STRENGTH in ADVERSITY

MEGHALAYA POWER LIMITED

ANNUAL REPORT 2022-23

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

CORPORATE INFORMATION

MEGHALAYA POWER LIMITED

CIN: U40108ML2002PLC006921

Board of Directors

Mr. Ghanshyam Agarwal
Managing Director

Mr. Sajjan Bhajanka
Director

Mr. Prem Kumar Bhajanka
Director

Mr. Rangbahduh Khonglah
Director

Mr. Lamshwa Kyndoh
Director

Mr. Pramod Kumar Shah
Independent Director
(Till 31st March, 2023)

Mr. Amit Kiran Deb
Independent Director

Mr. Nirmalya Bhattacharyya
Independent Director
(w.e.f. 1st April, 2023)

Company Secretary

Mr. Debabrata Thakurta

Chief Financial Officer

Mr. Bishal Kumar Agarwal

Auditors

M/s. Singhi & Co.
Chartered Accountants
161, Sarat Bose Road,
Kolkata- 700026

Bankers

State Bank of India

Registrar & Share Transfer Agents

Maheshwari Datamatics Private Limited
23, R, N Mukherjee Road, 5th Floor,
Kolkata- 700 001

Registered Office & Works

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

Corporate Office

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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting Twenty First Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2023 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, 2023 as compared to the previous financial year are as under:-

(₹ in Lakhs)

Particulars	FY 22-23	FY 21-22
Total Income	14,981.95	13,570.22
Profit before Depreciation, Interest and Tax	1,519.42	1563.10
Depreciation	1,141.62	1197.95
Finance Cost	45.69	209.27
Profit/(Loss) before Tax	332.11	155.88
Provision for taxation:		
-Current Tax	55.80	8.48
- Tax for earlier years	(0.55)	-
-Deferred Tax	(24.79)	(1.97)
Profit/(Loss) after Tax	301.65	149.37
Other comprehensive income for the year	(3.09)	(5.02)
Total comprehensive income for the year	298.56	144.35

INDUSTRY OUTLOOK

Power is the most vital component for economic growth of a nation. Development of power sector is key component for development of infrastructure sector. Government's fundamental objective is to reach power at every corner of the nation and at affordable prices. With the continuous efforts of the Government now India became a surplus power generating nation.

Country's sources of power generation varies from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to non-conventional sources such as wind, solar, agricultural etc.,

The last year's Union Budget allocated ₹19,500 Crore towards PLI scheme to enhance manufacturing of high-efficiency solar modules. The Budget also announced issuance of sovereign green bonds, as well as conferring infrastructure status to energy storage systems, including grid-scale battery systems. 100% FDI has been allowed in the power sector. In the Union Budget FY 23-24, ₹10,222 Crore have been allocated towards renewal energy sector. In order to reduce carbon intensity, the Government announced 'green growth', comprising of various programmes for green fuel, green energy, green buildings, green farming etc., Government's various schemes like Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) are expected to augment electrification across the country.

Country's power sector is changing very fast, sustained economic growth with various projects of the Government continues to drive electricity demand of the country.

OPERATIONAL PERFORMANCE

During the year under review, the Company's power generation recorded 181 Mn units as compared to 123 Mn units recorded in the previous year. Reason for increase in generation of power was due to increase in demand of power. Your Company is selling power to its Holding company and fellow subsidiary companies.

During the Financial year 2022-23, your Company registered total income of ₹ 14,981.95 Lakhs as compared to ₹ 13,570.22 Lakhs recorded in the previous financial year. Your Company posted PBT of ₹ 332.11 Lakhs as against ₹ 155.88 Lakhs recorded in the previous financial year.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2023 was ₹ 1,713.06 Lakhs. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

ANNUAL RETURN

Pursuant to Provision of Section 134(3)(a) and Section 92(3) read with Rule 11 & 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the

DIRECTORS' REPORT (Contd.)

requirement to attach the Extract of Annual Return has been omitted vide Companies (Management and Administration) Amendment Rules, 2021. Since the Company does not possess any website thus, it is not required to upload the Annual Return on the website and to provide web link thereof on the Board's Report. Further, a copy of the Annual Return for the Financial Year 2022-23, shall be filed with the ROC.

MEETINGS OF THE BOARD

During the year, Four (4) Board Meetings were convened and held on 16th May, 2022; 1st August, 2022; 11th November, 2022 and 2nd February, 2023. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

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

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

*Mr. Pramod Kumar Shah, Independent Director retired from the Board with effect from close of the business hours of 31st March, 2023 due to completion of his second and final terms of appointment as Independent Director. Your Board of Directors record their appreciation for the valuable services and guidances rendered/given by Mr. Pramod Kumar Shah during his association with the Company as a member of the Board and various Committees.

** On the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on 2nd February, 2023 appointed Mr. Nirmalya Bhattacharyya as an Additional Director effective from 1st April, 2023, subject to the approval of the shareholders at the ensuing Annual General Meeting.

MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, a meeting of Independent Directors was held on 17th March, 2023 wherein the performance of the Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors, at their meeting, also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

COMPLIANCE WITH THE SECRETARIAL STANDARDS AND INDIAN ACCOUNTING STANDARDS (IND AS)

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any;
- The Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit of the Company for the year under review;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on going concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. Mr. Pramod Kumar Shah and Mr. Amit Kiran Deb are Independent Directors on the Board of your Company. Mr. Nirmalya Bhattacharyya was appointed as Independent Director of the Company w.e.f. 1st April, 2023. In the opinion of the Board and as confirmed by these Directors, they fulfill the conditions specified in Section 149 of the Act and the Rules made thereunder about their status as Independent Directors of the Company.

Your Board of Directors formed opinion that the Independent Directors of the Company are maintaining highest standard of integrity and possessing expertise, requisite qualifications and relevant experience in the fields of Administration, General management, Accounts & Finance, Audit, Internal Audit, Taxation, Risk, Board procedures, Governance etc., for performing their role as Independent Directors of the Company. Regarding proficiency, all Independent Directors have registered themselves in the Data Bank maintained with the Indian Institute of Corporate Affairs (IICA), Manesar. In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self- assessment test conducted by the IICA within a period of two (2) years from the date of inclusion of their names in the data bank. Mr. Amit Kiran Deb, Independent Director is exempted from qualifying 'online proficiency test' due to their relevant experience in listed companies and the Companies with Paid up equity Capital of ₹ 10 Crore and more. Mr. Pramod Kumar Shah and Mr. Nirmalya Bhattcharyya appeared in 'online proficiency test' and have successfully qualified the test.

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

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

AUDITORS & AUDITORS' REPORT

Messrs Singhi & Co., Chartered Accountants (Firm Registration Number: 302049E) have been appointed by the members at the Twentieth Annual General Meeting of the members of the Company and shall hold office for a period of 5 years from the date of such meeting held on 23rd September, 2022.

The Statutory Auditors' Report "with an unmodified opinion", given by M/s. Singhi & Co., on the Financial Statements of the Company for the Financial Year ended 31st March, 2023, is appended in the Financial Statements forming part of this Annual Report.

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

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its manufacturing activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed Messrs B. G. Chowdhury & Co., Cost Accountants, (Firm Registration Number: 000064) as Cost Auditors of the Company for the financial year ended 31st March, 2023 in the Board Meeting held on 16th May, 2022. The remuneration proposed to be paid to them for the financial year 2022-23, as recommended by audit committee, was ratified in the meeting of shareholders held on 23rd September, 2022.

Messrs B. G. Chowdhury & Co., Cost Accountants, (Firm Registration Number: 000064) have expressed their willingness to be re-appointed as Cost Auditors of the Company for ensuing financial year. The Board, on recommendation of the audit committee has re-appointed Messrs M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration Number: 000064) as Cost Auditors of the Company for the financial year 2023-24 subject to ratification of their remuneration by shareholders in the General Meeting of the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditors is placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s. B. G. Chowdhury & Co., Cost Auditors (Firm Registration Number: 000064) for the financial year 2023-24 is included in the Notice convening the Annual General Meeting.

The cost audit report for the Financial Year 2021-22 was filed with the Ministry of Corporate Affairs on 31st August, 2022.

REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under section 143(12) of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your Company has not made any investment or provided guarantee or security in

DIRECTORS' REPORT (Contd.)

connection with a loan to any person exceeding the limit specified in Section 186 of the Companies Act, 2013.

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

RELATED PARTY TRANSACTIONS

All related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with the Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

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

RESERVES

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

DIVIDEND

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(A) Steps taken toward Conservation of energy

i. WHRS (Line-1) has been commissioned and under operation.

ii. Replacement of Conventional Lights by LEDs.

iii. Modification in Bamboo Chipper M/c-1 output conveyor Belt (Revolving) to eliminate 3.7 KW Motor (additional Belt conveyor).

iv. Replacement of one no. ACC Fan blade by FRP Blade.

v. Use of Bio Mass for power generation

(B) Steps taken towards Technical Absorption

i. Installation of complete AFR feeding system in both CFBC Boilers.

ii. Installation of New Bamboo Chipper Machine (Capacity 20 TPH).

iii. AFR feeding in both CFBC Boilers @ 9.7% TSR (YTD).

(C) Foreign Exchange Earnings And Outgo

During the period under review, there were no Foreign Exchange earnings (Previous Year Nil) and the Foreign Exchange Outgo was NIL (Previous year NIL).

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is committed to communities in remote areas of our geographical map where the Company essentially operates.

During the year under review your Company has taken up CSR initiatives like sustainable livelihood, health and rural infrastructure developmental programs etc., in places where there were scopes of enhancing sustainability in the neighbouring communities. Entire population of the nearby plant area have been significantly benefitted.

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- 1**.

PERFORMANCE EVALUATION OF THE BOARD

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

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

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

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, on parameters such as level of engagement

DIRECTORS' REPORT (Contd.)

and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Non-Independent Directors and Board as a whole was also carried out by the Independent Directors.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Pramod Kumar Shah, Independent Director retired from the Board with effect from close of the business hours of 31st March, 2023 due to completion of his second and final terms of appointment as Independent Director. Your Board of Directors record their appreciation for the valuable services and guidances rendered/given by Mr. Pramod Kumar Shah during his association with the Company as a member of the Board and various Committees.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on 2nd February, 2023 appointed Mr. Nirmalya Bhattacharyya as an Additional Director in Independent Category effective from 1st April, 2023, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Mr. Nirmalya Bhattacharyya, aged 73 years, is a First Class Master Degree holder in Statistics having more than 52 years of rich experience in Banking, Finance, Accounts, Administration and Social services. He is an Executive Director of Friends of Tribal Society and also an Administrator of MBIT sets of instruments. His association as Director would be beneficial to the Company.

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

In accordance with the provisions of Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Lamshwa Kyndoh (DIN: 01550103), Director, will retire by rotation and being eligible, offers himself for re-appointment. In view of his considerable experience, your Directors recommend his re-appointment as Director of the Company.

The following personnel are Key Managerial Personnel of the Company:

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

HOLDING COMPANY

Your Company is a wholly owned subsidiary company of M/s. Star Cement Limited with a stake of 100% in your Company. Your Company continues to have long term power supply agreement with its holding Company for supply of power to the holding Company and its other subsidiaries.

The Board of Directors of your Company (Transferor Company) in its meeting dated 2nd February, 2023 and 18th May, 2023 has approved a draft scheme of amalgamation with Star Cement Meghalaya Limited (Transferee Company) along with Megha Technical & Engineers Private Limited & NE Hills Hydro Limited, (Transferor Companies) pursuant to provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Rules made thereunder and subject to approval of the Members and Creditors (if any) of the Company as the case may be, and National Company Law Tribunal ("NCLT") and other necessary approvals as may be required, with effect from the Appointed date, 1st April, 2023.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

The Company does not have any subsidiary, associate and joint venture.

DEPOSITS

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

SIGNIFICANT MATERIAL ORDERS PASSED BY THE COURTS OR REGULATORS

(i) The Director of Mineral resources, Meghalaya, Shillong vide its Demand notice dated 19th February, 2020 raised a demand against the Company for payment of royalty, MEPRF, VAT/GST for an amount of ₹ 9,151.21 Lakhs in pursuance to the National Green Tribunal (NGT) order dated 17th January, 2020 passed in O.A. No. 110 (THC)/2012 against the Company and other Cement and Power Companies in Meghalaya for alleged illegal coal procurement.

The Company has not purchased any illegal coal and has complied with all disclosure requirements of the various Government departments. The report of NGT Committee has been founded on the basis of assumptions and not on hard facts. The Company backed by the legal opinions, believed that it has a good case in the matter as the said order was issued on the basis of certain hypothetical assumptions and without giving any opportunity of being heard to the Company.

Accordingly, the Company had preferred an appeal before the Apex Court. The Apex court vide it's order dated 2nd May, 2023 remand back the file to the NGT, at the stage, at which they stood prior to the passing of

DIRECTORS' REPORT (Contd.)

the judgement dated 17th January, 2020 and set aside the judgement dated 17th January, 2020. As the matter is pending no provision has been made in the accounts. (Refer Note no. 39(a) of Notes to Accounts).

(ii) During the year the Company has received a demand notice dated 20th March, 2023 from the Divisional Mining Officer (DMO), Directorate of Mineral Resources, Meghalaya, Jowai towards dues of royalty on Coal and penal interest thereon amounting to ₹ 1,594.27 Lakhs. This demand is pertaining to coal purchased by the company during the financial year 2012-13 & 2013-14 from various vendors.

As per the provisions of the Mines and Minerals (Development and Regulation) Act, 1957, the liability for payment of royalty in respect of any mineral removed/ consumed from the mining lease arises on the holder of the mining lease and not on the purchaser of such mined minerals. Hence there is no obligation of the Company to pay royalty/cess in this case. However, as an abundant precaution, the Company has provided liability towards Royalty on Coal amounting to ₹ 452.03 Lakhs (including ₹ 255.00 Lakhs already provided in earlier years).

Since, the liability to pay royalty itself is not applicable to the Company, hence provision for penal interest has not been provided and as a matter of prudence the same has been shown as contingent liability. The Company shall contest the above demand and based on the legal opinion obtained in this regard, it believes the said demand raised by the DMO is not tenable and the matter shall be disposed off in the favor of the Company (Refer Note no. 39(b) of Notes to Accounts).

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

CREDIT RATINGS

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

ADEQUACY OF INTERNAL FINANCIAL CONTROL

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

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

DETAILS OF DIFFERENCE IN VALUATION

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

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

DIRECTORS' REPORT (Contd.)

received during the year.

RISK MANAGEMENT

Risk management refers to the practice of identifying potential risks in advance, analysing them and taking precautionary steps to reduce the risk. The Company has evolved a risk management framework to identify, assess and mitigate the key risk factors of the business. The Board of the Company is kept informed about the risk management of the Company.

OCCUPATIONAL HEALTH & SAFETY

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

COMMITTEES OF THE BOARD

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

a. Audit Committee

Your Company has an Audit Committee at the Board level, which acts as a link between the management, the statutory and internal auditors and the Board of Directors to oversee the financial reporting process.

During the year under review, the Audit Committee met Four (4) times to deliberate on the various matters. The Meetings were held on 16th May, 2022; 1st August, 2022; 11th November, 2022 and 2nd February, 2023. The composition of the Committee and the attendance details of the members are given below:

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

*Mr. Pramod Kumar Shah ceased to be the Chairman and Member of the said committee with effect from close of business hours of 31st March, 2023 and Mr. Nirmalya Bhattacharyya was inducted as the new Chairman and Member of the said committee with effect from 1st April, 2023.

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

b. Nomination & Remuneration Committee

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

During the year under review, the Committee met 2 (two) times to deliberate on the various matters. The Meetings were held on 16th May, 2022 and 2nd February, 2022. The composition of the Committee and the attendance details of the members are given below:

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

*Mr. Pramod Kumar Shah ceased to be the Chairman and Member of the said committee with effect from close of business hours of 31st March, 2023 and Mr. Nirmalya Bhattacharyya was inducted as the new Chairman and Member of the said committee with effect from 1st April, 2023.

c. Corporate Social Responsibility Committee

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

During the year, the Committee met two (2) times to deliberate on the various matters. The meeting were held on 16th May, 2022 and 2nd February, 2023. The composition of the Committee and the attendance details of the members are given below:

DIRECTORS' REPORT (Contd.)

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Pramod Kumar Shah*	Independent	Chairman	2	2
Mr. Sajjan Bhajanka	Non-Independent	Member	2	2
Mr. Ghanshyam Agarwal	Executive	Member	2	2
Mr. Nirmalya Bhattacharyya*	Independent	Chairman	-	-

*Mr. Pramod Kumar Shah ceased to be the Chairman and Member of the said committee with effect from close of business hours of 31st March, 2023 and Mr. Nirmalya Bhattacharyya was inducted as the new Chairman and Member of the said committee with effect from 1st April, 2023.

d. Finance Committee

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

During the year under review, the Finance Committee met Two (2) times to deliberate on the various matter. The Meetings were held on 12th September, 2022 and 2nd February, 2023. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Sajjan Bhajanka	Non-Independent	Chairman	2	2
Mr. Prem Kumar Bhajanka	Non-Independent	Member	2	-
Mr. Ghanshyam Agarwal	Executive	Member	2	2

HUMAN AND INDUSTRIAL RELATIONS

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

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

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENT

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

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

Ghanshyam Agarwal
Managing Director
(DIN: 08181762)

Sajjan Bhajanka
Director
(DIN: 00246043)

Place: Kolkata
Date: 18th May, 2023

ANNEXURE – 1

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES

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

1. **A brief outline on the Company's CSR policy:**

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

2. **The composition of the CSR Committee:**

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

**Mr. Pramod Kumar Shah ceased to be the Chairman and Member of the said committee with effect from close of business hours of 31st March, 2023*

***Mr. Nirmalya Bhattacharyya was inducted as the Chairman and Member of the said committee with effect from 1st April, 2023.*

3. **Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:** Not Applicable

4. **Provide the details of executive summary along with the web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, as amended, if applicable (attach the report):** Not Applicable

5. a. **Average Net Profit of the Company for last 3 financial years as per section 135(5):** ₹ 251.51 Lakhs

   b. **Two percent of average net profit of the Company as per section 135(5):** ₹ 5.03 Lakhs

   c. **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL

   d. **Amount required to be set off for the financial year, if any:** NIL

   e. **Total CSR obligation for the financial year (b+c-d):** ₹ 5.03 Lakhs

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 39.28 Lakhs

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

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

   (d) **Total amount spent for the Financial Year (a+b+c):** ₹ 39.28 Lakhs

   (e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 39.28 Lakhs	NIL				

ANNEXURE – 1 (Contd.)

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lakhs)
(1)	**(2)**	**(3)**
(i)	Two percent of average net profit of the Company as per section 135(5)	5.03
(ii)	Total amount spent for the Financial Year	39.28
(iii)	Excess amount spent for the financial year [(ii)-(i)]	34.25
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	34.25

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial Year(s) (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1.	NIL							
	Total							

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

☐ **Yes** ☐ **No**

If yes, enter the number of Capital assets created/acquired **Not Applicable**

ANNEXURE – 1 (Contd.)

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year.

<table>
<tr><th>Sl. No.</th><th>Short particulars of the property or asset (s) (including complete address and location of the property)</th><th>Pincode of the property or asset(s)</th><th>Date of Creation</th><th>Amount of CSR amount spent</th><th colspan="3">Details of entity/Authority/beneficiary of the registered owner</th></tr>
<tr><td>(1)</td><td>(2)</td><td>(3)</td><td>(4)</td><td>(5)</td><td colspan="3">(6)</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td>CSR Registration Number, if applicable</td><td>Name</td><td>Registered address</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

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

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

For and on behalf of the Board of Directors

Ghanshyam Agarwal
Managing Director
(DIN: 08181762)

Nirmalya Bhattacharyya
Chairman – CSR Committee
(DIN: 09037566)

Place: Kolkata
Date: 18th May, 2023

ANNEXURE 2

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

Sl. No.	Name of the Employees	Designation	Remuneration Received (₹ in Lakhs)	Nature of Employment	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last Employment	% of Equity Share held in the Company	Relation with Director, if any
1	Mr. Arvind Rai	Sr. General Manager -Electrical & Instrumentation	38.63	Permanent	B Tech (Electrical)	33	25th July, 2004	52	Kalyanpur Cements Limited	NIL	None
2	Mr. Bishal Kumar Agarwal	Chief Financial Officer	30.66	Permanent	Chartered Accountant	14	6th February, 2018	36	UTD E Services (P) Limited	NIL	None
3	Mr. Sumanta Chand	Assistant General Manager - Power Sales	25.48	Permanent	MBA (power management) , B. Tech (Information Technology)	14	20th September, 2013	39	Sterlite Energy Limited	NIL	None
4	Mr. Y Sharat Chandra Singha	Assistant General Manger - Operation & Maintenance	20.03	Permanent	B-Tech(Mechanical), BOE Certificate	27	21st September, 2020	51	CMJ Breweries Private Limited	NIL	None
5	Mr. Utpal Senapati	Assistant Manager - Finance & Accounts	14.97	Permanent	B.Com	18	2nd June, 2008	43	ITC Limited	NIL	None
6	Mr. Shashank Shekhar Mishra	Deputy Manag`er - Instrumentation	12.23	Permanent	Diploma in Instrumentation Engineering	15	15th November, 2008	45	DLF Power Limited	NIL	None
7	Mr. Ashok Kumar	Assistant Engineer - Electrical	10.70	Permanent	ITI Electrical	24	11th October, 2008	49	Bajaj Hindustan & Sugar India Limited	NIL	None
8	Mr. Monoj Nath	Assistant Manager – Operation & Maintenance	8.51	Permanent	Diploma in Mechanical Engineering	15	14th February, 2008	42	Shyam Century Ferrous Limited	NIL	None
9	Mr. Aftab Alam	Junior Engineer	8.45	Permanent	Boiler – 1st class	31	21st December, 2011	57	Geep Industrial Syndicate Limited	NIL	None
10	Mr. Nagendra Sharma	Assistant Engineer- Operation & Maintenance	8.38	Permanent	ITI Fitter & 1st BIEC, Diploma in (Mechanical)	22	17th April, 2007	51	Gama Al Moushegah Arabia Limited Hawiyah Gtc Project	NIL	None

For and on behalf of the Board of Directors

Ghanshyam Agarwal
Managing Director
(DIN: 08181762)

Sajjan Bhajanka
Director
(DIN: 00246043)

Place: Kolkata
Date: 18th May, 2023

Financial Statements

Independent Auditor's Report

To

The Members of Meghalaya Power Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Meghalaya Power Limited** ("the Company"), which comprise the Balance Sheet as at March 31 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements 'section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information other than the Financial Statements and Auditor's Report thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Other Matters

The comparative financial information of the company for the year ended 31st March 2022 are based on the previously issued financial statements prepared in accordance with the Ind AS that were audited by the erstwhile auditors. The audit report dated 16th May, 2022 on the audited financial statement of the Company for the year ended 31st March 2022 issued by erstwhile auditors expressed an unmodified opinion.

Our opinion is not modified in respect to above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (India Accounting Standards) Rules 2015 as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken

Independent Auditor's Report (Contd.)

on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the company has not paid any managerial remuneration for the year ended March 31, 2023.

(h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The impacts of pending litigations on the financial position of the Company have been disclosed in the financial statement as required in terms of the Ind AS and provisions of the Companies Act, 2013 - Refer Note No. 39 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a. The Management has represented that, to the best of its knowledge and belief, as disclosed in note no. 46, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented that, to the best of its knowledge and belief, as disclosed in note no. 46, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under (a) and (b) above, contain any material misstatement.

v. The Company has not declared any dividend in the previous year which has been paid in the current year. Further, no dividend has been declared in the current year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

(Gopal Jain)
(Partner)
Membership No. 059147
UDIN: 23059147BGYQAC9132

Place: Kolkata
Date: 18th May 2023

Annexure "A" to Independent Auditor's Report

(Referred to in paragraph 1 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to Statutory Audit of Meghalaya Power Limited for the year ended March 31, 2023)

We report that:

I.

a.

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation, of property, plant & equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. The Company has regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a period of three years, which in our opinion, is at reasonable intervals having regard to the size of the company and nature its property, plant and equipment. In accordance with this programme, certain property, plant & equipment were physically verified during the year. 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 (other than properties where the Company is a lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company except as detailed below: (Refer note 2(a) of the financial statements).

(₹ In lakhs)

Description of property	Gross carrying value	Held in the name of	Whether held by promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold Land	152.39	Ms. Sailyne Suja	No	Fresh Purchase during the FY 22-23	The title deeds are in the process of transfer in the name of the Company. However, necessary permission of transfer of land in the name of the company from appropriate authority has already been obtained.

d. The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.

e. According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

II.

a. The management has conducted physical verification of inventory at reasonable intervals during the year and discrepancies of 10% or more in aggregate for each class of inventory were not noticed on physical verification of such inventories. In our opinion, the frequency of verification by the management is reasonable and the coverage & procedure for such verification is appropriate.

b. The Company has not been sanctioned working capital limits more than five crore, in aggregate, from banks or financial institution and hence requirement of submission of the quarterly returns or statements filed by the Company with such banks or financial institutions are not applicable to the company.

III. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has also not made any investments in firms, limited liability partnership or any other parties. Hence reporting under clause 3 (iii) of the order is not applicable.

IV. In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or

Annexure "A" to Independent Auditor's Report (Contd.)

security to the parties covered under Section 185 of the Act. The Company has not made any investments or provided any loans or guarantee or security. Hence provisions of Section 186 of the Act is not applicable to the company.

V. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified. Hence reporting under clause 3(v) of the order is not applicable.

VI. We have broadly reviewed the books of account 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 in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

VII.

a. According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Goods and Services tax, Duty of customs , Duty of excise, Value Added Tax, Cess and Other Statutory Dues applicable to it. In our opinion, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service tax, Duty of customs, Duty of excise, Value added tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us and the records of the Company examined by us. Details of statutory dues referred to sub clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute are given below:

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which amount relates	Forum where the dispute is pending
MMDR ACT, 1957, (#) GST ACT, 2017 & VAT ACT	Royalty, MEPR (##), GST/VAT	9151.21	FY 2014-15 & FY 2018-19	Director of Mineral Resources, Meghalaya
MMDR ACT, 1957 (#)	Royalty on Coal	1594.27	June'12 – May'14	Divisional Mining Officer, West Jaintia Hills, Jowai
Meghalaya Electricity Duty Act	Electricity Duty	48.72	FY 2014-15 & FY 2018-19	Office of the Suprintendent of Taxes, Government of Meghalaya
Income tax Act, 1961	Income Tax Demand	1712.89	AY 2017-18	Additional Commissioner of Income Tax/ Income Tax Officer, National e- assessment Centre, Delhi
Income tax Act, 1961	Income Tax Demand	757.14	AY 2018-19	Additional Commissioner of Income Tax/ Income Tax Officer, National e- assessment Centre, Delhi
CGST Act, 2017	Goods & Service Tax	20.96	July'17 - Jan'19	Directorate General of Goods & Services Tax Intelligence, Shillong Regional Unit.

(#) MMDR: Mines And Minerals (Development And Regulation) Act, 1957

(##) Meghalaya Environment Protection & Restoration Fund

VIII. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

IX.

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

Annexure "A" to Independent Auditor's Report (Contd.)

b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or government authority.

c. According to the information and explanations given to us and on the basis of our audit procedures, the term loans were applied for the purpose for which the loans were obtained.

d. The company has not raised any funds on short term basis during the year. Accordingly, 3(ix)(d) of the order not applicable.

e. The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) & (f) of the Order is not applicable to the Company.

X.

a. According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause 3(x) (b) of the Order is not applicable.

XI.

a. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

b. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, a report under Section 143(12) of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

c. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

XII. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause3(xii) of the Order is not applicable to the Company.

XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with 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. The company is not required to have an internal audit system as per the criteria given in the company Act 2013. According, clause xiv (a) & (b) are not applicable to the company.

XV. According to the information and explanations given to us and as represented to us by the management 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, clause 3(xv) of the Order is not applicable to the Company.

XVI.

a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) & (b) of the Order is not applicable to the Company.

b. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

c. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the company, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

XVII. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

Annexure “A” to Independent Auditor’s Report (Contd.)

XVIII. There has been no resignation of the statutory auditors during the year accordingly the reporting under clause 3(xviii) of the Order is not applicable to the Company.

XIX. According to the information and explanations given to us and on the basis of the financial ratios (refer note – 44 in the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Singhi & Co.
Chartered Accountants
Firm’s Registration No. 302049E

(Gopal Jain)
(Partner)
Membership No. 059147
UDIN: 23059147BGYQAC9132

Place: Kolkata
Date: 18th May 2023

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2(f) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to Statutory Audit of Meghalaya Power Limited for the year ended March 31, 2023)

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 with reference to financial statements of **Meghalaya Power Limited** ("the Company") as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial

Annexure "B" to Independent Auditor's Report (Contd.)

statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

(Gopal Jain)
(Partner)
Membership No. 059147
UDIN: 23059147BGYQAC9132

Place: Kolkata
Date: 18th May 2023

Balance Sheet as at 31st March, 2023

(₹ in Lakhs)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	14,388.67	15,312.49
(b) Capital work-in-progress	2.1	940.89	128.75
(c) Right-of-use assets	2.2	0.19	0.39
(d) Financial assets			
(i) Other Financial assets	3	1.59	25.35
(e) Non current tax assets (net)	4	325.29	307.82
(f) Other non-current assets	5	71.21	213.58
Total non-current assets		**15,727.84**	**15,988.38**
(2) Current assets			
(a) Inventories	6	1,387.97	817.46
(b) Financial assets			
(i) Trade receivables	7	429.39	901.06
(ii) Cash and cash equivalents	8	39.47	30.77
(iii) Bank Balances (Other than (ii) above)	9	26.44	40.51
(c) Other current assets	10	159.21	135.36
Total current assets		**2,042.48**	**1,925.16**
Total assets		**17,770.32**	**17,913.54**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	1,713.06	1,713.06
(b) Other equity	12	13,251.33	12,952.77
Total equity		**14,964.39**	**14,665.83**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	400.00	1,350.00
(ii) Lease Liabilities	14	-	0.23
(b) Provisions	15	22.84	21.43
(c) Deferred tax liabilities (net)	16	245.22	271.19
(d) Other non current liabilities	17	36.06	38.51
Total non-current liabilities		**704.12**	**1,681.36**
(2) Current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	18	0.23	0.22
(ii) Trade payables	19		
a) Total outstanding dues of micro enterprises and small enterprises		30.85	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,909.62	1,510.26
(iii) Other financial liabilities	20	111.08	23.47
(b) Provisions	21	7.51	4.18
(c) Other current liabilities	22	42.52	28.22
Total current liabilities		**2,101.81**	**1,566.35**
Total liabilities		**2,805.93**	**3,247.71**
Total equity and liabilities		**17,770.32**	**17,913.54**
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

(Gopal Jain)
Partner
Membership No: 059147

Bishal Kumar Agarwal
Chief Financial Officer

Ghanshyam Agarwal
Managing Director
DIN : 08181762

Debabrata Thakurta
Company Secretary

Sajjan Bhajanka
Director
DIN : 00246043

Place : Kolkata
Date: 18th May, 2023

Statement of Profit and Loss for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	Notes	For the year ended 31st March, 2023	For the year ended 31st March, 2022
INCOME			
Revenue from operations	23	14,979.43	13,565.90
Other income	24	2.52	4.32
Total income		**14,981.95**	**13,570.22**
EXPENSES			
Cost of Material Consumed	25	8,198.49	6,540.13
Energy Purchase		3,105.62	3,979.87
Changes in inventories of finished goods	26	(75.08)	-
Employee benefit expenses	27	1,026.34	658.69
Finance costs	28	45.69	209.27
Depreciation	29	1,141.62	1,197.95
Other expenses	30	1,207.16	828.43
Total expenses		**14,649.84**	**13,414.34**
Profit before Tax		**332.11**	**155.88**
Tax expenses			
- Current tax	31	55.80	8.48
- Tax of earlier year		(0.55)	-
- Deferred tax		(24.79)	(1.97)
Total Tax expenses		**30.46**	**6.51**
Profit for the year		**301.65**	**149.37**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan	33	(4.28)	(6.96)
Income tax related to above		1.19	1.94
Other comprehensive income for the year		**(3.09)**	**(5.02)**
Total comprehensive income for the year		**298.56**	**144.35**
Earnings per equity share (Face Value of ₹ 10 each)			
Basic earning per share (in ₹)	32	1.76	0.87
Diluted earning per share (in ₹)	32	1.76	0.87
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

(Gopal Jain)
Partner
Membership No: 059147

Bishal Kumar Agarwal
Chief Financial Officer

Ghanshyam Agarwal
Managing Director
DIN : 08181762

Debabrata Thakurta
Company Secretary

Sajjan Bhajanka
Director
DIN : 00246043

Place : Kolkata
Date: 18th May, 2023

Cash Flow Statement for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	332.11	155.88
Adjustments for :		
Depreciation of Property Plant & Equipment	1141.42	1197.65
Interest Income	(1.52)	(1.09)
Amortisation of Right- of-use asset	0.20	0.30
(Gain) / Loss on sale/discard of Property Plant & Equipment	-	2.07
Provision for Obsolescence of Inventory	6.49	-
Finance Cost	45.69	209.27
Operating Profit before working Capital changes	**1,524.39**	**1,564.08**
Adjustments for :		
(Increase) / Decrease in Trade receivables	471.67	1126.94
(Increase) / Decrease in Inventories	(577.00)	1194.38
(Increase) / Decrease in Other assets	0.21	(39.32)
Increase / (Decrease) in Other payable (Including trade payable)	430.21	758.02
Increase / (Decrease) in Other liabilities and provision	6.02	(38.26)
Cash Generated from Operations	**1,855.50**	**4,565.84**
Direct Tax Paid (Net)	(73.28)	(50.19)
Net cash flow from Operating Activities (A)	**1,782.22**	**4,515.65**
Cash flow from Investing Activities		
Purchase of Property Plant & Equipment (Including CWIP)	(793.42)	(206.36)
Movement in Fixed Deposits	14.07	(40.51)
Interest Received	1.77	0.36
Net Cash used in investing Activities (B)	**(777.58)**	**(246.87)**
Cash Flow from Financing Activities		
Interest Paid	(45.69)	(209.21)
Payment of Lease Liability (including interest there upon)	(0.25)	(0.36)
Repayment of Non Current Borrowings	(950.00)	(4,000.00)
Repayment of Current Borrowings	-	(35.60)
Net Cash used in Financing Activities (C)	**(995.94)**	**(4,245.17)**
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	**8.70**	**23.61**
Cash and Cash Equivalents		
Opening Balance	30.77	7.16
Closing Balance	**39.47**	**30.77**

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) "Statement of Cash Flow".
2. For the purpose of Standalone Cash Flow Statement, Cash and Cash Equivalents comprises the followings:

Cash Flow Statement (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash in hand	5.28	3.37
Cheques in hand	-	1.56
Balance with Banks	34.19	25.84
Total	**39.47**	**30.77**

As per our report of even date

For and on behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

(Gopal Jain)
Partner
Membership No: 059147

Bishal Kumar Agarwal
Chief Financial Officer

Ghanshyam Agarwal
Managing Director
DIN : 08181762

Place : Kolkata
Date: 18th May, 2023

Debabrata Thakurta
Company Secretary

Sajjan Bhajanka
Director
DIN : 00246043

Statement of changes in equity for the year ended 31st March, 2023

A. Equity share capital

(₹ in Lakhs)

Particulars	Amount
As at 1st April, 2021	**1,713.06**
Changes in equity share capital	-
As at 1st April, 2022	**1,713.06**
Changes in equity share capital	-
As at 31st March, 2023	**1,713.06**

B. Other equity

(₹ in Lakhs)

Particulars	Reserve and surplus		Total other equity
	Securities premium	Retained earnings	
Balance as at 1st April, 2021	5,232.25	7,576.17	12,808.42
Profit for the year (a)	-	149.37	149.37
Comprehensive income for the year - Remeasurement of Defined Benefit Plan (b)	-	(5.02)	(5.02)
Comprehensive income for the year (a + b)	-	144.35	144.35
Balance as at 31st March, 2022	**5,232.25**	**7,720.52**	**12,952.77**
Profit for the year (a)	-	301.65	301.65
Comprehensive income for the year - Remeasurement of Defined Benefit Plan (b)	-	(3.09)	(3.09)
Comprehensive income for the year (a + b)	**-**	**298.56**	**298.56**
Balance as at 31st March, 2023	**5,232.25**	**8,019.08**	**13,251.33**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

(Gopal Jain)
Partner
Membership No: 059147

Bishal Kumar Agarwal
Chief Financial Officer

Ghanshyam Agarwal
Managing Director
DIN : 08181762

Debabrata Thakurta
Company Secretary

Sajjan Bhajanka
Director
DIN : 00246043

Place : Kolkata
Date: 18th May, 2023

Notes to Financial Statements

Significant Accounting Policies for the year ended 31st March, 2023

1.1 (A) 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.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors on 18th May, 2023.

1.1 (B) Statement of compliance

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

These financial statements were approved for issue in accordance with the resolution of the Board of Directors on 18th May, 2023.

1.1 (C) New Accounting Pronouncements

(i) Adoption of New Accounting Pronouncements

(a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

(b) Ind AS 16 – Proceeds Before Intended Use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property plant and equipment.

(c) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

(d) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

These amendments are effective from 1st April, 2022 and the effect of these amendments has been incorporated in these financial statements to the extent applicable to the Company. These amendments do not have significant impact on the financial statements of the Company.

(ii) Application of New Amendments Issued but Not Yet Effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023 , MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Company does not expect the above amendments to have any significant impact in its financial statements.

1.1 (D) Significant Accounting Policies

Basis of Preparation

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

(i) Historical Cost Convention

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

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

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

(ii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months), and other criteria set out in Ind As 1 'Presentation of Financial Statements' and Schedule III to the Act.

(iii) Rounding off amounts

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

1.2 Use of Estimates

The preparation of financial statements is in conformity with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 which require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

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

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

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

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

i) Classification of legal matters and tax litigation

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claims/ litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

ii) Defined benefit obligations

The cost of defined benefit plan and present value of such obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the long- term nature of the plan, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date. Refer Note 37 for sensitivity analysis.

iii) Useful life of property, plant and equipment

The determination of depreciation and amortisation charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate

iv) Leases Ind AS 116

The Company has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

v) Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model / Adjusted Net Assets Value method. The inputs to these models are taken from observable markets where possible,

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

vi) Deferred Tax Assets

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilised.The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

1.3 Foreign Currency Transactions and Balances

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

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transactions. Exchange differences arising on settlement /restatement of short–term foreign currency monetary assets and liabilities of the Company are recognised as income or expenses in the Statement of Profit and Loss. All foreign exchange gains or losses are presented in the Statement of Profit and Loss on a net basis within other income or other expenses.

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

1.4 Property, plant and equipment

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount, wherever applicable) less accumulated depreciation, amortisation and impairment losses if any, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to working condition for its intended use.

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

Capital Work In Progress

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

Expenditure during construction period

In case of new projects and substantial expansion of existing units, expenditure incurred including trial production expenses net of revenue earned, and attributable interest and financing costs, until the project is ready for its intended use are capitalised.

Depreciation

Depreciation on Property, plant and equipment is provided on Written Down Value (WDV) method for power division in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part 'C', thereof'. Depreciation is provided on components that have homogenous useful lives by using the WDV method so as to depreciate the initial cost down to the residual value over the estimated useful lives. In respect of an asset for which impairment loss is recognised, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

Impairment of non-financial assets

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

1.5 Intangible Asset

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

Derecognition of tangible and intangible assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

1.6 Research and Development Expenditure

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

1.7 Lease

As a Lessee:

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

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

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

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

As a Lessor:

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

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

1.8 Government Grants / Subsidies

Government grants and subsidies are recognised when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment/ reimbursement of any particular item of expenses are recognised in the Statement of Profit and Loss as deduction from related item of expenditure. Grants related to assets which are recognised in the Balance Sheet as deferred income and disclosed as current/ non-current liability are transferred to the Statement of Profit and Loss on a systematic basis over the useful life of remaining assets by deducting from the related expenses for the period for which they are related.

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

1.9 Inventories

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

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

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

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

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

1.10 Investments and other financial assets

Classification

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

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

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

Measurement

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

Debt instruments

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

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

Equity instruments

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

Impairment of financial assets

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

Derecognition of financial assets

A financial asset is derecognised only when

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

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

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

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

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss.

1.11 Trade receivables

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

1.12 Cash & Cash Equivalents

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

1.13 Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

1.14 Borrowing

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

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1.15 Borrowing Costs

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

1.16 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.17 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.18 (A) Revenue Recognition

Revenue from contracts with customers is recognised on supply of power to the customers at an amount that reflects the consideration to which the Company is entitled as per the contract executed with respective customers and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of power.

Sale of power is billed monthly with specified due dates and accounted for at rates agreed with respective customers.

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

Revenue from sale of goods is recognised based on the price specified in the contract.

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

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

(B) Other Income

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

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

1.19 Employee Benefits

(i) **Short-term obligations**

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

(ii) **Defined Contribution Plan**

Employee's benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss account offer the year when the contributions to the respective funds are due.

(iii) **Defined Benefit Plan**

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and transferred to retained earnings. They are included in retained earnings in the Statement of Changes in Equity and in the balance sheet.

(iv) **Other Long-term Benefits**

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

1.20 Tax Expenses

Tax expense comprises current and deferred tax. Provision for the current tax is made on the basis of taxable income for the current accounting year in

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

accordance with the provisions of Income Tax Act, 1961.

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

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

Deferred tax liabilities are recognised for all taxable temporary differences only if it is obligation to pay the resulting income taxes in future periods.

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

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

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

The deferred tax in respect of temporary differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognised to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act, 1961.

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

1.21 Earnings Per Share

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

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

1.22 Provisions and Contingencies

A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are also disclosed by way of notes to the accounts.

1.23 Segment Reporting

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

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Note 2 Property, plant and equipment

(₹ in Lakhs)

Particulars	Land & Site Development	Factory Building	Non Factory Building	Plant & Machinery	Heavy vehicles	Light vehicles	Office Equipments	Computers	Furniture & Fixtures	Tools & Tackles	Total
Gross Block											
At 1st April, 2021	**683.27**	**2,404.02**	**449.26**	**20,551.28**	**62.81**	**10.57**	**4.82**	**5.87**	**4.56**	**6.47**	**24,182.93**
Addition	-	-	-	161.60	-	-	1.13	1.90	0.30	4.50	169.43
Disposals/Deduction/Adjustments	-	-	-	0.77	-	-	1.68	5.28	1.54	1.16	10.44
At 31st March, 2022	**683.27**	**2,404.02**	**449.26**	**20,712.11**	**62.81**	**10.57**	**4.28**	**2.49**	**3.32**	**9.81**	**24,341.94**
Addition	152.39	-	4.36	42.21	18.89	-	-	2.38	-	-	220.23
Disposals/Deduction/Adjustments	-	-	-	-	-	-	-	-	-	-	-
At 31st March, 2023	**835.66**	**2,404.02**	**453.62**	**20,754.32**	**81.70**	**10.57**	**4.28**	**4.87**	**3.32**	**9.81**	**24,562.17**
Accumulated Deprecation											
At 1st April, 2021	**-**	**925.03**	**208.25**	**6,628.26**	**51.44**	**8.91**	**3.38**	**4.21**	**3.10**	**4.80**	**7,837.37**
charge for the year	-	141.84	12.74	1,040.28	2.08	0.34	0.51	0.88	0.40	1.38	1,200.45
Disposals/Deduction/Adjustments	-	-	-	0.60	-	-	1.43	4.17	1.30	0.86	8.37
At 31st March, 2022	**-**	**1,066.87**	**220.99**	**7,667.94**	**53.52**	**9.24**	**2.47**	**0.92**	**2.19**	**5.32**	**9,029.46**
charge for the year		125.91	12.56	996.44	4.19	0.21	0.79	1.69	0.29	1.96	1,144.04
Disposals/Deduction/Adjustments	-	-	-	-	-	-	-	-	-	-	-
At 31st March, 2023	**-**	**1,192.78**	**233.55**	**8,664.38**	**57.71**	**9.45**	**3.26**	**2.61**	**2.48**	**7.28**	**10,173.50**
Net Carrying Value											
At 31st March, 2022	**683.27**	**1,337.15**	**228.27**	**13,044.17**	**9.29**	**1.33**	**1.81**	**1.56**	**1.13**	**4.50**	**15,312.49**
At 31st March, 2023	**835.66**	**1,211.24**	**220.07**	**12,089.94**	**23.99**	**1.12**	**1.02**	**2.26**	**0.84**	**2.53**	**14,388.67**

Note :

a) Title Deed of all immovable property are held in the name of the Company except in case of following :

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

SL No	Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (₹ in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
1	Property, Plant & Equipment	Free Hold Land	152.39	Miss Sailyne Suja	No	Fesh purchase during the f.yr 2022-23	The title deeds are in the process of transfer in the name of the Company. However, necessary permission of transfer of land in the name of the Company from the appropriate authority has already been obtained.

b) The Company does not hold any benami property and there is no proceedings initiated or pending against the Company for holding any benami property under The Benami Transaction (Prohibition) Act,1988 and rules made there under.

c) The Company has not revalued its property, plant and equipment, right of use assets during the year.

2.1 Movement of Capital Work in progress

(₹ in Lakhs)

Particulars	31st March, 2023	31st March, 2022
Balance at the beginning of the year	128.75	91.83
Add : Expenditure during construction for projects	851.51	206.35
Less : Capitalised during the year	39.37	169.43
Balance at the end of the year	**940.89**	**128.75**

Ageing of Capital work-in-progress as at 31st March, 2023

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	851.12	72.08	17.69	-	940.89
Projects temporarily suspended	-	-	-	-	-

Ageing of Capital work-in-progress as at 31st March, 2022

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	72.08	33.19	18.88	4.60	128.75
Projects temporarily suspended	-	-	-	-	-

There are no projects whose cost has exceeded its budget or has overrun its completion time at each reporting date.

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

2.2 Right-of-use assets

(₹ in Lakhs)

Particulars	Non Factory Building
Gross Carrying Value	
At 1st April ,2021	**2.12**
Addition	-
Disposals/deductions/adjustment	-
At 31st March,2022	**2.12**
Addition	-
Disposals/deductions/adjustment	-
At 31st March,2023	**2.12**
Accumulated Depreciation	
At 1st April ,2021	**1.43**
Charge for the year	0.30
Disposals/deductions/adjustment	-
At 31st March,2022	**1.73**
Charge for the year	0.20
Disposals/deductions/adjustment	-
At 31st March,2023	**1.93**
At 31st March,2023	**0.19**
At 31st March,2022	**0.39**

Note :

a) The Company has taken Non Factory Building on lease for a period of 10 years. Lease term includes non-cancellable period and expected lease period.

Note 3 Other Financial assets-Non Current

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered Good		
Security deposits	1.59	25.35
	1.59	**25.35**

Note 4 Non current tax assets (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance income tax & TDS Receivable (Net)	325.29	307.82
	325.29	**307.82**

Note 5 Other non-current assets

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Capital advances (Refer Note 5.1 below)	71.21	213.58
	71.21	**213.58**

5.1 Capital Advances includes advance given against land amounting to ₹ 61.19 Lakhs (Previous Year FY 21-22: ₹ 213.58 Lakhs). The Company is in the process of getting registration in its name.

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Note 6 Inventories

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Valued at Lower of Cost or Net Realisable Value)		
Inventories		
Finished Goods (including power inventory)	245.62	170.54
Fuels, Stores & Spares parts	1,142.35	646.92
	1,387.97	**817.46**

6.1 Stores and Spares is after providing of obsolescence amounting to ₹ 6.49 Lakhs (31st March, 2022 ₹ Nil)

6.2 Finished Goods includes Power Inventory with MePDCL, 22,00,569 units @ 7.02/unit (31st March, 2022, 22,00,569 units @ 7.75/unit)

Note 7 Trade receivables

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Considered good	429.39	901.06
	429.39	**901.06**

Ageing of outstanding trade receivables as on 31st March, 2023 from due date of payment

(₹ in Lakhs)

Particulars	Not yet due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - Considered Good	420.04	7.03	2.32	-	-	-	429.39
Less : Allowances for expected credit loss	-	-	-	-	-	-	-
Net Trade Receivables	**420.04**	**7.03**	**2.32**	**-**	**-**	**-**	**429.39**

Ageing of outstanding trade receivables as on 31st March, 2022 from due date of payment.

(₹ in Lakhs)

Particulars	Not yet due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - Considered Good	901.06	-	-	-	-	-	901.06
Less : Allowances for expected credit loss	-	-	-	-	-	-	-
Net Trade Receivables	**901.06**	**-**	**-**	**-**	**-**	**-**	**901.06**

Note 8 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance with Banks	34.19	25.84
Cheques on hand	-	1.56
Cash on hand	5.28	3.37
	39.47	**30.77**

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Note 9 Bank balances other than Note 8 above

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
In Fixed Deposit account held as margin money with original maturity of more than 3 months and up to 12 months (Refer Note 9.1)	26.44	40.01
In Fixed Deposit accounts with original maturity of more than 3 months and up to 12 months	-	0.50
	26.44	**40.51**

9.1 The bank balance disclosed above represents margin money against bank guarantee is subject to regulatory restrictions and are therefore not available for general use by the Company.

Note 10 Other current assets

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured , considered good		
-Advances for goods, services & expenses	46.51	39.13
-Balances with statutory/Government authorities	70.99	36.32
-Prepaid expenses	21.35	43.82
-Others	20.36	16.09
	159.21	**135.36**

Note 11 Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised Capital		
2,00,00,000 (2,00,00,000 as at 31st March, 2022) Equity Shares of ₹ 10 each	**2,000.00**	**2,000.00**
Issued, Subscribed & fully Paid -up Shares		
1,71,30,620 (1,71,30,620 as at 31st March, 2022) Equity Shares of ₹ 10 each fully paid	1713.06	1713.06
	1,713.06	**1,713.06**

a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of Interim Dividend.

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

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting date

Equity shares	No. of Shares	No. of Shares
At the beginning of the year	1,71,30,620	1,71,30,620
Issued during the year	-	-
Outstanding at the end of the year	**1,71,30,620**	**1,71,30,620**

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Note 11 Equity share capital (Contd.)

c) Shares held by Holding Company

Equity shares	No. of Shares	No. of Shares
Out of equity shares issued by the Company, shares held by its holding company as below:		
Star Cement Limited	1,71,30,620	1,71,30,620

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

Particulars	No. of Shares	No. of Shares
	% of holding	% of holding
Star Cement Limited (Refer Note No. 11 .1)	1,71,30,614	1,71,30,614
Nominee Shareholders holding on behalf of Star Cement Limited	6	6
	1,71,30,620	1,71,30,620
	100.00%	100.00%

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

e) Details of shares held by the promoters at the end of the year

Sr No	Promoter Name	FY 22-23		% Change during the year
		No of Shares	% of Total Shares	
1	Star Cement Limited	1,71,30,614	100%	-

Details of shares held by the promoters at the end of the year

Sr No	Promoter Name	FY 21-22		% Change during the year
		No of Shares	% of Total Shares	
1	Star Cement Limited	1,71,30,614	100%	-

Note 12 Other equity

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Securities premium		
Opening balance	5,232.25	5,232.25
Movement during the year	-	-
Closing Balance	**5,232.25**	**5,232.25**
Retained earnings		
Opening balance	7,720.52	7,576.17
Profit for the year	301.65	149.37
Items of other comprehensive income directly recognised in retained earnings		
Remeasurements of Defined Benefit Plans (net of tax)	(3.09)	(5.02)
Closing Balance	**8,019.08**	**7,720.52**
Total	**13,251.33**	**12,952.77**

Securities premium

Securities premium represents the amount of received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act,2013.

Retained earnings

This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations.

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Note 13 Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Loans from a related party - [Refer note 13.1 & 13.2 below & Note No.37)	400.00	1,350.00
	400.00	**1,350.00**

13.1 Terms of loan from a related party is long term in nature and the rate of interest is 7.54 % (31st March, 2022 : 6.63 %).

13.2 The Company does not have any continuing defaults in repayment of loans and interest as at each reporting date.

Note 14 Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease Liability (Refer Note No 38)	-	0.23
	-	**0.23**

Note 15 Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provisions for employee benefits(Refer Note No 33)		
-Gratuity	6.08	7.67
-Leave Encashment	16.76	13.76
	22.84	**21.43**

Note 16 Deferred tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax liabilities		
On Property, plant and equipment	1,787.71	1,758.24
	1,787.71	**1,758.24**
Deferred tax assets		
MAT credit entitlement	1,535.17	1,479.92
On expenditure allowable for tax purposes upon payment	7.32	7.13
	1,542.49	**1,487.05**
Net deferred tax (asset) / liabilities	**245.22**	**271.19**

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Note 16 Deferred tax liabilities (net) (Contd.)

Movement in deferred tax assets and liabilities:

(₹ in Lakhs)

Particulars	As at 31st March, 2021	Recognised in Statement of Profit & loss	Recognised in OCI	As at 31st March, 2022	Recognised in Statement of Profit & loss	Recognised in OCI	As at 31st March, 2023
Deferred Tax Assets/ (Liabilities)							
On Expenditure allowable for tax purposes upon payment	11.77	(6.58)	1.94	7.13	(0.99)	1.19	7.32
MAT Credit Entitlement	1,471.44	8.48		1,479.92	55.25		1,535.17
Deferred tax Assets (Net)	1,483.21	1.90	1.94	1,487.05	54.26	1.19	1,542.49
On Property, Plant & Equipment	1,758.31	(0.07)	-	1,758.24	29.47	-	1,787.71
Deferred tax Liabilities (Net)	1,758.31	(0.07)	-	1,758.24	29.47	-	1,787.71
Net Deferred tax Assets/(Liabilities)	(275.10)	1.97	1.94	(271.19)	24.79	1.19	(245.22)

Note 17 Other non current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred government grant (Refer Note 17.1)	36.06	38.51
	36.06	**38.51**

17.1 Deferred Income Comprises of Government Grants/Assistance in form of:

(₹ in Lakhs)

Particulars	Opening as on 1st April, 2022 (including Current Portion)	Recognised during the year	Transferred to Statement of Profit and Loss	Closing as on 31st March, 2023 (including Current Portion)
a) Financial Assistance under Capital Investment subsidy clause towards the capital expenditure incurred on procuring & installing property, plant and equipment which is being used in thermal power plant for power generation as specified under North-East Industrial and Investment Promotion Policy (NEIPP), 2007.The assistance capitalised as cost of PPE with corresponding credit to depreciation account has been transferred to Statement of Profit and Loss proportionately based on useful lives of respective property, plant and equipment.	41.13	-	2.62	38.51

Note 18 Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease Liability (Refer Note No.38)	0.23	0.22
	0.23	**0.22**

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Note 19 Trade payables

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Total outstanding dues of micro enterprises and small enterprises (Refer Note No 43)	30.85	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,909.62	1,510.26
	1,940.47	**1,510.26**

Ageing of outstanding Trade Payables as on 31st March, 2023 from due date of payment

(₹ in Lakhs)

Sl. No.	Particulars	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)	MSME	-	-	30.85	-	-	-	30.85
(ii)	Others	33.06	481.98	868.60	46.49	-	27.47	1,457.59
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	196.23	-	-	255.80	452.03
		33.06	**481.98**	**1,095.67**	**46.49**	**-**	**283.27**	**1,940.47**

Ageing of outstanding Trade Payables as on 31st March, 2022 from due date of payment

(₹ in Lakhs)

Sl. No.	Particulars	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)	MSME							-
(ii)	Others	9.03	354.08	664.69	26.43	91.28	108.94	1,254.45
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others						255.80	255.80
		9.03	**354.08**	**664.69**	**26.43**	**91.28**	**364.75**	**1,510.26**

Note 20 Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Creditors for capital goods	96.57	-
Employee related liability	9.78	20.48
Retention money	4.42	2.68
Security deposit	0.31	0.31
	111.08	**23.47**

Note 21 Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provisions for employee benefits (Refer Note No 33)		
-Leave encashment	1.81	0.77
-Gratuity	5.70	3.41
	7.51	**4.18**

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Note 22 Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other payables		
Statutory liabilities	32.68	25.60
Contract Liability - Advance from customer	7.39	-
Deferred government grant (Refer Note no.17.1)	2.45	2.62
	42.52	**28.22**

Note 23 Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Sale of power	14,371.35	13,421.53
Other operating revenue		
Sale of fly ash	549.08	142.01
Sale of Scrap	45.14	2.36
Sale of Store Items	13.86	-
Revenue from operation	**14,979.43**	**13,565.90**

Note: 23.1 :Desegregation of revenue under Ind AS 115 " Revenue from contract with customers

a) Primary business of the Company is generation and sale of power. All other activities of the Company revolve around its principal business.

b) The Company operates in the geographical areas of India.

c) The Company's primary customers are its holding Company and fellow subsidiary companies refer note 37 & 42.

Note 23.2 : Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue as per contract price	14,371.35	13,421.53
Less: Discounts and incentives	-	-
Revenue as per statement of profit and loss	**14,371.35**	**13,421.53**

Note 24 Other income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest Income	1.52	1.09
Others	1.00	3.23
Other Income	**2.52**	**4.32**

Note 25 Cost of Material Consumed

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Inventory at the beginning of the year	162.25	988.92
Add: Purchases	8,503.76	5,713.46
Less : Inventory at the end of the year	467.52	162.25
Cost of Material Consumed	**8,198.49**	**6,540.13**

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Note 26 Changes in inventories of finished goods

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening stock	170.54	170.54
Closing stock	245.62	170.54
(Increase) / Decrease	**(75.08)**	**-**

Note 27 Employee benefit expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries and wages	963.60	604.71
Contribution to provident fund and other funds	33.07	32.15
Employees Welfare expenses	29.67	21.83
	1,026.34	**658.69**

27.1 Employee Cost is inclusive of remuneration paid to Key Management Personnel (Refer Note No.37)

Note 28 Finance costs

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest expenses		
On loan measured at amortised cost (including interest on Lease ₹ 0.03 Lakhs) (31 March 2022 ₹ 0.06 Lakhs)	45.64	202.89
Other borrowing costs	0.05	6.38
	45.69	**209.27**

Note 29 Depreciation

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation on Property Plant & Equipment	1,141.42	1,197.65
Depreciation on Right- of-use asset	0.20	0.30
	1,141.62	**1,197.95**

29.1 Depreciation is net of amortisation of Government Grants amounting to ₹ 2.62 Lakhs as at 31st March, 2023 (31st March, 2022 ₹ 2.80 Lakhs).

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Note 30 Other expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Consumption of stores & spares	151.91	87.48
Repairs & maintenance		
- Building	21.70	14.21
- Plant & machinery	378.56	404.08
- Others	60.08	33.12
Heavy vehicle / equipment running exp	111.12	16.74
Travelling and conveyance	6.65	4.60
Insurance	61.11	61.39
Rates & taxes	87.76	54.95
CSR expenses (Refer Note No. 40)	39.28	45.16
Miscellaneous expenses (Refer Note *)	288.99	106.69
	1,207.16	**828.43**

* Miscellaneous expenses include expenses paid to auditors Refer Note No 41.

Note 31 Income tax expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Current tax		
Current tax on profits for the year	55.80	8.48
Total current tax expense	**55.80**	**8.48**
(b) Deferred tax		
MAT credit entitlement	(55.80)	(8.48)
Deferred tax - Others	31.02	6.51
Total deferred tax benefit	**(24.79)**	**(1.97)**
(C) Income Tax of Earlier Years	(0.55)	-
Total Income Tax of Earlier Years	**(0.55)**	**-**
Income tax expense	**30.46**	**6.51**

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

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit before tax	332.11	155.88
Tax at the Indian tax rate of 27.82% (2021-22 - 27.82%)	**92.39**	**43.36**
Items not deductible/taxable under tax		
Effect of Allowances/tax holidays for tax purpose	(50.39)	(9.86)
Other adjustments	(11.55)	(26.98)
Income tax expense	**30.46**	**6.51**

31.2 At present the Company is enjoying the tax holiday u/s 80IA of Income Tax Act,1961 . However, the Company is liable to pay tax under section 115JB of Income Tax Act,1961.

31.3 The tax rate used for the financial year 2022-23 and 2021-22 reconciliation above is the Corporate Tax Rate of 27.82 %(25% + Surcharge 7% +Education Cess 4%) payable on taxable profit under Income Tax Act 1961.

31.4 During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act,1961 (such as search or survey or any other relevant provision of the Income Tax Act,1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Note 32 Earnings per equity share

(a) Basic earnings per share

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Basic earnings per share attributable to the equity share holders of the Company (in ₹)	1.76	0.87

(b) Diluted earnings per share

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Basic earnings per share attributable to the equity share holders of the Company (in ₹)	1.76	0.87

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

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basis earnings per share	301.65	149.37
Diluted earnings per share		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	301.65	149.37

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

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,71,30,620	1,71,30,620
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	1,71,30,620	1,71,30,620

Note 33 Employees Benefit Obligations

a) Post -employment obligation

i) Gratuity

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

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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2022	65.02	(53.94)	11.08
Current service cost	5.83		5.83
Interest expense/(income)	4.62	(4.02)	0.60
Total amount recognised in profit or loss	**10.44**	**(4.02)**	**6.42**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	0.44	0.44
Actuarial (gain)/loss from change in financial assumptions	(1.82)	-	(1.82)
Actuarial (gain)/loss from unexpected experience	5.66	-	5.66
Total amount recognised in other comprehensive income	**3.84**	**0.44**	**4.28**
Employer contributions/ premium paid	-	(10.00)	(10.00)
Benefit paid	(5.83)	5.83	-
31st March, 2023	**73.48**	**(61.69)**	**11.78**

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2021	57.73	(29.90)	27.83
Current service cost	5.17	-	5.17
Interest expense/(income)	3.98	(2.86)	1.12
Total amount recognised in profit or loss	**9.15**	**(2.86)**	**6.29**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	1.87	1.87
Actuarial (gain)/loss from change in financial assumptions	(1.14)	-	(1.14)
Actuarial (gain)/loss from unexpected experience	6.23	-	6.23
Total amount recognised in other comprehensive income	**5.09**	**1.87**	**6.96**
Employer contributions/ premium paid	-	(30.00)	(30.00)
Benefit paid	(6.95)	6.95	-
31st March, 2022	**65.02**	**(53.94)**	**11.08**

(₹ in Lakhs)

Particulars	31st March, 2023	31st March, 2022
Present value of Defined Benefit Obligation	(73.48)	(65.02)
Fair Value of Plan Assets	61.69	53.94
Net Asset / (Liability) in the Balance Sheet	**(11.78)**	**(11.08)**
Current Asset/(liability)	(5.70)	(3.41)
Non-Current Asset/(liability)	(6.08)	(7.67)

(ii) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Discount rate	7.40%	7.10%
Expected return on plan asset	7.40%	7.10%
Salary growth rate	6%	6%
Withdrawal rate	1% to 8%	1% to 8%
Mortality rate	IALM (2012-14) Table	IALM (2012-14) Table

(iii) Sensitivity analysis

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

(₹ in Lakhs)

Particulars	Impact on defined benefit obligation			
	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(67.52)	80.71	(59.33)	71.62
Salary growth rate (-/+ 1%)	80.20	(67.78)	71.21	(59.30)
Withdrawal rate (-/+ 1%)	74.40	(72.80)	65.54	(64.44)

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

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

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

(iv) The major categories of plans assets

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

(₹ in Lakhs)

Major Categories of Plan Assets as a percentage of total plan assets	Gratuity (Funded)	
	31st March, 2023	31st March, 2022
Funds managed by Insurer	100%	100%

(v) Risk exposure

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

Investment risk:

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

Interest risk:

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

Life expectancy:

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

Salary growth risk

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

(vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31st March, 2023 are ₹ 6.50 Lakhs.

The weighted average duration of the defined benefit obligation is 6.43 years (31st March, 2022: 6.29 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in Lakhs)

Particulars	Less than a year	Between 2- 5 years	Between 5-10 years
31st March, 2023			
Defined benefit obligation (gratuity)	5.70	1.61	38.80
Total	**5.70**	**1.61**	**38.80**

Particulars	Less than a year	Between 2- 5 years	Between 5-10 years
31st March, 2022			
Defined benefit obligation (gratuity)	3.41	15.89	36.71
Total	**3.41**	**15.89**	**36.71**

c) Provident Fund:

Contribution towards provident fund are recomputed as expenses in the statement of profit and loss. The Company has a defined contribution plan. Under the defined contribution plan, provident fund is contributed to the Government administered provident fund. The Company has no further contractual nor any constructive obligation, other than the contribution payable to the provident fund. The expense recognised during the year towards defined contribution plan is ₹ 22.36 Lakhs (31st March, 2022: ₹ 18.89 Lakhs)

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Note 34 Fair value measurement

Financial instruments by category

(₹ in Lakhs)

Particulars	31st March, 2023		31st March, 2022		
	FVTPL	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets					
Security deposit	-	1.59	-	-	25.35
Trade receivables	-	429.39	-	-	901.06
Cash in hand	-	5.28	-	-	3.37
Cheques in hand	-	-	-	-	1.56
Balance with banks (includes Margin money)	-	60.63	-	-	66.35
	-	**496.89**	**-**	**-**	**997.69**
Financial liabilities					
Borrowings	-	400.00	-	-	1,350.00
Security deposit	-	0.31	-	-	0.31
Trade payables	-	1,940.47	-	-	1,510.26
Retention money	-	4.42	-	-	2.68
Salary and bonus to employees	-	9.78	-	-	20.48
Lease Liability	-	0.23	-	-	0.45
Creditors for capital goods	-	96.57	-	-	-
	-	**2,451.79**	**-**	**-**	**2,884.18**

(i) Fair value hierarchy

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

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

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

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

(ii) Valuation technique used to determine fair value

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

1. The fair value of cash and cash equivalents, current trade receivables and payables, current loans, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

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

(₹ in Lakhs)

Particulars	31st March, 2023		31st March, 2022	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial assets				
Security deposits and margin money	1.59	1.59	25.35	25.35
Trade receivables	429.39	429.39	901.06	901.06
Cash in hand	5.28	5.28	3.37	3.37
Cheques in hand	-	-	1.56	1.56
Balance with banks (includes Margin money)	60.63	60.63	66.35	66.35
Total financial assets	**496.89**	**496.89**	**997.69**	**997.69**
Financial liabilities				
Borrowings	400.00	400.00	1,350.00	1,350.00
Security deposit	0.31	0.31	0.31	0.31
Trade payables	1,940.47	1,940.47	1,510.26	1,510.26
Retention money	4.42	4.42	2.68	2.68
Salary and bonus to employees	9.78	9.78	20.48	20.48
Lease Liability	0.23	0.23	0.45	0.45
Creditors for capital goods	96.57	96.57	-	-
Total financial liabilities	**2,451.78**	**2,451.78**	**2,884.17**	**2,884.17**

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

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

Significant estimates

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

Note 35 Capital management

(a) Risk management

The Company's objectives when managing capital are to:

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

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

(₹ in Lakhs)

Particulars	31st March, 2023	31st March, 2022
Long term borrowings	400.00	1,350.00
Less : Cash and cash equivalents	39.47	30.77
Less : Bank balances other than cash and cash equivalents	26.44	40.51
Net debt	**334.09**	**1,278.72**
Total Equity	14,964.39	14,665.83
Gearing ratio	**2.23**	**8.72**

The long term loans is taken from a related party and thus the Company doesnot have any financial covenants clause.

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Note 36 Financial risk management

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

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

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

(A) Credit risk

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

i) Trade receivables

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

(₹ in Lakhs)

Particulars	Not due	Less than 6 months	More than 6 Months and upto 1 year	More than 1 Years	Allowances for doubtful trade receivables	Net carrying amount of trade receivables
Trade receivable as on 31st March, 2023	420.04	7.03	2.32	-	-	429.39
Trade receivable as on 31st March, 2022	901.06	-	-	-	-	901.06

ii) Financial instruments and deposits

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

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

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31st March, 2023 and 31st March, 2023 is the carrying amounts as illustrated in Note 34..

(B) Liquidity risk

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

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

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

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

(i) Maturities of financial liabilities

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

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

(₹ in Lakhs)

Contractual maturities of financial liabilities - 31st March 2023	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 years	Total
Trade payables	1,940.47	-	-	-	1,940.47
Borrowings	-	400.00	-	-	400.00
Lease Liability	0.23	-	-	-	0.23
Other financial liabilities	111.08	-	-	-	111.08
Total financial liabilities	**2,051.78**	**400.00**	**-**	**-**	**2,451.78**

(₹ in Lakhs)

Contractual maturities of financial liabilities - 31st March, 2022	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 years	Total
Trade payables	1,510.26	-	-	-	1,510.26
Borrowings	-	-	1,350.00	-	1,350.00
Lease Liability	0.25	0.23	-	-	0.48
Other financial liabilities	23.47	-	-	-	23.47
Total financial liabilities	**1,533.98**	**0.23**	**1,350.00**	**-**	**2,884.21**

(C) Market risk

(i) Foreign currency risk

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

The Company is not exposed to the risk of changes in foreign currency rate as company has not made any transaction in foreign currency.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The long term loans is taken from a related party and the interest rate is being fixed based on weighted average borrowing cost of the lender.

(a) Interest rate risk exposure

On Financial Liabilities:

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

(₹ in Lakhs)

Particulars	31st March, 2023	31st March, 2022
Variable rate borrowings	400.00	1,350.00
Total borrowings	400.00	1,350.00

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

(b) Sensitivity

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

(₹ in Lakhs)

Particulars	Impact on profit before tax	
	31st March, 2023	31st March, 2022
Interest expense rates – increase by 50 basis points	(2.00)	(6.75)
Interest expense rates – decrease by 50 basis points	2.00	6.75

(ii) Other Price risk

The Company donot have any equity exposure in any entity as on 31st March, 2023 . Hence , the Company doesnot possesses any price risk.

Note 37 Related party transactions

	Names of the Related parties	Nature of relationship
A	Star Cement Limited (SCL)	Holding Company
	Megha Technical & Engineers Private Limited (MTEPL)	Fellow Subsidiary
	Star Cement Meghalaya Limited (SCML)	Fellow Subsidiary
	Star Century Global Cement Private Limited (SCGCPL)	Fellow Subsidiary
	NE Hills Hydro Limited (NEHL)	Fellow Subsidiary
	Star Cement North East Limited (SCNEL)	Fellow Subsidiary
	Star Cement (I) Limited (Formerly Star Cement Lumshnong Limited) (SCIL)	Fellow Subsidiary
B	**Other Related Parties**	**Nature of relationship**
	Names of other Related parties	
	Key Management Personnel	
	Mr. Ghanshyam Agarwal	Managing Director
	Mr. Sajjan Bhajanka	Director
	Mr. Pramod Kumar Shah	Director
	Mr. Prem Kumar Bhajanka	Director
	Mr. Rangbahudh Khonglah	Director
	Mr. Lamshwa Kyndoh	Director
	Mr. Amit Kiran Deb	Director
	Mr. Debabrata Thakurta	Company Secretary
	Mr. Bishal Kumar Agarwal	Chief Financial Officer

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

II. Details of transactions between the Company and related parties and the status of outstanding balance as at 31st March, 2023:

(₹ in Lakhs)

Sl. No.	Type of Transactions	Holding Company		Fellow Subsidiaries		Key Management Personnel	
		FY 22-23	FY 21-22	FY 22-23	FY 21-22	FY 22-23	FY 21-22
1	**Purchase Transactions**						
	SCL	72.45	125.79	-	-	-	-
	MTEPL	-	-	-	0.51	-	-
	SCML	-	-	1,744.74	3,909.15	-	-
2	**Sale Transactions**						
	SCL	7,037.96	7,030.72	-	-	-	-
	MTEPL	-	-	158.61	19.50	-	-
	SCML	-	-	7,312.62	7,794.07	-	-
3	**Purchase of Capital Goods**						
	SCML	-	-	-	0.82	-	-
4	**Loan Repaid**						
	SCML	-	-	950.00	3,500.00	-	-
	MTEPL	-	-	-	500.00	-	-
5	**Service Received**						
	SCML	-	-	87.72	88.51	-	-
6	**Service Provided**						
	SCML	-	-	-	8.53	-	-
7	**Interest Paid**						
	SCML	-	-	46.64	180.45	-	-
	MTEPL	-	-	-	22.16	-	-
8	**Remuneration Paid**						
	Mr. Bishal Agarwal	-	-	-	-	30.66	19.21
9	**Sitting Fees**						
	1 Mr. Amit Kiran Deb	-	-	-	-	0.40	0.40
	2 Mr. Lamshwa Kyndoh	-	-	-	-	0.05	0.05
	3 Mr. Rangabhaduh Khonglah	-	-	-	-	0.05	0.05
	4 Mr. Pramod Kumar Shah	-	-	-	-	0.45	0.45
9	**Year End Balances**						
A	**Share Capital**						
	SCL	6,945.31	6,945.31	-	-	-	-
B	**Trade Receivables**						
	SCL	283.62	637.66	-	-	-	-
	MTEPL	-	-	114.19	6.69	-	-
	SCML	-	-	-	256.47	-	-
C	**Trade Payables**						
	SCML	-	-	288.21	-	-	-
D	**Loan Taken**						
	SCML	-	-	400.00	1,350.00	-	-

Note :- The above amounts includes goods & service tax and other taxes if any wherever applicable.

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

III. Key management personnel compensation

(₹ in Lakhs)

	31st March, 2023	31st March, 2022
Short-term employee benefits	30.66	19.21
Post-employment benefits *	-	-
Long-term employee benefits*	-	-
Total compensation	**30.66**	**19.21**

The sales to and purchases from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. During the previous year, the Company has obtained inter corporate loan from its fellow subsidiary which is repayable in 9 years, for current year the rate of interest is 7.54% (31st March,2022: 6.63%)

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

For the year ended 31st March, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 38 Lease

Movement of lease liabilities

(₹ in Lakhs)

Particulars	31st March, 2023	31st March, 2022
Opening balance	0.45	0.75
Add: Interest recognised during the year	0.03	0.06
Less: Payments made	0.25	0.36
Closing balance	0.23	0.45
Non Current	-	0.23
Current	0.23	0.22

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

The Unit has recognised interest on lease liability of ₹ 0.03 Lakhs under Finance Costs (Previous years ₹ 0.06 Lakhs).

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

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

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

a) Contingent liability

(₹ in Lakhs)

Sl. No	Particulars	31st March, 2023	31st March, 2022
	Claims against the Company not acknowledged as debts –		
1	---Royalty (including interest)	10,293.45	9,151.21
2	---Electricity Duty	48.72	48.72
3	---Income Tax	2,470.03	2,470.03
4	---Goods & Service Tax	20.97	-
	Total	**12,833.18**	**11,669.96**

b) Commitments

(₹ in Lakhs)

Sl. No	Particulars	31st March, 2023	31st March, 2022
1	Bank Guarantees issued by Bank	24.85	39.49

Note: Based on legal opinion / decisions in similar cases, the Management believes that the Company has a fair chance of favorable decisions in cases mentioned here-in-above and hence no provision is considered necessary.The amounts shown above represent the possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants, as the case may be and, therefore, cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

(a) In respect of demand notice dated 19th February, 2020 received by the Company from Director of Mineral Resources, Meghalaya, for payment of royalty, MEPRF, VAT/GST for ₹ 9151.21 Lakhs in pursuance to the National Green Tribunal (NGT) order dated 17th January, 2020 passed in O.A. No. 110(TCH)/2012 for alleged illegal coal procurement. By passing the said order NGT has accepted the Recommendation of the 5th Interim Report of the Independent Committee set up by NGT, which has suggested imposition of penalty on Cement Companies and Thermal Power Plants in Meghalaya.

The Company has not purchased any illegal coal and has complied with all disclosure requirements of the various Government Departments. The Report of NGT Committee has been founded on the basis of assumptions and views of the Committee and not on hard facts. Further to note that the Company has neither been issued a show-cause nor any opportunity of being heard was given to the Company before submitting the Interim reports by the Independent Committee to NGT. Even NGT has not served any notice on the Company before passing the impugned order dated 17th January, 2020 which is clear violation of principles of natural justice.

The Company backed by the legal opinions, believes that it has a good case in the matter as the said order was issued based on certain hypothetical assumptions and views and not on hard facts. No opportunity of being heard was provided to the Company either by NGT committee or by NGT itself which passed order without going into the merits & facts and accepted the recommendations of 5th Interim Report. Therefore, there is every likelihood of the Demand Notice and the order of the NGT being set aside. The Company has preferred an appeal before the Supreme Court of India against the NGT Order. The Hon'ble Supreme Court in its order dated 2nd May, 2023 has set aside the order of the NGT and remanded back the same to NGT for its further consideration and accordingly, no provisions has been made in the accounts.

(b) During the year the Company has received a demand notice dated 20th March, 2023 from the Divisional Mining Officer (DMO), Directorate of Mineral Resources, Meghalaya, Jowai towards dues of royalty on Coal and penal interest thereon amounting to ₹ 1594.27 Lakhs. This demand is pertaining to coal purchased by the Company during the financial year 2012-13 & 2013-14 from various vendors. As per the provisions of the Mines and Minerals (Development and Regulation) Act, 1957, the liability for payment of royalty in respect of any mineral removed/ consumed from the mining lease arises on the holder of the mining lease and not on the purchaser of such mined minerals. Hence there is no obligation of the Company to pay royalty/cess in this case. However, as an abundant precaution, the Company has provided liability towards Royalty on Coal amounting to ₹ 452.03 Lakhs (including ₹ 255.00 Lakhs already provided in earlier years). Since the liability

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

to pay royalty itself is not applicable to the Company, hence provision for penal interest has not been provided and as a matter of prudence the same has been shown as contingent liability. The Company shall contest the above demand and based on the legal opinion obtained in this regard, it believes the said demand raised by the DMO is not tenable and the matter shall be disposed off in the favor of the Company.

Note 40 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 utilised through out the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross Amount required to be spent by the Company during the year is ₹ 5.03 Lakhs (31st March, 2022:₹ 14.05 Lakhs)

b) Amount spent during the year on:

(₹ in Lakhs)

Sl. No	Nature of Expenditure	31st March, 2023	31st March, 2022
(a)	Gross amount required to be spent by the Company during the year	**5.03**	**14.05**
(b)	**Amount spent during the year on :**		
(i)	Construction/acquisition of any asset		
(ii)	On purpose other than above -:		
(ii.a)	Education	-	-
(ii.b)	Preventive Health Care, Supply of Drinking Water	7.27	8.17
(ii.c)	Rural Development	27.67	32.91
(ii.d)	Livelihood & Skill Building	4.34	4.08
	Total	**39.28**	**45.16**
e)	Short fall / (Surplus) (if any)	**(34.25)**	**(31.11)**
i)	Paid in Cash	39.28	45.16
ii)	Yet to be paid in Cash	-	-

Note 41 Payment to Auditor

(₹ in Lakhs)

Particulars	31st March, 2023	31st March, 2022
As Auditor		
-Statutory Audit Fees	2.00	1.50
-Tax Audit Fees	1.50	1.00
-Certification Charges	1.00	0.50
Total	**4.50**	**3.00**

Note 42 Segment information

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

Two customers of the Company accounts for approximately 96.86 % of the revenue for the year ended 31st March, 2023 (Two customers as on 31st March, 2022 : 99.84%)

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Note 43 Based on the information/documents available with the Company, information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under

(₹ in Lakhs)

Particulars		31st March, 2023	31st March, 2022
(i)	Principal amount remaining unpaid to any supplier at the end of the accounting year(including retention money against performance)	30.85	-
(ii)	Interest due on above	0.02	-
	Total of (i) & (ii)	30.87	-
(iii)	Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act.	0.02	0.06
(iv)	Amount paid to the suppliers beyond the respective appointed date.	1.02	2.11
(v)	Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
(vi)	Amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
(vii)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act.	-	-

Note 44 Ratios

Sl. No.	Ratios	Numerator	Denominator	31st March, 2023	31st March, 2022	Variance
1	Current Ratio (in times)	Current Assets	Current Liabilities	0.97	1.22	-20.24%
2	Debt- Equity Ratio (in times) #	Total Debt (Long Term + Short term borrowing	Equity (Share Capital + Other equity)	-	0.09	(100%)
3	Debt Service Coverage Ratio (in times)	Earning available for debt service	Debt Service	32.42	0.37	8705.33%
4	Return on Equity Ratio (%) *	Net Profit	Equity Share Capital (incl. other equity) (5)	2.04%	1.02%	99.62%
5	Inventory Turnover Ratio (in times)**	Sales	Average Inventory (1)	13.58	9.49	43.14%
6	Trade Receivables Turnover Ratio (in times) ##	Sales	Average Trade receivable (2)	22.52	9.16	145.83%
7	Trade Payables Turnover Ratio (in times) *#	Purchase	Average Trade Payable (3)	6.73	18.89	(64.38%)
8	Net Capital Turnover Ratio (in times)	Sales	Working Capital	(252.48)	38.90	(749.04%)
9	Net Profit Ratio (%) $	Net Profit	Sales	2.01%	1.11%	81.42%
10	Return on Capital Employed (%)	Earning Before Interest & Tax (EBIT)	Capital Employed (4)	2.52%	2.28%	10.73%
11	Return on Investment (%)	Gain / (Loss on Investment)	Average Investment (5)	4.54%	1.35%	236.62%

(1) ' Average Inventory -: (Opening Inventory+Closing Inventory)/2

(2) ' Average Trade Receivable -: (Opening Trade Receivable+Closing Trade Receivable)/2

(3) ' Average Trade Payable -: (Opening Trade Payable+Closing Trade Payable)/2

(4) ' Capital Employed -: (Equity (incl. other equity) + Current Borrowing + Non Current Borrowing+ Lease liability)

(5) ' Average Investment -: (Opening Fixed Deposit +Closing Fixed Deposit)/2

Reasons for variances -:

Lower Debt Equity ratio because of reduction in debt.

* Increase in return on equity ratio because of higher margin

** Increase in Inventory turnover ratio because of decrease in average invemtory

Increase in trade receivabel turnover ration due to better relaisation

*# Decrease in Trade Payble due to high creditors

$ Increase in Net Profit because of higher margin.

Notes to Financial Statements
for the year ended 31st March, 2023 (Contd.)

Note 45 Disclosure of Transactions with Struck Off Companies

The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 during the current and previous financial year.

Note 46 Utilisation of Borrowed Fund and Security Premium

i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or"

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or"

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

The Company have not been declared wilful defaulter by any bank or financial institution or any other lender.

Note 47

The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note 48

The Board of Directors of the Company, in their meeting held on 2nd February 2023, has approved a proposal of amalgamation of the Company into Star Cement Meghalaya Limited with effect from 1st April, 2023. Necessary actions by the Company for requisite approvals etc in this regard shall be taken in due course.

Note 49

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

Note 50

The financial statements are approved by the audit committee at its meeting held on 18th May,2023 and by the Board of Directors on the same date.

As per our report of even date

For and on behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

(Gopal Jain)
Partner
Membership No: 059147

Bishal Kumar Agarwal
Chief Financial Officer

Ghanshyam Agarwal
Managing Director
DIN : 08181762

Debabrata Thakurta
Company Secretary

Sajjan Bhajanka
Director
DIN : 00246043

Place : Kolkata
Date: 18th May, 2023

Notes

Notes

MEGHALAYA POWER LIMITED
CIN: U40108ML2002PLC006921
Registered Office :
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