

**MEGHALAYA POWER LIMITED**

ANNUAL REPORT 2015-16

**ENERGISING  
PERFORMANCE.  
BRIGHTER  
PROSPECTS.**

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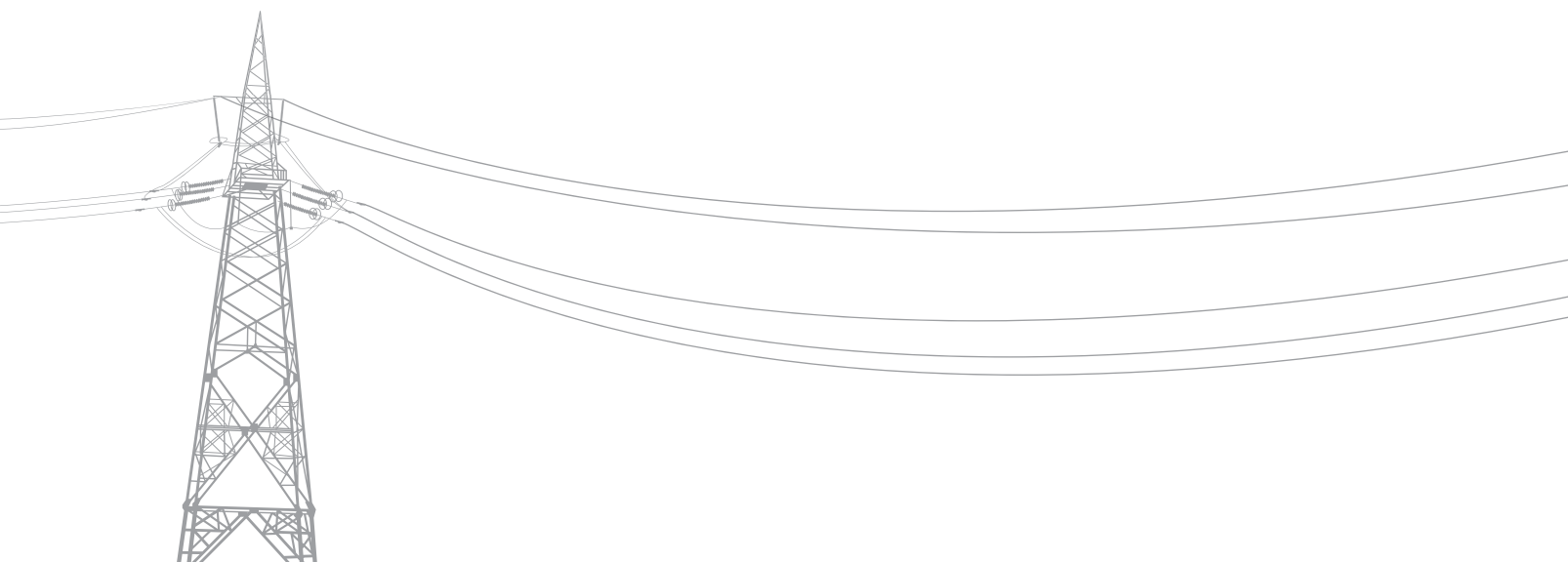
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## Forward Looking Statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



# Corporate Information

CIN: U40108ML2002PLC006921

## Board of Directors

**Sanjay Kumar Agarwal**, Managing Director

**Sajjan Bhajanka**, Director

**Prem Kumar Bhajanka**, Director

**Rangbahduh Khonglah**, Director

**Lamshwa Kyndoh**, Director

**Mangilal Jain**, Director

**Manindra Nath Banerjee**, Director

## Company Secretary

**Manoj Agarwal**

## Chief Financial Officer

**Vishal Agarwal**

## Auditors

**Kailash B. Goel & Co.**

Chartered Accountants

70, Ganesh Chandra Avenue, 1st Floor,

Kolkata – 700 013

## Bankers

State Bank of India

Bank of Baroda

## Registered Office & Works

Vill:-Lumshnong, P.O. Khaliehriat

Distt:- East Jaintia Hills

Meghalaya – 793 210

## Corporate Office

‘Satyam Towers’ 1st Floor,

Unit No. 9B, 3, Alipore Road

Kolkata – 700 027





# Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting Fourteenth Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2016 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, 2016 as compared to the previous Financial Year are as under:-

Particulars	₹ in Lacs	
	2015-16	2014-15
Net Sales/Income	11,030.20	10,322.76
Profit before Depreciation, Interest, Tax and Exceptional items	4,373.16	4,417.09
Exceptional items	(0.16)	0.02
Profit before Depreciation, Interest and Tax	4,373.00	4,417.11
Depreciation	(1,904.61)	(1,994.45)
Interest & Finance Charges	(996.32)	(1,135.27)
Profit/(Loss) before Tax	1,472.07	1,287.39
-Current Tax	(316.79)	(270.73)
-Less: MAT Credit entitlement	316.79	270.73
-Net Current Tax	-	-
-Deferred Tax	(388.39)	(759.25)
-Income Tax for earlier year	(0.84)	16.52
<b>Profit/(Loss) after Tax</b>	<b>1,082.84</b>	<b>544.66</b>

## INDUSTRY OUTLOOK

Power or electricity is the essential part of the infrastructure which largely affects economic growth of the country. The power sector is one of the diversified sectors with many private and domestic producers varying from conventional sources to nuclear and non-conventional sources. India is the 5th largest producer of electricity in the world. Indian power sector is undergoing significant changes that have redefined the industry outlook. The Government's thrust for 'Power for all' has accelerated capacity addition in the country.

12th Five-year plan estimates domestic energy production to reach at 669.6 Million Tonnes of Oil Equivalent (MTOE) by 2016-17 and 844 MTOE by 2021-22. As per 2014 energy outlook report published by British Oil giant, British Petroleum, energy demand in India is projected to be the highest amongst all countries. Electricity demand is likely to reach 155 GW by 2016-17 & 217 GW by 2021-22 whereas peak demand will reach 202 GW & 295 GW over the same period respectively. Nearly 293 global and domestic companies are expected to generate 266 GW (gigawatt) of solar, wind, mini-hydel and bio-mas based power in India over next few years which would entail an investment of about USD 310-350 billion. Government has targeted to generate two trillion units (kilowatt hours) of energy by 2019. With all these initiatives, power situation in India is likely to improve considerably during ensuing years which will

have positive impact in sectors like Industrial and infrastructure, agriculture as well as private consumption.

## OPERATIONAL PERFORMANCE

During the year under review, the Company's power generation has increased to 1,831.14 Lacs units as compared to 1679.23 Lacs units recorded in the previous year. Improvement has been noticed on Auxiliary consumption front too. During the Financial Year 2015-16 your Company registered revenue of ₹ 11,030.20 Lacs as compared to ₹ 10,322.76 Lacs recorded in the previous Financial Year.

Your Company posted PBT of ₹ 1,472.07 Lacs and PAT of ₹ 1,082.84 Lacs as against ₹ 1,287.39 Lacs and ₹ 544.66 Lacs respectively recorded in the previous Financial Year.

## SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2016 was ₹ 1,713.06 Lacs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options or sweat equity shares.

## EXTRACT OF ANNUAL RETURN

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

## MEETINGS OF THE BOARD

During the year under review five (5) Board Meetings were convened and held on 28th April, 2015, 22nd July, 2015, 24th September, 2015, 2nd November, 2015 and 8th February, 2016.

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. Sanjay Kumar Agarwal	Managing Director	5	2
Mr. Sajjan Bhajanka	Non-Executive Director	5	5
Mr. B.B. Agarwal	Non-Executive Director	5	2
Mr. Prem Kumar Bhajanka	Non-Executive Director	5	2
Mr. Lamshwa Kyndoh	Non-Executive Director	5	1
Mr. Rangbahduh Khonglah	Non-Executive Director	5	1
Mr. Mangilal Jain	Independent Director	5	5
Mr. Manindra Nath Banerjee	Independent Director	5	4

## MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, a meeting of Independent Directors was held on 21st March, 2016 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.

## DECLARATION BY INDEPENDENT DIRECTORS

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, 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, 2016 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.

## POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

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

## AUDITORS & AUDITORS' REPORT

M/s. Kailash B. Goel & Co., Chartered Accountants (Firm Registration no. 322460E), Statutory Auditors of the Company, have been appointed by the members at the previous Annual General Meeting and shall hold office for a period of 2 years from the date of such meeting held on 26th May, 2015. The Board, in terms of Section 139 of the Companies Act, 2013 on recommendation of the Audit Committee, has recommended for the ratification of the appointment of Statutory Auditors from the conclusion of the ensuing AGM till the conclusion of the Fifteenth Annual General Meeting.

Members are requested to approve and ratify their appointment. Members are also requested to empower the Board for fixation of Auditors' Remuneration. The Auditors' Report to the Shareholders for the year under review does not contain any qualification.

## COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost records maintained by the Company in respect of its power generation activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) as Cost Auditors of the Company for the Financial Year 2016-17 subject to ratification of their remuneration by shareholders in the General Meeting of the Company.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

## RELATED PARTY TRANSACTIONS

All related party transactions 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 Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with the Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

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

## RESERVES

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

## DIVIDEND

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

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

### (A) Steps taken toward Conservation of energy:

- Running ACC Fans through VFDs in Auto Control mode.
- Running of CEP through Auto Control.
- Reduction in Tripping.
- Installation of Submerged Ash Conveyor System.
- Modification of Ash Conveying System.
- Conversion of Single Deck Vibrating Screen to Double Deck.
- Improvement in proactive Preventive Maintenance System
- Installation of Solar lights & reduction of lights in plant.

### (B) Steps taken towards Technical Absorption:

- Operating ACC fans and CEP in auto mode has resulted into reduction in power consumption.
- Installation of Submerged Bed Ash Conveyor in Boiler 2 has resulted into reduction in power consumption.
- Reduction in air pressure of fly ash conveying system has reduced power consumption and increased the efficiency of conveying system with reduction in compressed air consumption.
- During the year under review, your Company incurred Capital expenditure of ₹ 0.69 Lacs in Research & Development.

### (C) Foreign Exchange Earnings And Outgo

During the period under review, Foreign Exchange Earning was Nil and the Foreign Exchange Outgo was ₹ 3,754.51 Lacs.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company addressed the basic needs of the community relating to drinking water facility and community level infrastructure facilities. Your Company supported Norpoh Elaka, Dorbar Shnong of East Jaintia Hills District through supply of conventional energy solutions to the village households of the Lumshnong village. The Company has installed street lights and has also been maintaining the same in the village area.

Your Company provided financial aid to promote sports and culture in Lumshnong area. Enhancement of rural and educational infrastructure is the prime concern of your Company. During the Financial Year 2015-16, your Company assisted Dorbar Shnong in the development of community infrastructures like construction of Elaka hall, community hall, construction of school building, approach road and foot bridge linking the school to the village. Efforts were made to provide primary education through One Teacher School i.e. Ekal Vidyalaya in the vicinity of plants and many other areas through the Implementing Agency.



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

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

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Nomination and Remuneration Committee at its meeting established the criteria based on which the Board evaluate the performance of the Directors.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Non-Independent Directors and Board as a whole was also carried out by the Independent Directors.

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The following personnel are Key Managerial Personnel of the Company:

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

## HOLDING COMPANY

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

## SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

The Company does not have any subsidiary, associate and joint venture. However, your Company continues to remain Associate

Company of M/s. Shyam Century Ferrous Limited as defined under section 2 (6) of the Companies Act, 2013.

## DEPOSITS

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

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

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

There were no material changes and commitments affecting the financial position of the Company during the year under review.

## ADEQUACY OF INTERNAL FINANCIAL CONTROL

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

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

## INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

## POLICY ON PREVENTION OF SEXUAL HARASSMENT

The Company values the integrity and dignity of its employees. The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). We affirm that adequate access has been provided to any complainants who wish to register a complaint under the policy. No complaint was received during the year.

## RISK MANAGEMENT

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

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

## OCCUPATIONAL HEALTH & SAFETY

In pursuit of ensuring no harm anywhere to anyone associated with Company, Occupational Health & Safety remains the Company's top priority. Your Company has put in place various safety measures for maintaining high standards of occupational health and safety at its unit. Workshops on safety measures are conducted on a regular basis to ingrain the philosophy of "safety first" amongst the employees and workers of the Company. Awareness on safety measures are also spread through regular interactions with the stakeholders through quiz competitions, elocution on safety, paintings and other methods.

## AWARDS AND ACCOLADES

Your Directors are pleased to report that during the year under review, your Company was awarded with **First Prize in National Energy**

**Conservation Awards, 2015 by Ministry of Power, Government of India under <100 MW Thermal Power Plants category** at a ceremony held at New Delhi on 14th December, 2015.

## 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 28th April, 2015, 22nd July, 2015, 2nd November, 2015 and 8th February, 2016. 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. Manindra Nath Banerjee	Independent	Chairman	4	4
Mr. Mangilal Jain	Independent	Member	4	4
Mr. Sajjan Bhajanka	Non-Executive	Member	4	4

A Vigil (Whistle Blower) mechanism provides a formal mechanism to the Employees and Directors to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. Pursuant to the requirements of the Act, the Company has established vigil mechanism for its Directors and employees under the supervision of audit committee. A whistle blower policy setting out the vigil mechanism is already in place in your Company.

### b. Nomination and 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, the Committee met on 28th April, 2015. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Mangilal Jain	Independent	Chairman	1	1
Mr. Manindra Nath Banerjee	Independent	Member	1	1
Mr. Sajjan Bhajanka	Non-Executive	Member	1	1



**c. Corporate Social Responsibility Committee**

During the year under review the Company has constituted Corporate Social Responsibility Committee as per the requirement of Section 135 of Companies Act, 2013. The Committee is headed by Mr. Mangilal Jain, Director of your Company and consists of members as stated below:

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Mangilal Jain	Independent	Chairman	1	1
Mr. B.B. Agarwal	Non-Executive	Member	1	1
Mr. Sajjan Bhajanka	Non-Executive	Member	1	1

During the year committee met on 12th February, 2016.

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

**ACKNOWLEDGEMENT**

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

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

**For and on behalf of the Board of Directors**

Place: Kolkata  
Date: 2nd May, 2016

**Sanjay Kumar Agarwal**  
Managing Director  
(DIN: 00232938)

**B.B. Agarwal**  
Director  
(DIN: 01125056)

# Annexure 1 to Directors' Report

## FORM NO. MGT - 9 EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31st March, 2016

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

### I. REGISTRATION & OTHER DETAILS:

1	CIN	U40108ML2002PLC006921
2	Registration Date	Incorporated on 4th October, 2002
3	Name of the Company	Meghalaya Power Limited
4	Category/Sub-category of the Company	Company limited by Shares/ Non - Govt Company
5	Address of the Registered office & contact details	Village: Lumshnong, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210 Phone No. : 03655-278215/16/18
6	Whether listed Company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any	NA

### 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	94.84

### 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	Cement Manufacturing Company Ltd. (CMCL) Village: Lumshnong, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210	U26942ML2001PLC006663	Holding	51	2(46)
2	Star Ferro and Cement Limited (SFCL) Village: Lumshnong, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210	L27310ML2011PLC008564	SFCL holds 70.48% shares in CMCL, therefore the Company is a step down subsidiary of SFCL		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-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	15,002	15,002	0.09	-	15,002	15,002	0.09	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	17,095,618	17,095,618	99.80	-	17,095,618	17,095,618	99.80	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub -total (A) (1)</b>	-	<b>17,110,620</b>	<b>17,110,620</b>	<b>99.89</b>	-	<b>17,110,620</b>	<b>17,110,620</b>	<b>99.89</b>	-
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub - total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of promoter (A) = (A) (1) + (A) (2)</b>	-	<b>17,110,620</b>	<b>17,110,620</b>	<b>99.89</b>	-	<b>17,110,620</b>	<b>17,110,620</b>	<b>99.89</b>	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	20,000	20,000	0.11	-	20,000	20,000	0.11	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	<b>20,000</b>	<b>20,000</b>	<b>0.11</b>	-	<b>20,000</b>	<b>20,000</b>	<b>0.11</b>	-
<b>Total Public shareholding (B) = (B) (1) + (B) (2)</b>	-	<b>20,000</b>	<b>20,000</b>	<b>0.11</b>	-	<b>20,000</b>	<b>20,000</b>	<b>0.11</b>	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>17,130,620</b>	<b>17,130,620</b>	<b>100.00</b>	-	<b>17,130,620</b>	<b>17,130,620</b>	<b>100.00</b>	-

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2015]			Shareholding at the end of the year [As on 31-March-2016]			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Cement Manufacturing Company Ltd.	8,736,620	51.00	-	8,736,620	51.00	-	-
2	Shyam Century Ferrous Limited	8,358,998	48.80	-	8,358,998	48.80	-	-
3	Mr. Sajjan Bhajanka	15,000	0.09	-	15,000	0.09	-	-
4	Mr. Rajesh Kumar Agarwal	1	0.00	-	1	0.00	-	-
5	Mr. Hari Prasad Agarwal	1	0.00	-	1	0.00	-	-
	<b>Total</b>	<b>17,110,620</b>	<b>99.89</b>	-	<b>17,110,620</b>	<b>99.89</b>	-	-

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
	At the beginning of the year						
	Changes during the year						
	At the end of the year						

No changes during the year

## (iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
1	<b>Mr. Bhabok G. Kharkangar</b>						
	At the beginning of the year	01.04.2015		5000	0.03		
	Changes during the year						
	At the end of the year	31.03.2016				5000	0.03

No changes during the year

(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
<b>1</b>	<b>Mr. Sajjan Bhajanka (Non-Executive Director)</b>						
	At the beginning of the year	01.04.2015		15,000	0.09	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2016				15,000	0.09
<b>2</b>	<b>Mr. B.B. Agarwal (Non-Executive Director)</b>						
	At the beginning of the year	01.04.2015		15,000	0.09	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2016				15,000	0.09
<b>3</b>	<b>Mr. Sanjay Kumar Agarwal (Managing Director)</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year						
	At the end of the year	31.03.2016				-	-
<b>4</b>	<b>Mr. Prem Kumar Bhajanka (Non-Executive Director)</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year						
	At the end of the year	31.03.2016				-	-
<b>5</b>	<b>Mr. Mangilal Jain (Independent Director)</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year						
	At the end of the year	31.03.2016				-	-
<b>6</b>	<b>Mr. Manindra Nath Banerjee (Independent Director)</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year						
	At the end of the year	31.03.2016				-	-
<b>7</b>	<b>Mr. Rangbahaduh Khonglah (Non-Executive Director)</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year						
	At the end of the year	31.03.2016				-	-
<b>8</b>	<b>Mr. Lamshwa Kyndoh (Non-Executive Director)</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year						
	At the end of the year	31.03.2016				-	-
<b>9</b>	<b>Mr. Vishal Agarwal (Chief Financial Officer)</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year						
	At the end of the year	31.03.2016				-	-
<b>10</b>	<b>Mr. Manoj Agarwal (Company Secretary)</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year						
	At the end of the year	31.03.2016				-	-

## V. INDEBTEDNESS

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

(Amt. ₹/ Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits**	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	16,984.11	-	-	16,984.11
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.14	-	-	0.14
Total (i+ii+iii)	16,984.25	-	-	16,984.25
<b>Change in Indebtedness during the Financial Year #</b>				
* Addition	1,288.69	800.00	-	2,088.69
* Reduction	3,604.17	-	-	3,604.17
Net Change	(2,315.48)	800.00	-	(1,515.48)
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	14,668.63	800.00	-	15,468.63
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.14	-	-	0.14
Total (i+ii+iii)	14,668.77	800.00	-	15,468.77

\*\* 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:

(₹/Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	Mr. Sanjay Kumar Agarwal	
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	5% of the net profit as calculated under Section 198 of the Companies Act, 2013	

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



**B. Remuneration to other Directors**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Mangilal Jain	Mr. Manindra Nath Banerjee	Mr. Rangabudh Khonglah	Mr. Lamshwa Kyndoh	
1	Independent Directors					
	Fee for attending Board/ Committee meetings	0.45	0.38	-	-	0.83
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.45	0.38	-	-	0.83
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)	-	-	2.40	6.00	8.40
	Total (2)	-	-	2.45	6.05	8.50
	Total (B)=(1+2)	0.45	0.38	2.45	6.05	9.33
	Total Managerial Remuneration					9.33
	Overall ceiling as per the Act	11% of the net profit as calculated under Section 198 of the Companies Act, 2013				

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Mr. Vishal Agarwal	Mr. Manoj Agarwal*	
	Name	Mr. Vishal Agarwal	Mr. Manoj Agarwal*	
	Designation	CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.80	-	7.80
	(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	7.80	-	7.80

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

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

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

# Annexure 2 to Directors' Report

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES

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

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

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

2. The composition of the CSR Committee:

- Mr. Mangilal Jain - Independent Director, Chairman
- Mr. Sajjan Bhajanka - Non-Executive Director
- Mr. B.B. Agarwal - Non-Executive Director

3. Average Net Profit of the Company for last 3 Financial Years: ₹ 566.97 Lacs

4. Prescribed CSR expenditure (2% of amount) : ₹ 11.34 Lacs

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

a) Total amount to be spent for the Financial Year: ₹ 11.34 Lacs

b) Amount un-spent, if any: Nil

c) Manner in which the amount spent during Financial Year is detailed below:

(₹ in Lacs)

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects/Programs 1. Local area or other 2. Specify the state and district where project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs, 2. Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct/ through implementing agency*
1.	Education Project: To provide non-formal primary education through cost effective One Teacher school (O.T.S.) i.e. Ekal Vidyalaya.	Education	Throughout the Country	11.40	11.40	11.40	Through implementing agency i.e. Friends of Tribal Society
2.	Supply of drinking water, malnutrition	Preventive Healthcare	Assam and Meghalaya	10.00	10.00	10.00	Through implementing agency i.e. Lumshnong Village Council

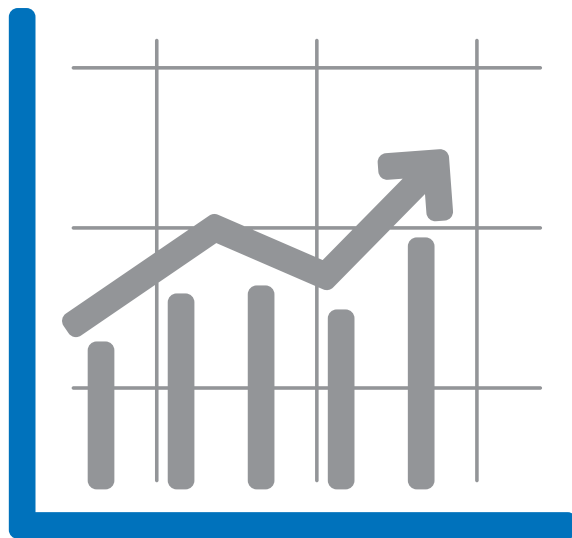
We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: **Kolkata**  
Date: **2nd May, 2016**

**Sanjay Kumar Agarwal**  
Managing Director  
(DIN: 00232938)

**Mangilal Jain**  
Chairman – CSR Committee  
(DIN: 00353075)

# Financial Statements





## Independent Auditors' Report

To  
The Members of  
**Meghalaya Power Limited**

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Meghalaya Power Limited ('the Company'), which comprise the balance sheet as at 31 March, 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of

the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016 and its profit and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the Directors as on 31 March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act;

- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**CA. Arun Kumar Sharma**  
*Partner*

Place: Kolkata  
Date: 2nd May, 2016

Membership No. 057329

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March, 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The fixed assets of the Company are physically verified by management according to a phased programme on a rotational basis, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (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 immovable properties are held in the name of the Company.
- (ii) The inventory, except goods in transit and materials lying with third parties, which have been substantially confirmed by them, has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (iii) The Company has not granted loan to any body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). So the provisions of paragraph 3(iii) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) On the basis of our examination of books and records of the Company, in our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and therefore the directives issued by the Reserve bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
- (vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine that they are accurate.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of duty of customs, income tax, sales tax, service tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) Based on our audit procedures and as per the information & explanation given by the management, the Company has not defaulted in repayment of dues to financial Institution or Banks. The Company has not issued any debentures.

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) 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 sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**CA. Arun Kumar Sharma**  
*Partner*

Place: Kolkata  
Date: 2nd May, 2016

Membership No. 057329

## Annexure - B to the Auditors' Report

### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Meghalaya Power Limited ("the Company") as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our

audit. We conducted our audit in accordance with the Guidance Note on Audit 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 over financial reporting.



### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material

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

### OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**CA. Arun Kumar Sharma**  
*Partner*  
Membership No. 057329

Place: Kolkata  
Date: 2nd May, 2016

## Balance Sheet

as at 31st March, 2016

(₹ in Lacs)

Particulars	Note	31.03.2016	31.03.2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	1,713.06	1,713.06
Reserves and Surplus	2.2	9,164.31	8,081.47
		<b>10,877.37</b>	<b>9,794.53</b>
<b>NON-CURRENT LIABILITIES</b>			
Long - Term Borrowings	2.3	9,364.78	11,600.95
Deferred Tax Liabilities	2.4	1,254.46	866.08
Other Long -Term Liabilities	2.5	63.51	370.71
Long -Term Provisions	2.6	19.80	9.13
		<b>10,702.55</b>	<b>12,846.87</b>
<b>CURRENT LIABILITIES</b>			
Short -Term Borrowings	2.7	2,581.89	2,051.70
Trade Payables		1,600.89	7.16
Other Current Liabilities	2.8	4,315.24	4,219.02
Short -Term Provision	2.9	1.94	1.85
		<b>8,499.96</b>	<b>6,279.73</b>
<b>Total</b>		<b>30,079.88</b>	<b>28,921.13</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
-Tangible Assets	2.10	23,024.12	23,836.31
-Capital Work in Progress (including Project Expenses)		679.22	663.35
		<b>23,703.34</b>	<b>24,499.66</b>
Long Term Loans and Advances	2.11	687.99	470.01
<b>CURRENT ASSETS</b>			
Inventories	2.12	3,294.98	1,602.94
Trade Receivables	2.13	349.11	326.62
Cash and Cash Equivalents	2.14	105.40	128.39
Short Term Loans and Advances	2.15	1,939.06	1,893.51
		<b>5,688.55</b>	<b>3,951.46</b>
<b>Total</b>		<b>30,079.88</b>	<b>28,921.13</b>
Significant Accounting Policies and Notes on Accounts	1 & 2		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board

For **Kailash B. Goel & Co.**  
Firm Registration No.: 322460E  
Chartered Accountants

**CA. Arun Kumar Sharma**  
Partner  
Membership No: 057329

Place: Kolkata  
Date: 2nd May, 2016

**Vishal Agarwal**  
Chief Financial Officer

**Manoj Agarwal**  
Company Secretary

**Sanjay Kumar Agarwal**  
Managing Director  
DIN : 00232938

**B.B. Agarwal**  
Director  
DIN : 01125056

## Statement of Profit and Loss

for the year ended 31st March, 2016

Particulars	Note	₹ in Lacs	
		2015-16	2014-15
<b>INCOME</b>			
Revenue from Operations (Gross)	2.16	11,052.69	10,334.13
Less: Excise Duty		33.73	37.08
Revenue from Operations (Net)		<b>11,018.96</b>	<b>10,297.05</b>
Other Income	2.17	11.24	25.71
<b>Total Revenue</b>		<b>11,030.20</b>	<b>10,322.76</b>
<b>EXPENSES</b>			
Purchase of Power (Trading)		157.04	323.97
Power Inventory (Increase)/Decrease	2.18	(613.57)	116.73
Employee Benefit Expenses	2.19	669.25	625.27
Finance Costs	2.20	996.32	1,135.27
Depreciation and Amortization Expenses		1,904.61	1,994.45
Other Expenses	2.21	6,444.32	4,839.70
<b>Total Expenses</b>		<b>9,557.97</b>	<b>9,035.39</b>
<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>		<b>1,472.23</b>	<b>1,287.37</b>
Exceptional Items		(0.16)	0.02
<b>Profit / (Loss) before Tax</b>		<b>1,472.07</b>	<b>1,287.39</b>
<b>Tax Expenses</b>			
- Current Tax		316.79	270.73
Less: MAT Credit entitlement		(316.79)	(270.73)
- Net Current Tax		-	-
- Deferred Tax		388.39	759.25
- MAT Credit entitlement for earlier year		-	-
- Income Tax for earlier year		0.84	(16.52)
<b>Profit / (Loss) for the Period</b>		<b>1,082.84</b>	<b>544.66</b>
<b>EARNINGS PER EQUITY SHARE (face value of ₹ 10/- each) (refer Note 2.28)</b>			
Basic Earning per share		6.32	3.18
Diluted Earning per share		6.32	3.18
Significant Accounting Policies and Notes on Accounts	1 & 2		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For **Kailash B. Goel & Co.**  
Firm Registration No.: 322460E  
Chartered Accountants

**CA. Arun Kumar Sharma**  
Partner  
Membership No: 057329

Place: Kolkata  
Date: 2nd May, 2016

**Vishal Agarwal**  
Chief Financial Officer

**Manoj Agarwal**  
Company Secretary

For and on behalf of the Board

**Sanjay Kumar Agarwal**  
Managing Director  
DIN : 00232938

**B.B. Agarwal**  
Director  
DIN : 01125056

## Cash Flow Statement

for the year ended 31st March, 2016

		(₹ in Lacs)	
Sl. No.	Particulars	31.03.2016	31.03.2015
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit / (Loss) before tax and Exceptional Items	1472.23	1287.37
	Adjustments for :		
	Depreciation	1904.61	1994.45
	Gain / (Loss) on sale of Assets	(0.16)	0.02
	Interest Income	(0.01)	(5.42)
	Interest Expenses	996.32	1135.27
	Income tax for earlier years	(0.84)	16.52
	<b>Operating Profit before working capital changes</b>	<b>4372.15</b>	<b>4428.21</b>
	Adjustments for :		
	(Increase) / Decrease Trade receivables	(22.49)	682.25
	(Increase) in Inventories	(1692.05)	942.94
	(Increase) / Decrease Other receivables	31.48	(44.22)
	Increase / (Decrease) Other payable (Including Trade Payable)	1510.20	244.90
	<b>Cash Generated from Operations</b>	<b>4199.29</b>	<b>6254.08</b>
	Direct Taxes Paid	(295.00)	(302.11)
	<b>Net cashflow from Operating Activities (A)</b>	<b>3904.29</b>	<b>5951.97</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets (Including WIP) - Net*	(576.03)	(1655.91)
	Sale of Fixed Assets	2.09	-
	Interest Received	0.01	5.42
	<b>Net Cash used in investing Activities (B)</b>	<b>(573.93)</b>	<b>(1650.49)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Interest Paid	(996.32)	(1135.27)
	Proceeds from / (Repayment of) Long Term Borrowings*	(2580.01)	(2249.59)
	Proceeds from / (Repayment of) Other Long Term Liabilities	(307.20)	(643.20)
	Proceeds from / (Repayment of) Short Term Borrowings	530.19	(212.80)
	<b>Net Cash used in Financing Activities (C)</b>	<b>(3353.34)</b>	<b>(4240.86)</b>
	<b>Net Increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(22.99)</b>	<b>60.62</b>
	<b>Cash and Cash Equivalents</b>		
	<b>Opening Balance</b>	<b>128.39</b>	<b>67.77</b>
	<b>Closing Balance</b>	<b>105.40</b>	<b>128.39</b>

\* Excluding notional foreign exchange loss of ₹ 534.35 lacs capitalized in accordance with para 46A of AS-11.

As per our report of even date

For and on behalf of the Board

For **Kailash B. Goel & Co.**

Firm Registration No.: 322460E

Chartered Accountants

**CA. Arun Kumar Sharma**

Partner

Membership No: 057329

Place: Kolkata

Date: 2nd May, 2016

**Vishal Agarwal**

Chief Financial Officer

**Manoj Agarwal**

Company Secretary

**Sanjay Kumar Agarwal**

Managing Director

DIN : 00232938

**B.B. Agarwal**

Director

DIN : 01125056



# Notes to Financial Statements

## 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

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

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

### 1.2 Use of Estimates

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

### 1.3 Fixed Assets

Fixed Assets are stated at their cost of acquisition, installation or construction (net of Cenvat credit and other recoverable, wherever applicable) less accumulated depreciation, amortization and impairment losses 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. The Company has adopted the provisions of Para 46A of AS-11 "The Effects of Changes in Foreign Exchange Rates", accordingly exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

### 1.4 Capital Work In Progress

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

### 1.5 Depreciation

Depreciation on fixed assets is provided on written down value method in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part 'C', thereof. Depreciation is provided on components that have homogenous useful lives by using the WDV method so as to depreciate the initial cost down to the residual value over the estimated useful lives. Useful lives, components and residual amounts are reviewed annually.

In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### 1.6 Investments

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

### 1.7 Inventories

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

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

## Notes to Financial Statements (contd.)

Cost of Inventories is computed on weighted average basis.

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

### 1.8 Retirement Benefits

#### (i) Defined Contribution Plan

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

#### (ii) Defined Benefit Plan

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

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

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

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

### 1.9 Revenue Recognition

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

### 1.10 Borrowing Cost

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

### 1.11 Expenditure During Construction Period

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

### 1.12 Foreign Currency Transactions & Balances

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

### 1.13 Taxes on Income

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

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

## Notes to Financial Statements (contd.)

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

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

### 1.14 Provisions and Contingencies

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

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

### 1.15 Impairment of Assets

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

### 1.16 Government Grants/Subsidies

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

### 1.17 Cash & Cash Equivalents

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

### 1.18 Earnings per Share

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

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



## Notes to Financial Statements (contd.)

### 2.1 SHARE CAPITAL

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Authorised Capital</b>	<b>2,000.00</b>	<b>2,000.00</b>
2,00,00,000 (2,00,00,000 as at 31.03.15) Equity Shares of ₹ 10/- each fully paid		
<b>Issued, Subscribed &amp; fully Paid -up Share</b>	<b>1,713.06</b>	<b>1,713.06</b>
1,71,30,620 (1,71,30,620 as at 31.03.15) Equity Shares of ₹ 10/- each fully paid	<b>1,713.06</b>	<b>1,713.06</b>

a) Terms/ rights attached to equity shares

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

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

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

Equity Shares	No. of Shares	No. of Shares
At the beginning of the year	17,130,620	17,130,620
Issued during the period	-	-
<b>Outstanding at the end of the period</b>	<b>17,130,620</b>	<b>17,130,620</b>

c) Shares held by holding / ultimate holding Company

	No. of Shares	No. of Shares
Out of equity shares issued by the Company, shares held by its holding company and ultimate holding Company are as below:		
Cement Manufacturing Co. Ltd., the holding company	8,736,620	8,736,620

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

	No. of Shares % of holding	No. of Shares % of holding
Cement Manufacturing Company Limited, the holding company	8,736,620 51.00%	8,736,620 51.00%
Shyam Century Ferrous Limited	8,358,998 48.80%	8,358,998 48.80%

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

### 2.2 RESERVES & SURPLUS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Capital Reserves</b>		
Balance as per last account	1,446.89	1,446.89
Addition / (Deduction) during the year	-	-
Closing Balance	<b>1,446.89</b>	<b>1,446.89</b>



## Notes to Financial Statements (contd.)

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Securities Premium</b>		
Balance as per last account	5,232.25	5,232.25
Addition during the year	-	-
Closing Balance	<b>5,232.25</b>	<b>5,232.25</b>
<b>Surplus as per statement of Profit &amp; Loss</b>		
Balance as per last account	1,402.33	857.67
Profit / (Loss) for the year	1,082.84	544.66
<b>Appropriations</b>		
Net Surplus in the statement of Profit and Loss	<b>2,485.17</b>	<b>1,402.33</b>
	<b>9,164.31</b>	<b>8,081.47</b>

### 2.3 LONG TERM BORROWINGS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Term Loans</b>		
Rupee Loan from a bank (Secured)	1,846.72	2,248.20
Foreign Currency loan from Banks (Secured)	10,218.44	12,662.74
<b>Loans and Advances from Related Party (Unsecured)</b>	800.00	-
<b>Other Loans &amp; Advances</b>		
-Hire Purchase Finance from banks (Secured)	21.59	21.47
	<b>12,886.75</b>	<b>14,932.41</b>
Less: Current Maturities of long term borrowing	3,521.97	3,331.46
<b>Total</b>	<b>9,364.78</b>	<b>11,600.95</b>

- 1) Rupee Term Loan of ₹ 1,846.72 lacs from a bank is repayable in further 16 unequal quarterly installments ending on March 2020.
- 2) Foreign currency loan of ₹ 9402.68 lacs from a bank is repayable in further 15 unequal quarterly installments ending on December 2019.
- 3) Foreign currency loan of ₹ 815.76 lacs from a bank is repayable by 31st March 2017.
- 4) Term Loans from banks are secured by pari passu first charge on the fixed assets and pari passu second charge on the current assets of the Company's power plants at Lumshnong, Meghalaya. Further, the loan has been guaranteed by some of the Directors of the Company.
- 5) Hire Purchase Finance is secured by hypothecation of respective vehicles and is repayable within three years having varied date of payment.
- 6) The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

### 2.4 DEFERRED TAX LIABILITIES

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Deferred Tax Liability</b>		
Fixed Assets	1,261.99	866.08
<b>Deferred Tax Assets</b>		
Leave Encashment & Gratuity	7.53	-
<b>Net Deferred Tax (Asset) / Liability</b>	<b>1,254.46</b>	<b>866.08</b>

## Notes to Financial Statements (contd.)

### 2.5 OTHER LONG-TERM LIABILITIES

	(₹ in Lacs)	
	31.03.2016	31.03.2015
Retention Money	38.51	322.04
Creditors for Capital goods	8.55	31.20
Security Deposit	16.45	17.47
	<b>63.51</b>	<b>370.71</b>

### 2.6 LONG-TERM PROVISIONS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Provisions for Employee Benefits</b>		
-Leave Encashment	6.70	5.04
-Gratuity	13.10	4.09
<b>Total</b>	<b>19.80</b>	<b>9.13</b>

### 2.7 SHORT-TERM BORROWINGS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Working Capital Facilities from Banks</b>		
Cash credit (Secured)	2,581.89	2,051.70
	<b>2,581.89</b>	<b>2,051.70</b>

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

### 2.8 OTHER CURRENT LIABILITIES

	(₹ in Lacs)	
	31.03.2016	31.03.2015
Current Maturities of long-term borrowings	3,521.97	3,331.46
Interest accrued but not due on borrowings	0.14	0.14
<b>Other Payables</b>		
Statutory Liabilities	27.23	14.52
Salary and Bonus to employees	19.00	19.25
Other Liabilities	746.90	853.65
	<b>4,315.24</b>	<b>4,219.02</b>

### 2.9 SHORT TERM PROVISION

	(₹ in Lacs)	
	31.03.2016	31.03.2015
-Leave Encashment	0.48	0.52
-Gratuity	1.46	1.33
	<b>1.94</b>	<b>1.85</b>

## Notes to Financial Statements (contd.)

### 2.10 TANGIBLE ASSETS

(₹ in Lacs)

Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK			
	As on 01.04.2015	Additions Deduction/ Adjustment	Total as on 31-03-2016	Upto 31.03.2015	For the Year Adjustment	Total as on 31-03-2016	As on 31.03.2015	As on 31.03.2016
Land & Site Development	631.47	34.67	666.14	-	-	-	666.14	631.47
Factory Building	3,136.91	99.71	3,236.62	776.44	225.20	1,001.64	2,234.98	2,360.47
Non-Factory Building	353.31	123.26	476.57	63.17	21.90	85.07	391.50	290.14
Plant and Machinery	25,810.00	755.36	26,565.36	5,645.98	1,525.60	7,171.58	19,393.78	20,164.02
Fire Fighting Equipments	3.38	3.30	6.68	3.21	0.00	3.21	3.47	0.17
Electrical Installations	590.50	11.41	601.91	311.13	81.08	392.21	209.70	279.37
Heavy Vehicles	139.59	50.61	190.20	99.55	25.87	125.42	64.78	40.04
Light Vehicles	30.15	7.60	30.66	19.35	4.71	19.05	11.61	10.80
Office Equipments	7.65	1.38	9.03	5.85	1.17	7.02	2.01	1.80
Computers	19.48	1.56	21.04	16.34	1.76	18.10	2.94	3.15
Furniture & Fixtures	10.99	0.72	11.64	8.88	0.71	9.53	2.11	2.11
Tools & Tackles	96.64	4.23	100.87	55.06	13.28	68.34	32.53	41.58
Laboratory Equipments	23.42	0.69	24.11	12.22	3.32	15.54	8.57	11.19
<b>Total</b>	<b>30,853.49</b>	<b>1,094.50</b>	<b>31,940.83</b>	<b>7,017.18</b>	<b>1,904.60</b>	<b>8,916.71</b>	<b>23,024.12</b>	<b>23,836.31</b>
<b>Previous Years Figures</b>	<b>23,712.58</b>	<b>7,143.49</b>	<b>30,853.49</b>	<b>5,025.17</b>	<b>1,994.45</b>	<b>7,017.19</b>	<b>23,836.31</b>	<b>18,687.41</b>

**Note:**

During the year Company has sold Fixed assets amounting to ₹ 7.16 Lacs (Previous year ₹ 2.58 Lacs.)

## Notes to Financial Statements (contd.)

### 2.11 LONG TERM LOANS AND ADVANCES

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Capital Advances</b>		
Unsecured, Considered Good	126.18	113.48
<b>Others Loan &amp; Advances</b>		
Subsidies / Incentives Receivable from Central / State Governments	7.30	7.30
Advance Income Tax (net of provision for taxation) including MAT Credit Entitlement	553.51	347.23
<b>Security Deposits</b>		
Unsecured, considered Good	1.00	2.00
	<b>687.99</b>	<b>470.01</b>

### 2.12 CURRENT ASSETS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Inventories</b>		
Fuels, Stores & Spares parts	2,110.99	1,032.52
Power Inventory (With MeSCL)	1,183.99	570.42
	<b>3,294.98</b>	<b>1,602.94</b>

### 2.13 TRADE RECEIVABLES

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Over Six Months</b>		
Considered good	6.94	-
<b>Other Debts</b>		
Considered good	342.17	326.62
	<b>349.11</b>	<b>326.62</b>

### 2.14 CASH & CASH EQUIVALENTS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
Cash on hand	2.86	4.04
Cheques in hand	0.41	104.87
<b>Balance with Banks</b>		
In Current Accounts	102.13	19.48
<b>Total</b>	<b>105.40</b>	<b>128.39</b>

### 2.15 SHORT TERM LOANS AND ADVANCES

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Others</b>		
<b>Unsecured considered Good</b>		
Advances for Goods, Services & Expenses	53.40	183.98
Prepaid Expenses	61.60	78.68
Subsidies / Incentives Receivable from Central / State Governments	1,633.25	1,597.80
Balance with Statutory / Government Authorities	110.36	33.05
Income Tax Refund Receivable	77.21	-
Other Receivable	3.24	-
	<b>1,939.06</b>	<b>1,893.51</b>



## Notes to Financial Statements (contd.)

### 2.16 REVENUE FROM OPERATIONS

	(₹ in Lacs)	
	2015-16	2014-15
<b>Sale of Power</b>	10,460.75	9,694.88
Add: Captive Consumption	-	0.85
	<b>10,460.75</b>	<b>9,695.73</b>
<b>Other Operating Revenue</b>		
Sale of Fly Ash	591.94	638.40
	<b>591.94</b>	<b>638.40</b>
<b>Revenue from Operation - Gross</b>	<b>11,052.69</b>	<b>10,334.13</b>

### 2.17 OTHER INCOME

	(₹ in Lacs)	
	2015-16	2014-15
Interest income	0.01	5.42
Sale of Scrap	11.23	20.29
	<b>11.24</b>	<b>25.71</b>

### 2.18 POWER INVENTORY (INCREASE) / DECREASE

	(₹ in Lacs)	
	2015-16	2014-15
Opening Power Inventory Stock	570.42	687.15
Closing Power Inventory Stock	1,183.99	570.42
<b>(Increase)/Decrease</b>	<b>(613.57)</b>	<b>116.73</b>

### 2.19 EMPLOYEE BENEFIT EXPENSES

	(₹ in Lacs)	
	2015-16	2014-15
Salaries and Wages	632.78	594.39
Contribution to Provident Fund	19.63	15.13
Staff Welfare Expenses	16.84	15.75
	<b>669.25</b>	<b>625.27</b>

### 2.20 FINANCE COSTS

	(₹ in Lacs)	
	2015-16	2014-15
<b>Interest Expenses</b>		
- On Fixed Loan	822.75	902.05
- Others	173.57	233.22
	<b>996.32</b>	<b>1,135.27</b>

### 2.21 OTHER EXPENSES

	(₹ in Lacs)	
	2015-16	2014-15
Consumption of Stores & Spares	20.53	24.59
Fuel Consumption	5,464.57	3,878.52
Repairs & Maintenance		
- Building	18.49	29.95
- Plant & Machinery	418.08	392.72
- Others	32.29	24.03
Insurance	75.09	70.45
Rent, Rates & Taxes	35.52	66.21
CSR Expenses	21.40	-
Miscellaneous Expenses	255.87	266.24
Heavy Vehicle / Equipment Running Exp.	102.48	86.99
	<b>6,444.32</b>	<b>4,839.70</b>

## Notes to Financial Statements (contd.)

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

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

**2.24** Contingent liabilities and commitment (to the extent not provided for)

Sl. No.	Particulars	(₹ in Lacs)	
		As at 31.3.2016	As at 31.3.2015
1	Bank Guarantee issued by Bank	80.91	80.91
2	Cross Subsidy charges against Power Purchase from IEX*	30.10	-
	<b>Total</b>	<b>111.01</b>	<b>80.91</b>

\* State Regulatory Commission of Meghalaya has fixed cross subsidy surcharge at the rate of ₹ 1.51/ KWH for electricity consumed through open access. The levy has been challenged by the Trade Association of Meghalaya before the Appellate Tribunal of Electricity (APTEL) for revision of tariff. However, the Company has taken provision in its books at the rate of ₹ 0.44/KWH for electricity consumed through open access during the year as per tariff proposed by Trade Association of Meghalaya as per formula laid down in National Consumer Tariff Policy and the differential amount has been shown as Contingent Liability.

**2.25** Borrowing cost capitalized

Sl. No.	Particulars	(₹ in Lacs)	
		As at 31.3.2016	As at 31.3.2015
1	Borrowing Cost Capitalized	-	61.69

**2.26** Payment to Auditors

Sl. No.	Particulars	(₹ in Lacs)	
		2015-16	2014-15
1	<b>As Auditor</b>		
	- Statutory audit fees	1.50	1.50
	- Tax audit fees	0.50	0.50
	<b>In other capacity</b>		
	- Certification and Other Services	1.00	1.80
		<b>3.00</b>	<b>3.80</b>

**2.27** Unhedged foreign currency exposures as on Balance Sheet date

Nature of Item	As at 31.03.2016			As at 31.03.2015		
	Currency	Foreign Currency (in million)	Indian Rupees (in lacs)	Currency	Foreign Currency (in million)	Indian Rupees (in lacs)
	FCNRB- Term Loan	USD	1.23	815.76	USD	2.74
ECB	USD	14.18	9402.68	USD	17.49	10,947.76

## Notes to Financial Statements (contd.)

### 2.28 Earnings per Share (EPS):

(In terms of Accounting Standard – 20)

Particulars	(₹ in Lacs)	
	2015-16	2014-15
Profit / (Loss) attributable to equity shareholders (₹ in Lacs)	1,082.84	544.66
Equity Share Capital (₹ in Lacs)	1,713.06	1,713.06
Weighted Average No. of Equity Shares Outstanding for basic EPS (Face Value of ₹10/- per share)	17,130,620	17,130,620
Weighted Average No. of Equity Shares Outstanding for diluted EPS (Face Value of ₹10/- per share)	17,130,620	17,130,620
Basic Earnings Per Share ₹	6.32	3.18
Diluted Earnings Per Share ₹	6.32	3.18

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

**2.30** The Company has exercised the option as mentioned under 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, 2016 is ₹ 139.29 lacs PY (₹ 105.58 lacs). The unamortized portion carried forward as at 31st March, 2016 is ₹ 2,484.98 lacs, PY (₹ 1883.42 lacs).

### 2.31 Related Party Disclosures

A	Names of the Related parties where control exists	Nature of relationship
	Star Ferro & Cement Limited (SFCL)	Ultimate Holding Company
	Cement Manufacturing Company Limited (CMCL)	Holding Company
	Megha Technical & Engineers Private Limited (MTEPL)	Fellow Subsidiary
	NE Hills Hydra Limited (NEHHL)	Fellow Subsidiary
	Star Cement Meghalaya Limited (SCML)	Fellow Subsidiary
B	Others-with whom transactions have taken place during the year	
	Names of other Related parties	Nature of relationship
a)	Key Management Personnel	
	Mr. Vishal Agarwal	Chief Financial Officer

b) Details of transactions between the Company and related parties and the status of outstanding balance as at 31st March 2016.

Sl. No.	Type of Transactions	(₹ in Lacs)					
		Holding Company		Enterprise Owned/ Influenced by KMP/ Fellow Subsidiaries		Key Management Personnel/Director	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>1</b>	<b>Purchase of Capital Goods</b>						
	CMCL	1.98	21.61	-	-	-	-
	CPIL	-	-	-	1.34	-	-
	MTEPL	-	-	45.32	39.92	-	-
<b>2</b>	<b>Sale Transactions</b>						
	CMCL	3661.57	2,832.42	-	-	-	-
	MTEPL	-	-	1139.12	1,286.22	-	-
	SCFL	-	-	-	504.37	-	-
	SCML	-	-	6256.94	5,801.27	-	-



## Notes to Financial Statements (contd.)

(₹ in Lacs)

Sl. No.	Type of Transactions	Holding Company		Enterprise Owned/ Influenced by KMP/ Fellow Subsidiaries		Key Management Personnel/Director	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>3</b>	<b>Loan Taken</b>						
	SCML	-	-	800.00	-	-	-
<b>4</b>	<b>Loan Given</b>						
	SCFL	-	-	-	200.0	-	-
<b>5</b>	<b>Loan Received Back</b>						
	SCFL	-	-	-	200.0	-	-
<b>6</b>	<b>Service Received</b>						
	SCML	-	-	12.50	15.03	-	-
<b>7</b>	<b>Security Deposit Repaid</b>						
	MTEPL	-	-	-	200.00	-	-
<b>8</b>	<b>Interest Paid</b>						
	SCML	-	-	8.69	-	-	-
<b>9</b>	<b>Interest Received</b>						
	SCFL	-	-	-	5.40	-	-
<b>10</b>	<b>Remuneration Paid</b>						
	Sri Vishal Agarwal	-	-	-	-	7.80	4.03
<b>11</b>	<b>Balances Outstanding</b>						
<b>A</b>	<b>Share Capital / Securities Premium</b>						
	SCFL	-	-	3373.50	3,373.50	-	-
	CMCL	3568.31	3,568.31	-	-	-	-
<b>12</b>	<b>Debtors</b>						
<b>B</b>	CMCL	342.17	176.66	-	-	-	-
	MTEPL	-	-	-	13.28	-	-
	SCML	-	-	-	122.75	-	-
<b>C</b>	<b>Loan Taken</b>						
	SCML	-	-	800.00	-	-	-
<b>D</b>	<b>Guarantees outstanding</b>						
	Sri Sajjan Bhajanka	-	-	-	-	15,565.16	18,410.94
	Sri Prem Kumar Bhajanka	-	-	-	-	13,399.40	15,345.96

## 2.32 GRATUITY AND OTHER POST –EMPLOYMENT BENEFIT PLANS

## (a) Defined Contribution Plans

The Company has recognized expenses of ₹ 19.63 lacs (Previous Year ₹ 15.13 lacs) towards the define contribution plans.

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

(₹ in Lacs)

Sl. No.	Particulars	Gratuity		Leave Encashment	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
I.	Expenses recognized in the Statement of Profit & Loss for the year ended 31st March, 2016.				
1.	Current Service Cost	4.33	3.57	3.06	2.22
2.	Interest Cost	1.72	1.12	0.51	0.38
3.	Employee Contribution	-	-	-	-

## Notes to Financial Statements (contd.)

(₹ in Lacs)

Sl. No.	Particulars	Gratuity		Leave Encashment	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
4.	Expected Return on Plan Assets	(0.92)	(1.03)	-	-
5.	Actuarial (Gains)/Losses	4.06	4.99	7.44	4.22
6.	Past Service Cost	-	-	-	-
7.	Settlement Cost	-	-	-	-
8.	Losses/(gains) on acquisition/divesture	(0.05)	0.01	-	-
9.	Total Expenses	9.14	8.66	11.01	6.81
II.	Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2016.				
1.	Present Value of Defined Benefit Obligation	25.61	17.31	7.18	5.56
2.	Fair Value of Plan Assets	11.04	11.88	-	-
3.	Funded Status [Surplus/(Deficit)]	(14.57)	(5.43)	(7.18)	(5.56)
4.	Net Asset/(Liability) as at 31st March, 2016	(14.57)	(5.43)	(7.18)	(5.56)
III.	Change in Obligation during the Year ended 31st March, 2016.				
1.	Present value of Defined Benefit Obligation at the beginning of the year	17.31	10.73	5.56	3.86
2.	Current Service Cost	4.33	3.57	3.06	2.22
3.	Interest Cost	1.72	1.12	0.51	0.38
4.	Settlement Cost	-	-	-	-
5.	Past Service Cost	-	-	-	-
6.	Employee Contribution	-	-	-	-
7.	Liabilities assumed on acquisition/(settled on divesture)	-	-	-	-
8.	Actuarial Gains/Losses	4.06	4.99	7.44	4.22
9.	Benefits Payments	(1.81)	(3.10)	(9.39)	(5.11)
10.	Present Value of Defined Benefit Obligation at the end of the year	25.61	17.31	7.18	5.56
IV.	Change in assets during the Year ended March, 2016.				
1.	Plan Assets at the beginning of the year	11.88	13.96	-	-
2.	Assets acquired on amalgamation in previous year	-	-	-	-
3.	Settlements	-	-	-	-
4.	Expected return on plan assets	0.92	1.03	-	-
5.	Contributions by employer	-	-	9.39	5.11
6.	Actual Benefit Paid	(1.81)	(3.10)	(9.39)	(5.11)
7.	Actuarial Gains/(Losses)	0.05	(0.01)	-	-
8.	Plan Assets at the end of the year	11.04	11.88	-	-
9.	Actual Return on plan assets	-	-	-	-
V.	The major categories of plan assets as a percentage of the fair value of total plan assets.				
1.	Funded with insurer.	100%	100%	-	-
	The Principal actuarial assumptions are as follows				
	Discount rate	8.00%	8.00%	8.00%	8.00%
	Expected Return on plan assets	8.00%	8.00%	0.00%	0.00%
	Salary Increase	6.00%	5.00%	6.00%	5.00%
2.	The overall expected rate of return on assets is determined based on market process prevailing on that date, applicable to the period over which the obligation is to be settled.	8.00%	8.00%	-	-

## Notes to Financial Statements (contd.)

2.33 a) Value of imported and indigenous Stores & Spares parts Consumed and their percentage to total Consumption:

Sl. Particulars No.	2015-16		2014-15	
	(₹ in Lacs)	%	(₹ in Lacs)	%
<b>Stores &amp; Spares</b>				
i) Imported	7.16	34.88%	-	-
ii) Indigenous	13.37	65.12%	24.59	100%
<b>Total</b>	<b>20.53</b>	<b>100%</b>	<b>24.59</b>	<b>100%</b>

(₹ in Lacs)

2.33 b) Value of imports calculated on CIF basis:

Sl. Expenditure No.	2015-16	2014-15
	i) Stores & Spares	10.43
<b>Total</b>	<b>10.43</b>	<b>0.82</b>

(₹ in Lacs)

2.33 c) Expenditure in Foreign Currency:

Sl. Expenditure No.	2015-16	2014-15
	i) Interest	565.76
<b>Total</b>	<b>565.76</b>	<b>621.57</b>

(₹ in Lacs)

### 2.34 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.

- Gross Amount required to be spent by the Company during the year is ₹ 11.34 Lacs
- Amount spent during the year on:

Sl. Nature of Expenditure No.	2015-16	2014-15
	i) Education	11.40
ii) Preventive Health Care, Supply of Drinking Water	10.00	-
<b>Total</b>	<b>21.40</b>	<b>-</b>

(₹ in Lacs)

### 2.35 CAPITAL WORK-IN-PROGRESS INCLUDES:

Particulars	As at 31.3.2016	As at 31.3.2015
	a) Expenditure during construction for project as under:	
Opening Balance	663.35	6645.31
Addition during the year	337.00	1547.29
Less: Capitalised during the year	321.13	7529.25
Balance included in capital work in progress	679.22	663.35

(₹ in Lacs)

## Notes to Financial Statements (contd.)

**2.36** Ministry of Corporate Affairs (MCA) vide notification dated 29th August, 2014 has amended Schedule II to the Companies Act, 2013 requiring mandatory componentization of fixed assets for financial statements in respect of Financial Years commencing on or after 1st April, 2015. During the year, the Company has undertaken the componentization of fixed assets w.e.f. 1st April, 2015 on the basis of technical evaluation and useful life thereof. However, on evaluation by technical department it was observed that the life of significant components were not materially different from the main component and accordingly no separate component with different useful life has been recognized and hence there is no effect on the depreciation charge during the year.

**2.37** Figures have been rounded off to the nearest ₹ in Lacs.

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

For **Kailash B. Goel & Co.**  
Firm Registration No.: 322460E  
Chartered Accountants

**CA. Arun Kumar Sharma**  
Partner  
Membership No: 057329

Place: Kolkata  
Date: 2nd May, 2016

**Vishal Agarwal**  
Chief Financial Officer

**Manoj Agarwal**  
Company Secretary

For and on behalf of the Board

**Sanjay Kumar Agarwal**  
Managing Director  
DIN : 00232938

**B.B. Agarwal**  
Director  
DIN : 01125056















Registered Office:

Vill: Lumshnong, P.O.: Khaliehriat,

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Meghalaya - 793 210

CIN: U40108ML2002PLC006921