

PROTECTING OUR VIABILITY



Contents

● Corporate Information	01
● Directors' Report.....	02
● Auditors' Report	18
● Balance Sheet	24
● Statement of Profit and Loss	25
● Statement of Changes in Equity	26
● Cash Flow Statement	27
● Note to Financial Statements.....	28

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 or oral, that we periodically make, contain forward looking statements that set out anticipated results based on 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 relating to future performance of the Company. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate Information

CIN: U40108ML2002PLC006921

Board of Directors

Ghanshyam Agarwal, Managing Director
Sajjan Bhajanka, Director
Prem Kumar Bhajanka, Director
Rangbahduh Khonglah, Director
Lamshwa Kyndoh, Director
Mangilal Jain, Director (upto 31.03.2020)
Pramod Kumar Shah, Director
Amit Kiran Deb, Director (w.e.f. 01.04.2020)

Company Secretary

Debabrata Thakurta

Chief Financial Officer

Bishal Kumar Agarwal

Auditors

M/s. D. K. Chhajer & Co.
Chartered Accountants
Nilhat House,
11, R. N. Mukherjee Road, Kolkata – 700001

Bankers

State Bank of India
Bank of Baroda

Registered Office & Works

Vill:-Lumshnong, P.O. Khaliehriat
Dist:- East Jaintia Hills
Meghalaya – 793 210

Corporate Office

'Century House' 2nd Floor,
P-15/1, Taratala Main Road
Kolkata – 700 088

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting Eighteenth Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2020 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 31st March, 2020 as compared to the previous financial year are as under:-

Particulars	(₹ in Lakhs)	
	2019-20	2018-19
Total Income	12,232.80	13,566.93
Profit before Depreciation, Interest and Tax	2,698.76	3,841.28
Depreciation	1,440.13	1,558.33
Interest & Finance Charges	885.49	771.85
Profit/(Loss) before Tax	373.14	1,511.10
- Current Tax	46.21	305.43
- Income tax for earlier years	(6.43)	-
- Deferred Tax	(26.01)	(63.49)
Profit/(Loss) after Tax	359.37	1,269.16
Other comprehensive income for the year, net of tax	(1.19)	(0.60)
Total comprehensive income for the year	358.18	1,268.56

INDUSTRY OUTLOOK

Power is the most vital component for industrialization, infrastructure development, growth and welfare of the nation.

Due to lockdown announced in fear of Covid-19, between March 24 and April 19, the total power supply of the country witnessed a decrease of about 25% (year-on-year). However, the months of January and February in 2020 had seen an increase of 3% and 7% in power supply, respectively as compared to 2019 (year-on-year). Lockdown has reduced the industrial and commercial activities in the country, therefore, these segments seen a considerable decline in demand for electricity. However, the domestic demand may have seen an uptick as people are forced to stay at home. Electricity demand of the country may continue to be subdued over the next few months.

Country's Power Sector is diversified in nature. Power sources of the country are varied from conventional sources to non-conventional sources like wind, solar etc. India ranked 6th to make most investments in clean energy. The total installed capacity of power stations in India stood approximately at 367.62 Giga Watt (GW) (approx.).

The Government has enacted Electricity Act 2003 with objective to introduce free competitions amongst the players by this way to protect interests of the consumers and to achieve mission Powers for all. The Act aims to push the sector towards commercial growth and to enable State Governments and Central Government to move together with harmony and coordination.

The Govt. is also focusing on ensuring cost of power at affordable

price. Govt. of India while ensuring capacity addition in the power sector also focused environment, health benefits, reduction of import dependency, employment generation and to achieve these objectives approved the National Policy on Biofuels, 2018. Wind energy of the country is estimated to contribute 60 GW, solar power at 100 GW and bio mass and hydropower at 15 GW and renewable energy at 175 GW by 2022. The Government is also undergoing 'Rent a roof' policy for supporting its power sector. All the State Governments and Union Territories are on board to achieve Government's mission for 24*7 power for all.

The electricity generation target of conventional sources for the year 2019-20 has been fixed as 1330 Billion Unit (BU). i.e. growth of around 6.46% over actual conventional generation of 1249.337 BU for the previous year (2018-19).

OPERATIONAL PERFORMANCE

During the year under review, the company's power generation recorded 161 Lacs units as compared to 1701 Lacs units recorded in the previous year. Your Company is selling power to its Holding company and a fellow subsidiary companies. Fall in power generation was mainly due to utilization of huge amount of banked units which was receivable from State Distribution Utility during the Financial Year 2019-20 and apart from that due to the high price of coal it was beneficial for the Company to arrange power through IEX for captive consumption rather than its own generation with high price of coal which triggered the Company to arrange power through IEX for captive consumption. During the Financial year 2019-20, your Company registered total income of ₹12,232.80 Lacs as compared to ₹13,566.93 Lacs recorded in the previous financial

year. Your Company posted PBT of ₹373.14 Lacs as against ₹1,511.10 Lacs recorded in the previous financial year.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2020 was ₹1,713.06 Lacs. During the year under review, the Company has neither issued any 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 on 07th May, 2019; 31st July, 2019; 27th September, 2019; 05th November, 2019 and 06th February, 2020. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The composition of the Board and the attendance details of the members are given below:

Name of the Director	Category	No. of Meeting	
		Held	Attended
Mr. Ghanshyam Agarwal	Managing Director	5	4
Mr. Sajjan Bhajanka	Non-Executive Director	5	5
Mr. Prem Kumar Bhajanka	Non-Executive Director	5	3
Mr. Lamshwa Kyndoh	Non-Executive Director	5	1
Mr. Rangbahduh Khonglah	Non-Executive Director	5	1
Mr. Mangilal Jain *	Independent Director	5	5
Mr. Pramod Kumar Shah	Independent Director	5	4
Mr. Amit Kiran Deb **	Independent Director	-	-

* Mr. Mangilal Jain ceased to be an independent director and director of the Company w.e.f. 31.03.2020

** Mr. Amit Kiran Deb was appointed as an additional director in independent category w.e.f. 01.04.2020.

MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, a meeting of Independent Directors was held on 20th March, 2020 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.

COMPLIANCE WITH THE SECRETARIAL STANDARDS AND INDIAN ACCOUNTING STANDARDS

The Company has complied with the applicable Secretarial Standards as recommended by the Institute of Company Secretaries of India. The Company has also complied with all relevant Indian Accounting Standards referred to in section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 while preparing the financial statements.

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, if any;
- 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 31st March, 2020 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 and they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. Mr. Mangilal Jain (till 31st March, 2020), Mr. Pramod Kumar Shah and Mr. Amit Kiran Deb (w.e.f. 1st April, 2020) are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfill the conditions specified in Section 149 of the Act and the Rules made thereunder about their status as Independent Directors of the Company.

Your Board of Directors formed opinion that the Independent Directors of the Company are maintaining highest standard of integrity and possessing expertise, requisite qualifications and relevant experience in the fields of Administration, General management, Accounts & Finance, Audit, Internal Audit, Taxation, Risk, Board procedures, Governance etc., for performing their role as Independent Directors of the Company. Regarding proficiency, all Independent Directors have registered themselves in the Data

Bank maintained with the Indian Institute of Corporate Affairs (IICA), Manesar. In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self- assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank. Mr. Mangilal Jain (till 31st March, 2020) and Mr. Amit Kiran Deb (w.e.f. 1st April, 2020) Independent Directors are exempted from qualifying 'online proficiency test' due to their relevant experience in listed companies and the Companies with Paid up equity Capital of `10 crores and more. However, Mr. Pramod Kumar Shah will appear in 'online proficiency test' within the period of 1 (one) year from the date of inclusion of his name in the data bank.

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 employees. 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. D. K. Chhajer & Co., Chartered Accountants (Firm Registration no. 304138E) Statutory Auditors of the Company, have been appointed by the members at the Fifteenth Annual General Meeting and shall hold office for a period of 5 years from the date of such meeting held on 11th September, 2017.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its manufacturing activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed Messrs Sanjib Das & Associates, Cost Accountants (Firm Registration Number 100751) as Cost Auditors of the Company for the financial year ended 31st March, 2020 in the Board Meeting held on 07th May, 2019. The remuneration proposed to be paid to them for the Financial year 2019-20, as recommended by audit committee, was ratified in the meeting of shareholders held on 27th September, 2019.

Messrs Sanjib Das & Associates, Cost Accountants (Firm Registration Number 100751) have expressed their willingness to be appointed as Cost Auditors of the Company for ensuing financial year. The Board, on recommendation of the audit committee has appointed Messrs Sanjib Das & Associates, Cost Accountants (Firm Registration Number 100751) as Cost Auditors of the Company for the Financial year 2020-21 subject to ratification of their remuneration by

shareholders in the General Meeting of the Company.

The cost audit report for the Financial Year 2018-19 was filed with the Ministry of Corporate Affairs on 18th December, 2019.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

Details of the loans covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

All related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. 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. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with the Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

RESERVES

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

DIVIDEND

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in section 134 (3) (m) of the Act and rules framed there under is mentioned below:

(A)	Steps taken towards Conservation of energy	Since plant was not fully operational for entire financial year, no further steps were taken for conservation of energy and technical absorption.
(B)	Steps taken towards Technical Absorption	

(C) Foreign Exchange Earnings And Outgo

During the period under review, there were no Foreign Exchange earnings (Previous Year Nil) and the Foreign Exchange Outgo was ₹2,062.28 lacs (Previous year ₹2,983.87 lacs).

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is committed to communities in remote areas of our geographical map where the Company essentially operates. In this region of North East, your Company has undertaken number of initiatives under its Corporate Social Responsibility program for the upliftment of society, health and sanitation thereby creating basic amenities for the rural people. In the year 2019-20, the Company had contributed in the following verticals:

Health & Sanitation

Your company had given utmost efforts in taking up Drug De-addiction Programme by sending addicted youths (from the neighbouring villages of Lumshnong plant) to rehabilitation centre for two to three months. Complete rehabilitation care was taken in those centres resulting in de-addiction of youths so as to enable them to bring back to mainstream. This was followed by drug monitoring system to track the pattern of behaviour shown by the group of youths undergone for rehabilitation program.

Sustainable Livelihood & Skill Building

- Under the Pig Rearing Project, the Company has distributed high breed piglets free of cost and also supported the beneficiary households with cost effective pigsties through shared value mode. The farmers are also provided with training and veterinary support so that they can gain maximum profits with minimum hassels. The pig farmers were regularly monitored to escalate the project initiatives by providing regular orientation, awareness to ensure maximum physical growth with minimum mortality rate.

Rural Development

- Your Company has provided free lighting facilities in five villages of East Jaintia Hills district of Meghalaya around the plant through installation and maintenance of existing conventional street lights and shifting of focus from conventional energy to alternative energy solutions i.e., solar street lights.
- Your Company has contributed towards development of community hall at Lumshnong village this will be used for any kind of cultural exchange programs.

Annual Report on CSR as required to be annexed in terms of requirement of Section 135 of Companies Act, 2013 and rules framed thereunder is annexed herewith and marked **Annexure- 2**.

PERFORMANCE EVALUATION OF THE BOARD

In accordance with the requirements of the Companies Act, 2013, the performance evaluation of the Board was carried out during the year under review. The Board follows a formal mechanism for the evaluation of the performance of the Board as well as Committee. The evaluation reflected the overall engagement of the Board and the Committee.

A structured questionnaire was prepared after taking into

consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Nomination and Remuneration Committee at its meeting established the criteria based on which the Board 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 performance evaluation of the Non-Independent Directors and Board as a whole was also carried out by the Independent Directors.

The Directors expressed their satisfaction over the evaluation process and results thereof.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Mangilal Jain, Independent Director retired from the Board with effect from close of the business hours of 31st March, 2020 due to completion of his second and final terms of appointment as Independent Director. Your Board of Directors record their appreciation for the valuable services and guidances rendered/given by Mr. Mangilal Jain during his association with the Company as a member of the Board and various Committees.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors appointed Mr. Amit Kiran Deb as an Independent Director for a period of 5 (five) years effective from 1st April, 2020 upto 31st March, 2025 subject to approval of the shareholders of the Company by way of Ordinary Resolution at the ensuing Annual General Meeting.

Mr. Amit Kiran Deb is a Master Degree holder in Political Science and IAS (Retired) of West Bengal cadre. During his long career in administration he held the position of District Magistrate, Joint Secretary, Cabinet Secretary, Municipal Commissioner, Home Secretary and Chief Secretary of Government. He is also in the Board of various Companies. Your Board of Directors feels that appointment of Mr. Amit Kiran Deb as Independent Director will be beneficial for the Company.

Mr. Amit Kiran Deb has given his consent for appointment and has confirmed that he retains his status as Independent Director and does not suffer from any disqualifications for appointment.

In accordance with the provisions of Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Sajjan Bhajanka, Director, will retire by rotation and being eligible, offers himself for re-appointment. In view of his considerable experience, your Directors recommend his re-appointment as Director of the Company.

The following personnel are Key Managerial Personnel of the Company:

- Mr. Ghanshyam Agarwal - Managing Director
- Mr. Bishal Kumar Agarwal - Chief Financial Officer
- Mr. Debabrata Thakurta - Company Secretary

HOLDING COMPANY

M/s. Star Cement Limited (Formerly 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.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

The Company does not have any subsidiary, associate and joint venture. However, your Company continues to remain Associate Company of M/s. Shyam Century Ferrous Limited as defined under section 2 (6) of the Companies Act, 2013.

DEPOSITS

During the year under report, the Company has not accepted any deposits from public or from any of the Directors of the Company or their relatives falling under ambit of Section 73 of the Companies Act, 2013.

SIGNIFICANT MATERIAL ORDERS PASSED BY THE COURTS OR REGULATORS

The Director of Mineral resources, Meghalaya, Shillong vide its Demand notice dated 19th February, 2020 raised a demand against the Company for payment of royalty, MEPRF, VAT/GST for an amount of ₹91.51 crores in pursuance to the National Green Tribunal (NGT) order dated 17.01.2020 passed in O.A. No. 110(TCH)/2012 against the Company and other Cement and Power Companies in Meghalaya. By the said order NGT has accepted the recommendations of the 5th Interim Report of the Independent Committee set up by NGT for restoration of Environment and rehabilitation of victims, which has suggested imposition of penalty on Cement Companies and Thermal Power Plants in Meghalaya for alleged illegal coal procurement.

The NGT Committee had made recommendation of imposing penalty on the assumption that locally available alternate fuel cannot be used by the Cement Companies and thermal Power Plants hence plants have used illegally sourced coal. The Company have not purchased any illegal coal and has complied with all disclosure requirements of the various Government Departments. The Report of NGT Committee has been founded on the basis of assumptions and views of the Committee and not on hard facts. The views of Independent Committee can not be a substitute of hard facts or evidences necessary to form a decision culminating in recommendations. Further to note that neither show-cause was issued nor opportunity of hearing was given to the Company before submitting the Interim reports by the Independent Committee to NGT. NGT has also not served any notice on the Company before passing the impugned order dated 17.01.2020 in clear violation of principles of natural justice.

The Company backed by the legal opinions, believes that it has a good case in the matter as the said order was issued on the basis of certain hypothetical assumptions and without giving any opportunity of being heard to the Company. Therefore, against the said Demand Notice the Company is preferring an appeal before the appropriate forum, and based on the legal opinions obtained by the Company there is every likelihood that the Demand Notice

dated 19.02.2020 will be set aside and accordingly, no provisions has been made in the accounts and the same has been shown under contingent liability. (Refer Note no 39a of Notes to Accounts).

Other than the aforesaid, there have been no significant and material orders passed by the Courts/ Regulators impacting the going concern status and future operations of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes or commitments have occurred between the end of the financial year and the date of this Report which affect the financial statements of the Company in respect of the reporting year.

CREDIT RATINGS

Your Company enjoys a sound reputation for its prudent financial management and its ability to meet financial obligations. ICRA Limited, has reaffirmed the Company's short term rating to [ICRA] A1+ (pronounced ICRA A one plus) and the long term rating to [ICRA]AA- (pronounced as ICRA double A minus).

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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

The Company values the integrity and dignity of its employees. The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment

Act"). We affirm that adequate access has been provided to any complainants who wish to register a complaint under the policy. No complaint was received during the year.

RISK MANAGEMENT

Risk management refers to the practice of identifying potential risks in advance, analysing them and taking precautionary steps to reduce the risk. 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.

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.

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 met Four (4) times to deliberate on the various matters. The Meetings were held on 07th May, 2019; 31st July, 2019; 05th November, 2019 and 06th February, 2020. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Pramod Kumar Shah	Independent	Chairman	4	4
Mr. Mangilal Jain *	Independent	Member	4	4
Mr. Sajjan Bhajanka	Non-Independent	Member	4	4
Mr. Amit Kiran Deb **	Independent	Member	-	-

* Mr. Mangilal Jain ceased to be an independent director and director of the Company w.e.f. 31.03.2020

** Mr. Amit Kiran Deb was appointed as an additional director in independent category and the member of the said committee w.e.f. 01.04.2020.

A Vigil (Whistle Blower) mechanism provides a formal mechanism to the Employees and Directors to report to the Management, concerns about unethical behavior, 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. Pursuant to the requirements of the Act, the Company has established vigil mechanism for its directors and employees under the supervision of audit committee. A whistle blower policy setting out the vigil mechanism is already in place in your Company.

b. Nomination & Remuneration Committee

The Committee identifies, screens and reviews individuals who are qualified to become Directors, Key managerial Personnel and Senior Management staff. The Committee also makes recommendations to the Board for such appointment and removal and carries out evaluation of every director's performance.

During the year under review, the Committee met Two (2) times to deliberate on the various matters. The Meetings were held on 07th May, 2019 and 06th February, 2020. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Mangilal Jain *	Independent	Chairman	2	2
Mr. Pramod Kumar Shah #	Independent	Member	2	2
Mr. Sajjan Bhajanka	Non- Independent	Member	2	2
Mr. Amit Kiran Deb **	Independent	Member	-	-

* Mr. Mangilal Jain ceased to be an independent director and director of the Company w.e.f. 31.03.2020

** Mr. Amit Kiran Deb was appointed as an Additional Director in independent category and the member of the said committee w.e.f. 01.04.2020.

Mr. Pramod Kumar Shah was appointed as the Chairman of the said committee w.e.f 01.04.2020 resulting into change in designation.

c. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is responsible for the implementation / monitoring and review of the policy and the activities undertaken under the CSR policy as framed by the Company.

During the year, the Committee met on 07th May, 2019. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Mangilal Jain *	Independent	Chairman	1	1
Mr. Sajjan Bhajanka	Non- Independent	Member	1	1
Mr. Ghanshyam Agarwal	Executive	Member	1	1
Mr. Pramod Kumar Shah #	Independent	Chairman	-	-

* Mr. Mangilal Jain ceased to be an independent director and director of the Company w.e.f. 31.03.2020

Mr. Pramod Kumar Shah was appointed as the new Committee member and Chairman w.e.f.01.04.2020

d. Finance Committee

The Finance Committee deals within the terms of reference defined by the Board and ensures their expeditious implementation.

(6) times to deliberate on the various matters. The Meetings were held on 22nd May, 2019; 31st May, 2019; 31st July, 2019; 10th December, 2019; 20th January, 2020 and 05th March, 2020. The composition of the Committee and the attendance details of the members are given below:

During the year under review, the Finance Committee met Six

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Sajjan Bhajanka	Non-Independent	Chairman	6	6
Mr. Prem Kumar Bhajanka	Non-Independent	Member	6	1
Mr. Ghanshyam Agarwal	Executive	Member	6	6

HUMAN AND INDUSTRIAL RELATIONS

Employee relationship with your Company continues to remain cordial and harmonious. Your Directors place on record their appreciation for the continued support rendered by the employees of the Company.

The Company is continuing its efforts in induction of local managerial and non-managerial employees and has conducted regular recruitment and training programs for development of required skills at the local level.

PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under Section 197 of Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked **Annexure- 3** and forms part of this report. The Company has no

employee whose remuneration exceeds the limit prescribed under section 197 read with Rule 5(2) 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. The Directors regret the loss of life due to Covid-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

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 on behalf of the Board of Directors

Place: Kolkata
Date: 25th June, 2020

Ghanshyam Agarwal
Managing Director
(DIN: 08181762)

Sajjan Bhajanka
Director
(DIN: 00246043)

Annexure - 1

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	U40108ML2002PLC006921
2	Registration Date	Incorporated on 4th October, 2002
3	Name of the Company	Meghalaya Power Limited
4	Category/Sub-category of the Company	Company limited by Shares/ Non - Govt Company
5	Address of the Registered office & contact details	Village: Lumshnong, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210 Phone No. : 03655-278215/16/18
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any	Maheshwari Datamatics Private Limited 23, R. N. Mukherjee Road, 5th floor, Kolkata, West Bengal - 700001 Phone: 033-2248 2248; 033-22435029 Email: mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company are stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Power	35102	99.20

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Star Cement Limited (Formerly Cement Manufacturing Company Ltd.) Village: Lumshnong, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210	L26942ML2001PLC006663	Holding	51	2(46)

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Particulars	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	15,002	15,002	0.09	-	15,002	15,002	0.09	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	1,70,95,618	1,70,95,618	99.80	-	1,70,95,618	1,70,95,618	99.80	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	1,71,10,620	1,71,10,620	99.89	-	1,71,10,620	1,71,10,620	99.89	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub - total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A) (1) + (A)(2)	-	1,71,10,620	1,71,10,620	99.89	-	1,71,10,620	1,71,10,620	99.89	-
B. Public Shareholding									
1. Institutions									
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)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	20,000	20,000	0.11	-	20,000	20,000	0.11	-
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	20,000	20,000	0.11	-	20,000	20,000	0.11	-
Total Public shareholding (B) = (B) (1) + (B) (2)	-	20,000	20,000	0.11	-	20,000	20,000	0.11	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1,71,30,620	1,71,30,620	100.00	-	1,71,30,620	1,71,30,620	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2019]			Shareholding at the end of the year [As on 31-March-2020]			% change in shareholding 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	Star Cement Limited (Formerly Cement Manufacturing Company Ltd.)	87,36,620	51.00	-	87,36,620	51.00	-	-
2	Shyam Century Ferrous Limited	83,58,998	48.80	-	83,58,998	48.80	-	-
3	Mr. Sajjan Bhajanka	15,000	0.09	-	15,000	0.09	-	-
4	Mr. Rajesh Kumar Agarwal	1	0.00	-	1	0.00	-	-
5	Mr. Hari Prasad Agarwal	1	0.00	-	1	0.00	-	-
	Total	1,71,10,620	99.89	-	1,71,10,620	99.89	-	-

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year						
	Changes during the year						
	At the end of the year						
						No changes during 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	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Bhabok G. Kharkangar						
	At the beginning of the year	01.04.2019		5,000	0.03		
	Changes during the year	07.05.2019	Transfer	(5,000)	(0.03)	-	-
	At the end of the year	31.03.2020		-	-	-	-
2	Mr. Brij Bhushan Agarwal						
	At the beginning of the year	01.04.2019		15,000	0.09		
	Changes during the year					No changes during the year	
	At the end of the year	31.03.2020		15,000	0.09	15,000	0.09
3	Mr. Jyoti Prakash Sinha						
	At the beginning of the year	01.04.2019		-	-	-	-
	Changes during the year	07.05.2019	Transfer	2,000	0.01	2,000	0.01
	At the end of the year	31.03.2020		2,000	0.01	2,000	0.01
4	Mr. Souren Ghosh						
	At the beginning of the year	01.04.2019		-	-	-	-
	Changes during the year	07.05.2019	Transfer	1,000	0.00	1,000	0.00
	At the end of the year	31.03.2020		1,000	0.00	1,000	0.00
5	Ms. Moushumi Haldar						
	At the beginning of the year	01.04.2019		-	-	-	-
	Changes during the year	07.05.2019	Transfer	1,000	0.00	1,000	0.00
	At the end of the year	31.03.2020		1,000	0.00	1,000	0.00
6	Mr. Utpal Senapati						
	At the beginning of the year	01.04.2019		-	-	-	-
	Changes during the year	07.05.2019	Transfer	1,000	0.00	1,000	0.00
	At the end of the year	31.03.2020		1,000	0.00	1,000	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Sajjan Bhajanka (Non-Executive Director)						
	At the beginning of the year	01.04.2019		15,000	0.09	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2020		15,000	0.09	15,000	0.09
2	Mr. Prem Kumar Bhajanka (Non-Executive Director)						
	At the beginning of the year	01.04.2019		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2020		-	-	-	-
3	Mr. Mangilal Jain (Independent Director)						
	At the beginning of the year	01.04.2019		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2020		-	-	-	-
4	Mr. Rangbahaduh Khonglah (Non-Executive Director)						
	At the beginning of the year	01.04.2019		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2020		-	-	-	-
5	Mr. Lamshwa Kyndoh (Non-Executive Director)						
	At the beginning of the year	01.04.2019		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2020		-	-	-	-
6	Mr. Pramod Kumar Shah (Independent Director)						
	At the beginning of the year	01.04.2019		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2020		-	-	-	-
7	Mr. Ghanshyam Agarwal (Managing Director)						
	At the beginning of the year	01.04.2019		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2020		-	-	-	-
8	Mr. Debabrata Thakurta (Company Secretary)						
	At the beginning of the year	01.04.2019		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2020		-	-	-	-
9	Mr. Bishal Kumar Agarwal (Chief Financial Officer)						
	At the beginning of the year	01.04.2019		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2020		-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment
As on financial year ended on 31st March, 2020

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits**	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,350.20	5,500.00	-	7,850.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,350.20	5,500.00	-	7,850.20
Change in Indebtedness during the financial year #				
Addition		3,740.00	-	3,740.00
Reduction	1,954.83	2,325.00	-	4,279.83
Net Change	(1,954.83)	1,415.00	-	(539.83)
Indebtedness at the end of the financial year				
i) Principal Amount	395.36	6,915.00	-	7,310.36
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.66	-	-	1.66
Total (i+ii+iii)	397.03	6,915.00	-	7,312.03

** Trade deposits have not been included.

Loss on account of Exchange Fluctuation in respect of Loans in Foreign Currency has been included in addition in indebtedness. Similarly, gain on account of Exchange Fluctuation has been included in Reduction in indebtedness.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (₹ in Lakhs)
	Name	Mr. Ghanshyam Agarwal #	
	Designation	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	5% of the net profit i.e. ₹18.66 lakhs	

No remuneration is being given to Mr. Ghanshyam Agarwal, who was appointed on honorary basis

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹ in Lakhs)
		Mr. Mangilal Jain	Mr. Rangabudh Khonglah	Mr. Lamshwa Kyndoh	Mr. Pramod Kr. Shah	
1	Independent Directors					
	Fee for attending Board/ Committee meetings	0.48	-	-	0.40	0.88
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.48	-	-	0.43	0.88
2	Other Non-Executive Directors					
	Fee for attending Board/ Committee meetings	-	0.05	0.05	-	0.10
	Commission	-	-	-	-	-
	Others (Remuneration paid for availing professional services)	-	3.00	6.00	-	9.00
	Total (2)	3.05	-	6.05	-	9.10
	Total (B)=(1+2)	3.53	-	6.05	0.43	9.98
	Total Managerial Remuneration					9.98
	Overall ceiling as per the Act					11% of the net profit i.e. ₹41.06 Lakhs

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (₹ in Lakhs)
		Name		
		Mr. Bishal Kumar Agarwal	Mr. Debabrata Thakurta *	
	Designation	Chief Financial Officer	Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.29	-	16.29
	(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 (C)	16.29	-	16.29

*Mr. Debabrata Thakurta, Company Secretary draws salary from its Holding Company, Star Cement Limited (Formerly Cement Manufacturing Company Ltd.).

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalties/Punishments/Compounding of offences for breach of any provisions of the Companies Act, 2013 against the Company or its Directors or other Officer in default during the year.

Annexure - 2

Report on Corporate Social Responsibility (CSR) Activities/ Initiatives

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. A brief outline of the Company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes:

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013. The main objective of the Policy is to establish the basic principles and the general framework of action for management to undertake and fulfill its Corporate Social Responsibility.

2. The composition of the CSR Committee:

- Mr. Mangilal Jain - Independent Director, Chairman (upto 31st March, 2020)
- Mr. Pramod Kumar Shah - Independent Director, Chairman (w.e.f. 01st April, 2020)
- Mr. Sajjan Bhajanka - Non-Executive Director
- Mr. Ghanshyam Agarwal - Executive Director

3. Average Net Profit of the Company for last 3 financial years: ₹1,357.73 Lakhs

4. Prescribed CSR expenditure (2% of amount) : ₹27.15 Lakhs

5. Details of CSR activities/projects undertaken during the year:

- a) Total amount to be spent for the financial year: ₹27.15 Lakhs
- b) Amount un-spent, if any: Nil
- c) Manner in which the amount spent during financial year is detailed below:

(₹ in Lakhs)							
1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects/ Programs 1.Local area or other 2.Specify the state and district where project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1.Direct expenditure on projects or programs, 2.Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct/ through implementing agency
1	Promoting health care including preventive health care, sanitation programs and organizing medical camps	Health and sanitation	Meghalaya	2.87	2.87	2.87	Through registered trust
2.	Livelihood enhancement	Livelihood enhancement and skill building	Meghalaya	12.54	12.54	12.54	Through registered trust
3.	Local area and rural development	Rural development	Meghalaya	15.65	15.65	15.65	Through registered trust
Total				31.06	31.06	31.06	

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: Kolkata
Date: 25th June, 2020

Ghanshyam Agarwal
Managing Director
(DIN: 08181762)

Pramod Kumar Shah
Chairman – CSR Committee
(DIN: 00343256)

Annexure - 3

Statement of Particulars of Employees pursuant to the Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name of the Employees	Designation	Remuneration Received (₹ in Lakhs)	Nature of Employment	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last Employment	% of Equity Share held in the Company	Relation with Director, if any
1	Mr. Arvind Rai	General Manager -Electrical & Instrumentation	30.04	Permanent	B.Tech (Electrical)	30	25.07.2004	49	Kalyanpur Cements Limited	NIL	None
2	Mr. Sumanta Chand	Manager - Power Sales	25.00	Permanent	MBA (power management), B. Tech (Information Technology)	11	20.09.2013	36	Sterlite Energy Limited	NIL	None
3	Mr. Navneet Rathi	Deputy General Manager - Operations & Maintenance	23.48	Permanent	Diploma (Mechanical) & BOE	25	10.04.2015	45	Amrit Cement Limited	NIL	None
4	Mr. Bishal Kumar Agarwal	Chief Financial Officer	15.51	Permanent	Chartered Accountant	11	06.02.2018	33	UTD E Services (P) Ltd	NIL	None
5	Mr. Utpal Senapati	Senior Executive - Finance & Accounts	11.71	Permanent	B.Com	15	02.06.2008	40	ITC Limited	NIL	None
6	Mr. Shashank Shekhar Mishra	Senior Engineer - Instrumentation	8.81	Permanent	Diploma in Instrumentation Engineering	13	15.11.2008	43	DLF Power Limited	NIL	None
7	Mr. Ashok Kumar	Assistant Engineer - Electrical	8.34	Permanent	ITI Electrical	21	11.10.2008	46	Bajaj Hindustan & Sugar India Limited	NIL	None
8	Mr. Santosh Kumar Singh	Senior Engineer	6.83	Permanent	Diploma in instrumentation	13	19.05.2011	34	SK Singh Artee Flow Controls Pvt. Ltd.	NIL	None
9	Mr. Aftab Alam	Junior Engineer	6.72	Permanent	Boiler - 1st class	28	21.12.2011	54	Geep Industrial Syndicate Ltd.	NIL	None
10	Mr. Nagendra Sharma	Junior Engineer	6.36	Permanent	ITI Fitter & 1st BIEC, Diploma in Distance (Mechanical)	18	17.04.2007	48	-	NIL	None

Financial Statements

Independent Auditors' Report

To
The Members of
Meghalaya Power Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Meghalaya Power Limited (the "Company") , which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss(including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020, the profit and other comprehensive income, changes in equity and the cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements

that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note no. 45 to the Financial Statements which explain the uncertainties and the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances / developments as they evolve in the subsequent periods.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sl. No.	Key Audit Matter	Auditor's Response
1.	Related Party Transactions	Our audit procedures in relation to the evaluation and disclosure of related party transactions included:
	Refer Note no. 38 to the Financial Statements.	- Obtaining an understanding of the Company's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the Financial Statements.
	We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the Financial Statements as a key audit matter due to:	- Obtaining an understanding of the Company's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors. We have also reviewed the Transfer Pricing Report of the Company in this regard.
	• the significance of transactions with related parties during the year ended 31 March, 2020.	- Assessing management evaluation of compliance with the provisions of Section 177 and Section 188 of the Act and SEBI (LODR) 2015.
	• the fact that Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015.	- Evaluating the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.
		Our examination has showed that the Related Party Transactions have been evaluated and disclosed appropriately

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our 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. We have nothing to report in this regard.

Management's Responsibility for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

Due to COVID 19 pandemic and the consequential nationwide lockdown announced by the Central and State Government including travel restrictions, maintenance of social distancing etc., the audit team has performed the audit from remote location on the basis of data, scanned copies, documents, management estimates, assumptions, certificates and other information supplied electronically by the management on online platform. We have relied on Management's assurance of the authenticity, completeness and accuracy of these records electronically submitted to us. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we have therefore, relied on the related alternative audit procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Consideration for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the Financial Statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016', 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 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) Without prejudice to the issues described under "Other matter" section, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, 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, Statement of Changes in Equity and the Statement of Cash Flows dealt

with by this Report are in agreement with the books of accounts;

- (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
- (e) On the basis of the written representations received from the directors as on 31 March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (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 B";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditors 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 disclosed the impact of pending litigations on its financial position in its Financial Statements - Refer Note no.39 to the Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March, 2020.

For **D.K. Chhajer & Co.**
Chartered Accountants
Firm Registration No.: 304138E

Niraj K Jhunjhunwala
Partner
Membership No.: 057170
UDIN: 20057170AAAADB6487
Place: Kolkata
Date : 25 June, 2020

Annexure A to the Independent Auditor's Report

(Referred to under the heading "Report on Other Legal and Regulatory Requirements" in Paragraph 1 of our Independent Auditors' Report of even date)

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties are held in the name of the Company.
- ii. The inventory, has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable and no material discrepancies were observed.
- iii. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loans, secured or unsecured, to companies, limited liability partnership firm, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)[(a), (b) and (c)] of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loans or provided any guarantees or security to the parties cover under section 185 of the Act. In respect of loans and investments made by the Company, the provisions of section 186 of the Act have been complied with.
- v. The Company has not accepted any deposits from the public during the year within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Therefore, the provision of clause 3(v) of the order is not applicable to the Company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain Cost Records as specified under Sec 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) The Company is generally regular in depositing the undisputed statutory dues, including provident fund, Employees' State Insurance, Income tax, Goods and Service tax, Customs Duty, cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March 2020 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us, the details of disputed amount of Electricity Duty, Excise Duty, Cess and Royalty, VAT/ GST/MEPRF on Coal not deposited by the Company are given below:

Name of the statute	Nature of dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where the dispute is pending
MMDR, GST & VAT ACT	Royalty, MEPR, GST/ VAT	9151.21	2014-15 to 2018-19	Director of Mineral Resources, Meghalaya
Meghalaya Electricity Duty Act	Electricity Duty	48.72	2014-15 to 2018-19	Office of Superintendent of Taxes, Government of Meghalaya

-
- viii. The Company has not defaulted in repayment of loans or borrowings to banks. The Company has not taken any loan from financial institutions or Government and has not issued any debentures.
- ix. The Company has not raised any money by way of initial public offer/further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- x. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Financial Statements, as required by the applicable Indian accounting standards.
- xiv. During the year the Company has not made any preferential allotment/private placements of shares/fully/partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information & explanation given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions with its directors or person connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause 3(xvi) is not applicable to the Company.

For **D.K. Chhajer & Co.**
Chartered Accountants
Firm Registration No.: 304138E

Niraj K Jhunjhunwala
Partner
Membership No.: 057170
UDIN: 20057170AAAADB6487
Place: Kolkata
Date : 25 June, 2020

Annexure B to the Independent Auditor's Report

(Referred to under the heading "Report on Other Legal and Regulatory Requirements" in Paragraph 2(f) of our Independent Auditors' Report of even date)

Report on the Internal Financial Controls under Clause (i) 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 Limited ("the Company") as of 31 March, 2020 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's 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). These 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 ("the Act").

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 of 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 Act, 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 ICAI. 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 was 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 based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 authorisations of management and directors of the Company; and (3) provide 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 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.

Opinion

In our opinion, the Company has, in all material respects, read with impact of COVID-19 stated in Emphasis of Matter paragraph in Independent Auditor's Report, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, 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 ICAI.

For **D.K. Chhajer & Co.**
Chartered Accountants
Firm Registration No.: 304138E

Niraj K Jhunjhunwala
Partner
Membership No.: 057170
UDIN: 20057170AAAADB6487
Place: Kolkata
Date : 25 June, 2020

Balance sheet as at 31 March, 2020

(₹ in Lakhs)

Particulars	Notes	31-Mar-20	31-Mar-19
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	17,659.77	19,095.71
(b) Capital work-in-progress		50.31	33.40
(c) Right-of-use assets		1.40	-
(d) Financial assets			
(i) Loans	4	1.39	0.49
(e) Non current tax assets (net)	5	295.63	231.33
(f) Other non-current assets	6	213.58	201.48
Total non-current assets		18,222.08	19,562.41
(2) Current assets			
(a) Inventories	7	3,991.15	5,099.39
(b) Financial assets			
(i) Trade receivables	8	746.33	1,220.30
(ii) Cash and cash equivalents	9	50.92	147.01
(c) Other current assets	10	350.52	266.13
Total current assets		5,138.92	6,732.83
Total assets		23,361.00	26,295.24
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	1,713.06	1,713.06
(b) Other equity	12	12,652.15	12,293.97
Total equity		14,365.21	14,007.03
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	6,915.00	5,500.00
(ii) Other financial liabilities-Lease Liabilities	14	0.74	-
(b) Employee benefit obligations	15	47.02	36.90
(c) Deferred tax liabilities (net)	16	235.13	261.59
(d) Other non current liabilities	17	43.94	47.50
Total non-current liabilities		7,241.83	5,845.99
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	395.36	2,350.20
(ii) Trade payables	19		
a) Total outstanding dues of micro enterprises and small enterprises		-	0.41
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		471.42	1,243.82
(iii) Other financial liabilities (Incl. Lease Liabilities)	20	767.78	2,778.56
(b) Employee benefit obligation	21	15.52	14.97
(c) Current tax liabilities (net)	22	-	1.34
(d) Other current liabilities	23	103.88	52.92
Total current liabilities		1,753.96	6,442.22
Total liabilities		8,995.79	12,288.21
Total equity and liabilities		23,361.00	26,295.24
Significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For D. K Chhajer & Co.
Chartered Accountants
Firm Registration No.: 304138E

Niraj K Jhunjunwala
Partner
Membership No:057170

Place: Kolkata
Date : 25 June,2020

For & On Behalf of Board of Directors

Bishal Kumar Agarwal
Chief Financial Officer

Ghanshyam Agarwal
Managing Director
DIN : 08181762

Debabrata Thakurta
Company Secretary

Sajjan Bhajanka
Director
DIN : 00246043

Statement of Profit and Loss for the year ended 31 March, 2020

(₹ in Lakhs)

Particulars	Notes	31-Mar-20	31-Mar-19
INCOME			
Revenue from operations	24	12,217.10	13,566.60
Other income	25	15.70	0.33
Total income		12,232.80	13,566.93
EXPENSES			
Purchase of traded goods		6,636.56	1,579.07
Power inventory (increase)/decrease	26	852.12	252.89
Employee benefit expenses	27	599.38	643.71
Finance costs	28	885.49	771.85
Depreciation	29	1,440.13	1,558.33
Other expenses	30	1,445.98	7,249.98
Total expenses		11,859.66	12,055.83
Profit before tax		373.14	1,511.10
Tax expenses			
- Current tax	31	46.21	305.43
- Income Tax of Earlier Year		(6.43)	-
- Deferred tax		(26.01)	(63.49)
Profit for the year		359.37	1,269.16
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	33	(1.63)	(0.84)
Income tax relating to these items		0.44	0.24
Other comprehensive income for the year (net of tax)		(1.19)	(0.60)
Total comprehensive income for the year		358.18	1,268.56
Earnings per equity share			
Basic earning per share (in ₹)	32	2.10	7.41
Diluted earning per share (in ₹)	32	2.10	7.41
Significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For D. K Chhajer & Co.
Chartered Accountants
Firm Registration No.: 304138E

Niraj K Jhunjhunwala
Partner
Membership No:057170

Place: Kolkata
Date : 25 June,2020

For & On Behalf of Board of Directors

Bishal Kumar Agarwal
Chief Financial Officer

Debabrata Thakurta
Company Secretary

Ghanshyam Agarwal
Managing Director
DIN : 08181762

Sajjan Bhajanka
Director
DIN : 00246043

Statement of changes in equity for the year ended 31 March, 2020

A. Equity share capital		(₹ in Lakhs)
Particulars		Amount
As at 1 April, 2018		1,713.06
Changes in equity share capital		-
As at 1 April, 2019		1,713.06
Changes in equity share capital		-
As at 31 March, 2020		1,713.06

B. Other equity				(₹ in Lakhs)
Particulars	Reserve and surplus		Total other equity	
	Securities premium	Retained earnings		
Balance as at 1 April, 2018	5,232.25	5,793.16		11,025.41
Profit for the year (a)	-	1,269.16		1,269.16
Other comprehensive income/ (loss) for the year (net of tax) (b)	-	(0.60)		(0.60)
Total comprehensive income for the year (a + b)	-	1,268.56		1,268.56
Balance as at 31 March, 2019	5,232.25	7,061.72		12,293.97

Particulars	Reserve and surplus		Total other equity	(₹ in Lakhs)
	Securities premium	Retained earnings		
Balance as at 1 April, 2019	5,232.25	7,061.72		12,293.97
Profit for the year (a)	-	359.37		359.37
Other comprehensive income/ (loss) for the year (net of tax) (b)	-	(1.19)		(1.19)
Total comprehensive income for the year (a + b)	-	358.19		358.19
Balance as at 31 March, 2020	5,232.25	7,419.90		12,652.15

The accompanying notes are an integral part of the financial statements

As per our report of even date

For D. K Chhajer & Co.
Chartered Accountants
Firm Registration No.: 304138E

Niraj K Jhunjhunwala
Partner
Membership No:057170

Place: Kolkata
Date : 25 June, 2020

Bishal Kumar Agarwal
Chief Financial Officer

Debabrata Thakurta
Company Secretary

For & On Behalf of Board of Directors

Ghanshyam Agarwal
Managing Director
DIN : 08181762

Sajjan Bhajanka
Director
DIN : 00246043

Cash Flow Statement for the year ended 31 March, 2020

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Cash flow from Operating Activities		
Net profit before tax	373.14	1511.10
Adjustments for :		
Depreciation of Property,Plant & Equipment	1439.40	1558.33
Amortization of Right- of-use asset	0.73	-
(Gain) / Loss on sale/discard of Property,Plant & Equipment	0.11	(0.04)
Finance Cost	885.49	771.85
Allowances for Doubtful Trade Receivables	3.24	-
Operating Profit before working Capital changes	2,702.11	3,841.22
Adjustments for :		
(Increase) / Decrease in Trade receivables	470.73	(259.24)
(Increase) / Decrease in Inventories	1108.24	(416.16)
(Increase) / Decrease in Loans	(0.90)	0.63
(Increase) / Decrease in Other assets	(109.31)	(13.92)
Increase / (Decrease) in Other payable (Including trade payable)	(772.81)	(1875.67)
Increase / (Decrease) in Other liabilities and provision	84.25	149.61
Cash Generated from Operations	3,482.31	1,426.46
Income Tax Paid	(100.00)	(300.00)
Net cash flow from Operating Activities (A)	3,382.31	1,126.46
Cash flow from Investing Activities		
Purchase of Property,Plant & Equipment (Including CWIP) - Net*	(35.17)	(246.76)
Sale of Property,Plant & Equipment	11.21	0.08
Net Cash used in investing Activities (B)	(23.96)	(246.68)
Cash Flow from Financing Activities		
Interest Paid	(882.62)	(762.79)
Payment for Lease Liability	(0.85)	-
Proceeds from / (Repayment of) Long Term Borrowings*	1,415.00	(263.98)
Proceeds from / (Repayment of) Short Term Borrowings	(3,985.97)	141.98
Net Cash used in Financing Activities (C)	(3,454.44)	(884.79)
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	(96.09)	(5.01)
Cash and Cash Equivalents		
Opening Balance	147.01	152.02
Closing Balance	50.92	147.01

Note-

*Significant non cash movement in Borrowing and Property, plant and equipment during the year include foreign exchange loss of ₹ Nil (₹121.34 lacs as on 31.03.2019)

The accompanying notes are an integral part of the financial statements

As per our report of even date

For D. K Chhajer & Co.
Chartered Accountants
Firm Registration No.: 304138E

Niraj K Jhunjhunwala
Partner
Membership No:057170

Place: Kolkata
Date : 25 June,2020

For & On Behalf of Board of Directors

Bishal Kumar Agarwal
Chief Financial Officer

Ghanshyam Agarwal
Managing Director
DIN : 08181762

Debabrata Thakurta
Company Secretary

Sajjan Bhajanka
Director
DIN : 00246043

Notes to financial statements for the year ended 31 March, 2020

Significant Accounting Policies for the year ended 31 March, 2020

Corporate Information

Meghalaya Power Limited (the Company) is a Public Limited Company domiciled in India and incorporated on 4th 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

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The Company has adopted all the applicable Ind AS standards effective 1st April, 2017 and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

(ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- defined benefit plans – plan assets measured at fair value
- certain financial assets that are measured at fair value

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

1.2 Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as 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 Foreign Currency Transactions & Balances

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is Meghalaya Power Limited's functional and presentation currency.

Transactions in foreign currencies entered into by the Company are accounted at the exchange 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 foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

The Company has adopted the provisions of para D13AA of Ind AS 101, "First- Time Adoption of Indian Accounting Standards" for recognizing exchange differences for long-term foreign currency monetary items as on the date of Ind AS adoption, as per the provision 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 property, plant and equipments are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

Notes to financial statements for the year ended 31 March 2020 (contd.)

1.4 Property, plant and equipment

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount, wherever applicable) less accumulated depreciation, amortization and impairment losses if any, 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.

Capital Work In Progress

Capital work in progress is carried at cost and includes any directly attributable cost incurred during construction period.

Depreciation

Depreciation on Property, plant and equipment 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 is provided on components that have homogenous useful lives by using the WDV method so as to depreciate the initial cost down to the residual value over the estimated useful lives.

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.

Impairment of non-financial assets

The carrying amount 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.

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.

1.5 Lease

As a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, an estimate of costs to be incurred in dismantling and removing or restoring the underlying asset and lease payments made at or before the commencement date less any lease incentives received. After the commencement date, the Right of use assets are measured applying the Cost model. They are subsequently measured at cost, less any accumulated depreciation, adjustments for any remeasurement of the lease liabilities and impairment losses. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

As a Lessor:

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Notes to financial statements for the year ended 31 March 2020 (contd.)

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Operating lease payments are recognised as an income in the statement of profit and loss on a straight-line basis over the lease term, unless the receipt from lessee is structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

1.6 Government Grants and Subsidies

Government grant and subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment/reimbursement of any particular items of expenses are recognized in the Statement of Profit and Loss as deduction from related item of expenditure. Grants related to assets which are recognized in the Balance Sheet as deferred income, are recognized to the Statement of profit and loss on a systematic basis over the useful life of the related assets by netting off with the related expense.

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.

Banked Power 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 (excluding finished goods and Work-in-progress) 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.

1.8 Investments and other financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the company's business model for managing the financial assets and the contractual terms of cash flows.

Measurement

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. The company classifies its debt instruments into the following categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss(FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments

The company subsequently measures all equity investments (except subsidiary, associate and joint venture) at fair value through profit or loss. However where the company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Notes to financial statements for the year ended 31 March 2020 (contd.)

Impairment of financial assets

The company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Derecognition of financial assets

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset.

1.9 Trade receivables

Trade receivables are recognised initially at transaction price. Upon initial recognition of a receivable from a contract with a customer, any difference between the measurement of the receivable in accordance with Ind AS 109 and the corresponding amount of revenue recognised shall be presented as an expense. Subsequently, the trade receivables are measured at cost less expected credit losses. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience. The Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The loss allowance is measured at an amount equal to lifetime expected credit losses.

1.10 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.

1.11 Financial Liabilities

Initial recognition and measurement

The company recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through Profit or Loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

All the financial liabilities are classified as subsequently measured at amortised cost, except for those measured at fair value through profit or loss.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

1.12 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on

Notes to financial statements for the year ended 31 March 2020 (contd.)

or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1.13 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.

1.14 Trade and Other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.15 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported 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 realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty

1.16 (A) Revenue Recognition

Revenue is recognized when the amount of revenue can be reliably measured, it is probable that the economic benefits will flow to the Company and specific criteria have been met for each of the Companies activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Further, specific criteria for revenue recognition followed for different businesses are as under-

Revenue from sale of power is accounted for on the basis of billing to consumers based on billing cycles when control of the products has transmitted to the customers. Generally all consumers are billed on the basis of recording of consumption of energy by installed meters.

Revenue is recognised when control of the products has transferred, being when the products are delivered to the customers. Delivery occurs when the product has been despatched to the specific location as the case may be, the risk of obsolescence and loss has been transferred and there is no unfulfilled obligation that could affect the buyer's acceptance of the product as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Revenue is recognised based on the price specified in the contract and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the goods are transmitted/despatched as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(B) Other Income

Interest income is recognised using the effective interest rate (EIR) method.

Dividend income on investments is recognised when the right to receive dividend is established.

1.17 Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) 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.

Notes to financial statements for the year ended 31 March 2020 (contd.)

(iii) 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 date.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and transferred to retained earnings.

(iv) 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 date.

1.18 Taxes Expenses

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 tax is computed on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The deferred tax in respect of temporary 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.

1.19 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive income 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, net profit or loss before other comprehensive income 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.

1.20 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 measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. 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 the accounts. Contingent assets are also disclosed by way of notes to the accounts.

Notes to financial statements for the year ended 31 March 2020 (contd.)

1.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.22 Dividends

Dividends paid (including dividend distribution tax thereon) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The amount is recognised directly in equity.

2. Transition disclosure note :

(a) Adoption of a new accounting standard on Leases Ind AS 116

The Company has adopted Ind AS 116 'Leases' with effect from April 1, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019 using modified retrospective method. Accordingly, the comparatives have not been retrospectively adjusted.

On transition, the adoption of this standard resulted in recognition of Right of Use Asset of ₹2.12 lacs and lease liability of ₹2.12 lacs as at April 1, 2019. At the year end the cumulative impact of applying this standard resulted in decrease in profit of ₹0.05 lacs, the result of which did not have any material impact on the profit before tax, profit for the year and earning per share for the year ended 31 March, 2020.

Ind AS 116 will result in an Increase in cash inflows from operating activities an decrease in cash outflows from financing activities on account of lease payments. The lease liabilities were discounted using the incremental borrowing rate of the company as at 1 April 2019. The Weighted Average incremental borrowing rate applied to lease liability as at April 1, 2019 is 9.84%

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. In statement of profit and loss for the current year, the nature of expenses in respect of operating leases has changed from lease rent in previous year to depreciation cost for the ROU asset and finance cost for interest accrued on lease liability.

In the context of initial application, the company has exercised the option not to apply the new recognition requirements to short-term leases and to leases of low-value asset.

Following are the changes in the carrying value of right of use assets for the year ended March 31 2020 :-

Particulars	(₹ in Lakhs)
	Non-Factory Building
Balance as at April 1, 2019	
Recognition on account of adoption of Ind AS 116	2.12
Additions	-
Depreciation	.73
Balance as at March 31, 2020	1.40

The depreciation expense of ₹0.73 lacs on ROU assets is included under depreciation and amortization expenses in the Statement of Profit and Loss.

The following is the Movement in lease liabilities during the year ended March 31 2020 :-

Particulars	(₹ in Lakhs)
	Lease Liabilities
Balance at the beginning	-
Recognition on account of adoption of Ind AS 116	2.12
Interest expense during the period	.18
Payment of lease liabilities	.85
Balance at the year end	1.45

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Notes to financial statements for the year ended 31 March 2020 (contd.)

Particulars	Note: 3 : Property, plant and equipment											Total		
	Land & Site Development	Factory Building	Non Factory Building	Plant & Machinery	Fire Fighting Equipments	Electrical installations	Heavy vehicles	Light vehicles	Office Equipments	Computers	Furniture & Fixtures		Tools & Tackles	Laboratory equipments
Gross Block														
At 1st April, 2019	683.27	2,404.60	449.32	20,328.96	3.47	218.16	63.73	10.57	4.66	5.30	4.93	34.74	9.64	24,221.36
Addition	(0.58)	17.90	(0.06)		(0.07)			1.62						18.82
Disposals/Deduction/Adjustments	-	-	-	-	-	28.68	-	-	1.52	-	-	-	-	30.20
At 31 March, 2020	683.27	2,404.02	449.26	20,346.86	3.47	189.41	63.73	10.57	4.76	5.30	4.93	34.74	9.64	24,209.98
Accumulated Depreciation														
At 1st April, 2019	-	594.49	161.74	4,143.79	2.75	136.60	41.79	7.12	3.01	4.03	2.46	21.83	6.04	5,125.65
charge for the year	-	173.62	26.58	1,210.79	0.25	18.72	5.92	1.06	1.16	0.14	0.60	3.18	0.87	1,442.89
Disposals/Deduction/Adjustments	-	-	-	-	-	16.91	-	-	1.41	-	-	-	-	18.32
At 31 March, 2020	-	768.11	188.32	5,354.58	2.99	138.40	47.72	8.18	2.75	4.16	3.06	25.02	6.91	6,550.21
Net Carrying Value														
At 31 March, 2019	683.27	1,810.11	287.58	16,185.17	0.72	81.56	21.93	3.45	1.65	1.28	2.47	12.91	3.60	19,095.71
At 31 March, 2020	683.27	1,635.91	260.95	14,992.27	0.48	51.01	16.01	2.39	2.01	1.14	1.87	9.72	2.73	17,659.77

Note :

- a) During the year company has sold/ discarded property, plant and equipment amounting to ₹30.20 Lacs (31 March 2019- ₹0.23 Lacs)
- b) During the year foreign exchange gain as at 31st March 2020 is ₹6.21 Lacs (as at 31 March 2019- foreign exchange loss is ₹318.89), is deducted to the gross assets in accordance with para 46A of AS-11 (Previous GAAP), since the company has applied the exemption under Ind AS 101 and accordingly opted to continue the policy adopted for accounting for exchange differences arising from translation of long term foreign currency monetary items recognised in the financial statements.

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 4 Loans

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Unsecured, considered Good		
Security deposits	1.39	0.49
	1.39	0.49

Note: 5 Non current tax assets (net)

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Advance income tax (net of provision for taxation of ₹46.40 Lacs, as at for 31 March 2019 ₹861.44 lacs)	295.63	231.33
	295.63	231.33

Note: 6 Other non-current assets

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Unsecured, considered good		
Capital advances	213.58	201.48
	213.58	201.48

6.1 Capital Advances relates to advance given against land amounting to ₹213.58 Lacs. The Company is in the process of getting registration in its name.

Note: 7 Inventories

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Inventories		
Power Inventory (With MESCL)	872.16	1,724.28
Fuels, Stores & Spares parts	3,118.99	3,375.11
	3,991.15	5,099.39

Note: 8 Trade receivables

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Unsecured		
Considered good	746.33	1,220.30
Unsecured, Considered doubtful	3.24	-
Less: Allowance for doubtful trade receivables	(3.24)	-
	746.33	1,220.30

Note: 9 Cash and cash equivalents

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Cash in hand	5.66	12.55
Cheques in hand	33.34	15.50
Balance with Banks	11.92	118.96
	50.92	147.01

Note: 10 Other current assets

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Advances to suppliers	244.86	163.98
Advances for goods, services & expenses	1.25	0.64
Prepaid expenses	66.97	50.81
Subsidies / incentives receivable from central / state governments	35.10	39.68
Advances to employees	2.34	11.02
	350.52	266.13

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 11 Equity share capital

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Authorized Capital		
2,00,00,000 (2,00,00,000 as at 31 March 2020) Equity Shares of ₹10 each fully paid	2,000.00	2,000.00
Issued, Subscribed & fully Paid-up Shares		
1,71,30,620 (1,71,30,620 as at 31 March 2020) Equity Shares of ₹10 each fully paid	1,713.06	1,713.06
	1,713.06	1,713.06

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 pays dividend 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 the shares outstanding at the beginning and at the end of the reporting period

Particulars	31-Mar-20	31-Mar-19
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 year	-	-
Outstanding at the end of the year	1,71,30,620	1,71,30,620

c) Shares held by Holding Company

Particulars	31-Mar-20	31-Mar-19
	No. of Shares	No. of Shares
Out of equity shares issued by the Company, shares held by its holding company as below:		
Star Cement Limited (Formerly Cement Manufacturing Company Ltd.)	87,36,620	87,36,620
	87,36,620	87,36,620

d) Details of Shareholders holding more than 5% of Equity Share capital

Particulars	31-Mar-20	31-Mar-19
	No. of Shares % of holding	No. of Shares % of holding
Star Cement Limited (Formerly Cement Manufacturing Company Ltd.)	87,36,620 51.00%	87,36,620 51.00%
Shyam Century Ferrous Limited	83,58,998 48.80%	83,58,998 48.80%

11.1 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.

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 12 Other equity

	(₹ in Lakhs)	
Particulars	31-Mar-20	31-Mar-19
Securities premium		
Opening balance	5,232.25	5,232.25
Movement during the year	-	-
Closing Balance	5,232.25	5,232.25
Retained earnings		
Opening balance	7,061.72	5,793.16
Profit / (loss) for the year	359.37	1,269.16
Items of other comprehensive income directly recognised in retained earnings	-	-
Remeasurements of post-employment benefit obligations (net of tax)	(1.19)	(0.60)
Closing Balance	7,419.90	7,061.72
Total	12,652.15	12,293.97

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Note: 13 Borrowings

	(₹ in Lakhs)	
Particulars	31-Mar-20	31-Mar-19
Term loans (secured)		
Foreign currency loan from banks	-	2,031.14
Unsecured		
Loans from related party	6,915.00	5,500.00
	6,915.00	7,531.14
Less: Current maturities of long term borrowings	-	2,031.14
	6,915.00	5,500.00

13.1 Foreign currency loan as at 31 March, 2020: Nil, (31 March 2019: ₹2031.14 lacs).

13.2 Terms of loan from related party is long term in nature which is repayable in 5 Years

13.3 The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

Note: 14 Other financial liabilities-Lease Liabilities

	(₹ in Lakhs)	
Particulars	31-Mar-20	31-Mar-19
Lease Liability	0.74	-
	0.74	-

Note: 15 Employee benefit obligations

	(₹ in Lakhs)	
Particulars	31-Mar-20	31-Mar-19
Provisions for employee benefits		
-Gratuity	47.02	36.90
	47.02	36.90

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 16 Deferred tax liabilities (net)

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Deferred tax liabilities		
Property, plant and equipment	1,704.32	1,691.40
Borrowings	(0.00)	0.71
	1,704.32	1,692.11
Deferred tax assets		
MAT credit entitlement	1,451.79	1,415.42
Employee benefit obligations	17.40	15.10
	1,469.19	1,430.52
Net deferred tax (asset) / liabilities	235.13	261.59

Note: 17 Other non current liabilities

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Deferred government grant	43.94	47.50
	43.94	47.50

Note: 18 Borrowings

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Working capital facilities from banks (secured)		
Cash credit	395.36	2,350.20
	395.36	2,350.20

18.1 Working capital facilities of ₹395.36 Lacs(31 March 2019: ₹2350.20) from Banks are Secured by Pari Passu first charge on current assets and pari passu second charge on Property Plant & Equipment of the company's Power plants at Lumshnong, Meghalaya. Further the Working Capital facilities from Banks have been guaranteed by some of the Directors of the Company.

Note: 19 Trade payables

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
a) Total outstanding dues of micro enterprises and small enterprises	-	0.41
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	471.42	1,243.82
	471.42	1,244.23

Note: 20 Other financial liabilities (Incl. Lease Liabilities)

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Current maturities of long-term borrowings	-	2,031.14
Interest accrued but not due on borrowings	-	1.15
Retention money	25.85	26.67
Security deposit	10.15	12.63
Other liabilities	717.13	694.66
Lease Liability	0.71	-
Salary and bonus to employees	13.94	12.31
	767.78	2,778.56

Note: 21 Employee benefit obligation

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Provisions for employee benefits		
-Leave encashment	12.63	11.65
-Gratuity	2.89	3.32
	15.52	14.97

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 22 Current tax liabilities (net)

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Provision for taxation (net of advance tax of ₹Nil for 31 March 2020 , ₹309.33 for 31 March 2019)	-	1.34
	-	1.34

Note: 23 Other current liabilities

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Other payables		
Statutory liabilities	96.97	48.03
Advance from customer	3.92	1.41
Current Deferred government grant	2.99	3.48
	103.88	52.92

Note: 24 Revenue from operations

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Sale of power	12,109.65	12,906.87
Other operating revenue		
Sale of fly ash	107.45	659.73
Revenue from operation	12,217.10	13,566.60

Note: 25 Other income

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Other Receipt	15.70	0.33
	15.70	0.33

Note: 26 Power inventory (increase)/decrease

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Opening power inventory stock	1,724.28	1,977.17
Closing power inventory stock	872.16	1,724.28
(Increase)/decrease	852.12	252.89

Note: 27 Employee benefit expenses

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Salaries and wages	571.64	613.37
Contribution to provident fund	18.00	16.51
Staff welfare expenses	9.74	13.83
	599.38	643.71

Note: 28 Finance costs

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Interest expenses		
- On loan measured at amortised cost	877.21	735.53
- Other finance costs	8.28	36.32
	885.49	771.85

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 29 Depreciation

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Depreciation on Property Plant & Equipment	1,439.40	1,558.33
Depreciation on Right- of-use asset	0.73	-
	1,440.13	1,558.33

29.1 Depreciation is net of amortisation of Government Grants amounting to ₹3.49 Lacs as at 31 March 2020 (31 March 2019 ₹4.05 Lacs)

Note: 30 Other expenses

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Consumption of stores & spares	7.55	20.98
Fuel consumption	991.54	5,465.83
Repairs & maintenance		
- Building	4.42	10.44
- Plant & machinery	230.96	984.37
- Others	16.96	21.52
Heavy vehicle / equipment running exp.	11.01	89.97
Travelling and conveyance	4.98	8.44
Insurance	48.74	51.95
Rent, rates & taxes	15.38	400.54
CSR expenses (Refer Note No. 41)	31.06	44.84
Miscellaneous expenses (Refer Note *)	83.38	151.10
	1,445.98	7,249.98

* Miscellaneous expenses include expenses paid to auditors Refer Note No 42.

Note: 31 Income tax expense

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
(a) Current tax		
Current tax on profits for the year	46.21	305.43
Total current tax expense	46.21	305.43
(b) Deferred tax		
MAT credit entitlement	(46.21)	(305.43)
Deferred tax - Others	20.20	241.94
Total deferred tax benefit	(26.01)	(63.49)
(C) Income Tax of Earlier Years	(6.43)	-
Income tax expense	13.77	241.94

31.1 Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Profit before tax	373.14	1,511.10
Tax at the Indian tax rate of 27.82% (2018-19 - 29.12%)	103.81	440.03
Items not deductible/taxable under tax	(77.75)	(229.51)
Effect of Allowances/tax holidays for tax purpose	(27.26)	(211.70)
Impact of change in tax rate during the year	(0.03)	-
Income Tax of Earlier Years	(6.43)	-
Other adjustments	21.42	243.12
Income tax expense	13.77	241.94

31.2 The tax rate used for the financial year 2019-20 and 2018-19 reconciliation above is the Corporate Tax Rate of 27.82% (25% + Surcharge 7% + Education Cess 4%) & 29.12% (25% + Surcharge 12% + Education Cess 4%) respectively payable on taxable profit under Income Tax Act, 1961.

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 32 Earnings per share

(a) Basic earnings per share

Particulars	31-Mar-20	31-Mar-19
Basic earnings per share attributable to the equity holders of the Company (in ₹)	2.10	7.41

(b) Diluted earnings per share

Particulars	31-Mar-20	31-Mar-19
Diluted earnings per share attributable to the equity holders of the Company (in ₹)	2.10	7.41

(c) Reconciliations of earnings used in calculating earnings per share

Particulars	31-Mar-20	31-Mar-19
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basis earnings per share	359.37	1,269.16
Diluted earnings per share		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	359.37	1,269.16

(₹ in Lakhs)

(d) Weighted average number of equity shares used as the denominator

Particulars	31-Mar-20	31-Mar-19
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,71,30,620	1,71,30,620
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	1,71,30,620	1,71,30,620

Note: 33 Disclosure as per Ind AS 19, 'Employees Benefit'

a) Leave obligations

Under leave encashment scheme, the Company allows its employees to encash accumulated leave over and above thirty days at any time during the year. Hence the entire amount of the provision is presented under current. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Particulars	31-Mar-20	31-Mar-19
Leave obligations not expected to be settled within the next 12 months	11.92	10.64

(₹ in Lakhs)

b) Post-employment obligations

i) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2018	39.72	(7.56)	32.15
Current service cost	4.92	-	4.92
Interest expense/(income)	2.89	(0.58)	2.31
Total amount recognised in profit or loss	7.81	(0.58)	7.23

(₹ in Lakhs)

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 33 Disclosure as per Ind AS 19, 'Employees Benefit' (contd.)

Particulars	(₹ in Lakhs)		
	Present value of obligation	Fair value of plan assets	Net amount
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.14	0.14
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	0.21	-	0.21
Actuarial (gain)/loss from unexpected experience	0.49	-	0.49
Total amount recognised in other comprehensive income	0.70	0.14	0.84
Employer contributions/ premium paid	-	-	-
Benefit paid	(4.25)	4.25	-
Settlement Cost	-	-	-
Other (unsettled liability at the end of the valuation date)	-	-	-
Disposal/ Transfer of Asset	-	-	-
31 March 2019	43.98	(3.76)	40.22

Particulars	(₹ in Lakhs)		
	Present value of obligation	Fair value of plan assets	Net amount
01 April 2019	43.98	(3.76)	40.22
Current service cost	5.32	-	5.32
Interest expense/(income)	3.00	(0.26)	2.73
Total amount recognised in profit or loss	8.32	(0.26)	8.05
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.10	0.10
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	3.44	-	3.44
Actuarial (gain)/loss from unexpected experience	(1.90)	-	(1.90)
Total amount recognised in other comprehensive income	1.53	0.10	1.63
Employer contributions/ premium paid	-	-	-
Benefit paid	(2.31)	2.31	-
Settlement Cost	-	-	-
Other (unsettled liability at the end of the valuation date)	-	-	-
Disposal/ Transfer of Asset	-	-	-
31 March 2020	51.52	(1.61)	49.90

(ii) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31-Mar-20	31-Mar-19
Discount rate	7.00%	7.70%
Expected return on plan asset	7.00%	7.70%
Salary growth rate	6.00%	6.00%
Withdrawal rate	1% to 8%	1% to 8%
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 33 Disclosure as per Ind AS 19, 'Employees Benefit' (contd.)

(iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Lakhs)

Particulars	Impact on defined benefit obligation			
	31-Mar-20		31-Mar-19	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(46.72)	57.14	(40.02)	48.61
Salary growth rate (-/+ 1%)	57.41	(46.41)	48.86	(39.75)
Withdrawal rate (-/+ 1%)	51.93	(51.05)	44.58	(43.30)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iv) The major categories of plans assets

The defined benefit plans are funded with an insurance company of India. The Company does not have any liberty to manage the funds provided to insurance companies.

(v) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31 March 2021 are ₹9.98 lacs.

The weighted average duration of the defined benefit obligation is 6.78years (31 March 2019: 3.79 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in Lakhs)

Particulars	Less than a year	Between 2- 5 years	Between 5- 10 years
31 March 2020			
Defined benefit obligation (gratuity)	2.89	13.28	27.58
Total	2.89	13.28	27.58
31 March 2019			
Defined benefit obligation (gratuity)	3.32	1.81	1.68
Total	3.32	1.81	1.68

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 34 Assets pledged/hypothecated as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Current		
First charge		
Trade receivables	746.33	1,220.30
Inventory	3,991.15	5,099.39
Cash and Cash Equivalents	50.92	147.01
Other current assets	350.52	266.13
Total current assets pledged/ hypothecated as security	5,138.92	6,732.83
Non-current		
First charge		
Property Plant & Equipment (including capital work-in-progress)	17,710.08	19,129.11
Total non-currents assets pledged / mortgaged as security	17,710.08	19,129.11
Total assets pledged/ hypothecated as security	22,849.00	25,861.94

Note : 35 Fair value measurement

Financial instruments by category

(₹ in Lakhs)

Particulars	31-Mar-20			31-Mar-19		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Loans	-	-	1.39	-	-	0.49
Trade receivables	-	-	746.33	-	-	1,220.30
Cash in hand	-	-	5.66	-	-	12.55
Cheques in hand	-	-	33.34	-	-	15.50
Balance with banks	-	-	11.92	-	-	118.96
	-	-	798.64	-	-	1,367.80
Financial liabilities						
Borrowings	-	-	7,310.36	-	-	9,881.34
Security deposit	-	-	10.15	-	-	12.63
Trade payables	-	-	471.42	-	-	1,244.23
Interest accrued but not due on borrowings	-	-	-	-	-	1.15
Retention money	-	-	25.85	-	-	26.67
Other liabilities	-	-	717.13	-	-	694.66
Salary and bonus to employees	-	-	13.93	-	-	12.31
Lease Liability	-	-	1.45	-	-	-
	-	-	8,550.29	-	-	11,872.99

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments is determined using discounted cash flow analysis.

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note : 35 Fair value measurement (contd.)

(iii) Fair value of financial assets and liabilities measured at amortised cost

Particulars	(₹ in Lakhs)			
	31-Mar-20		31-Mar-19	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial assets				
Security deposits and margin money	1.39	1.39	0.49	0.49
Total financial assets	1.39	1.39	0.49	0.49
Financial liabilities				
Security deposit	10.15	10.15	12.63	12.63
Lease Liability	1.45	1.45	-	-
Total financial liabilities	11.60	11.60	12.63	12.63

The carrying amounts of all other financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.

The fair values for financial instruments were calculated based on cash flows discounted using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above.

Note :36 Capital management

(a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares .

The Company is in compliance with all material financial covenants of its borrowings.

Note: 37 Financial risk management

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of customer base
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed facilities
Market risk – foreign exchange	Future commercial transactions and recognised financial liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	Diversification of liability
Market risk – interest rate	Long-term borrowings at fixed rates	Sensitivity analysis	Portfolio of loan contains fixed interest loans from financial institutions

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 37 Financial risk management (contd.)

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 days credit terms. Outstanding customer receivables are regularly monitored. The ageing of trade receivables as of Balance Sheet date is given below. The age analysis have been considered from the due date:

Particulars					(₹ in Lakhs)
	Not due	Less than 6 months	6 months to 1 year	More than 1 Years	Total
Trade receivable as on 31 March, 2020	733.60	0.01	12.72	-	746.33
Trade receivable as on 31 March, 2019	988.07	31.14	17.48	183.61	1,220.30

ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department. For banks and financial institutions, only high rated banks/institutions are accepted.

Financial Assets are considered to be of good quality and there is no significant credit risk.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2020 and 31 March 2019 is the carrying amounts as illustrated in Note 35.

(B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The management also considers the cash flows projection and level of liquid assets necessary to meet these on a regular basis. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars			(₹ in Lakhs)
	31-Mar-20	31-Mar-19	
Floating Rate			
- Expiring within one year (bank overdraft and other facilities)	2,404.64	449.80	
	2,404.64	449.80	

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities - 31 March, 2020					(₹ in Lakhs)
	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 years	Total
Trade payables	471.42	-	-	-	471.42
Borrowings	395.36	-	6,915.00	-	7,310.36
Interest payable on above borrowings*	683.52	650.70	1,952.10	-	3,286.32

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 37 Financial risk management (contd.)

(₹ in Lakhs)					
Contractual maturities of financial liabilities - 31 March, 2020	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 years	Total
Lease Liability	0.82	0.36	0.49	-	1.67
Other financial liabilities	767.07	-	-	-	767.07
Total financial liabilities	2,318.19	651.06	8,867.59	-	11,836.84

* Based on closing rates

(₹ in Lakhs)					
Contractual maturities of financial liabilities - 31 March, 2019	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 years	Total
Trade payables	1,244.23	-	-	-	1,244.23
Borrowings	4,383.83	5,500.00	-	-	9,883.83
Interest payable on above borrowings*	781.21	968.40	-	-	1,749.61
Other financial liabilities	746.26	-	-	-	746.26
Total financial liabilities	7,155.53	6,468.40	-	-	13,623.93

* Based on closing rates

(C) Market risk

(i) Foreign currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

No Foreign currency loan was outstanding as at 31.03.2020. Hence, there is no foreign exchange risk arises from future cash flow against the foreign currency loan.

Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows:-

(₹ in Lakhs)		
Particulars	31-Mar-20	31-Mar-19
Financial assets	-	-
Financial liabilities	-	2033.64
Net exposure to foreign currency risk	-	(2033.64)

Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Impact on profit before tax		
Particulars	31-Mar-20	31-Mar-19
USD sensitivity		
INR appreciates by 10% (2019: 10%)*	-	203
INR depreciates by 10% (2019: 10%)*	-	(203)

* Holding all other variables constant

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2020 and 31 March 2019, the Company's borrowings at variable rate were mainly denominated in ₹ and USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 37 Financial risk management (contd.)

(a) Interest rate risk exposure

On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Variable rate borrowings	7,310.36	9,883.83
Total borrowings	7,310.36	9,883.83

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	(₹ in Lakhs)	
	Impact on profit before tax	
	31-Mar-20	31-Mar-19
Interest expense rates – increase by 50 basis points (2019: 50 bps)*	(36.55)	(49.42)
Interest expense rates – decrease by 50 basis points (2019: 50 bps)*	36.55	49.42

* Holding all other variables constant

Note: 38 Related party transactions

I.	Names of the Related parties	Nature of relationship
A	Star Cement Limited (SCL) (Formerly Cement Manufacturing Company Limited)	Holding Company
	Megha Technical & Engineers Private Limited (MTEPL)	Fellow Subsidiary
	Star Cement Meghalaya Limited (SCML)	Fellow Subsidiary
	Star Century Global Cement Pvt. Ltd (SCGCPL)	Fellow Subsidiary
	NE Hills Hydro Limited (NEHL)	Fellow Subsidiary
	Nefa Udyog (NU)	Enterprise Owned/Influenced by KMP
	Century Plyboards (India) Limited (CPIL)	Enterprise Owned/Influenced by KMP
	Profound Cement Work Limited (Formerly Star India Cement Limited) (PCWL)	Enterprise Owned/Influenced by KMP
	Shyam Century Ferrous Limited (SCFL)	Associate Company
B	Other Related Parties	Nature of relationship
	Names of other Related parties	
	Key Management Personnel	
	Mr. Ghanshyam Agarwal	Managing Director
	Mr. Debabrata Thakurta	Company Secretary
	Mr. Bishal Kumar Agarwal	Chief Financial Officer
	Key Management Personnel of Parent Company	
	Mr. Sajjan Bhajanka	Chairman & Managing Director
	Mr. Rajendra Chamaria	Vice Chairman & Managing Director
	Mr. Sanjay Agarwal	Managing Director
	Mr. Prem Kumar Bhajanka	Director
	Mr. Sanjay Kumar Gupta	Chief Executive Officer
	Mr. Manoj Agarwal	Chief Financial Officer
	Mr. Debabrata Thakurta	Company Secretary
	Relatives of Key Management Personnel of Parent Company	
	Mr. Rahul Chamaria	Son of Mr. Rajendra Chamaria, Vice Chairman & Managing Director
	Mr. Sachin Chamaria	Son of Mr. Rajendra Chamaria, Vice Chairman & Managing Director

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 38 Related party transactions (contd.)

II. Details of transactions between the Company and related parties and the status of outstanding balance as at 31 March 2020:

		(₹ in Lakhs)							
Sl. No.	Type of Transactions	Holding Company		Associates		Enterprise Owned/ Influenced by KMP / Fellow Subsidiaries		Key Management Personnel/Director	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	Purchase Transactions								
	SCL	2.65	229.58	-	-	-	-	-	-
	CPIL	-	-	-	-	-	0.06	-	-
	MTEPL	-	-	-	-	-	0.01	-	-
	SCML	-	-	-	-	711.49	1,531.05	-	-
2	Sale Transactions								
	SCL	5,741.82	5,690.83	-	-	-	-	-	-
	MTEPL	-	-	-	-	26.26	18.34	-	-
	SCML	-	-	-	-	7,426.45	5,758.13	-	-
	SCFL	-	-	-	1,598.14	-	-	-	-
3	Sale of Capital Goods								
	SCL	13.23	-	-	-	-	-	-	-
4	Loan Taken								
	SCL	2,325.00	-	-	-	-	-	-	-
	SCML	-	-	-	-	2,500.00	2,500.00	-	-
5	Loan Repaid								
	SCL	2,325.00	-	-	-	-	-	-	-
	SCML	-	-	-	-	1,085.00	-	-	-
	Sri Sajjan Bhajanka	-	-	-	-	-	-	-	800.00
6	Service Received								
	SCML	-	-	-	-	0.16	1.30	-	-
7	Service Provided								
	SCL	12.12	-	-	-	-	-	-	-
8	Interest Paid								
	SCL	159.19	-	-	-	-	-	-	-
	SCML	-	-	-	-	596.30	297.61	-	-
	MTEPL	-	-	-	-	47.05	49.20	-	-
	Sri Sajjan Bhajanka	-	-	-	-	-	-	-	8.25
9	Remuneration Paid								
	Sri Bishal Agarwal	-	-	-	-	-	-	16.29	11.58
10	Balances Outstanding as on 31.03.2020								
A	Share Capital / Securities Premium								
	SCFL	-	-	3,373.50	3,373.50	-	-	-	-
	SCL	3,568.31	3,568.31	-	-	-	-	-	-
B	Debtors								
	SCL	349.41	555.19	-	-	-	-	-	-
	MTEPL	-	-	-	-	1.39	12.10	-	-
	SCML	-	-	-	-	382.80	496.19	-	-
C	Loan Taken								
	SCML	-	-	-	-	6,415.00	5,000.00	-	-
	MTEPL	-	-	-	-	500.00	500.00	-	-
D	Guarantees outstanding								
	Sri Sajjan Bhajanka	-	-	-	-	-	-	3,150.00	5,183.63
	Sri Prem Kumar Bhajanka	-	-	-	-	-	-	1,800.00	3,833.63

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 38 Related party transactions (contd.)

III. Key management personnel compensation		(₹ in Lakhs)	
Particulars	31-Mar-20	31-Mar-19	
Short-term employee benefits	16.29	11.58	
Post-employment benefits *	-	-	
Long-term employee benefits*	-	-	
Total compensation	16.29	11.58	

* Post employment benefit and long term employees benefit are determined on the basis of actuarial valuation for the company as a whole and hence segregation is not available .

Note: 39 Contingent liabilities and commitment (to the extend not provided for)

		(₹ in Lakhs)	
Sl. No.	Particulars	31-Mar-20	31-Mar-19
1	Claims against the Company not acknowledged as debts – Excise / Service Tax/ Electricity duty / Royalty etc	9,199.93	32.04
2	Bank Guarantee issued by Bank	39.49	39.49
	Total	9,239.42	71.53

Note: Based on legal opinion / decisions in similar cases, the Management believes that the Company has a fair chance of favorable decisions in cases mentioned here-in-above and hence no provision is considered necessary.

(a) In respect of demand notice dated 19th February, 2020 received by the Company from Director of Mineral Resources, Meghalaya, for payment of royalty, MEPRF, VAT/GST for ₹9151.21 Lacs in pursuance to the National Green Tribunal (NGT) order dated 17.01.2020 passed in O.A. No. 110(TCH)/2012 for alleged illegal coal procurement. By passing the said order NGT has accepted the Recommendation of the 5th Interim Report of the Independent Committee set up by NGT, which has suggested imposition of penalty on Cement Companies and Thermal Power Plants in Meghalaya.

The Company has not purchased any illegal coal and has complied with all disclosure requirements of the various Government Departments. The Report of NGT Committee has been founded on the basis of assumptions and views of the Committee and not on hard facts. Further to note that the Company has neither been issued a show-cause nor any opportunity of being heard was given to the Company before submitting the Interim reports by the Independent Committee to NGT. Even NGT has not served any notice on the Company before passing the impugned order dated 17.01.2020 which in clear violation of principles of natural justice.

The Company backed by the legal opinions, believes that it has a good case in the matter as the said order was issued based on certain hypothetical assumptions and views and not on hard facts. No opportunity of being heard was provided to the Company either by NGT committee or by NGT itself which passed order without going into the merits & facts and accepted the recommendations of 5th Internal Report. Therefore, there is every likelihood of the Demand Notice being set aside. The Company is preferring an appeal before appropriate forum and accordingly, no provisions has been made in the accounts.

Note: 40

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 March, 2020 is ₹159.05 lacs (31 March 2019: ₹143.50 lacs).

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 41 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting, education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural developments projects.

A CSR Committee has been formed by Company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross Amount required to be spent by the company during the year is ₹27.15 lacs (31 March 2019: ₹26.89 lacs)

b) Amount spent during the year on:

		(₹ in Lakhs)	
Sl. No.	Nature of Expenditure	31-Mar-20	31-Mar-19
(i)	Education	-	11.50
(ii)	Preventive Health Care, Supply of Drinking Water	2.87	-
(iii)	Rural Development	15.65	23.09
(iv)	Livelihood & Skill Building	12.54	10.25
	Total	31.06	44.84

Note: 42 Payment to Auditor

		(₹ in Lakhs)	
Particulars		31-Mar-20	31-Mar-19
As Auditor			
-Statutory Audit Fees		1.50	1.50
Total		1.50	1.50

Note: 43 Segment information

Generation of electricity is the only identified operating segment of the Company in consistent with reporting made to Chief Operating Decision Maker (CODM) i.e. Board of Directors.

Two customers of the entity accounts for approximately 99.78% of the revenue for the year ended 31 March 2020 (Three customers as on 31 March 2019 : 99.24%)

Note: 44 Based on the information/documents available with the Company, information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under

		(₹ in Lakhs)	
Particulars		31-Mar-20	31-Mar-19
(i)	Principal amount remaining unpaid to any supplier at the end of the accounting year(including retention money against performance)	-	0.41
(ii)	Interest due on above	-	-
	Total of (i) & (ii)	-	0.41
(iii)	Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act.	-	0.01
(iv)	Amount paid to the suppliers beyond the respective appointed date.	-	0.08
(v)	Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
(vi)	Amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
(vii)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act.	-	-

Notes to financial statements for the year ended 31 March 2020 (contd.)

Note: 45

The operations of the Company were impacted, due to temporary shutdown of its plants following nationwide lockdown announced by the Government of India in view of COVID-19, pandemic. The Company have made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its property, plant and equipment, loans and other assets, right of use assets, investments, inventories and trade receivables. Based on current indicators of future economic conditions, it is expected to recover the carrying amount of these assets. The management does not foresee any risks in the Company's ability to continue as going concern and meeting its liabilities as and when they fall due. It will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Note: 46

Notes to the Financial Statements comprises of information relevant for the Group.

Note: 47

Previous year's figures have been regrouped and/or rearranged wherever necessary to confirm to current year Classification.

Note: 48

The financial statements are approved by the audit committee at its meeting held on 25 June, 2020 and by the Board of Directors on the same date.

For & On Behalf of Board of Directors

For D. K Chhajer & Co.
Chartered Accountants
Firm Registration No.: 304138E

Bishal Kumar Agarwal
Chief Financial Officer

Ghanshyam Agarwal
Managing Director
DIN : 08181762

Niraj K Jhunjhunwala
Partner
Membership No:057170

Debabrata Thakurta
Company Secretary

Sajjan Bhajanka
Director
DIN : 00246043

Place: Kolkata
Date : 25 June,2020

A TRISYS PRODUCT
info@trisysscom.com

anderson +91 9903058982



MEGHALAYA POWER LIMITED

Registered Office

Vill.: Lumshnong, P.O.: Khaliehriat,

Dist.: East Jaintia Hills,

Meghalaya - 793 210

CIN: U40108ML2002PLC006921