

EMPOWERING



INSIDE THE REPORT

Corporate Information	01
Directors' Report	02
Auditor's Report	21
Balance Sheet	28
Statement of Profit and Loss	29
Statement of Changes in Equity	30
Cash Flow Statement	31
Note to Financial Statements	33

Please find the online version of this Report at:

<https://starcement.co.in/annual-report-subsidiary-companies/>

Or simply scan to download:



Disclaimer

This document contains statements about expected future events and financials of Meghalaya Power Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

CORPORATE INFORMATION

CIN : U40108ML2002PLC006921

BOARD OF DIRECTORS

Mr. Ghanshyam Agarwal
Managing Director

Mr. Sajjan Bhajanka
Director

Mr. Prem Kumar Bhajanka
Director

Mr. Rangbahduh Khonglah
Director

Mr. Lamshwa Kyndoh
Director

Mr. Pramod Kumar Shah
Director

Mr. Amit Kiran Deb
Director

COMPANY SECRETARY

Mr. Debabrata Thakurta

CHIEF FINANCIAL OFFICER

Mr. 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

REGISTRARS AND SHARE TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.
23, R. N. Mukherjee Road, 5th Floor
Kolkata – 700 001

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 Nineteenth Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2021 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, 2021 as compared to the previous financial year are as under:-

Particulars	(₹ in Lakhs)	
	2020-21	2019-20
Total Income	11,993.32	12,232.80
Profit before Depreciation, Interest and Tax	2,069.53	2,698.76
Depreciation	1,311.22	1,440.13
Interest & Finance Charges	542.54	885.49
Profit/(Loss) before Tax	215.77	373.14
Provision for taxation:		
-Current Tax	19.65	46.21
- Income tax for earlier years	-	(6.43)
-Deferred Tax	39.93	(26.01)
Profit/(Loss) after Tax	156.19	359.37
Other comprehensive income for the year, net of tax	0.08	(1.19)
Total comprehensive income for the year	156.27	358.18

INDUSTRY OUTLOOK

India is the third-largest producer and second-largest consumer of electricity in the world. With the growing population of the country and increasing electrification power consumption of the country is expected to reach 1895 TWh in the year 2022. India is the only country amongst G20 nations which is constantly pursuing to achieve targets as per Paris Agreement.

Country's power sector is one of the most diversified in the world. Sources of power varies from conventional sources to non-conventional sources. Electricity demand in the country has been increasing rapidly and is expected to rise further in the years to come.

With its leading prospect, the sector is likely to witness huge investments in the years to come. The Government has identified the power sector as a major factor to promote industrial growth. Various Government's schemes like Ujjal Discom Assurance Yogaja, Deen Dayal Upadhyay Gram Jyoti Yojana, Integrated Power Development Scheme etc., are supporting fastest growth of the sector.

The Government's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides. The Budget 2020-21 has allocated ₹ 15,875 Crore to the Ministry of Power and ₹ 5,500 Crore to Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY).

The energy sector is likely to account for 24% capital expenditure over FY 2019-25.

Government of India while ensuring capacity addition in the power sector also safeguarding environment, health reduction of import dependency, employment generation etc., 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. While focusing on ensuring power at affordable price, 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.

OPERATIONAL PERFORMANCE

During the year under review, the Company's power generation recorded 129 Million units as compared to 16 Million units recorded in the previous year. Your Company is selling power to its Holding Company and fellow subsidiary companies. Your Company was managed to operate its power plant even during the Nation-wide lockdown announced to prevent spread of Covid-19, after following safety guidelines and norms of the Government. Even during the unlock period your Company had faced acute labour and material shortage at site. Your Company continued to procure power through IEX during the crisis period and also utilised huge amount of banked units which was receivable from State Distribution

DIRECTORS' REPORT (Contd.)

Utility during the Financial Year 2020-21 to distribute to the holding and fellow subsidiary companies.

During the FY 20-21, your Company registered total income of ₹11,993.32 Lakhs as compared to ₹12,232.80 Lakhs recorded in the previous financial year. Your Company posted PBT of ₹ 215.77 Lakhs as against ₹ 373.14 Lakhs recorded in the previous financial year.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2021 was ₹1,713.06 Lakhs. 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, Four (4) Board Meetings were convened and held on 25th June, 2020; 11th August, 2020; 11th November, 2020 and 08th February, 2021. 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	4	4
Mr. Sajjan Bhajanka	Non-Executive Director	4	4
Mr. Prem Kumar Bhajanka	Non-Executive Director	4	1
Mr. Lamshwa Kyndoh	Non-Executive Director	4	1
Mr. Rangbahduh Khonglah	Non-Executive Director	4	1
Mr. Pramod Kumar Shah	Independent Director	4	4
Mr. Amit Kiran Deb*	Independent Director	4	4

* Mr. Amit Kiran Deb was appointed as an Additional Director in Independent category w.e.f. 01.04.2020 and regularised at the Annual General Meeting held on 28th September, 2020.

MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, a meeting of Independent Directors was held on 12th March, 2021 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, 2021 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. Pramod Kumar Shah and Mr. Amit Kiran Deb 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.

DIRECTORS' REPORT (Contd.)

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 2 (two) year from the date of inclusion of their names in the data bank. Mr. Amit Kiran Deb, Independent Director is exempted from qualifying 'online proficiency test' due to their relevant experience in listed companies and the Companies with Paid up equity Capital of ₹ 10 Crore and more. Mr. Pramod Kumar Shah had appeared in 'online proficiency test' within the period of 2 (two) year from the date of inclusion of his name in the data bank and has successfully qualified the test.

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, 2021 in the Board Meeting held on 25th June, 2020. The remuneration proposed to be paid to them for the FY 20-21, as recommended by audit committee, was ratified in the meeting of shareholders held on 28th September, 2020. However, Messrs Sanjib Das & Associates, have expressed their unwillingness to be re-appointed for the FY 21-22 due to their pre-occupation.

The Board of Directors of the Company on the recommendation of the Audit Committee, appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064), as the Cost Auditors of the Company for the Financial Year 2021-22 under section 148 of the Companies Act, 2013. M/s. B. G. Chowdhury & Co. have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under section 141(3). The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s. B. G. Chowdhury & Co., Cost Auditors for the FY 21-22 is included in the Notice convening the Annual General Meeting.

The cost audit report for the FY 19-20 was filed with the Ministry of Corporate Affairs on 09th December, 2020.

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.

DIRECTORS' REPORT (Contd.)

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 toward Conservation of energy

- i. ESP recirculation taken in 43 MW Boilers for reducing LOI.
- ii. 8 MW boiler drain modified to reduce the heat loss & auxiliary.
- iii. CPH operation improved and as a result of that CHP running hours reduced.
- iv. ACC maintenance work is under progress for improving specific steam consumption in 43 MW unit.

(B) Steps taken towards Technical Absorption

- i. Limestone feeding arrangement modified to increase the limestone feeding efficiency.
- ii. VFD in standby ID fan installed to reduce the APC and improving the plant availability.
- iii. Bamboo chips feeding trail taken in 8 MW boiler, bamboo chip feeding process modification for optimum use is under progress.

(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 NIL (Previous year ₹ 2,062.28 Lakhs).

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 2020-21, the Company had contributed in the following verticals:

EDUCATION:

Your Company is promoting education and providing non-formal education to the rural and tribal people through One Teacher School (OTS) i.e., Ekal Vidyalaya run by the Friends of Tribal Society (FTS). The projects aims to reach the education to every doorstep of the country.

HEALTH AND SANITATION:

Drinking water project: Though potable water is one of the most necessary amenities of regular life but people from remote areas face a huge problem of having pure water to drink. So, a drinking water service has been going on since past times to serve the communities of Meghalaya location.

RURAL AND INFRASTRUCTURE DEVELOPMENT

Star Roshni: Your Company has given generous effort to maintain street lights of Lumshnong village under Star Roshni Project which ensures smooth mobility of village women, children and old age people during the night hours. The Company also provided electrical appliances to the Community hall for use of the local people.

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.

DIRECTORS' REPORT (Contd.)

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Rangbahduh Khonglah, 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:

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

HOLDING COMPANY

During the year, your Company became a wholly owned subsidiary Company of M/s. Star Cement Limited with a stake of 100% 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. During the year, your Company ceased to be an 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 ₹ 9151.21 Lakhs in pursuance to the National Green Tribunal (NGT) order dated 17.01.2020 passed in O.A. No. 110 (THC)/2012 against the Company and other Cement and Power Companies in Meghalaya for alleged illegal coal procurement.

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 not on hard facts. The Company backed by the legal opinions, believed 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.

Accordingly, the Company has preferred an appeal before the Appex Court and accordingly no provisions has been made in the accounts. (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). The outlook on the long term rating is 'Stable'.

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.

DIRECTORS' REPORT (Contd.)

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 25th June, 2020; 11th August, 2020; 11th November, 2020 and 08th February, 2021. 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. Sajjan Bhajanka	Non-Independent	Member	4	4
Mr. Amit Kiran Deb *	Independent	Member	4	4

* 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 victimisation 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 once to deliberate on the various matters. The Meetings was held on 25th June, 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	1	1
Mr. Sajjan Bhajanka	Non-Independent	Member	1	1
Mr. Amit Kiran Deb **	Independent	Member	1	1

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

** 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.

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 25th June, 2020. The composition of the Committee and the attendance details of the members are given below:

DIRECTORS' REPORT (Contd.)

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

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.

During the year under review, the Finance Committee met Three (3) times to deliberate on the various matters. The Meetings were held on 25th June, 2020, 11th August, 2020 and 11th November, 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. Sajjan Bhajanka	Non-Independent	Chairman	3	3
Mr. Prem Kumar Bhajanka	Non-Independent	Member	3	1
Mr. Ghanshyam Agarwal	Executive	Member	3	3

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: 8th June, 2021

Ghanshyam Agarwal
Managing Director
(DIN: 08181762)

Sajjan Bhajanka
Director
(DIN: 00246043)

Annexure - 1
FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2021

[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 & Share Transfer Agent, if any	Maheshwari Datamatics Private Limited 23, R. N. Mukherjee Road, 5th floor, Kolkata, West Bengal - 700001 Phone: 033-2248 2248; 033-2243 5029 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	98.83

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 Village: Lumshnong, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210	L26942ML2001PLC006663	Holding	100	2(46)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2020]				No. of Shares held at the end of the year [As on 31-March-2021]*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
<i>(1) Indian</i>									
a) Individual/ HUF	-	15,002	15,002	0.09	6	-	6	0.00	(0.09)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	1,70,95,618	1,70,95,618	99.80	1,71,30,614	-	1,71,30,614	100.00	0.20
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub -total (A) (1)	-	1,71,10,620	1,71,10,620	99.89	1,71,30,620	-	1,71,30,620	100.00	0.11
<i>(2) Foreign</i>									
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	1,71,30,620	-	1,71,30,620	100.00	0.00
B. Public Shareholding									
<i>1. Institutions</i>									
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)	-	-	-	-	-	-	-	-	-
<i>2. Non-Institutions</i>									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2020]				No. of Shares held at the end of the year [As on 31-March-2021]*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	20,000	20,000	0.11	-	-	-	-	(0.11)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	20,000	20,000	0.11	-	-	-	-	(0.11)
Total Public shareholding (B) = (B) (1) + (B) (2)	-	20,000	20,000	0.11	-	-	-	-	(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	(0.00)

*During the Financial Year, the company became a wholly owned subsidiary of Star Cement Limited. 6 Individuals holding one share each as nominee of Star Cement Limited, Holding Company.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		[As on 01-April-2020]			[As on 31-March-2021]			
		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	87,36,620	51.00	-	1,71,30,614	100.00	-	49.00
2	Shyam Century Ferrous Limited	83,58,998	48.80	-	-	0.00	-	(48.80)
3	Mr. Sajjan Bhajanka	15,000	0.09	-	-	0.00	-	(0.09)
4	Mr. Hari Prasad Agarwal	1	0.00	-	-	0.00	-	-
5	Mr. Rajesh Kumar Agarwal	1	0.00	-	-	0.00	-	-
	Total	1,71,10,620	99.89	-	1,71,30,614	100.00	-	0.11

(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
1	Star Cement Limited						
	At the beginning of the year	01.04.2020		8,736,620	51.00		
	Changes during the year	20.01.2021	Transfer	1,875,000	10.95	10,611,620	61.95
		22.01.2021	Transfer	1,425,000	8.32	12,036,620	70.26
		25.01.2021	Transfer	825,000	4.82	12,861,620	75.08
		27.01.2021	Transfer	1,460,000	8.52	14,321,620	83.60
		12.02.2021	Transfer	2,773,998	16.19	17,095,618	99.80
		12.03.2021	Transfer	15,000	0.09	17,110,618	99.88
		16.03.2021	Transfer	15,000	0.09	17,125,618	99.97
		17.03.2021	Transfer	1,000	0.01	17,126,618	99.98
		22.03.2021	Transfer	2	0.00	17,126,620	99.98
		23.03.2021	Transfer	3,000	0.02	17,129,620	99.99
		25.03.2021	Transfer	1,000	0.01	17,130,620	100.00
	At the end of the year	31.03.2021		17,130,620	100.00	17,130,620	100.00
2	Shyam Century Ferrous Limited						
	At the beginning of the year	01.04.2020		8,358,998	48.80		
	Changes during the year	20.01.2021	Transfer	(1,875,000)	(10.95)	6,483,998	37.85
		22.01.2021	Transfer	(1,425,000)	(8.32)	5,058,998	29.53
		25.01.2021	Transfer	(825,000)	(4.82)	4,233,998	24.72
		27.01.2021	Transfer	(1,460,000)	(8.52)	2,773,998	16.19
		12.02.2021	Transfer	(2,773,998)	(16.19)	-	-
	At the end of the year	31.03.2021		-	-	-	-
3	Mr. Sajjan Bhajanka						
	At the beginning of the year	01.04.2020		15,000	0.09		
	Changes during the year	12.03.2021	Transfer	(15,000)	(0.09)	-	-
	At the end of the year	31.03.2021		-	-	-	-
4	Mr. Hari Prasad Agarwal						
	At the beginning of the year	01.04.2020		1	0.00		
	Changes during the year	04.03.2021	Transfer	(1)	(0.00)	-	-
	At the end of the year	31.03.2021		-	-	-	-
5	Mr. Rajesh Kumar Agarwal						
	At the beginning of the year	01.04.2020		1	0.00		
	Changes during the year	04.03.2021	Transfer	1	0.00	2	0.00
		22.03.2021	Transfer	(2)	(0.00)	-	-
	At the end of the year	31.03.2021		-	-	-	-

(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. Brij Bhushan Agarwal						
	At the beginning of the year	01.04.2020		15,000	0.09		
	Changes during the year	16.03.2021	Transfer	(15,000)	(0.09)	-	-
	At the end of the year	31.03.2021		-	-	-	-
2	Mr. Jyoti Prakash Sinha						
	At the beginning of the year	01.04.2020		2,000	0.01		
	Changes during the year	23.03.2021	Transfer	(2,000)	(0.01)	-	-
	At the end of the year	31.03.2021		-	-	-	-
3	Mr. Souren Ghosh						
	At the beginning of the year	01.04.2020		1,000	0.01		
	Changes during the year	25.03.2021	Transfer	(1,000)	(0.01)	-	-
	At the end of the year	31.03.2021		-	-	-	-
4	Ms. Moushumi Haldar						
	At the beginning of the year	01.04.2020		1,000	0.01		
	Changes during the year	17.03.2021	Transfer	(1,000)	(0.01)	-	-
	At the end of the year	31.03.2021		-	-	-	-
5	Mr. Utpal Senpati						
	At the beginning of the year	01.04.2020		1,000	0.01		
	Changes during the year	23.03.2021	Transfer	(1,000)	(0.01)	-	-
	At the end of the year	31.03.2021		-	-	-	-

(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. Ghanshyam Agarwal (Managing Director)						
	At the beginning of the year	01.04.2020		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2021		-	-	-	-
2	Mr. Sajjan Bhajanka (Non-Executive Director)						
	At the beginning of the year	01.04.2020		15,000	0.09		
	Changes during the year	12.03.2021		(15,000)	(0.09)	-	-
	At the end of the year	31.03.2021		-	-	-	-
3	Mr. Prem Kumar Bhajanka (Non-Executive Director)						
	At the beginning of the year	01.04.2020		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2021		-	-	-	-
4	Mr. Rangbahaduh Khonglah (Non-Executive Director)						
	At the beginning of the year	01.04.2020		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2021		-	-	-	-

5	Mr. Lamshwa Kyndoh (Non-Executive Director)			
	At the beginning of the year	01.04.2020	-	-
	Changes during the year		No changes during the year	
	At the end of the year	31.03.2021	-	-
6	Mr. Amit Kiran Deb (Independent Director)			
	At the beginning of the year	01.04.2020	-	-
	Changes during the year		No changes during the year	
	At the end of the year	31.03.2021	-	-
7	Mr. Pramod Kumar Shah (Independent Director)			
	At the beginning of the year	01.04.2020	-	-
	Changes during the year		No changes during the year	
	At the end of the year	31.03.2021	-	-
8	Mr. Bishal Kumar Agarwal (Chief Financial Officer)			
	At the beginning of the year	01.04.2020	-	-
	Changes during the year		No changes during the year	
	At the end of the year	31.03.2021	-	-
9	Mr. Debabrata Thakurta (Company Secretary)			
	At the beginning of the year	01.04.2020	-	-
	Changes during the year		No changes during the year	
	At the end of the year	31.03.2021	-	-

V. INDEBTEDNESS

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

As on financial year ended on 31st March, 2021

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits**	Total Indebtedness
Indebtedness at the beginning 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
Change in Indebtedness during the financial year #				
* Addition	-	-	-	-
* Reduction	361.42	1,565.00	-	1,926.42
Net Change	(361.42)	(1,565.00)	-	(1,926.42)
Indebtedness at the end of the financial year				
i) Principal Amount	35.60	5,350.00	-	5,385.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	35.60	5,350.00	-	5,385.60

** 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	
	Name	Mr. Ghanshyam Agarwal		(₹ in Lakhs)	
	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. ₹ 11.17 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. Amit Kiran Deb	Mr. Pramod Kr. Shah	Mr. Rangbahduh Khonglah	Mr. Lamshwa Kyndoh	
1	Independent Directors					
	Fee for attending Board/ Committee meetings	0.38	0.40	-	-	0.78
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.38	0.40	-	-	0.78
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)	-	-	6.00	3.00	9.00
	Total (2)	-	-	6.05	3.05	9.10
	Total (B)=(1+2)	0.38	0.40	6.05	3.05	9.88
	Total Managerial Remuneration					9.88
	Overall ceiling as per the Act	11% of the net profit i.e. ₹ 24.57 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)
		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	16.84	-	16.84
	(b) Value of perquisites under section 17(3) 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	16.84	-	16.84

Mr. Debabrata Thakurta, Company Secretary draws salary from its Holding Company, Star Cement Limited.

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 on the Company's CSR policy:

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and as per The Companies (Corporate Social Responsibility Policy) Rules, 2014 as and when amended. The main objective of the policy is to establish the basic principles and the general framework of action for management to undertake and fulfil its Corporate Social Responsibility.

2. The composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Pramod Kumar Shah	Chairman (Independent Director)	1	1
2	Mr. Sajjan Bhajanka	Member (Non-Executive Director)	1	1
3	Mr. Ghanshyam Agarwal	Member (Non-Executive Director)	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: NOT APPLICABLE

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

NOT APPLICABLE

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : NOT APPLICABLE

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1			
	Total		

6. Average Net Profit of the Company for last 3 financial years: ₹ 980.55 Lakhs

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹19.61 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 19.61 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 19.89 Lakhs					NIL

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration.	(7) Amount allocated for the project (₹ in Lakhs)	(8) Amount spent in the current financial Year (₹ in Lakhs)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number

NOT APPLICABLE

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (₹ in Lakhs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Education - Through One Teacher school (O.T.S.) i.e. Ekal Vidyalaya.	Item No. (ii) - Promoting Education	No	Throughout the Country		11.00	Yes	Not Applicable	
2.	Health & Sanitation	Item No. (i) - Promoting health care including preventive health care	Yes	Meghalaya	Lumshnong	6.09	No	Lumshnong Village Local Area Welfare Trust	CSR00004263
3.	Rural & Infrastructure Development	Item No. (x) - Rural & Infrastructure Development	Yes	Meghalaya	Lumshnong	2.80	No	Lumshnong Village Local Area Welfare Trust	CSR00004263
Total						19.89			

(d) Amount spent in Administrative Overheads – Nil**(e) Amount spent on Impact Assessment, if applicable** – Nil**(f) Total amount spent for the Financial Year (8b+8c+8d+8e)** – ₹ 19.89 Lakhs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	19.61
(ii)	Total amount spent for the Financial Year	19.89
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.28
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.28

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). – Not Applicable

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). – Not Applicable

For and on behalf of the Board of Directors

Place : Kolkata
Date: 8th June, 2021

Ghanshyam Agarwal
Managing Director

Pramod Kumar Shah
Chairman – CSR Committee

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	30.93	Permanent	B Tech (Electrical)	31	25.07.2004	50	Kalyanpur Cements Limited	NIL	None
2	Mr. Sumanta Chand	Manager - Power Sales	24.16	Permanent	MBA (power management), B. Tech (Information Technology)	12	20.09.2013	37	Sterilite Energy Limited	NIL	None
3	Mr. Bishal Kumar Agarwal	Chief Financial Officer	16.84	Permanent	Chartered Accountant	12	06.02.2018	34	UJD E Services (P) Ltd	NIL	None
4	Mr. Utpal Senapati	Senior Executive - Finance & Accounts	12.25	Permanent	B.Com	16	02.06.2008	41	ITC Limited	NIL	None
5	Mr. Shashank Shekhar Mishra	Senior Engineer - Instrumentation	9.41	Permanent	Diploma in Instrumentation Engineering	14	15.11.2008	44	DLF Power Limited	NIL	None
6	Mr. Ashok Kumar	Assistant Engineer - Electrical	8.86	Permanent	ITI Electrical	22	11.10.2008	47	Bajaj Hindustan & Sugar India Limited	NIL	None
7	Mr. Santosh Kumar Singh	Senior Engineer	7.31	Permanent	Diploma in instrumentation	14	19.05.2011	35	SK Singh Artee Flow Controls Pvt. Ltd.	NIL	None
8	Mr. Aftab Alam	Junior Engineer	7.00	Permanent	Boiler – 1st class	29	21.12.2011	55	Geep Industrial Syndicate Ltd.	NIL	None
9	Mr. Nagendra Sharma	Junior Engineer	6.73	Permanent	ITI Fitter & 1st BIEC, Diploma in Distance (Mechanical)	19	17.04.2007	49	Gama AI Moushegah Arabia Ltd.	NIL	None
10	Mr. Monoj Nath	Senior Engineer – Operation & Maintenance	6.41	Permanent	Diploma in Mechanical Engineering	13	14.02.2008	40	Shyam Century Ferrous Ltd.	NIL	None

INDEPENDENT AUDITOR'S 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, 2021, 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, 2021, the profit and other comprehensive income, changes in equity and the cash flows for the year then ended.

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:

S. No.	Key Audit Matter	Auditor's Response
1	<p>Related Party Transactions (Refer Note no. 37 to the Financial Statements.)</p> <p>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:</p> <ul style="list-style-type: none"> the significance of transactions with related parties during the year ended 31 March, 2021, necessitated to be at arm's length, significant cash flow between parties, intercompany contracts, and common management amongst other things. the fact that the Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015. 	<p>Our audit procedures in relation to the evaluation and disclosure of related party transactions included:</p> <ul style="list-style-type: none"> 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. 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. Review of confirmation and reconciliation process and analytical review of various account balances and transaction balances amongst other things.

INDEPENDENT AUDITOR'S REPORT (Contd.)

S. No.	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> - Assessing management's evaluation of compliance with the provisions of Section 177 and Section 188 of the Act 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. <p>Our examination has showed that the Related Party Transactions have been evaluated and disclosed appropriately</p>
	<p>Litigation, Claims and Contingent Liabilities (Refer Note no. 39 to the Standalone Financial Statements)</p> <p>Provisions and contingent liability disclosures may arise from indirect tax proceedings, legal proceedings, including regulatory and other government/ department proceedings, as well as investigations by authorities and commercial claims.</p> <p>The Company applies significant judgement in estimating the likelihood of the future outcome in each case and in determining the provisions or disclosures required for each matter. These estimates could change significantly over time as new facts emerge and each legal case progresses.</p> <p>The Company is involved in legal proceedings on disputed tax demands. The company's management has assessed that the probability of success of the demand is remote and accordingly has not provided for the disputed demands.</p> <p>This has been considered a key audit matter in view of the uncertain outcome of the litigations and involvement of significant management judgement in assessing the probability of outflow of economic resources.</p>	<p>Our audit procedures to assess the appropriateness of provisions and adequacy of disclosures included:</p> <ul style="list-style-type: none"> - Reviewing the outstanding litigations against the Company for consistency with the previous years. Enquiring and obtaining explanations for movement during the year. - Reading the latest correspondence between the Company and the various tax/legal authorities - Discussing the status of significant litigation with the Company's in-house Legal Counsel and other senior management personnel and assessing their responses. - On sample basis, examine the Company's legal expenses and read the minutes of the board meetings, in order to ensure all cases have been identified. - With respect to tax matters, discussing with the Company's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. - For those matters where management concluded that no provisions should be recorded, considering the adequacy and completeness of the Company's disclosures with regard to facts and circumstances of the legal and litigation matters <p>On the basis of the above procedures performed, we considered the management's assessment in respect of contingencies and provision for taxes and other litigations and claims to be reasonable and disclosures to be appropriate.</p>

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 with reference to financial statements 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 with reference to financial statements 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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's 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 lockdown 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, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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 with reference to the financial statements 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 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 were no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March, 2021.
3. With respect to the matter 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 current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) of the Act which are required to be commented upon by us.

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

Manoj K Roongta
Partner
Membership No: 057761
UDIN: 21057761AAAAAJ2286

Place : Kolkata
Date: 08 June, 2021

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 physical verification to cover all the items of fixed assets at regular intervals of time which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As per the records of the Company examined by us and 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 by the Management at reasonable intervals during the year. The discrepancies noticed on verification between the physical stock and the book records have been properly dealt with in the books of account.
- 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 covered under Section 185 of the Act, and hence not commented upon. Further, no loans, investments and guarantees have been made by the Company to the parties covered under Section 186 of the Act, and hence not commented upon.
- 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 Section 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 any other statutory dues, as applicable, with the appropriate authorities. In our opinion and 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, 2021 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 lakhs)	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
Income Tax Act, 1961	Demand Payable	1712.89	A.Y-2017-18	Additional Commissioner of Income Tax/ Income-tax Officer, National e-Assessment Centre, Delhi

- 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 fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanation given to us and the records of the Company examined by us, 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 Chhajjer & Co.
Chartered Accountants
Firm Registration No.: 304138E

Manoj K Roongta
Partner
Membership No:057761
UDIN: 21057761AAAAAJ2286

Place : Kolkata
Date: 08 June, 2021

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 with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to financial statements of Meghalaya Power Limited ("the Company") as at 31 March 2021 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 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 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").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, 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 with reference to

financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 authorisation of the 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, 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

Manoj K Roongta
Partner
Membership No.: 057761
UDIN: 21057761AAAAAJ2286

Place : Kolkata
Date : 08 June, 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Notes	31st March, 2021	31st March, 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	16,345.57	17,659.77
(b) Capital work-in-progress	2.2	91.83	50.31
(c) Right-of-use assets	2.1	0.70	1.40
(d) Financial assets			
(i) Loans	3	1.39	1.39
(e) Non current tax assets (net)	4	266.11	295.63
(f) Other non-current assets	5	258.92	213.58
Total non-current assets		16,964.52	18,222.08
(2) Current assets			
(a) Inventories	6	2,011.84	3,991.15
(b) Financial assets			
(i) Trade receivables	7	2,028.00	746.33
(ii) Cash and cash equivalents	8	7.16	50.92
(c) Other current assets	9	73.56	350.52
Total current assets		4,120.56	5,138.92
Total assets		21,085.08	23,361.00
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	1,713.06	1,713.06
(b) Other equity	11	12,808.42	12,652.15
Total equity		14,521.48	14,365.21
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	5,350.00	6,915.00
(ii) Other financial liabilities-Lease Liabilities	13	0.45	0.74
(b) Provisions	14	24.71	47.02
(c) Deferred tax liabilities (net)	15	275.10	235.13
(d) Other non current liabilities	16	41.13	43.94
Total non-current liabilities		5,691.39	7,241.83
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	35.60	395.36
(ii) Trade payables	18		
a) Total outstanding dues of micro enterprises and small enterprises		0.47	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		75.05	471.42
(iii) Other financial liabilities (Incl. Lease Liabilities)	19	690.74	767.78
(b) Provisions	20	17.59	15.52
(c) Other current liabilities	21	52.76	103.88
Total current liabilities		872.21	1,753.96
Total liabilities		6,563.60	8,995.79
Total equity and liabilities		21,085.08	23,361.00
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on Behalf of the Board of Directors

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

Manoj K Roongta
Partner
Membership No:057761

Bishal Kumar Agarwal
Chief Financial Officer

Ghanshyam Agarwal
Managing Director
DIN : 08181762

Place : Kolkata
Date: 8th June, 2021

Debabrata Thakurta
Company Secretary

Sajjan Bhajanka
Director
DIN : 00246043

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Notes	31st March, 2021	31st March, 2020
INCOME			
Revenue from operations	22	11,963.60	12,217.10
Other income	23	29.72	15.70
Total income		11,993.32	12,232.80
EXPENSES			
Cost of Coal Consumed	24	6,843.31	825.67
Energy Purchase		1,258.75	6,636.56
Power inventory (increase)/decrease	25	701.62	852.12
Employee benefit expenses	26	561.52	599.38
Finance costs	27	542.54	885.49
Depreciation	28	1,311.22	1,440.13
Other expenses	29	558.59	620.30
Total expenses		11,777.55	11,859.66
Profit before tax		215.77	373.14
Tax expenses			
- Current tax	30	19.65	46.21
- Income Tax of Earlier Year		-	(6.43)
- Deferred tax		39.93	(26.01)
Profit for the year		156.19	359.37
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	32	0.11	(1.63)
Income tax related to above		(0.03)	0.44
Other comprehensive income for the year (net of tax)		0.08	(1.19)
Total comprehensive income for the year		156.27	358.18
Earnings per equity share			
Basic earning per share (in ₹)	31	0.91	2.10
Diluted earning per share (in ₹)	31	0.91	2.10
Significant accounting policies	1		

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

Manoj K Roongta
Partner
Membership No:057761

Place : Kolkata
Date: 8th June, 2021

For and on Behalf of the 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 31ST MARCH, 2021

A. Equity share capital

Particulars	(₹ in Lakhs)
	Amount
As at 1st April, 2019	1,713.06
Changes in equity share capital	-
As at 1st April, 2020	1,713.06
Changes in equity share capital	-
As at 31st March, 2021	1,713.06

B. Other equity

Particulars	Reserve and surplus		Total other equity
	Securities premium	Retained earnings	
	Balance as at 1st April, 2019	5,232.25	7,061.72
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 31st March, 2020	5,232.25	7,419.90	12,652.15

Particulars	Reserve and surplus		Total other equity
	Securities premium	Retained earnings	
	Balance as at 1st April, 2020	5,232.25	7,419.90
Profit for the year (a)	-	156.19	156.19
Other comprehensive income/ (loss) for the year (net of tax) (b)	-	0.08	0.08
Total comprehensive income for the year (a + b)	-	156.27	156.27
Balance as at 31st March, 2021	5,232.25	7,576.17	12,808.42

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

Manoj K Roongta
Partner
Membership No:057761

Place : Kolkata
Date: 8th June, 2021

For and on Behalf of the Board of Directors

Bishal Kumar Agarwal
Chief Financial Officer

Debabrata Thakurta
Company Secretary

Ghanshyam Agarwal
Managing Director
DIN : 08181762

Sajjan Bhajanka
Director
DIN : 00246043

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Cash flow from Operating Activities		
Net profit before tax	215.77	373.14
Adjustments for :		
Depreciation of Property Plant & Equipment	1310.52	1439.40
Amortization of Right- of-use asset	0.70	0.73
(Gain) / Loss on sale/discard of Property Plant & Equipment	7.58	0.11
Finance Cost	542.54	885.49
Allowances for Doubtful Trade Receivables	0.00	3.24
Operating Profit before working Capital changes	2,077.11	2,702.11
Adjustments for :		
(Increase) / Decrease in Trade receivables	(1,281.67)	470.73
(Increase) / Decrease in Inventories	1,979.31	1,108.24
(Increase) / Decrease in Loans	0.00	(0.90)
(Increase) / Decrease in Other assets	386.49	(109.31)
Increase / (Decrease) in Other payable (Including trade payable)	(395.90)	(772.81)
Increase / (Decrease) in Other liabilities and provision	(147.67)	84.25
Cash Generated from Operations	2,617.67	3,482.31
Income Tax Paid	(145.00)	(100.00)
Net cash flow from Operating Activities (A)	2,472.67	3,382.31
Cash flow from Investing Activities		
Purchase of Property Plant & Equipment (Including CWIP)	(48.42)	(35.17)
Sale of Property Plant & Equipment (Including CWIP)	-	11.21
Net Cash used in investing Activities (B)	(48.42)	(23.96)
Cash Flow from Financing Activities		
Interest Paid	(542.43)	(882.62)
Payment of Lease Liability	(0.82)	(0.85)
Repayment of Long Term Borrowings	(1,565.00)	-
Proceeds from Long Term Borrowings	-	1,415.00
Repayment of Short Term Borrowings	(359.76)	(3,985.97)
Net Cash used in Financing Activities (C)	(2,468.01)	(3,454.44)
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	(43.76)	(96.09)
Cash and Cash Equivalents		
Opening Balance	50.92	147.01
Closing Balance	7.16	50.92

Notes:

- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) "Statement of Cash Flow".
- For the purpose of Cash Flow Statement, Cash and Cash Equivalents comprises the followings: `

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Cash in hand	2.06	5.66
Cheques in hand	0.00	33.34
Balance with Banks	5.10	11.92
Total	7.16	50.92

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

Manoj K Roongta
Partner
Membership No:057761

Place : Kolkata
Date: 8th June, 2021

For and on Behalf of the Board of Directors

Bishal Kumar Agarwal
Chief Financial Officer

Debabrata Thakurta
Company Secretary

Ghanshyam Agarwal
Managing Director
DIN : 08181762

Sajjan Bhajanka
Director
DIN : 00246043

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2021

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, amendments thereto and other relevant provisions of the Act.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors on 08th June, 2021.

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:

- Net defined benefit asset/liability which is Fair value of plan assets less present value of defined benefit obligations
- Certain financial assets and financial liabilities that are measured at fair value.

(iii) Current and 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 lakhs as per the requirement of Schedule III, unless otherwise stated.

Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require the 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 results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period. Revisions in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below:

- i) Classification of legal matters and tax litigation
- ii) Defined benefit obligations
- iii) Useful life of property, plant and equipment
- iv) Leases Ind AS 116

1.2 Foreign Currency Transactions and 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 (INR), which is Star Cement 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 recognised as income or expenses in the Statement of Profit and Loss All foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income or other expenses.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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 recognising 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 equipment are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

1.3 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, amortisation 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.

Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced the Company depreciates them separately based on their specific useful lives. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Capital Work In Progress

Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition/ construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets"

Expenditure during construction period

In case of new projects and substantial expansion of existing units, expenditure incurred including trial

production expenses net of revenue earned, and attributable interest and financing costs, until the project is ready for its intended use are capitalised..

Depreciation

Depreciation on Property, plant and equipment is provided on Written Down Value (WDV) method for cement division and on straight line method for power division 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/SLM 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 recognised, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognised 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 recognised impairment loss is further provided or reversed depending on changes in circumstances.

1.4 Intangible Asset

An intangible asset is recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased software and IT related expenditure is written off over a period of three years.

1.5 Research and Development Expenditure

Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets.

1.6 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company recognises 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 recognised, 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 recognises 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.

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.

1.7 Government Grants / Subsidies

Government grants and subsidies are recognised when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment/reimbursement of any particular item of expenses are recognised in the Statement of Profit and Loss as deduction from related item of expenditure. Grants related to assets which are recognised in the Balance Sheet as deferred income, are recognised 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.

1.8 Inventories

Raw materials, stores and spare parts, fuel and packing material:

Raw materials, stores and spares and fuel and packing material are valued at lower of cost and net realisable value. Cost includes purchase price, other costs incurred in bringing the inventories to their present location and condition, and taxes for which credit is not available. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

Work-in-progress, finished goods and stock in trade:

Work-in-progress, finished goods and stock in trade are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-trade includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on weighted average basis.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

1.9 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.

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

Where the Company 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.

1.10 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.

1.11 Cash & Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and demand deposits with banks and other short-term highly liquid investments/deposits that are readily convertible into cash which are subject to insignificant risk of changes in value with an original maturity of three months or less.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

1.12 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.

1.13 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 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.

1.14 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of cost 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 to get ready for its intended use. All other borrowing costs are recognised as expense in the period in which they are incurred. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustment to the interest cost.

1.15 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of 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 recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.16 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 Company or the counterparty.

1.17 (A) Revenue Recognition

Revenue from sale of goods is recognised when control of the products has been transferred. The domestic sales are accounted when the products are dispatched to the customers and export sales are accounted on the basis of bill of export / bill of lading. Delivery occurs when the product has been dispatched to the specific location and the risk of obsolescence/ 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, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

A receivable is recognised when the goods are dispatched 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.

Revenue is exclusive of goods and service tax and net of discounts, sales returns and foreign exchange gain/(loss).

Unfulfilled performance obligations

The Company provides certain benefits to customers for purchasing products from the Company. These provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide such benefits to the customer is a separate performance obligation. The transaction price is allocated to the product and the benefit to be provided on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of providing cost of such benefits. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. To the extent these benefits are not settled/disbursed till the end of a reporting period these are recorded.

A contract liability is recognised until the benefit is provided.

(B) Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognised when right to receive is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

1.18 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

Employee's 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 statement of Profit and Loss account for the year when the contributions to the respective funds are due.

(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.

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.

1.19 Tax 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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also 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 income 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 income 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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 recognised to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act 1961.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.20 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity

shareholders by the weighted average number of equity shares outstanding during the period.

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

1.21 Provisions and Contingencies

A provision is recognised 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.

1.22 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

1.23 Dividends

Dividends paid (including dividend distribution tax thereon) is recognised 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

2. PROPERTY, PLANT AND EQUIPMENT

Particulars	(₹ in Lakhs)										
	Land & Site Develop- ment	Factory Building	Non Factory Building	Plant & Machinery	Heavy vehicles	Light vehicles	Office Equip- ments	Computers	Furniture & Fixtures	Tools & Tackles	Total
Gross Block											
At 1st April, 2019	683.27	2,404.60	449.32	20,560.23	63.73	10.57	4.66	5.30	4.93	34.74	24,221.36
Addition	-	(0.58)	(0.06)	17.83	-	-	1.62	-	-	-	18.82
Disposals/Deduction/Adjustments	-	-	-	28.68	-	-	1.52	-	-	-	30.20
At 31st March, 2020	683.27	2,404.02	449.26	20,549.38	63.73	10.57	4.76	5.30	4.93	34.74	24,209.98
Addition	-	-	-	5.75	-	-	0.36	0.59	0.21	-	6.91
Disposals/Deduction/Adjustments	-	-	-	3.85	0.92	-	0.30	0.02	0.58	28.27	33.94
At 31st March, 2021	683.27	2,404.02	449.26	20,551.28	62.81	10.57	4.82	5.87	4.56	6.47	24,182.95
Accumulated Depreciation											
At 1st April, 2019	-	594.49	161.74	4,289.18	41.79	7.12	3.01	4.03	2.46	21.83	5,125.65
charge for the year	-	173.62	26.58	1,230.62	5.92	1.06	1.16	0.14	0.60	3.18	1,442.89
Disposals/Deduction/Adjustments	-	-	-	16.91	-	-	1.41	-	-	-	18.32
At 31st March, 2020	-	768.11	188.32	5,502.89	47.72	8.18	2.75	4.16	3.06	25.02	6,550.21
charge for the year	-	156.92	19.93	1,128.35	4.06	0.73	0.84	0.05	0.45	2.19	1,313.52
Disposals/Deduction/Adjustments	-	-	-	2.98	0.34	-	0.21	-	0.41	22.41	26.35
At 31st March, 2021	-	925.03	208.25	6,628.26	51.44	8.91	3.38	4.21	3.10	4.80	7,837.38
Net Carrying Value											
At 31st March, 2020	683.27	1,635.91	260.95	15,046.49	16.01	2.39	2.01	1.14	1.87	9.72	17,659.77
At 31st March, 2021	683.27	1,478.99	241.01	13,923.02	11.37	1.66	1.44	1.66	1.46	1.67	16,345.57

Note:

- During the year company has sold/ discarded property, plant and equipment amounting to ₹ 33.94 Lakhs (31st March, 2020- ₹ 30.20 Lakhs)
- During the year foreign exchange gain/loss as at 31st March, '21 is Nil (as at 31st March, 2020- foreign exchange gain is ₹ 6.21 Lakhs), 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 31ST MARCH, 2021 (Contd.)**

2.1 Right-of-use assets

		(₹ in Lakhs)
Particulars		Non Factory Building
Gross Carrying Value		
At 1st April, 2019		-
Addition (Transitional impact on adoption of Ind AS 116)		2.12
Disposals/deductions/adjustment		-
At 31st March, 2020		2.12
Addition		-
Disposals/deductions/adjustment		-
At 31st March, 2021		2.12
Accumulated Depreciation		
At 1st April, 2019		-
Charge for the year		0.73
Disposals/deductions/adjustment		-
At 31st March, 2020		0.73
Charge for the year		0.70
Disposals/deductions/adjustment		-
At 31st March, 2021		1.43
Net Carrying Value		
At 31st March, 2020		1.40
At 31st March, 2021		0.70

2.2 Capitalisation of Expenditures

		(₹ in Lakhs)	
Particulars	31st March, 2021	31st March, 2020	
Balance at the beginning of the year included in capital work-in-progress	50.31	33.40	
Add : Expenditure during construction for projects	47.27	34.74	
Less : Capitalised during the year	5.75	17.83	
Balance at the end of the year included in capital work-in-progress	91.83	50.31	

3. LOANS

		(₹ in Lakhs)	
Particulars	31st March, 2021	31st March, 2020	
Unsecured, considered Good			
Security deposits	1.39	1.39	
	1.39	1.39	

4. NON CURRENT TAX ASSETS (NET)

		(₹ in Lakhs)	
Particulars	31st March, 2021	31st March, 2020	
Advance income tax & TDS Receivable (net of provision for taxation of ₹ 19.65 Lakhs, as at for 31st March, 2020 ₹ 46.40 Lakhs)	266.11	295.63	
	266.11	295.63	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

5. OTHER NON-CURRENT ASSETS

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Unsecured, considered Good		
Capital advances	258.92	213.58
	258.92	213.58

5.1 Capital Advances includes advance given against land amounting to ₹ 213.58 Lakhs. The Company is in the process of getting registration in its name.

6. INVENTORIES

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
(Valued at Lower of Cost or Net Realizable Value)		
Inventories		
Power Inventory (With MePDCL)	170.54	872.16
Fuels, Stores & Spares parts	1,841.30	3,118.99
	2,011.84	3,991.15

7. TRADE RECEIVABLES

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Unsecured		
Considered good	2,028.00	746.33
Unsecured, Considered doubtful	3.24	3.24
Less: Allowance for doubtful trade receivables	(3.24)	(3.24)
	2,028.00	746.33

8. CASH AND CASH EQUIVALENTS

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Cash in hand	2.06	5.66
Cheques in hand	0.00	33.34
Balance with Banks	5.10	11.92
	7.16	50.92

9. OTHER CURRENT ASSETS

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Advances to suppliers	23.46	244.86
Advances for goods, services & expenses	0.10	1.25
Balances with statutory/Government authorities	2.77	-
Prepaid expenses	45.14	66.97
Subsidies / incentives receivable from central / state governments	-	35.10
Advances to employees	2.09	2.34
	73.56	350.52

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

10. EQUITY SHARE CAPITAL

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Authorized Capital		
2,00,00,000 (2,00,00,000 as at 31st 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 31st March, 2020) Equity Shares of ₹ 10 each fully paid	1713.06	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

Equity shares	31st March, 2021	31st March, 2020
	No. of Shares	No. of Shares
At the beginning of the year	17,130,620	17,130,620
Issued during the year	-	-
Outstanding at the end of the year	17,130,620	17,130,620

c) Shares held by Holding Company

Particulars	31st March, 2021	31st March, 2020
	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	17,130,620	8,736,620

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

Particulars	31st March, 2021	31st March, 2020
	No. of Shares	No. of Shares
	% of holding	% of holding
Star Cement Limited	17,130,620	8,736,620
	100.00%	51.00%
Shyam Century Ferrous Limited	-	8,358,998
	0.00%	48.80%

10.1 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 31ST MARCH, 2021 (Contd.)

11. OTHER EQUITY

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
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	7,419.90	7,061.72
Profit / (loss) for the year	156.19	359.37
Items of other comprehensive income directly recognised in retained earnings		
Remeasurements of post-employment benefit obligations (net of tax)	0.08	(1.19)
Closing Balance	7,576.17	7,419.90
Total	12,808.42	12,652.15

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.

12. BORROWINGS

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Unsecured		
Loans from related party - (Refer note 12.1 & 12.2 below and Note No 37)	5,350.00	6,915.00
	5,350.00	6,915.00

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

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

13. OTHER FINANCIAL LIABILITIES-LEASE LIABILITIES

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Lease Liability	0.45	0.74
	0.45	0.74

14. PROVISIONS

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Provisions for employee benefits(Refer Note No 32)		
-Gratuity	24.71	47.02
	24.71	47.02

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**15. DEFERRED TAX LIABILITIES (NET)**

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Deferred tax liabilities		
Property, plant and equipment	1,758.31	1,704.32
	1,758.31	1,704.32
Deferred tax assets		
MAT credit entitlement	1,471.44	1,451.79
Employee benefit obligations	11.77	17.40
	1,483.21	1,469.18
Net deferred tax (asset) / liabilities	275.10	235.13

16. OTHER NON CURRENT LIABILITIES

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Deferred government grant	41.13	43.94
	41.13	43.94

17. BORROWINGS

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Secured - Repayable on demand		
Working capital facilities from banks (secured)		
Cash credit	35.60	395.36
	35.60	395.36

17.1 Working capital facilities of ₹ 35.60 Lakhs (31st March, 2020: ₹ 395.36) from Bank are secured by first charge on current assets of the company's Power plant at Lumshnong, Meghalaya. Further the Working Capital facility from Bank has been guaranteed by one Director of the Company (refer note no 37)

18. TRADE PAYABLES

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
a) Total outstanding dues of micro enterprises and small enterprises	0.47	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	75.05	471.42
	75.52	471.42

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

19. OTHER FINANCIAL LIABILITIES (INCL. LEASE LIABILITIES)

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Other Payables		
Retention money	22.39	25.85
Security deposit	4.16	10.15
Salary and bonus to employees	19.00	13.94
Lease Liability	0.30	0.71
Creditors for Expenses	5.33	-
Other liabilities	639.56	717.13
	690.74	767.78

20. PROVISIONS

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Provisions for employee benefits (Refer Note No 32)		
-Leave encashment	14.47	12.63
-Gratuity	3.12	2.89
	17.59	15.52

21. OTHER CURRENT LIABILITIES

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Other payables		
Statutory liabilities	49.82	96.97
Advance from customer	0.14	3.92
Current Deferred government grant	2.80	2.99
	52.76	103.88

22. REVENUE FROM OPERATIONS

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Sale of power	11,823.30	12,109.65
Other operating revenue		
Sale of fly ash	140.30	107.45
Revenue from operation	11,963.60	12,217.10

Note:

a) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Revenue as per contract price	11,963.60	12,217.10
Less: Discounts and incentives	-	-
Revenue as per statement of profit and loss	11,963.60	12,217.10

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

23. OTHER INCOME

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Interest on Income Tax Refund	14.48	-
Others	15.24	15.70
	29.72	15.70

24. COST OF COAL CONSUMED

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Inventors at the beginning of the year	1,881.92	1,122.79
Add: Purchase	5,490.90	1,580.70
Less: Inventors at the end of the year	979.41	1,881.92
	6,843.31	825.67

25. POWER INVENTORY (INCREASE)/DECREASE

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Inventories at the beginning of the year	872.16	1,724.28
Inventories at the end of the year	170.54	872.16
(Increase)/decrease	701.62	852.12

26. EMPLOYEE BENEFIT EXPENSES

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Salaries and wages	531.27	571.64
Contribution to provident fund	16.38	18.00
Employees Welfare expenses	13.87	9.74
	561.52	599.38

27. FINANCE COSTS

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Interest expenses		
On loan measured at amortised cost	532.51	877.39
Other borrowing costs	10.03	8.10
	542.54	885.49

28. DEPRECIATION

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Depreciation on Property, Plant & Equipment	1,310.52	1,439.40
Depreciation on Right-of-use-Assets	0.70	0.73
	1,311.22	1,440.13

28.1 Depreciation is net of amortisation of Government Grants amounting to ₹ 3.00 Lakhs as at 31st March, 2021 (31st March, 2020 ₹ 3.49 Lakhs).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

29. OTHER EXPENSES

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Consumption of stores & spares	77.05	18.76
Repairs & maintenance		
- Building	0.99	4.42
- Plant & machinery	212.55	230.96
- Others	25.43	16.96
Heavy vehicle / equipment running exp.	24.63	11.01
Travelling and conveyance	2.53	4.98
Insurance	76.83	48.74
Rent, rates & taxes	25.59	170.04
CSR expenses (Refer Note No. 41)	19.89	31.06
Miscellaneous expenses (Refer Note *)	93.10	83.38
	558.59	620.30

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

30. INCOME TAX EXPENSE

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
(a) Current tax		
Current tax on profits for the year	19.65	46.21
Total current tax expense	19.65	46.21
(b) Deferred tax		
MAT credit entitlement	(19.65)	(46.21)
Deferred tax - Others	59.58	20.21
Total deferred tax benefit	39.93	(26.01)
(C) Income Tax of Earlier Years	-	(6.43)
Income tax expense	59.58	13.77

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

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Profit before tax	215.77	373.14
Tax at the Indian tax rate of 27.82% (2019-20 - 27.82%)	60.03	103.81
Items not deductible/taxable under tax	(47.40)	(77.75)
Effect of Allowances/tax holidays for tax purpose	(13.69)	(27.26)
Impact of change in tax rate during the year	-	(0.03)
Income Tax of Earlier Years	-	(6.43)
Other adjustments	60.65	21.42
Income tax expense	59.58	13.77

30.2 The tax rate used for the FY 20-21 and 19-20 reconciliation above is the Corporate Tax Rate of 27.82 % (25% + Surcharge 7% + Education Cess 4%) payable on taxable profit under Income Tax Act 1961.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

31. EARNINGS PER SHARE

(a) Basic earnings per share

Particulars	31st March, 2021	31st March, 2020
Basic earnings per share attributable to the equity holders of the Company (in ₹)	0.91	2.10

(b) Diluted earnings per share

Particulars	31st March, 2021	31st March, 2020
Diluted earnings per share attributable to the equity holders of the Company (in ₹)	0.91	2.10

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

Particulars	31st March, 2021	31st March, 2020
		(₹ in Lakhs)
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basis earnings per share	156.19	359.37
Diluted earnings per share		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	156.19	359.37

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

Particulars	31st March, 2021	31st March, 2020
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

32. EMPLOYEES BENEFIT OBLIGATIONS

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	31st March, 2021	31st March, 2020
		(₹ in Lakhs)
Leave obligations not expected to be settled within the next 12 months	13.68	11.92

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

32. EMPLOYEES BENEFIT OBLIGATIONS (Contd.)

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

Particulars	(₹ in Lakhs)		
	Present value of obligation	Fair value of plan assets	Net amount
1st 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
<i>Remeasurements</i>			
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	1.54	0.10	1.64
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	-	-	-
31st March, 2020	51.53	(1.61)	49.91

Particulars	(₹ in Lakhs)		
	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2020	51.53	(1.61)	49.91
Current service cost	5.45	-	5.45
Interest expense/(income)	3.61	(1.03)	2.58
Total amount recognised in profit or loss	9.06	(1.03)	8.03
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(1.16)	(1.16)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	0.84	-	0.84
Actuarial (gain)/loss from unexpected experience	0.21	-	0.21
Total amount recognised in other comprehensive income	1.05	(1.16)	(0.11)
Employer contributions/ premium paid	-	(30.00)	(30.00)
Benefit paid	(3.90)	3.90	-
Settlement Cost	-	-	-
Other (unsettled liability at the end of the valuation date)	-	-	-
Disposal/ Transfer of Asset	-	-	-
31st March, 2021	57.73	(29.90)	27.83

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

32. EMPLOYEES BENEFIT OBLIGATIONS (Contd.)

Net asset / (liability) recognised in the balance sheet

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Present value of Defined Benefit Obligation	(57.73)	(51.53)
Fair Value of Plan Assets	29.90	1.61
Net Asset / (Liability) in the Balance Sheet	(27.83)	(49.91)
Current Asset/(liability)	(3.12)	(2.89)
Non-Current Asset/(liability)	(24.71)	(47.02)

(ii) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Discount rate	6.90%	7.00%
Expected return on plan asset	6.90%	7.00%
Salary growth rate	6%	6.00%
Withdrawal rate	1% to 8%	1% to 8%
Mortality rate	IALM (2012-14) Table	IALM (2006-08) Table

(iii) Sensitivity analysis

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

Particulars	(₹ in Lakhs)			
	Impact on defined benefit obligation			
	31st March, 2021		31st March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(52.43)	63.91	(46.72)	57.14
Salary growth rate (-/+ 1%)	64.20	(52.09)	57.41	(46.41)
Withdrawal rate (-/+ 1%)	58.11	(57.28)	51.93	(51.05)

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.

Major Categories of Plan Assets as a percentage of total plan assets	(₹ in Lakhs)	
	Gratuity (Funded)	
	31st March, 2021	31st March, 2020
Funds managed by Insurer	100%	100%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

32. EMPLOYEES BENEFIT OBLIGATIONS (Contd.)

(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 31st March, 2022 are ₹ 7.53 Lakhs.

The weighted average duration of the defined benefit obligation is 8.29years (31st March, 2020: 6.78 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	(₹ in Lakhs)		
	Less than a year	Between 2- 5 years	Between 5-10 years
31 March 2021			
Defined benefit obligation (gratuity)	3.12	1.80	36.06
Total	3.12	1.80	36.06
31 March 2020			
Defined benefit obligation (gratuity)	2.89	10.23	24.92
Total	2.89	10.23	24.92

c) Provident Fund:

Contribution towards provident fund are recomputed as expenses in the statement of profit and loss. The Company has a defined contribution plan. Under the defined contribution plan, provident fund is contributed to the Government administered provident fund. The Company has no further contractual nor any constructive obligation, other than the contribution payable to the provident fund. The expense recognised during the period towards defined contribution plan is ₹ 16.38 Lakhs (31st March, 2020: ₹ 18.00 Lakhs)

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

33. ASSETS PLEDGED/HYPOTHECATED AS SECURITY

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

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Current		
<i>First charge</i>		
Trade receivables	2,028.00	746.33
Inventory	2,011.84	3,991.15
Cash and Cash Equivalents	7.16	50.92
Other current assets	73.56	350.52
Total current assets pledged/ hypothecated as security	4,120.56	5,138.92
Non-current		
<i>First charge</i>		
Property Plant & Equipment (including capital work-in-progress)	0.00	17,710.08
Total non-currents assets pledged / mortgaged as security	0.00	17,710.08
Total assets pledged/ hypothecated as security	4,120.56	22,849.00

34. FAIR VALUE MEASUREMENT

Financial instruments by category

Particulars	(₹ in Lakhs)					
	31st March, 2021			31st March, 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Loans	-	-	1.39	-	-	1.39
Trade receivables	-	-	2,028.00	-	-	746.33
Cash in hand	-	-	2.06	-	-	5.66
Cheques in hand	-	-	0.00	-	-	33.34
Balance with banks	-	-	5.10	-	-	11.92
	-	-	2,036.55	-	-	798.64
Financial liabilities						
Borrowings	-	-	5,385.60	-	-	7,310.36
Security deposit	-	-	4.16	-	-	10.15
Trade payables	-	-	75.52	-	-	471.42
Retention money	-	-	22.39	-	-	25.85
Other liabilities	-	-	639.56	-	-	717.13
Creditors for Expenses	-	-	5.33	-	-	0.00
Salary and bonus to employees	-	-	19.00	-	-	13.93
Lease Liability	-	-	0.74	-	-	1.45
	-	-	6,152.30	-	-	8,550.29

(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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

34. FAIR VALUE MEASUREMENT (Contd.)

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.

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

Particulars	(₹ in Lakhs)			
	31st March, 2021		31st March, 2020	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial assets				
Security deposits and margin money	1.39	1.39	1.39	1.39
Total financial assets	1.39	1.39	1.39	1.39
Financial liabilities				
Security deposit	4.16	4.16	10.15	10.15
Lease Liability	0.75	0.75	1.45	1.45
Total financial liabilities	4.91	4.91	11.60	11.60

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.

35. 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 does not have any externally imposed capital requirements.

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

36. 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 (INR)	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
Market risk – price risk	Investments in equity securities	Sensitivity analysis	Continuous monitoring the performance of investments

(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	More than 6 Months and upto 1 year	More than 1 Years	Allowances for doubtful trade receivables	Net carrying amount of trade receivables
Trade receivable as on 31st March, 2021	2,026.68	-	-	4.55	(3.24)	2,028.00
Trade receivable as on 31st March, 2020	733.60	-	0.01	12.72	-	746.33

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 31st March, 2021 and 31st March, 2020 is the carrying amounts as illustrated in Note 34.

(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 levels of liquid assets necessary to meet these on 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

36. FINANCIAL RISK MANAGEMENT (Contd.)

(i) Financing arrangements

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

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Floating Rate		
- Expiring within one year (bank overdraft and other facilities)	1,164.40	2,404.64
	1,164.40	2,404.64

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, 2021	(₹ in Lakhs)				
	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 years	Total
Trade payables	75.52	-	-	-	75.52
Borrowings	35.60	-	5,350.00	-	5,385.60
Interest payable on above borrowings*	416.64	414.09	1,242.27	-	2,073.00
Lease Liability	0.36	0.25	0.24	-	0.85
Other financial liabilities	685.11	-	-	-	685.11
Total financial liabilities	1,213.23	414.34	6,592.51	-	8,220.08

* Based on closing rates

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
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

(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 31.03.2021. Hence, there is no foreign exchange risk arises from future cash flow against the foreign currency loan.

(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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

36. FINANCIAL RISK MANAGEMENT (Contd.)

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 31st March, 2021 and 31st March, 2020, 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.

(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)	
	31st March, 2021	31st March, 2020
Variable rate borrowings	5,385.60	7,310.36
Total borrowings	5,385.60	7,310.36

(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	
	31st March, 2021	31st March, 2020
Interest expense rates – increase by 50 basis points (2020: 50 bps)*	(26.93)	(36.55)
Interest expense rates – decrease by 50 basis points (2020: 50 bps)*	26.93	36.55

* Holding all other variables constant

37. RELATED PARTY TRANSACTIONS

	Names of the Related parties	Nature of relationship
A	Star Cement Limited (SCL)	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 (till 15-02-2021)
B	Other Related Parties	Nature of relationship
	Names of other Related parties	
	Key Management Personnel	
	Mr. Ghanshyam Agarwal	Managing Director
	Mr.Sajjan Bhajanka	Director
	Mr.Pramod Kumar Shah	Director
	Mr.Prem Kumar Bhajanka	Director
	Mr.Rangbahudh Khonglah	Director
	Mr.Amit Kiran Deb	Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

37. RELATED PARTY TRANSACTIONS (Contd.)

Names of the Related parties	Nature of relationship
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

II. Details of transactions between the Company and related parties and the status of outstanding balance as at 31st March, 2021:

Sl. No.	Type of Transactions	(₹ in Lakhs)							
		Holding Company		Associates		Enterprise Owned/ Influenced by KMP / Fellow Subsidiaries		Key Management Personnel/Director	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	Purchase Transactions								
	SCL	1,223.06	2.65	-	-	-	-	-	-
	MTEPL	-	-	-	-	0.17	-	-	-
	SCML	-	-	-	-	2,313.23	711.49	-	-
2	Sale Transactions								
	SCL	5,613.87	5,741.82	-	-	-	-	-	-
	MTEPL	-	-	-	-	13.43	26.26	-	-
	SCML	-	-	-	-	6,738.24	7426.45	-	-
3	Sale of Capital Goods								
	SCL	-	13.23	-	-	-	-	-	-
4	Loan Taken								
	SCL	-	2,325.00	-	-	-	-	-	-
	SCML	-	-	-	-	-	2,500.00	-	-
5	Loan Repaid								
	SCL	-	2,325.00	-	-	-	-	-	-
	SCML	-	-	-	-	1,565.00	1,085.00	-	-
6	Service Received								
	SCML	-	-	-	-	-	0.16	-	-
7	Service Provided								
	SCL	15.68	12.12	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

37. RELATED PARTY TRANSACTIONS (Contd.)

(₹ in Lakhs)									
Sl. No.	Type of Transactions	Holding Company		Associates		Enterprise Owned/ Influenced by KMP / Fellow Subsidiaries		Key Management Personnel/Director	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
8	Interest Paid								
	SCL	-	159.19	-	-	-	-	-	-
	SCML	-	-	-	-	490.76	596.30	-	-
	MTEPL	-	-	-	-	38.70	47.05	-	-
9	Remuneration Paid								
	Sri Bishal Kumar Agarwal	-	-	-	-	-	-	16.84	16.29
10	Balances Outstanding as on 31.03.2021								
A	Share Capital / Securities Premium								
	SCFL	-	-	-	3,373.50	-	-	-	-
	SCL	6,945.31	3,568.31	-	-	-	-	-	-
B	Debtors								
	SCL	1,144.52	349.41	-	-	-	-	-	-
	MTEPL	-	-	-	-	-	1.39	-	-
	SCML	-	-	-	-	882.04	382.80	-	-
C	Loan Taken								
	SCML	-	-	-	-	4,850.00	6,415.00	-	-
	MTEPL	-	-	-	-	500.00	500.00	-	-
D	Guarantees outstanding								
	Sri Sajjan Bhajanka	-	-	-	-	-	-	1,350.00	3,150.00
	Sri Prem Kumar Bhajanka	-	-	-	-	-	-	-	1,800.00

III. Key management personnel compensation

(₹ in Lakhs)		
Particulars	31st March, 2021	31st March, 2020
Short-term employee benefits	16.84	16.29
Post-employment benefits *	-	-
Long-term employee benefits*	-	-
Total compensation	16.84	16.29

The sales to and purchases from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. During the previous year, the Company has obtained inter corporate loan from its fellow subsidiary which is repayable on demand, for current year the rate of interest is 7.74% (31st March, 2020: 9.41%)

* 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.

For the year ended 31st March, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

38. LEASE

Movement of lease liabilities

Particulars	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
Opening balance	1.45	-
Additions (Transitional impact on adoption of Ind AS 116)	-	2.12
Additions	-	-
Deletions	-	-
Add: Interest recognised during the year	0.11	0.18
Less: Payments made	0.82	0.85
Closing balance	0.75	1.45

The Unit 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.

The Unit has recognized interest on lease liability of ₹ 0.11 Lakhs under Finance Costs (Previous years ₹ 0.18 Lakhs).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

39. CONTINGENT LIABILITIES AND COMMITMENT (TO THE EXTENT NOT PROVIDED FOR)

a) Contingent liability

Sl. No	Particulars	(₹ in Lakhs)	
		31st March, 2021	31st March, 2020
1.	Claims against the Company not acknowledged as debts – Excise /Electricity duty / Royalty,Income Tax etc	10,912.82	9,199.93

b) Commitments

Sl. No	Particulars	(₹ in Lakhs)	
		31st March, 2021	31st March, 2020
1.	Bank Guarantee issued by Bank	39.49	39.49
2.	Estimated mount of Contract remaining to be executed on capital account & not provided for (net of advance)	60.00	-

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. The amounts shown above represent the possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants, as the case may be and, therefore, cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

(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 Lakhs 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 is clear violation of principles of natural justice.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

39. CONTINGENT LIABILITIES AND COMMITMENT (TO THE EXTEND NOT PROVIDED FOR) (Contd.)

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 Interim Report. Therefore, there is every likelihood of the Demand Notice and the order of the NGT being set aside. The Company has preferred an appeal before the Supreme Court of India against the NGT Order, and accordingly, no provisions has been made in the accounts.

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 31st March, 2021 is ₹ 142.77 Lakhs (31st March, 2020: ₹159.05 Lakhs).

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 ₹ 19.61 Lakhs (31st March, 2020: ₹ 27.15 Lakhs)

b) Amount spent during the year on:

		(₹ in Lakhs)	
Sl. No	Nature of Expenditure	31st March, 2021	31st March, 2020
(i)	Education	11.00	-
(ii)	Preventive Health Care, Supply of Drinking Water	6.09	2.87
(iii)	Rural Development	2.80	15.65
(iv)	Livelihood & Skill Building	-	12.54
	Total	19.89	31.06

42. PAYMENT TO AUDITOR

		(₹ in Lakhs)	
Nature of Expenditure	31st March, 2021	31st March, 2020	
As Auditor			
-Statutory Audit Fees	1.50	1.50	
Total	1.50	1.50	

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 99.87 % of the revenue for the year ended 31st March, 2021 (Two customers as on 31st March, 2020 : 99.78%)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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

Nature of Expenditure	(₹ in Lakhs)	
	31st March, 2021	31st March, 2020
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year(including retention money against performance)	0.47	-
(ii) Interest due on above	-	-
Total of (i) & (ii)	0.47	-
(iii) Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act.	0.03	-
(iv) Amount paid to the suppliers beyond the respective appointed date.	5.90	-
(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.	-	-

45.

The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial Statements. The Company believes that pandemic is unlikely to impact on the recoverability of the carrying value of its assets as at 31st March, 2021. Looking to the present situation of pandemic, the extent to which the same will impact Company's future financial results is currently uncertain and will depend on further developments.

46.

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

47.

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

48.

The financial statements are approved by the audit committee at its meeting held on 8th June , 2021 and by the Board of Directors on the same date.

For and on Behalf of the Board of Directors

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

Manoj K Roongta
Partner
Membership No:057761

Bishal Kumar Agarwal
Chief Financial Officer

Ghanshyam Agarwal
Managing Director
DIN : 08181762

Debabrata Thakurta
Company Secretary

Sajjan Bhajanka
Director
DIN : 00246043

Place : Kolkata
Date: 8th June, 2021

MEGHALAYA POWER LIMITED

CIN: U40108ML2002PLC006921

Registered Office :

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