Holding Company	87,36,620	87,36,620
Star Ferro & Cement Limited	-	83,58,998
*Shyam Century Ferrous Limited	83,58,998	-
	<b>1,70,95,618</b>	<b>1,70,95,618</b>

#### d) Details of Shareholders holding more than 5% shares in the Company

Equity Shares	No. of Shares % of holding	No. of Shares % of holding
Cement Manufacturing Company Limited, the Holding Company	87,36,620 51.00%	87,36,620 51.00%
Star Ferro & Cement Limited	- -	83,58,998 48.80%
*Shyam Century Ferrous Limited	83,58,998	-
Outstanding at the end of the period	48.80%	-

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

\* Pursuant to the Scheme of Arrangement ("The Scheme") approved by the Hon'ble High Court of Meghalaya at Shillong vide its order dated 31<sup>st</sup> March, 2015, all the assets and liabilities of the Ferro Alloy division of Star Ferro & Cement Limited (Demerged Company) including its investment in 83,58,998 Equity Shares of Meghalaya Power Limited of face value of ₹10/- each have been transferred to and vested in Shyam Century Ferrous Limited (Resulting Company) with effect from 1<sup>st</sup> April, 2014 being the appointed date.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd...)

### 2.2 - RESERVES & SURPLUS

(₹ in lacs)

	31.03.2015	31.03.2014
<b>Capital Reserve</b>		
Balance as per last account	1,446.89	1,446.89
Addition / (Deduction) during the year	-	-
Closing Balance	1,446.89	1,446.89
<b>Securities Premium</b>		
Balance as per last account	5,232.25	5,232.25
Addition during the year	-	-
Closing Balance	5,232.25	5,232.25
<b>Surplus as per statement of Profit &amp; Loss</b>		
Balance as per last account	857.67	706.33
Profit / (Loss) for the year	544.66	151.33
<b>Appropriations</b>		
Net Surplus in the statement of Profit and Loss	1,402.33	857.66
	8,081.47	7,536.80

### 2.3 - LONG TERM BORROWINGS

(₹ in lacs)

	31.03.2015	31.03.2014
<b>Term Loans</b>		
Rupee Loan from a bank (Secured)	2,248.20	2,529.24
Foreign Currency loan from Banks (Secured)	12,662.74	14,383.44
<b>Other Loans &amp; Advances</b>		
-Hire Purchase Finance from banks (Secured)	21.47	38.99
	14,932.41	16,951.66
Less: Current Maturities of long term borrowing	3,331.46	2,606.60
	11,600.95	14,345.05

- 1) Rupee Term Loan of ₹2,248.20 lacs from a bank is repayable in further 20 unequal quarterly installments ending on March 2020.
- 2) Foreign currency loan of ₹10,947.76 lacs from a bank is repayable in further 19 unequal quarterly installments ending on December 2019.
- 3) Foreign currency loan of ₹1,714.99 lacs from a bank is repayable in further 8 unequal quarterly installments ending on March 2017.
- 4) Term Loans from banks are secured by pari passu first charge on the fixed assets and pari passu second charge on the current assets of the Company's power plant at Lumshnong, Meghalaya. Further, the loan has been guaranteed by some of the Directors of the Company.
- 5) Hire Purchase Finance is secured by hypothecation of respective vehicles and is repayable within two years.
- 6) The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

### 2.4 - DEFERRED TAX LIABILITIES

(₹ in lacs)

	31.03.2015	31.03.2014
<b>Deferred Tax Liability</b>		
Fixed Assets	866.08	108.08
<b>Deferred Tax Assets</b>		
Leave Encashment	-	1.25
<b>Net Deferred Tax (Asset) / Liability</b>	866.08	106.83

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd...)

### 2.5 - OTHER LONG-TERM LIABILITIES

(₹ in lacs)

	31.03.2015	31.03.2014
Retention Money	322.04	654.91
Creditors for Capital goods	31.20	133.72
Security Deposit	17.47	225.29
	<b>370.71</b>	<b>1,013.91</b>

### 2.6 - LONG-TERM PROVISIONS

(₹ in lacs)

	31.03.2015	31.03.2014
Provisions for Employee Benefits		
-Leave Encashment	5.04	3.86
-Gratuity	4.09	-
	<b>9.13</b>	<b>3.86</b>

### 2.7 - SHORT-TERM BORROWINGS

(₹ in lacs)

	31.03.2015	31.03.2014
Working Capital Facilities from Banks		
Cash credit (Secured)	2,051.70	2,264.50
	<b>2,051.70</b>	<b>2,264.50</b>

Working capital facilities from Banks are Secured by Pari Passu first charge on current assets and pari passu second charge on fixed assets of the Company's Power plant at Lumshnong, Meghalaya. Further the Working Capital facilities from Banks have been guaranteed by some of the Directors of the Company.

### 2.8 - OTHER CURRENT LIABILITIES

(₹ in lacs)

	31.03.2015	31.03.2014
Current Maturities of long-term borrowings	3,331.46	2,606.60
Interest accrued but not due on borrowings	0.14	6.29
<b>Other Payables</b>		
Statutory Liabilities	14.52	708.71
Salary and Bonus to employees	19.25	19.89
Other Liabilities	858.46	313.11
	<b>4,223.84</b>	<b>3,654.60</b>

### 2.9 - SHORT TERM PROVISION

(₹ in lacs)

	31.03.2015	31.03.2014
-Provision for taxation, net of Advance Tax	-	31.20
-Gratuity	1.33	-
-Leave Encashment	0.52	-
	<b>1.85</b>	<b>31.20</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd...)

### 2.10 - TANGIBLE ASSETS

₹ in lacs

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As on 01.04.2014	Additions	Deduction / Adjustment	Total as on 31-03-2015	Upto 31.03.2014	For the Year	Adjustment	Total as on 31-03-2015	As on 31.03.2015	As on 31.03.2014
Land & Site Development	607.42	24.04	-	631.47	-	-	-	-	631.47	607.42
Factory Building	3,014.84	122.08	-	3,136.91	535.16	241.29	-	776.44	2,360.47	2,479.68
Non-Factory Building	329.05	24.26	-	353.31	34.98	28.19	-	63.17	290.14	294.08
Plant and Machinery	18,865.02	6,944.98	-	25,810.00	4,087.77	1,558.21	-	5,645.98	20,164.02	14,777.25
Fire Fighting Equipments	3.38	-	-	3.38	1.66	1.55	-	3.21	0.17	1.72
Electrical Installations	571.67	18.83	-	590.50	199.97	111.16	-	311.13	279.37	371.70
Heavy Vehicles	138.80	0.79	-	139.59	80.96	18.59	-	99.55	40.04	57.84
Light Vehicles	30.15	-	-	30.15	14.10	5.24	-	19.35	10.80	16.05
Office Equipments	8.96	1.19	2.50	7.65	4.86	3.37	2.38	5.85	1.80	4.10
Computers	16.33	3.15	-	19.48	13.15	3.18	-	16.34	3.15	3.18
Furniture & Fixtures	10.68	0.40	0.08	10.99	8.12	0.83	0.06	8.88	2.11	2.56
Tools & Tackles	92.87	3.77	-	96.64	36.96	18.11	-	55.06	41.58	55.92
Laboratory Equipments	23.42	-	-	23.42	7.49	4.73	-	12.22	11.19	15.92
<b>Total</b>	<b>23,712.58</b>	<b>7,143.49</b>	<b>2.58</b>	<b>30,853.49</b>	<b>5,025.17</b>	<b>1,994.45</b>	<b>2.44</b>	<b>7,017.19</b>	<b>23,836.31</b>	<b>18,687.41</b>
Previous Years Figures	22,028.95	1,692.40	8.77	23,712.58	2,258.03	2,773.93	6.79	5,025.17	18,687.41	19,770.93

Note : During the year Company has sold Fixed assets amounting to ₹2.58 lacs (Previous year ₹8.77 lacs.)

### 2.11 - LONG-TERM LOANS & ADVANCES

(₹ in lacs)

	31.03.2015	31.03.2014
<b>Capital Advances</b>		
Unsecured, Considered Good	113.48	122.96
<b>Other Loans &amp; Advances</b>		
Subsidies / Incentives Receivable from Central / State Governments	7.30	7.30
Advance Income Tax (net of provision for taxation) including MAT Credit Entitlement	347.23	-
<b>Security Deposits</b>		
Unsecured, considered Good	2.00	1.60
	<b>470.01</b>	<b>131.87</b>

### 2.12 - INVENTORIES

(₹ in lacs)

	31.03.2015	31.03.2014
<b>Inventories</b>		
Fuels, Stores & Spares parts (Including in transit ₹ NIL, As at 31.03.14 ₹17.64 lacs)	1,032.52	1,858.71
Power Inventory (With MeSCL)	570.42	687.15
	<b>1,602.94</b>	<b>2,545.88</b>

### 2.13 - TRADE RECEIVABLES

(₹ in lacs)

	31.03.2015	31.03.2014
<b>Other Debts</b>		
Considered good	326.62	1,008.87
	<b>326.62</b>	<b>1,008.87</b>

### 2.14 - CASH & CASH EQUIVALENTS

(₹ in lacs)

	31.03.2015	31.03.2014
Cash on hand	4.04	3.37
Cheques in hand	104.87	31.94
<b>Balance with Banks</b>		
In Current Accounts	19.48	32.46
	<b>128.39</b>	<b>67.77</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd...)

### 2.15 - SHORT-TERM LOANS AND ADVANCES

(₹ in lacs)

	31.03.2015	31.03.2014
Others		
Unsecured considered Good		
Advances for Goods, Services & Expenses	183.98	218.64
Prepaid Expenses	78.68	75.11
Subsidies / Incentives Receivable from Central / State Governments	1,597.80	1,577.07
Balance with Statutory / Government Authorities	33.05	11.01
Others	-	3.49
	<b>1,893.51</b>	<b>1,885.34</b>

### 2.16 - REVENUE FROM OPERATIONS

(₹ in lacs)

	2014-15	2013-14
Sale of Power	9,694.88	8,488.00
Add: Captive Consumption	0.85	17.58
	<b>9,695.73</b>	<b>8,505.58</b>
Other Operating Revenue		
Sale of Fly Ash	638.40	101.43
	<b>638.40</b>	<b>101.43</b>
<b>Revenue from Operation - Gross</b>	<b>10,334.13</b>	<b>8,607.01</b>

	2014-15	2013-14
Details of product Sold		
Power - Own Generation	9,369.03	8,505.58
Power - Trading from IEX Platform	326.70	-
	<b>9,695.73</b>	<b>8,505.58</b>

### 2.17 - OTHER INCOME

(₹ in lacs)

	2014-15	2013-14
Interest Income	5.42	1.50
Sale of Scrap	20.29	1.67
	<b>25.71</b>	<b>3.17</b>

### 2.18 - POWER INVENTORY (INCREASE) / DECREASE

(₹ in lacs)

	2014-15	2013-14
Opening Power Inventory Stock	687.15	-
Closing Power Inventory Stock	570.42	687.15
	<b>116.73</b>	<b>(687.15)</b>

### 2.19 - EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

	2014-15	2013-14
Salaries and Wages	594.39	471.92
Contribution to Provident Fund	15.13	11.43
Staff Welfare Expenses	15.75	13.50
	<b>625.27</b>	<b>496.85</b>

### 2.20 - FINANCE COSTS

(₹ in lacs)

	2014-15	2013-14
Interest Expenses		
- On Fixed Loan	902.05	837.44
- Others	233.22	191.39
	<b>1,135.27</b>	<b>1,028.83</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd...)

### 2.21 - OTHER EXPENSES

(₹ in lacs)

	2014-15	2013-14
Consumption of Stores & Spares	24.59	32.36
Fuel Consumption	3,878.52	4,093.73
Repairs & Maintenance		
- Building	29.95	34.45
- Plant & Machinery	392.72	197.30
- Others	24.03	11.77
Insurance (Net)	70.45	73.81
Rent, Rates & Taxes	66.21	51.22
Miscellaneous Expenses	266.24	173.93
Heavy Vehicle / Equipment Running Exp.	86.99	41.55
	<b>4,839.70</b>	<b>4,710.12</b>

2.22 In the opinion of the Management and to the best of their knowledge and belief the value on realization of loans, advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

2.23 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company.

2.24 The Unit deals in only one Segment i.e. Generation of Electricity and only in India. There is no separate reportable segment as required by Accounting Standard 17- 'Segment Reporting'. The Unit caters to the needs of the domestic market. As such there are no reportable geographical segments.

### 2.25 Contingent liabilities and commitment (to the extent not provided for)

(₹ in lacs)

Sl. No	Particulars	As at 31.3.2015	As at 31.3.2014
1.	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	-	86.21
2.	Contingent Liabilities not provided for:		
	Bank Guarantee issued by Bank	80.91	80.91

### 2.26 Borrowing cost capitalized

(₹ in lacs)

Particulars	2014-15	2013-14
Borrowing cost capitalized	61.69	425.81

### 2.27 Payment to Auditors

(₹ in lacs)

Particulars	2014-15	2013-14
<b>As Auditor</b>		
- Statutory audit fees	1.50	.50
- Tax audit fees	0.50	0.50
<b>In other capacity</b>		
- Certification and Other Services	1.80	1.09
	<b>3.80</b>	<b>3.09</b>

### 2.28 Unhedged foreign currency exposures as on balance sheet date

Nature of Item	As at 31.03.2015			As at 31.03.2014		
	Currency	Foreign Currency (in million)	Indian Rupees (in lacs)	Currency	Foreign Currency (in million)	Indian Rupees (in lacs)
FCNRB- Term Loan	USD	2.74	1,714.99	USD	3.86	2,318.40
ECB	USD	17.49	10,947.76	USD	20.08	12,065.03

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd...)

### 2.29 Earnings per Share (EPS):

(In terms of Accounting Standard – 20)

(₹ in lacs)

	2014-15	2013-14
Profit / (Loss) attributable to equity shareholders	544.66	151.33
Equity Share Capital	1,713.06	1,713.06
Weighted Average No. of Equity Shares Outstanding for basic EPS (Face Value of ₹10/- per share)	17,130,620	17,130,620
Weighted Average No. of Equity Shares Outstanding for diluted EPS (Face Value of ₹10/- per share)	17,130,620	17,130,620
Basic Earnings Per Share (₹)	3.18	0.88
Diluted Earnings Per Share (₹)	3.18	0.88

2.30 The Company's primary business segment is Generation of Electricity. Based on the guiding principles given in the Accounting Standard on "Segment Reporting" (AS-17) issued by the Institute of Chartered accountants of India, this activity falls within a single primary business segment and accordingly the disclosure requirements of AS-17 in this regard are not applicable.

2.31 The Company has exercised the option under in paragraph 46A of the Accounting Standard 11 (AS-11) – "The Effects of Changes in Foreign Exchange Rates". Accordingly, the Company has depreciated the foreign exchange (gain)/loss arising on revaluation on long term foreign Currency monetary items in so far as they relate to the acquisition of depreciable capital assets over the balance useful life of such assets. The depreciated portion of net foreign exchange (gain)/loss on such long term foreign currency monetary items for the year ended 31<sup>st</sup> March, 2015 is ₹105.14 lacs (PY ₹0.44 lacs). The unamortized portion carried forward as at 31<sup>st</sup> March, 2015 is ₹1,883.42 lacs, (PY ₹1,412.89 lacs).

### 2.32 Related Party Disclosures

A	Names of the Related parties where control exists	Nature of relationship
	Star Ferro & Cement Limited (SFCL)	Ultimate Holding Company
	Cement Manufacturing Company Limited (CMCL)	Holding Company
	Megha Technical & Engineers Private Limited (MTEPL)	Fellow Subsidiaries
	NE Hills Hydro Limited (NEHHL)	Fellow Subsidiaries
	Star Cement Meghalaya Limited (SCML)	Fellow Subsidiaries
B	Others-with whom transactions have taken place during the year	
a)	Names of other Related parties	Nature of relationship
	Shyam Century Ferrous Limited (SCFL)	Associate Company
	Century Plyboards (India) Ltd.	Associate Company
b)	Key Management Personnel	Nature of relationship
	Mr. Sajjan Bhajanka	Director
	Mr. Prem Kumar Bhajanka	Director
	Mr. Vishal Agarwal	Chief Financial Officer (w.e.f. 20.09.2014)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd...)

C) Details of transactions between the Company and related parties and the status of outstanding balance as at 31<sup>st</sup> March, 2015.

(₹ in lacs)

Sl. No	Type of Transactions	Holding Company		Associate / Fellow Subsidiaries		Key Management Personnel	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1	<b>Purchase of Capital Goods</b>						
	CMCL	21.61	17.93	-	-	-	-
	CPIL	-	-	1.34	-	-	-
	MTEPL	-	-	39.92	26.20	-	-
2	<b>Sale Transactions</b>						
	CMCL	2,832.42	2,143.71	-	-	-	-
	MTEPL	-	-	1,286.22	1,139.08	-	-
	SCFL	-	-	504.37	-	-	-
	SCML	-	-	5,801.27	5,571.63	-	-
3	<b>Loan Repaid</b>						
	CMCL	-	1,550.00	-	-	-	-
4	<b>Loan Given</b>						
	SCFL	-	-	200.00	-	-	-
	SFCL	-	259.00	-	-	-	-
5	<b>Loan Received Back</b>						
	SCFL	-	-	200.00	-	-	-
	SFCL	-	259.00	-	-	-	-
6	<b>Service Received</b>						
	SCML	-	-	15.03	8.09	-	-
7	<b>Security Deposit Received</b>						
	MTEPL	-	-	-	200.00	-	-
8	<b>Security Deposit Repaid</b>						
	MTEPL	-	-	200.00	-	-	-
9	<b>Interest Paid</b>						
	CMCL	-	96.25	-	-	-	-
10	<b>Interest Received</b>						
	SCFL	-	-	5.40	-	-	-
	SFCL	-	1.40	-	-	-	-
11	<b>Remuneration Paid</b>						
	Mr. Prem Kumar Bhajanka	-	-	-	-	-	15.00
	Mr. Vishal Agarwal	-	-	-	-	4.03	-
12	<b>Balances Outstanding</b>						
A	<b>Share Capital / Securities Premium</b>						
	*SCFL	-	-	3,373.50	-	-	-
	CMCL	3,568.31	3,568.31	-	-	-	-
	SFCL	-	3,373.50	-	-	-	-
B	<b>Debtors</b>						
	CMCL	176.66	0.45	-	-	-	-
	MTEPL	-	-	13.28	111.77	-	-
	SCML	-	-	122.75	887.69	-	-
C	<b>Guarantees outstanding</b>						
	Mr. Sajjan Bhajanka	-	-	-	-	18,410.94	16,960.08
	Mr. Prem Kumar Bhajanka	-	-	-	-	15,345.96	13,443.43
D	<b>Security Deposit</b>						
	MTEPL	-	-	-	200.00	-	-

\*Transferred Pursuant to the Scheme of Arrangement (Ref. Note No.:2.1)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd...)

### 2.33 Gratuity and Other post –employment benefit plans

#### (a) Defined Contribution Plans

The Company has recognized expenses of ₹15.13 lacs (Previous Year ₹11.43 lacs) towards the defined contribution plans.

(b) The Company has defined benefit gratuity plan. Under this plan every employee who has completed five years or more services is entitled to gets a gratuity on departure @ 15 days of last drawn salary for each completed years of service as per the provisions of the payment at Gratuity Act, 1972. The scheme is funded with an insurance company. The following table summaries the Components of net benefit expenses recognized in the Profit & Loss Account and the funded status and amounts recognized in the Balance Sheet for the Gratuity.

(₹ in lacs)

		Gratuity		Leave Encashment	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>I</b>	<b>Expenses recognized in the Statement of Profit &amp; Loss for the year ended 31<sup>st</sup> March, 2015.</b>				
1	Current Service Cost	3.57	2.69	2.22	0.61
2	Interest Cost	1.12	0.88	0.38	0.32
3	Employee Contribution	-	-	-	-
4	Expected Return on Plan Assets	(1.03)	(1.05)	-	-
5	Actuarial (Gains)/Losses	4.99	(1.38)	4.22	0.49
6	Past Service Cost	-	-	-	-
7	Settlement Cost	-	-	-	-
8	Losses/(gains) on acquisition/divesture	0.01	(0.93)	-	-
9	Total Expenses	8.65	0.22	6.81	1.42
<b>II</b>	<b>Net Asset/(Liability) recognized in the Balance Sheet as at 31<sup>st</sup> March, 2015.</b>				
1	Present Value of Defined Benefit Obligation	17.31	10.73	5.56	3.86
2	Fair Value of Plan Assets	11.88	13.96	-	-
3	Funded Status [Surplus/(Deficit)]	(5.43)	3.22	(5.56)	(3.86)
4	Net Asset/(Liability) as at 31 <sup>st</sup> March, 2014	(5.43)	3.22	(5.56)	(3.86)
<b>III</b>	<b>Change in Obligation during the Year ended 31<sup>st</sup> March, 2015.</b>				
1	Present value of Defined Benefit Obligation at the beginning of the year	10.73	8.87	3.86	3.23
2	Current Service Cost	3.57	2.69	2.22	0.61
3	Interest Cost	1.12	0.88	0.38	0.32
4	Settlement Cost	-	-	-	-
5	Past Service Cost	-	-	-	-
6	Employee Contribution	-	-	-	-
7	Liabilities assumed on acquisition/(settled on divesture)	-	-	-	-
8	Actuarial Gains/Losses	4.99	(1.38)	4.22	0.49
9	Benefits Payments	(3.10)	(0.33)	(5.11)	(0.79)
10	Present Value of Defined Benefit Obligation at the end of the year	17.31	10.73	5.56	3.86
<b>IV</b>	<b>Change in assets during the Year ended March, 2015.</b>				
1	Plan Assets at the beginning of the year	13.96	9.31	-	-
2	Assets acquired on amalgamation in previous year	-	-	-	-
3	Settlements	-	-	-	-
4	Expected return on plan assets	1.03	1.05	-	-
5	Contributions by employer	-	3.00	5.11	0.79
6	Actual Benefit Paid	(3.10)	(0.33)	(5.11)	(0.79)
7	Actuarial Gains/(Losses)	(0.01)	0.93	-	-
8	Plan Assets at the end of the year	11.88	13.96	-	-
9	Actual Return on plan assets	-	-	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd...)

### 2.33 Gratuity and Other post –employment benefit plans (contd...)

(₹ in lacs)

		Gratuity		Leave Encashment	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
V	The major categories of plan assets as a percentage of the fair value of total plan assets.				
1	Funded with insurer.	100%	100%	-	-
	The Principal actuarial assumptions are as follows				
	Discount rate	8.25%	8.25%	8.25%	8.25%
	Expected Return on plan assets	9.00%	9.00%	0.00%	0.00%
	Salary Increase	5.00%	5.00%	5.00%	5.00%
2	The overall expected rate of return on assets is determined based on market process prevailing on that date, applicable to the period over which the obligation is to be settled.	8.00%	9.00%	-	-

### 2.34 a) Value of imported and indigenous Stores & Spares parts Consumed and their percentage to total Consumption: (₹ in lacs)

Particulars	2014-15		2013-14	
	(₹ In lacs)	%	(₹ In lacs)	%
Stores & Spares				
i) Imported	-	-	-	-
ii) Indigenous	24.59	100.00%	32.36	100.00%

### 2.34 b) Value of imports calculated on CIF basis:

(₹ in lacs)

Sl. No	Expenditure	2014-15	2013-14
i)	Capital Goods	0.82	28.93
	<b>Total</b>	<b>0.82</b>	<b>28.93</b>

### 2.34 c) Expenditure in Foreign Currency:

(₹ in lacs)

Sl. No	Expenditure	2014-15	2013-14
i)	Interest	621.57	730.25
	<b>Total</b>	<b>621.57</b>	<b>730.25</b>

2.35 The Company has charged depreciation based on the remaining useful life of the assets as per the provisions and requirements of Schedule II to the Companies Act, 2013 effective from 1<sup>st</sup> April, 2014. Had there not been any change in useful life of the Assets, depreciation for the year would have been higher by ₹1,491.27 lacs and consequently profit before tax for the year would have been lower by ₹1,491.27 lacs.

2.36 Figures have been rounded off to the nearest ₹ in lacs.

2.37 Previous year's figure have been regrouped/rearranged/reclassified to confirm to current year's classification.

As per our report of even date  
For Kailash B. Goel & Co.  
Firm Registration No.: 322460E  
Chartered Accountants

For and on behalf of the Board of Directors

CA. Arun Kumar Sharma  
Partner  
Membership No. 57329

Vishal Agarwal  
Chief Financial Officer

Sanjay Kumar Agarwal  
Managing Director  
DIN : 00232938

Place: Kolkata  
Date: 28<sup>th</sup> April, 2015

Manoj Agarwal  
Company Secretary

Brij Bhushan Agarwal  
Director  
DIN : 01125056











REGD. OFFICE:

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