

11th ANNUAL REPORT

2012-13



Mangalore Electricity Supply Company Limited

BOARD OF DIRECTORS

1.	Sri G. Kumar Naik, IAS	-	Chairman
2.	Sri M. Govindappa	-	Managing Director
3.	Sri N. Lakshman	-	Director (Tech)
4.	Dr. Aditi Raja	-	Director
5.	Sri N. Prakash, IAS	-	Director
6.	Sri M.S. Shivaram	-	Director
7.	Sri D. Basavaraju	-	Director
8.	Sri V. Venkatesh Reddy	-	Director
9.	Sri M. Nagaraju	-	Director
10.	Sri K.L. Ramachandra	-	Director

CORPORATE OFFICE

Paradigm Plaza, A.B. Shetty Circle, Mangalore – 575 001

BANKERS

1. Syndicate Bank
2. State Bank of India
3. State Bank of Mysore
4. Canara Bank
5. Vijaya Bank
6. Corporation Bank
7. Punjab & Sindh Bank
8. UCO Bank
9. Indian Bank
10. Axis Bank
11. Karnataka Bank
12. Central Bank of India

STATUTORY AUDITORS

M/s. Rodrigues & D'Souza, Chartered Accountants, Mangalore

COST AUDITORS

M/s. Rao Murthy & Associates, Cost Auditors, Bangalore

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DIRECTORS' REPORT FOR FY 2012-13

1. Mangalore Electricity Supply Company Limited (MESCO) is one among five ESCOMs in Karnataka discharging the duties of distribution of electricity in two coastal Districts viz., Dakshina Kannada & Udupi as well as in two malnad Districts viz., Shimogga & Chikmagalore. The Board of Directors herewith present the 11th Annual Report on the business and operations of the Company along with the Audited Accounts for the year ended 31st March, 2013.
2. Company having a working strength of 3,794 employees is serving 1925317 consumers of various category has achieved an all time record turnover of about Rs. 1971.72 Crores during the year 2012-13.
3. At a glance the status of the Company as on 31st March 2013 is as follows:

Area of distribution and Supply (Sq. Km.)	26,222
Number of sub stations 400 KV, 220 KV, 110 KV, 66 KV (of KPTCL)	76
Number of 33 KV sub stations	34
Number of Distribution Transformers	41183
Length of LT Lines (in CKMs)	72124
Length of 11 KV Lines (in CKMs)	27221
Length of 33 KV Lines (in CKMs)	751.697

4. Consumer Base

As on 1st April 2012, the Company had a consumer base of 1836908 Nos. with the addition of 88409 Nos. of new consumers during the year, the number of consumers at the end of the year March 2013 stood at 1925317 Nos., comprising of the following categories:

Tariff	Description	Total
LT -1	BJ/KJ	180787
LT-2 (a&b)	Lighting & AEH	1275807
LT-3	Commercial	167139
LT-4	IP Set Installations	241465
LT-5	Industrial	22798
LT-6a	Public Water Supply	10622
LT-6b	Public Lighting	14808
LT-7	Temporary Supply	10534
LT TOTAL		1923960
HT-1	Water Supply	55
HT-2a	Industrial	624
HT-2b	Commercial	592
HT-3	Lift Irrigation	15
HT-4	Residential Apartments	64
HT-5	Temporary Supply	7
HT TOTAL		1357
LT + HT TOTAL		1925317

5. Review of Balance Sheet and Statement of Profit and Loss:

Review of Balance Sheet and Statement of Profit and Loss for the year ending 31st March 2013 with the previous Year ending 31st March 2012 is as detailed below:

Analysis of Balance Sheet

(Rs. in lakh)

Sl.No.	Particulars	31.03.2013	31.03.2012
I	Sources of funds		
A	Share Capital	19107.02	17206.99
B	Reserves & Surplus	12751.21	38248.48
C	Share holders' fund	31858.23	55455.47
D	Share Deposit (pending allotment)	0.00	0.03
II	Non Current Liabilities		
A	Long Term borrowings	31035.43	31709.30
B	Other long term liabilities	140574.99	99973.14
C	Long term provisions	2696.00	2246.63
	Sub-total	174306.42	133929.07
III	Current liabilities		
A	Short term borrowings	6871.01	9062.61
B	Trade Payables	37138.02	36068.83
C	Other Current liabilities	25535.71	33364.72
D	Short-term provisions	463.96	698.73
	Sub-Total	70008.70	79194.89
	TOTAL EQUITY & LIABILITIES	276173.35	268579.46
II	Assets		
1.	Non-Current assets		
A	Fixed Assets		
	(i) Tangible Assets	75214.81	92699.46
	(ii) Intangible assets	0.00	0.00
	(iii) Capital work in progress	5338.61	7223.73
	(iv) Intangible assets under development	230.06	0.00
B	Non-Current investments	251.00	251.00
C	Deferred tax assets (net)	0.00	0.00
D	Long term loans and advances	5046.65	3778.79
E	Other non-current assets	84628.92	83501.87
F	Deferred Costs	0.00	0.00
	Sub Total	170710.05	187454.85
2.	Current assets		
A	Current Investments	0.00	0.00
B	Inventories	3472.35	3250.29
C	Trade receivables	41390.21	35120.89
D	Cash and cash equivalents	4687.60	3739.69
E	Short-term loans and advances	3188.81	2182.65
F	Other current assets	52724.33	36831.09
	Sub-Total	105463.30	81124.61
	TOTAL ASSETS	276173.35	268579.46

- ❖ **Share holders' Funds** has reduced by Rs. 23597.24 lakh (Net).

Amounts added are:
(Rs. In lakh)

1. Reserve for Material Cost Variance	:	648.74
2. Consumers contribution & govt. Grants towards cost of Capital Assets	:	6371.05
3. Consumers contribution & govt. Grants Reduced from Capital Assets	:	(-) 33776.50
4. Equity released by State Govt.	:	1900.03
5. Net Profit for the year	:	1259.44
Total additions to Share Holders' fund	:	(-) 23597.24

- ❖ **Long term borrowings:** During the Year MESCOM has borrowed Rs. 7043.82 Lakh and installments repayable during 2013-14 amounting to Rs. 7433.46 Lakh has been transferred to current liabilities. Further, the grant amounting to Rs. 454.48 lakh released by GOK for SCP & TSP Projects during FY 2011-12 which was accounted by the Company as loan is transferred to the Grant Account in FY 2012-13.
- ❖ **Other Long Term Liabilities:** It is increased by Rs. 40601.85 lakh (Net). During the Year the long term trade payables have increased by Rs. 33736.90 lakh because of KPC dues, Initial/ Additional Security deposits have been collected to the extent of Rs. 2744.50 lakh and MSD to the extent of Rs. 94.24 lakhs. The payable to other ESCOMs has been increased to the extent of Rs. 4819.68 lakh, whereas security deposit and retention money from the Contractors amounting to Rs778.85 lakh has been refunded. And there is decrease of Rs. 14.62 lakh in miscellaneous deposits.
- ❖ **Long Term Provisions:** It is increased by Rs. 449.37 lakh due to additional liability created in accordance with actuarial valuation report towards Earned leave encashment and FBF.
- ❖ **Short Term Borrowings:** There is decrease in the short term borrowings to the extent of Rs. 2191.60 lakh due to repayment.
- ❖ **Trade Payables:** The trade payables have been increased by Rs. 1069.19 lakh (net) mainly due to non-payment of power purchase dues.
- ❖ **Other Current Liabilities:** It is decreased by Rs. 7829.01 lakh mainly due to reduction in the provision for power purchase liabilities.
- ❖ **Short term Provisions:** It is decreased by Rs 234.77 lakh mainly due to reduction in the provision for current liability in respect of earned leave encashment and FBF.
- ❖ **Tangible Assets:** It has been increased by Rs. 16185.79 lakh due to categorization of Capital Works during the Year. Further it is decreased by Rs. 33776.50 Crs being the assets created out of Govt. grants and consumer contribution as per AS-12. There is net reduction of 17484.65 lakh.
- ❖ **Capital Work in progress:** It is decreased by Rs. 1885.12 lakh due to categorization of completed works.
- ❖ **Intangible Assets under construction:** Increased by Rs. 230.06 lakh due to booking of advances made to the contractors on account of development of Energy-sync Software for the company.
- ❖ **Long Term Loans and Advances:** It is increased by Rs. 1267.86 lakh due to additional deposits made with other departments and also because of accounting of MAT credit entitlement to the extent of Rs. 836.83 lakh.
- ❖ **Other Non- Current Assets:** It is increased by Rs. 1127.05 lakh (Net). It is increased by Rs. 10678.27 lakh receivable on account of energy balancing and short term Power purchase in respect of HESCOM, GESCOM & CESC. The receivable from BESCO is reduced to the extent of Rs. 9719.81 lakh due to adjustment of receivables against payables. Others are increased to the extent of Rs. 168.59 lakh.
- ❖ **Inventories:** It is increased by Rs. 222.06 lakh.
- ❖ **Trade receivables:** It is increased by Rs. 6269.32 Lakh mainly by non-payment of monthly dues by VPs /TPS, TMCs/ CMCs and Corporations.
- ❖ **Short term Loans and Advances:** It is increased by Rs. 1006.16 Lakh mainly due to advances made to the Contractors towards the Capital works.
- ❖ **Other Current Assets:** It is increased by Rs. 15893.24 lakh (Net). Out of which Rs. 20256.00 Lakh is the "Provision for Regulatory Asset recovery/ Truing up Subsidy" created in FY 2012-13 being the excess Power purchase Cost incurred over the approved cost in ARR by KERC. Further there is a reduction to the extent of Rs. 3365.92 lakh in Regulatory Assets created in the year 2010-11 in accordance with KERC Tariff Order 2010. There is reduction of 996.84 lakh in other Current Assets.

❖ Ratios

Sl. No.	Particulars	31.03.2013	31.03.2012
1	Debt: Equity Ratio		
	a) Long Term Borrowings : Equity	2.01 : 1	2.29 : 1
	b) Including Short Term Borrowings	2.37 : 1	2.82 : 1
2	Current Ratio	1.51 : 1	1.02 : 1
3	Liquid Ratio	1.46 : 1	0.98 : 1

❖ Analysis of Statement of Profit and Loss

(Rs. in lakh)

Sl. No.	Particulars	31.03.2013	31.03.2012	Increase / decrease	Variance in (%)
A	Income				
1	Revenue from operations (Distribution of Power)	189899.66	154530.56	35369.10	22.89
2	Other Income	7271.84	16359.41	-9087.57	-55.55
	Total Revenue	197171.50	170889.97	26281.53	15.38
B	Expenses				
1	Purchase of power	153742.87	127625.60	26117.27	20.46
2	Employee Benefits Expense	20854.88	18779.44	2075.44	11.05
3	Finance Costs	18260.04	11917.55	6342.49	53.22
4	Depreciations and amortization expenses	5109.64	6130.97	-1021.33	-16.66
5	Other Expenses	5615.20	5580.50	34.70	0.62
	Total Expenses	203582.63	170034.06	33548.57	19.73
C	Profit before exceptional and extraordinary items & tax (A-B)	-6411.13	855.91	-7267.04	-849.04
D	Exceptional Items	-7006.40	0.00	-7006.40	100
E	Profit before extraordinary items and tax (C-D)	595.27	855.91	-260.64	-30.45
F	Extraordinary Items	-	-	-	-
G	Profit before tax (E-F)	595.27	855.91	-260.64	-30.45
H	Tax Expense	172.66	214.72	-42.06	-19.59
I	MAT credit entitlement	-836.83	0.00	-836.83	100
J	Profit after Tax (G-H-I)	1259.44	641.19	618.25	96.42

- ❖ **Total Revenue** has increased by **22.89%** (Rs. 35369.10 Lakh) net, over the previous year. The revenue is increased by accounting of Rs. 20256.00 Lakh as the "Provision for Regulatory Asset recovery / Truing up Subsidy" being the excess Power purchase Cost incurred over the approved cost in ARR by KERC as approved by the Board in its 48th meeting held on 20th July 2013. Further revenue is reduced to the extent of Rs. 3365.92 lakh towards the recovery of Regulatory Assets created in the year 2010-11 in accordance with KERC Tariff Order 2010. Other increase in revenue is because of increase in sale of units to the extent of 119.71 Mus and increase in the tariff.
- ❖ **Other Income** is reduced by **55.55% (Rs. -9087.57 lakhs)** over the previous year. In the year 2011-12 we have accounted Rs. 12326.00 lakh of subsidy receivable from the GOK in accordance with truing up Orders of KERC for the Years 2007-08, 2008-09 and 2009-10 as prior period income.
- ❖ Since the arrears in respect of IP set Consumers having connected load upto 10 HP is frozen with effect from 01.08.2008, the Company has stopped charging interest on said arrears from the year 2011-12 which has an impact of Rs. 10.25 Crs in FY-13.
- ❖ **Power purchase cost** has been increased by **20.46% (Rs. 26117.27 lakh)** over the previous year. The final energy balancing result is awaited from LDC as on the date of preparation of the accounts. However the Energy Balancing Result arrived at joint reconciliation meeting held among the ESCOMs has been incorporated in the accounts to the extent of Rs. 10962.40 lakh. Otherwise the power purchase cost would have been shoot up to that extent.
- ❖ **Employee cost** has increased by **11.05% (Rs. 2075.44 lakh)** over the previous year on account of increase in salaries, wages and increase in the rate of pension contribution payable to the Trust.

- ❖ **Finance Charges** has increased by **53.22% (Rs. 6342.49 lakh)** over the previous year on account of increase in interest paid on loans drawn from Commercial Banks and interest payable for belated payments of power purchase dues. Interest on KPC dues is Rs. 90.66 Crs in FY -2013 (Rs. 51.51 Crs in FY-12).
- ❖ **Depreciation and amortization expenses** have decreased by **16.66% (Rs. -1021.33 lakh)** over the previous year. This is mainly because Company has started following the AS-12 issued by the Institute of Chartered Accountants of India for recognizing the assets created out of Govt. grants and Consumers' contribution. Accordingly Company has not charged depreciation in the year 2012-13 on the Assets created out of grants. Depreciation is reduced by Rs. 1692.05 lakh on account of this.
- ❖ **Other expenses** have increased marginally by 0.62% (Rs. 34.70 lakhs) over the previous year.
- ❖ **Exceptional Items:** Upto the Financial Year 2011-12 the Company had been following para 2.33 / 2.34 / 2.35 of Electricity (Supply) Annual Accounts Rules, 1985, for recognizing Grants & consumers contribution received towards capital expenditure. The Company has implemented provisions of Accounting Standard-12 issued by the Institute of Chartered Accountants of India for recognizing the Grants & consumers contribution received towards capital expenditure during the current year. Hence the value of grants and consumer contribution utilized towards the capital expenditure has been reduced from carrying amount of the fixed Assets. Accordingly the depreciation provision made on the fixed assets to the extent of Govt. grants and consumers contributions upto FY 2012 has been written back in the current year for an amount of Rs. 7006.40 lakh and as a result the profit of the Company has also increased to that extent.
- ❖ **Profit before Tax** has decreased by **30.45% (Rs. -260.64 lakh)** over the previous year.
- ❖ **The Current tax** works out at Rs. 172.66 lakh, against the profit of Rs. 595.27 lakh on MAT basis.
- ❖ **MAT Credit Entitlement:** Company has accounted the MAT credit entitlement to the tune of Rs. 836.83 lakh which has increased the net profit of the company to that extent.
- ❖ Profit after Tax has increased by 96.42% (Rs. 618.25 lakh) over the previous year.
- ❖ Company has accounted the energy balancing receivables of Rs. 10962.40 lakh in the year 2012-13 as receivable from other ESCOMs. Due to this the Company has adverse effect on Cash Management, even though there is book profit.

6. Dividend

The Board has not proposed any dividend for the financial year ended 31st March, 2013.

7. Power purchase

During the year 2012-13, the power purchase is 4473.29 MU at a total cost of Rs. 1537.43 Crs. Total energy available for sale is 4280.45 Mus. Total sales during the year were 3771.88 MU. Remaining 508.57 MU was attributable to system loss.

8. Source of funds & Borrowings

- a) The source of funds of the Company stands at Rs. 318.58 Crs. at the end of the Financial Year comprising of Equity Share Capital A/c of Rs. 191.07 Crs., and Reserves & Surplus of Rs. 127.51 Crs.
- b) The total long term borrowing of the Company amounts to Rs. 310.35 Crs. and the security deposits from consumers amounts to Rs. 342.02 Crs.

9. An overview of the performance of MESCO with regard to Distribution Transformers, HT/LT lines and Electrification is as under:

Sl No	Particulars	Measure	2012-13	2011-12	2010-11
1	Total Lines & TCs added:				
a.	DTCs erected	Nos.	3395	2917	3382
b.	11 KV HT lines	RKms	1208	1057.17	1264.247
c.	LT lines	RKms	1676	1915.53	2673.061
d.	Reconductoring of HT Lines	RKms	468.97	281.36	346.536
e.	Reconductoring of LT Lines	RKms	676.01	654.98	719.39
2	DTC Failures	%	9.63	9.48	9.16
3	RE Works:				
a.	Electrification of Hamlets	Nos.	201	293	206
b.	Electrification of Harijan Basthies/JCs/Tandas	Nos.	45	67	50
c.	Electrification of Tribal Colonies	Nos.	20	40	19
4	Servicing of:				
a.	Drinking Water Supply Schemes	Nos.	619	342	284
b.	Ganga Kalyana Schemes	Nos.	1310	1173	1162
5	Total Energy Handled	Mus	4280.45	4154.38	3600.09
6	Distribution loss	%	11.88	12.09	11.92
7	IP set serviced				
a.	New IP sets	Nos.	6655	7459	6499
b.	Regularisation of Unauthorised IP sets	Nos.	8137	13556	-
8	BJ/KJ installations serviced	Nos.	1023	9390	33393

10. Milestones achieved during 2012-13:

Several initiatives have been taken up to strengthen and stabilise the distribution system as well as the fiscal status of the Company. A bird's eye view of some of the major achievements and the innovative initiatives are as follows:

(A) Addition of new Distribution Transformers to the System:

In order to improve the quality and reliability of power supply, 3395 numbers of distribution transformers are added to the system in the identified low voltage pockets.

(B) Metering Programme:

(i) The Company is marching towards 100% metering of the installations. With a perennial and dedicated commitment, through universal metering programme, the Company has achieved 98.14% metering as at the end of FY 13.

(ii) During FY 2012-13, 38599 Nos., of DC/MNR Meters replaced and 14252 Nos., of IP Sets, 815 Nos., of BJ/KJ installations and 429 Nos., of Street light installations have been metered.

(C) Metering of Distribution Transformer Centers:

For more effective energy audit, it is contemplated to meter all Distribution Transformer Centers with Automatic Meter Reading facility. 15,579 Nos. of DTCs have been metered as on 31.3.2013.

(D) RGGVY:

M/s. REC Bangalore has communicated sanction for the implementation of RGGVY works in Dakshina Kannada & Udupi Districts. The work of implementing this project in Dakshina Kannada & Udupi Districts have been awarded on turnkey basis to M/s. L&T Ltd., Bangalore on 09-10-12 for Rs. 81.27 Crs and M/s. Manipal Energy & Infratech Ltd., Manipal on 25-09-12 for Rs. 29.71 Crs respectively.

On implementation of this scheme in Dakshina Kannada & Udupi Districts, the details of the number of villages & rural households which will be benefited are as follows;

The scheme details are as follows:

Description	No. of un-electrified habitations with more than 100 population	No. of Rural Households excluding BPL	RHH (Including BPL)	BPL	Length of HT line (Rkm.)	No. of DTs (25 KVA)	Length of LT line (Rkm.)		
							Sph 2 W	2ph 3W	3 Ph 4W
Dakshina Kannada	98	9324	31445	22121	620.80	570	1949.67	47.25	161.95
Udupi	50	4627	10288	5661	187.43	138	725.45	67.45	122.79
Total	148	13951	41733	27782	808.23	708	2675.12	114.7	284.74

(E) Implementation of R-APDRP Part-'A' Project:

1. In view of reducing the distribution losses across all ESCOMs, GOI has proposed implementation of R-APDRP scheme keeping in view of towns & cities with population more than 30,000 as per 2001 census.
2. As per RFP identification No: BESCOM / PROJECTS / R-APDRP / 09-10, dated 14.10.2009, MESCOM has taken up R-APDRP Part-A project in 4 districts of MESCOM in 11 towns namely Mangalore, Puttur, Bantwal, Udupi, Shimoga, Bhadravathi, Sagar, Shikaripura, Chikmagalur, Kadur & Tarikere.
3. The work of implementing IT is awarded to M/s. Infosys Ltd., Bangalore on 19.12.09 at an award cost of Rs.24.89Crs.
4. M/s. Reliance Infrastructure, Mumbai has been awarded as IT consultant for R_APDRP works.
5. Implementation of 17 Modules of R-APDRP part-A project is under progress.
6. At present, 7 nos of towns have gone live in Metering, Billing, Collection and New Connection Modules; namely- Shikaripura, Puttur, Kadur, Tarikere, Chikmagalur, Sagar and Bhadravathi.
7. In 3 nos. of towns namely Shikaripura, Kadur and Tarikere, implementation of Energy Audit, G.I.S and other modules are in progress.

R-APDRP Part-'B' Project work is not taken up in MESCOM since AT & C losses is well within the permissible limit (<15%)

(F) New 33/11 KV Sub-stations:

- Establishing 1x5 MVA, 33/11 kV Sub-station at Gangolli and Construction of connected 33 kV line in Kundapur Division.
- Establishing 2x5 MVA, 33/11 kV Sub-station at CAMPCO in Kemminje Village by Strengthening the existing 33KV SC line for a distance of 1.00 km from the existing 33 KV Puttur-Sullia line feeding from 110 KV Puttur MUSS in Puttur Division.
- Establishing 2x5 MVA, 33/11 kV Sub-station at Malpe and Construction of connected 33kV line in Udupi Division.
- Establishing 1x5 MVA, 33/11 KV sub Station at Subramanya in Sullia Taluk, Dakshina Kannada District & providing insulated Covered Conductor in place of existing bare 3 phases 3 Wire 11kV line from Kadaba 33/11kV station to proposed Subramanya 33/11kV Sub-station in Puttur Division.
- Providing 1x5 MVA, 33/11 kV Power Transformer at the existing Kakkinje switching Station in Bantwal Division.
- Augmentation of existing 1x5 MVA, 33/11 kV Sub-station at Vogga in Bantwal Division.
- Augmentation of existing 1x5 MVA, 33/11 kV Sub-station at Kukipady in Bantwal Division.
- Augmentation of existing 1x5 MVA, 33/11 kV Sub-station at Nelyady in Puttur Division.

11. New Initiatives

● **Implementation of HVDS:**

As per KERC directive, Kadur division is selected for implementation of total HVDS. It is proposed to replace around 300 Nos of 100 KVA Distribution Transformers by 600 Nos of 25 KVA and 300 Nos of 63 KVA transformers in first phase.

In all other divisions, higher capacity distribution transformers are being replaced by lower capacity distribution transformers at the load centres duly ensuring the proper load balancing.

● **SCADA:**

MESCOM in association with KPTCL has implemented Integrated Extended SCADA (IES) in 27 Nos of 33KV sub stations coming under its jurisdiction.

MESCOM has taken initiative for implementation of Integrated Extended SCADA, phase -II for the newly commissioned 6 Nos. of sub-stations and 4 Nos. of upcoming sub-stations at a total cost of Rs. 1.352 Crores. With this, MESCOM will have its 33/11KV Sub-stations provided with SCADA facility.

● **Demand side Management:**

MESCOM proposes to install the Solar Power Supply Packs for irrigation Pump sets. By this the existing 3 Phase motors can be fed from solar panel instead of Electricity. Contemplated a pilot project to provide solar power packs and for this, Manikantapura in Bantwal taluk and Kanchinadka in Udupi taluk have been selected to provide solar power packs to water supply installations.

● **Decentralized Distribution Generation (DDG):**

KREDL will be is executing village electrification in rural areas through DDG under RGGVY scheme and KREDL has awarded the works to M/s. Design Group Bangalore for preparation of the DPRs for 43 villages in MESCOM.

12. Proposed Target for Capital Investment Plan 2013-14:

SI. No.	Schemes	Target
1.	Electrification of Hamlets	40 Nos.
2.	Electrification of HB/ JC/ Tandas	18 Nos.
3.	Electrification of Tribal Colonies	5 Nos.
4.	Energization of IP sets	3406 Nos.
5.	Providing infrastructure to regularized unauthorized IP sets	5000Nos.
6.	Kutir Jyothi	2337 Nos.
7.	Service Connection	50, 000 Nos.
8.	Addition of new 33 KV sub-stations and allied lines	2 Nos.
9.	Augmentation of 33 KV Stations.	2 Nos.
10.	New HT Line	1200 Kms.
11.	New LT line	1200 Kms.
12.	Distribution Transformers	3000 Nos.

13. Civil Engineering Works:

During 2012-13 Civil Engineering Wing has carried out the construction of office buildings and other infrastructure works as noted below:

[Rs. In lakhs]

Sl. No.	Particulars	Completed works		Spill over works
		Expenditure during 12-13	Nos. of work completed	Expenditure during 12-13
1	Construction of office Building/Stores/Guest houses and other building and extension works	46.31	15	71.71
2	Other infrastructure works such as compound wall, road, water supply, fencing & drainage etc.,	22.25	15	13.71
	Total	68.56	30	85.42

For Financial year 2013-14, a budget of Rs. 800 lakhs is allocated towards spill-over and fresh Civil Engineering works in MESCOM.

14. New initiatives in procurement of Materials:

i) Energy Efficient 3 Star labeled Distribution Transformers:

In order to comply with the Energy Conservation Act 2001, procurement of Energy Efficient minimum 3 Star labeled Distribution Transformers has been implemented. Number of such Distribution Transformers procured during FY-2012-13 is as below:

Capacity	Numbers
25 KVA	2182
63 KVA	1136

- ii) Following Polymeric Type materials are being procured in order to minimize the failure rates in case of Porcelain type materials.
- Only Polymeric type Lightning Arrestors are being procured in order to minimize the distribution transformer failure rate especially in the heavy lightning prone areas.
 - 45 KN Polymeric type Insulators for 11 KV distribution system are procured for usage in coastal & heavy lightning prone areas.
 - 5 KN Polymeric Pin Insulators for 11 KV distribution system are being procured for usage in the coastal & heavy lightning prone areas.

15. New O&M Offices:

For better administrative control and effective services to the Industrial consumers, a new Industrial Sub-Division Office is functioning at Baikampadi in Mangalore - 2 division duly bifurcating No.2 Sub-Division Mangalore. Further new O&M Sub-divisions and Sections formed earlier have been strengthened with independent officers and staff and they are functioning for the better O&M activities and customer services.

16. Public Grievances Cell

- a. During the year 2012-13, the Public Grievances Cell received 590 Nos., of written complaints out of which 93.56% ie., 552 Nos., of complaints were resolved satisfactorily. The remaining 38 complaints were redressed in the current financial year. Further 475 Nos., of minor complaints relating to fuse-off call, low voltage etc were received through Telephonic Calls.
- b. The category-wise complaints:

Sl. No.	Category of complaints	Nos. of Complaints
1	Electricity Supply & Distribution code-violation	109
2	Voltage/interruptions.	47
3	Bills related	26
4	Delay in Sanction & work	0
5	Accident & Compensation	29
6	Theft & unauthorized use of Electricity	30
7	Transformers Shifting etc.	79
8	Bribe/corruption/dishonest	38
9	Reduction in deposits /load reduction/repayment of deposits	00
10	New connection	68
11	Disconnections	13
12	Other Miscellaneous complaints.	151
	Total	590

c. A comparative data as to complaints are as follows;

No. of Complaints	2010-11	2011-12	2012-13	Remarks
No. of Written Complaints	510	677	590	Decrease in No. of complaints by 87 Nos.
No. of Minor Telephonic Complaints	510	523	475	Decrease in No. of complaints by 48 Nos.

d. MESCOM Consumer Grievance Redressal Forum consisting of the Chief Engineer (Elec), MESCOM, Mangalore Zone as the Chairman, the Superintending Engineer (C&RP), and a representative of Consumers' Forum, Udupi as the Members and the Manager (Public Grievance) as the Co-ordinator is functioning in the Corporate Office. During the year forum has received 22 complaints and all complaints are heard and disposed off.

e. A days workshop on the matter Consumer Grievance Redressal Forum Rules, Theft of electricity & misuses, Offences and Penalties was held on 28.05.12 & 05.06.12 at Mangalore & Shivamogga respectively for the officers of Shivamogga & Chickmagalore Circle jurisdiction. Chairman & Members of MESCOM CGRF, SP Vigilance MESCOM, Convenor of the CGRF attended the workshop. Assistant Executive Engineers of O&M, LT&HT Rating Sub Divisions, AEEs of Vigilance, A.A.Os and Police Inspectors participated. President of Consumers Forum Sagar, Dist. Govt. Pleader, Shivamogga gave lecture on the subject.

17. Personnel, Industrial relations and Human Resource Development:

A) Personnel Details:

The working strength of the employees as on 31.03.2013 is placed category-wise as under:

Cadres	Mangalore Circle			Udupi Circle			Shimoga Circle			Chickmagalore			Total		
	S	W	V	S	W	V	S	W	V	S	W	V	S	W	V
A - Grade (Regular Employees)	124	98	26	28	28	0	44	43	1	30	28	2	226	197	29
A - Grade (Deputation Employees)	3	3	0	1	1	0	1	1	0	1	1	0	6	6	0
Total	127	101	26	29	29	0	45	44	1	31	29	2	232	203	29
B - Grade (Regular Employees)	106	45	61	40	18	22	83	39	44	53	11	42	282	113	169
B - Grade (Deputation Employees)	1	0	1	1	1	0	1	1	0	1	0	1	4	2	2
Total	107	45	62	41	19	22	84	40	44	54	11	43	286	115	171
C - Grade (Regular Employees)	841	570	271	450	320	130	675	555	120	437	311	126	2403	1756	647
C - Grade (Deputation Employees)	8	7	1	8	8	0	8	7	1	8	8	0	32	30	2
Total	849	577	272	458	328	130	683	562	121	445	319	126	2435	1786	649
D - Grade (Regular Employees)	1144	518	626	603	314	289	986	529	457	725	329	396	3458	1690	1768
Company Grand Total	2227	1241	986	1131	690	441	1798	1175	623	1255	688	567	6411	3794	2617

S-Sanctioned, W-Working, V-Vacant

Engagement of Manpower for monsoon maintenance:

In view of shortage of manpower for maintenance cadre, for pre-monsoon and monsoon maintenance (for tree cutting and other allied works) 456 Nos. of labourers (special squad) were engaged through contract agencies for a period of 7 months from 01.05.2012.

B) Training and Development Programmes during the year 2012-13

- To inculcate the requisite work-culture and to develop the orientation and skill essential for today's advancing technology and operating environment, sufficient and constant both external and internal training programmes are being imparted to the rank and file employees of the Company.
- Also, training on basic tax laws, Labour laws, information Technology, safety energy savings, Financial Management, Managerial effectiveness and Customer relationship etc., have been given to the employees for the enrichment of their knowledge and betterment of their attitudes and behaviour.
- During the year 2012-13, the Company has organized several Internal Training Programmes and deputed the regular working staff of the Company to various external training programmes.

The details of training programmes are as follows:

Internal training Programmes:

Total No. of Internal training Programmes	25
Total Cost including programme fees	Rs. 1642506
No. of persons participated	890
Cost per Head (Average)	Rs. 1846

External Training Programmes:

Total No. of External training Programmes	29
Total Cost including programme fees	Rs. 913146
No. of persons participated	98
Cost per Head (Average)	Rs. 9318

C) Industrial Relations:

The Company has maintained cordial relations with the employees and their Union. Employees' grievances if any are redressed at respective offices by conducting periodical meeting with the local office bearers of the union.

D) Employees' Welfare Schemes:

As a step towards strengthening the relationship between the employees and management, several welfare schemes have been initiated by the Company,

- MESCOM has sponsored ₹ 75 lakhs to KEBEA, Bangalore for constructing KEBEA Zonal multi purpose complex at Kavoor, Mangalore and ₹ 10 lakhs to KPTCL AO's Association, Bangalore for extension of Silver Jubilee Building at KR Circle, Bangalore.
- To promote and encourage academic excellence, cash incentive of ₹ 2,500/- (Rupees Two Thousand Five Hundred only) is being awarded to each of the meritorious children of the regular employees of the Company, who secure 90% and above marks in SSLC/10th standard and 2nd PUC examination under State/Central syllabus from the academic year 2007-08 and onwards. During the year 2012-13 this cash prize and appreciation letter has been awarded to 17 meritorious children.
- Cash award ₹ 25,000/- was sponsored to Mr. Roshan Ferrao, Junior Assistant, an International 'Body Builder' who is awarded Karnataka State Ekalavya Award 2010. Further other seven No. of sportsmen were awarded Cash award ₹ 2,500/- each for having won the 'All India Electricity Board Power Lifting & Body Building Competition'.
- Company quarters facilities wherever available are provided to the Company employees.

18. Training Activities of HRD Centre, MESCOM for the year 2012-13:

During the year 2012-13, MESCOM HRD Centre, Shivabagh, Kadri, Mangalore has organised & completed 5 batches of Mandatory Training Programmes in total, to Employees of MESCOM & also to KPTCL employees working in MESCOM jurisdiction.

The Training Programme under 7th Batch of Mandatory Technical Training Programme-2 (MTTP-2) for the period 12.03.2012 to 03.05.2012 to Junior Meter Readers (Pre-employment Training) and existing Meter Reader / Operator / Overseer / ASK to be promoted as JE's has been given pre-promotional Training under 40 working days Programme, in which 36 nos of said category of employees have been trained.

The training programme under 7th batch of Mandatory Technical Programme-3 (MTTP-3) for the period 14.05.2012 to 29.06.12 to Lineman / Station Attendant Grade-1 & other maintenance men to be promoted, have been given pre-promotional technical training under 40 working days programme in which 35 nos. of said category of employees have been trained.

Similarly additional 3 nos. of training programmes under MTTP-3 for the year 2012-13 is as below.

Batch No	Period	No. of employees Trained
8	23.07.2012 to 11.09.2012	35
9	05.11.2012 to 27.12.2012	36
10	15.01.2013 to 05.03.2013	38

As a whole, 180 nos of employees have been benefitted under the Mandatory Technical Training Programme in MESCOM during the year 2012-13.

National Training Programme conducted to C&D Employees of MESCOM During the year 2012-13

REC & MESCOM have jointly Sponsored 16 batches of Training Programme under Variant-I for the year 2012-13 to the C&D Employees of MESCOM. This programme is exclusively for the benefit of maintenance men & totally

403 no.s of Maintenance men have been given 3 days training per batch, in 16 batches each batch consisting of 25 to 30 numbers of maintenance men. In addition, one day field training for each batch was also been given to each batch trainees from MESCOM side.

Status of Appeal Cases

In accordance with the Government of Karnataka notification no. EN52/ PSR/2007 dated 22.05.2007 SEE of MESCOM or an Officer of equivalent rank has been directed to carry out appeals pertaining to BESCO up to a disputed amount not exceeding Rs.2.50 Lakhs. Accordingly MESCOM has designated SEE HRD MESCOM to carryout the said work. During the Financial year 2012-13, 58 numbers of appeal cases have been heard and 45 numbers of cases have been disposed.

19. Sponsoring of Socio – Economic Projects

An amount of ₹ 1.00 lakh has been sponsored to Beach Festival held from 25.01.2013 to 27.01.2013 at Panambur Beach, Mangalore organized by District Administration, Dakshina Kannada.

20. Electrical Accidents during the year 2012-13

The details of electrical accidents are presented as below.

SI No	Name of the Circle / Division	Departmental		Non-Departmental		Animal	Grand Total
		Fatal	Non-Fatal	Fatal	Non-Fatal		
MANGALORE CIRCLE :							
1	Mangalore-1	1	1	4	1	3	10
2	Mangalore-2	0	2	4	1	1	8
3	Bantwal	0	0	5	1	0	6
4	Puttur	0	1	5	0	1	7
	Circle Total	1	4	18	3	5	31
UDUPI CIRCLE :							
1	Udupi	0	1	4	1	4	10
2	Kundapura	0	7	0	0	0	7
	Circle Total	0	8	4	1	4	17
SHIMOGA CIRCLE :							
1	Shimoga	1	12	7	4	10	34
2	Bhadravathi	0	4	0	1	4	9
3	Sagar	2	4	3	1	7	17
4	Shikaripura	0	8	2	1	1	12
	Circle Total	3	28	12	7	22	72
CHICKMAGALUR CIRCLE :							
1	Kadur	1	2	7	4	7	21
2	Chikmagalur	1	14	4	2	12	33
	Circle Total	2	16	11	6	19	54
	Grand Total	6	56	45	17	50	174

21. Public relation and Communication Activities:

Corporate communication is the one vital and continuous activity which bridges the relation of the organization with public. MESCOM has a separate wing for Public Relations and communication headed by the Manager (Communication) reporting directly to the Managing Director. The protocol management, maintaining the relationship with the public and representing the Company in the society are the main functions of this wing. In addition, regularly, maintaining cordial relationship with the press and electronic media people, arrangement for publication of Company's news and public Notifications like Tender & such other notifications etc., are the routine activities of the section.

Highlights of Public Relations and Communication activities in MESCOM during 2012-13:

a) Jana Samparka Sabhas:

It is a direct interaction programme with the general public and the consumers. Presently, it has been made mandatory that, concerned Superintending Engineers (Ele) of O&M Circles shall conduct consumer meets at sub-divisional headquarters on frequent intervals duly notifying the programme schedules in the leading news papers. In these meetings the consumers complaints are addressed in presence with the local officers. During the year, 96 Jana Samparka Sabhas have been conducted by giving wide publicity in the local newspapers. Under these programmes, the problems and grievances of the consumers relating to electricity distribution have been dealt with and solved. And proper guidance and information are also given to the general public.

b) Attending VP, TP & ZP Meetings:

The concerned O&M Section Officers are regularly attending the meetings of concerned Village Panchayats and the concerned O&M Sub-divisional Officers are attending the meetings of concerned Taluk Panchayat. Further, the concerned O&M Divisional Officers are attending concerned Zilla Panchayat meetings. In these meetings, Company's concerned Officers will discuss on various ongoing O&M works and Capital works and also redress the customers' complaints and problems if any.

c) Consumer Education Programmes:

Time of the Day Tariff (TOD) is the new and compulsory concept introduced by KERC. So as to highlight the provisions in the matter and to guide the consumers in this regard, two separate Consumer Education Programmes have been organised in the Company. On 22.06.2012 a programme has been organized at Mangalore, in which Sri Srinivasamurthy, Hon'ble Chairman, KERC has presided over. Similarly, on 10.09.2012 a programme has been organised at Udupi, in which Sri Vishwanath G Hiremat, Hon'ble Member, KERC has presided over. In both of these programmes, EHT consumers having contract demand of 500 KVA & above and the office bearers of various consumer organizations and Chamber of Industries and Commerce etc., have participated.

d) Publicity:

To educate the consumers regarding the usage of electricity devices and to follow safety measures, wide publicity has been given through newspapers, magazines, souvenirs and through T.V. channels.

e) Press Meets:

Managing Director has participated in the direct interaction with the Press Meetings conducted by the local Press Club, in which the issues and problems of the electricity consumers have been attended to and measures were taken to handle and resolve the consumers' queries and grievances.

f) Publication of Contact Numbers:

The contact numbers of '24 Hours Service Stations', Section Officers, Sub-Divisional Officers and Divisional Officers have been published in the newspapers having wide circulation so that the consumers can contact for their any problems in the electricity distribution systems and such other problems including problems during monsoon season.

g) Internal Magazine:

"MESCOM KIRANA" being the internal Magazine of the company is published quarterly covering various reports on different programmes, sports activities, training and HR activities. The magazine gives ample opportunities to disclose the talents of employees in writing poems, articles and to share their collections. The magazine is being published continuously and circulated among Company's various offices so as to reach the readers. Copies of the magazine are submitted to all Directors, KERC Authorities, Energy Department, Finance Department, D.C. Office, Kannada Development Authority, and such other offices.

22. Consumer Friendly Measures

- 24 Hours Consumer Service Centers have been opened in major city and town places.
- Soujanya counters are working at Sub Divisional level to redress the public grievances.
- Action being initiated to constitute **Consumer Grievance Redressal Forum** at District level.
- Implementation of Geographical Information System to improve quality of power supply.
- Computerization of all revenue sections and implementation of information technology in day to day activity.
- Electronic clearing system has been introduced for payment Electricity bills.
- 45 Nos of ATP machine have been installed in Sub Divisional and Prime locations, they are working satisfactorily.
- Action being initiated to collect the Consumer Electricity bills through Post Offices.

23. Internal Audit in MESCOM

The Internal Audit Wing of MESCOM is headed by Controller (Internal Audit). He is functioning independently and reporting directly to the Managing Director of the Company. The functions of Revenue Audit, Voucher Audit, Cash Audit, Store Audit, Power Purchase Bills and day to day pre and post audit functions and also on need basis special inspections are independently carried out regularly by the Internal Audit Officers and Staff of the Company. The verification of purchase orders placed at divisional level and corporate level are being done Audit. The Revenue Ledgers maintained in the Sub-Divisions and Accounting Section is audited as per Action Plan by concerned Divisional Assistant Accounts Officer (IA) and Senior Assistants (IA). Depending upon the requirement and availability on contract basis, the services of Rtd. Senior Assistants are also utilized during the

period to audit the Revenue Ledgers of LT-2 & LT-3 Tariff Category. Further, due to paucity of staff, the qualified Chartered Accountants have been entrusted the work of ledger audit of LT-2 & LT-3 Tariff Category for the year 2011 in Mangalore, Puttur, Bantwal, & Chikmagalure Divisions. The works have been awarded to them on contract basis duly inviting tender and observing corporate formalities.

The services of B.Com Graduates has been obtained on contract basis who have knowledge in auditing for the Bantwal, Kundapura, Bhadravathi, Sagar and Chikmagalur Divisions in the first phase.

Audit functions are being continuously carried out as per approved Action Plan.

24. Vigilance Activities in MESCOM

1. As per the Electricity Act 2003, vigilance police stations are formed in MESCOM. The Superintendent of Police is the head of the vigilance wing, who is technically assisted by Executive Engineer (Elect.) in the head quarters.
2. The Deputy Superintendent of Police is supervising all the four vigilance Police Stations.
3. Assistant Executive Engineers (Ele.) / Police Inspectors are working in each District and are assisted by Sub Inspectors / Head Constables / Police Constables.
4. Under section 126 and 135 of Electricity Act 2003, non cognizable and cognizable cases are booked in MESCOM vigilance police stations.
5. Cases booked under section 135 are admitted only in special courts.
6. Statement showing the progress of vigilance activities for the year 2012-13 is furnished below.

Name of the Police station	No. of installations checked	No. of cases booked		Total Cases	Total units pilfered in MU	Demand			Total amount	Recovery			Total Recovery
		Violation cases	Cog. Cases			Violation cases Amount in Lakhs	Cognizable cases Amount in Lakhs	Compound raised (Amount in Lakhs.)		Violation cases Amount in Lakhs	Cognizable cases Amount in Lakhs	Compounding amount in Lakhs.	
Mangalore	3681	214	36	250	1.02	162.65	14.50	5.10	182.25	34.60	9.66	3.56	47.82
Shimoga	3044	439	169	608	0.43	95.27	13.95	5.91	115.13	20.42	10.10	5.61	36.13
C.magalur	2741	164	67	231	1.78	61.21	31.89	7.85	100.95	8.10	2.77	6.42	17.29
Udupi	3816	258	9	267	0.02	41.67	2.61	0.77	45.05	21.59	2.38	0.73	24.70
TOTAL	13282	1075	281	1356	3.25	360.80	62.95	19.63	443.38	84.71	24.91	16.32	125.94

25. Implementation of Right to Information Act 2005 in MESCOM

1. The Details of PIOs, APIOs and respective Appellate Authorities have been notified and updated in MESCOM website www.mesco.in under the caption Right to Information Act in home page and the details are also made available to the general public in the respective offices.
2. 1517 Nos. of Applications including 7 Applications from BPL citizens have been received seeking information under RTI Act 2005 across the company during 2012-13, for which Rs. 18442/- has been collected towards the copy of furnishing informations. During the year all the requests for information were attended within the time limit. Further, 17 Nos. of Appeals have been received and disposed off within time.
3. MESCOM is arranging training programme / workshop on the provisions of RTI Act 2005 periodically. As a part of this programme training was arranged on the following dates.
 - i. For PIOs & APIOs of Udupi & Mangalore Circle on 04.10.2012 at MESCOM Corporate Office, Mangalore.
 - ii. For PIOs & APIOs of Shimoga & Chikmagalur Circle on 09.10.2012 at MESCOM Circle Office, Shimoga.

26. Particulars as per Companies (particulars of employees) Rules, 1975 and as amended:

None of the employees of the Company was in receipt of remuneration amounting to Rs. 24,00,000/- and above per annum or at the rate of Rs. 2,00,000/- and above per month during the financial year under review.

27. Appointment of Cost Auditors:

The Ministry of Corporate Affairs, Gol vide No.52/62/CAB-2008 dated 4th Feb.2008 has directed the Cost Audit for the audit of cost accounts maintained by the Company in respect of the financial year ending 31.03.2008 and for every financial year thereafter continuously to be conducted by an Auditor with qualifications prescribed in section 233B (1) of the Companies Act, 1956. Accordingly, M/s. Rao Murthy & Associates, Cost Accountants,

No.23/33, Serveyor's Street, Basavanagudi, Bangalore- 560004 have been appointed as the Cost Auditors of the Company for the FY 2007-08 and onwards.

Further the details of Cost Audit Reports filed with Gol are as under:

Financial Year	Due date to Submit Report	Date of Submission of Report
2007-08	30.09.2008	30.09.2008
2008-09	30.09.2009	08.12.2009
2009-10	30.09.2010	29.09.2010
2010-11	30.09.2011	04.11.2011
2011-12	30.09.2012	10.01.2013
2012-13	30.09.2013	Yet to be submitted.

28. Board of Directors

(A)

Sl. No.	Shriyuths / Smt.	Particulars
1.	G. Kumar Naik IAS	Chairman from 01.08.2013
2.	S. Selvakumar IAS	Chairman from 05.09.2012 to 01.08.2013
3.	M. Govindappa	Managing Director from 26.08.2013
4.	S. Sumanth	Managing Director from 05.10.2012 to 24.08.2013
5.	N. Lakshman	Director (Tech) from 03.08.2013
6.	Dr. W.M. Shivakumar	Director (Tech) from 23.01.13 to 18.07.13
7.	H. Nagesh	Director (Tech) from 06.06.11 to 17.01.13
8.	Dr. Aditi Raja	Director from 24.09.08
9.	N. Prakash	Director from 17.12.2012
10.	N.S. Channappa Gowda IAS	Director from 21.10.2011 to 17.12.2012
11.	H.R. Nagendra	Director from 02.05.2011 to 04.12.2013
12.	K.L. Ramachandra	Director from 04.12.2013
13.	M.S. Shivaram	Director from 09.04.2013
14.	D. Basavaraju	Director from 29.12.2011
15.	V. Venkatesh Reddy	Director from 21.10.2011
16.	M. Nagaraj	Director from 17.12.2008
17.	P. Rama Amin	Director from 15.12.09 to 20.06.2013
18.	G.K. Shadaksharappa	Director from 15.12.09 to 20.06.2013

The Board places on record its sincere appreciation and gratitude of the services rendered by the outgoing Directors.

(B) Meetings of the Board and Board Sub-Committees

i) Board meetings	4
44 th Meeting on 24.07.2012	
45 th Meeting on 07.09.2012	
46 th Meeting on 26.11.2012	
47 th Meeting on 30.03.2013	
ii) Purchase Committee	4
45 th Meeting 15.06.2012	
46 th Meeting 24.08.2012	
47 th Meeting 24.12.2012	
48 th Meeting 25.03.2013	
iii) Audit Committee	2
14 th Meeting 17.07.2012	
15 th Meeting 26.03.2013	

C) General Meetings:

The tenth Annual General Meeting of the Company was held at the Registered Office of the Company on 26th November 2012 for consideration and adoption of accounts.

29. Directors' Responsibility Statement:

Pursuant to Section 217(2) (AA) of the Companies Act, 1956, the Directors wish to state that to the best of their knowledge:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. accounting policies have been selected and applied 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 at the end of the financial year and of the profit or loss of the company for that period;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. Annual Accounts have been prepared for the Financial Year ended March 31, 2013 on a going concern basis.

30. General:

The Board would like to place on record its appreciation of:

- The Government of Karnataka, the Government of India, Central Electricity Authority, Comptroller & Auditor General of India, Central Electricity Regulatory Commission, Karnataka Electricity Regulatory Commission, Karnataka Power Transmission Corporation Ltd., Karnataka Power Corporation Ltd., & Power Company of Karnataka Ltd., for their assistance, guidance and co-operation.
- Financing agencies, such as Rural Electrification Corporation, Power Finance Corporation, Syndicate Bank, State Bank of Mysore, Canara Bank, Corporation Bank, Vijaya Bank, State Bank of India, Punjab & Sindh Bank, UCO Bank, Indian Bank, Axis Bank, Karnataka Bank and Central Bank of India for their financial support.
- The media for publicity and creating awareness among the public.
- The statutory auditors and Cost Auditors for their guidance and support.
- All the agencies associated with the computerisation of billing.
- The Employees, Employees' Union and other Associations of employees for their co-operation and collective participation.
- The suppliers, contractors and consultants for their co-operation.

Place : Mangalore

Date : 26.12.2013

**Sd/-
(G. Kumar Naik)
Chairman**

Addendum to Directors' Report

Replies offered on the observations / comments of the Statutory Auditors on the accounts of the Company for the year 2012-13 are as follows:

Statutory Auditor's Observation	MESCOM's Replies
<p>l) The Company follows accounting policies and procedures as laid down in Electricity (Supply) Annual Accounts Rules, 1985 (hereinafter referred to as ESAAR), which is at variance with the requirements of the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. The Company has informed us that ESAAR, 1985 is a Statutory Regulation and in the event of a variance in accounting treatment as specified under ESAAR, 1985 and the Accounting Standards, the provisions of ESAAR prevails. Accordingly the Company has accounted for the same as per ESAAR, 1985. Therefore, the Company has not complied with the following Accounting Standards:</p> <ol style="list-style-type: none"> 1. Accounting Standard-2: The Company has valued its inventories at Standard Rate and not at cost or net realizable value whichever is lower. 2. Accounting Standard-9: The Company has recognised a sum of Rs. 20256.00 Lakh as income from regulatory asset and credited to other income from operations by creating a regulatory asset(deferred revenue expenditure) and shown under "other current assets". Refer para l(j) of significant accounting policies and notes on accounts. There is also no mandate from the Karnataka Electricity Regulatory Commission for recognising the income and creating the asset stated above. The recognition of income is not in accordance with the Accounting Standard. 3. Accounting Standard-10: Items of fixed assets retired from active use are stated at their book value or standard rate depending on their reusability. The value is not tested in comparison to net realizable value. Such assets are disclosed as a part of current assets. Also, value of materials used for capital works are stated at standard costs. This accounting policy is not in accordance with the Accounting Standard. 	<p>In accordance with the section 616(c) of the Companies Act 1956, read with section 185 2(d) of the Electricity Act 2003, MESCOM is following the Annual Accounts Rules framed under section 69 of Electricity Supply Act 1948, wherever there is inconsistency between Companies Act 1956 & ESAAR 1985. Further, the provisions of Electricity Act 2003 read with rules made thereunder prevail wherever the same are inconsistent with the provisions of the Companies Act 1956 in terms of section 174 of the Electricity Act 2003. As the Accounting Standards are not sector specific and relying upon scope of the Accounting Standards 4.2 which reads "The Accounting Standards by their very nature cannot and do not override the local regulations which govern the preparation and presentation of Financial statements in the country".</p> <p>Further, AS-2 states that standard cost may be used for convenience, if the result approximates the actual cost. Also standard rates are regularly revised in the light of changing conditions, which are approximate to the actual cost. Hence the Company is following standard cost consistently, where the difference is negligible. Treatment of material cost variance has been stated under para No. l(g) to significant accounting policies for the period ended 31.03.2013.</p> <p>Hon'ble KERC has approved the Power Purchase cost of Rs. 133487.00 lakh for FY 12-13 against which Company has incurred Rs. 153743.00 lakh in the year. The additional cost of Rs. 20256.00 lakh has been accounted as "Provision for Regulatory Asset Recovery / Truing Up Subsidy" by the Company. The Power purchase cost is the uncontrollable cost on which there is certainty of allowing by Hon'ble KERC as a pass through cost item by way of Tariff increase or in the form of Annual True up Subsidy payable by the GoK.</p> <p>There is no violation of AS-10 in view of the provisions of section 616(c) of the Company's Act 1956.</p>

Statutory Auditor's Observation	MESCOM's Replies
<p>4. Accounting Standard-22: The company has not accounted deferred tax assets / liabilities as required by Accounting Standard-22.</p> <p>II) The Company has an internal audit system. However, considering the size of the Company and volume of its business, we are of the opinion that the present system requires to be strengthened and audit department needs to be adequately staffed. The audit system needs to cover technical audit, materials, inventory, stores and compliance and adherence to various provisions of Tax Laws and Labour Laws in particular.</p> <p>III) The Balances of Sundry Debtors, Sundry Creditors, Loans and Advances, Other Receivables and other debit / credit balances including that of other ESCOM's and KPTCL are subject to confirmations and reconciliations. The effect of the adjustment arising from reconciliation and settlement of old dues and possible loss which may arise on account of non recovery or partial recovery of such dues is not ascertained. Thus we are unable to comment upon the impact thereof on the accounts and profit for the period.</p> <p>IV) The Control account balances as reflected by the General Ledger at Divisions and Subsidiary Registers at Sub-Divisions in the matter of Consumer Security Deposits and Meter Security Deposits are not fully reconciled.</p>	<p>The Company has not recognized Deferred Tax Asset / Deferred Tax Liabilities so far since there is no such requirement under ESAAR, 1985. However action will be taken to comply with this Accounting Standard in the ensuing accounting year.</p> <p>Company has an Internal Audit Wing headed by AO rank working in each accounting division to verify and report any shortcoming regarding cash, revenue, work accounts, cost register, material audit, inventory and stock records. Further at Company's Corporate Office, Controller (Internal Audit) is monitoring and supervising the work of Internal Audit Wing of each Division and rendering periodical reports to management regarding any shortcomings observed. Company has an 'in-built' system of internal control for each activity.</p> <p>As disclosed under note 4.1.2.5, 39 & 40, the balances in respect of Sundry Debtors, Sundry Creditors, Loans and Advances to Suppliers and other borrowings are subject to confirmation. However the energy balancing dues among the ESCOMs as on 31.03.2013 are reconciled during the year 2012-13 as a result of which MESCOM has to receive Rs. 377.81 Crs from other ESCOMs. The reconciliation of other balances with KPTCL and ESCOMs is under process for which due action is taken from MESCOM side by intimating the details for the balance and also intimated about the deemed confirmation.</p> <p>During the Balance sheet Restructuring Plan III, a portion of meter security deposit was capitalized as per the direction of the Govt. Though the amount was capitalized, the amount is still outstanding in the consumers' ledger account. But the meter security deposit as per accounts was reduced to that extent in the accounts of the Company, leading to difference between the balance as per consumers' ledger account maintained at Sub-Divisions and as per accounts of the Division Offices. Further, the deposit registers are being maintained at Sub-divisional / Section levels and the accounts are maintained at divisional levels. The Company has made efforts to reconcile the balances between the deposit registers and accounts during the financial year. Since the task is voluminous, efforts are being made to complete the same.</p>

Place : Mangalore

Date : 26.12.2013

Sd/-
(G. Kumar Naik)
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of Mangalore Electricity Supply Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Mangalore Electricity Supply Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for qualified opinion

The company follows accounting policies and procedures as laid down in Electricity (Supply) Annual Accounts Rules, 1985 (hereinafter referred to as ESAAR), which is at variance with the requirements of the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956. The Company has informed us that ESAAR, 1985 is a Statutory Regulation and in the event of a variance in accounting treatment as specified under ESAAR, 1985 and the Accounting Standards, the provisions of ESAAR prevails. Accordingly the Company has accounted for the same as per ESAAR, 1985. Therefore, the Company has not complied with the following Accounting Standards:

1. Accounting Standard – 2: The Company has valued its inventories at Standard Rate and not at cost or net realizable value whichever is lower.
2. Accounting Standard – 9: The Company has recognised a sum of Rs. 20256.00 Lakh as income from regulatory asset and credited to other income from operations by creating a regulatory asset(deferred revenue expenditure) and shown under "other current assets". Refer para I(j) of significant accounting policies and notes on accounts. There is also no mandate from the Karnataka Electricity Regulatory Commission for recognising the income and creating the asset stated above. The recognition of income is not in accordance with the Accounting Standard.
3. Accounting Standard – 10: Items of fixed assets retired from active use are stated at their book value or standard rate depending on their re-usability. The value is not tested in comparison to net realizable value. Such assets are disclosed as part of current assets. Also, value of materials used for capital works are stated at standard costs. This accounting policy is not in accordance with the Accounting Standard.
4. Accounting Standard – 22: The Company has not accounted deferred tax assets / liabilities as required by Accounting Standard - 22.

The effect of the above on the financial statements is not ascertainable.

Further to the above,

- i) The Company has an internal audit system. However, considering the size of the Company and volume of its business, we are of the opinion that the present system requires to be strengthened and audit department needs to be adequately staffed. The audit system needs to cover technical audit, materials, inventory, stores and compliance and adherence to various provisions of Tax Laws and Labour Laws in particular.

- ii) The Balance of Sundry Debtors, Sundry Creditors, Loans and Advances, Other Receivables and other debit / credit balances including that of other ESCOM's and KPTCL are subject to confirmations and reconciliations. The effect of the adjustment arising from reconciliation and settlement of old dues and possible loss which may arise on account of non recovery or partial recovery of such dues is not ascertained. Thus we are unable to comment upon the impact thereof on the accounts and profit for the period.
- iii) The Control account balances as reflected by the General Ledger at Divisions and Subsidiary Registers at sub-divisions in the matter of Consumer Security Deposits and Meter Security Deposits are not fully reconciled.

Accordingly, the company had prepared its balance sheet as at 31.03.2013 and the statement of Profit and loss for the year ended as on that date together with cash flow statement which was approved by the board of directors of the company on 29.08.2013 and was forwarded to us for our report thereon and we had issued our report on the following day. Thereafter, the accounts of the company have been reviewed by Comptroller and Auditor General of India and have been revised in the light of observations made by them. The said revision has resulted in decrease in Reserves & Surplus by Rs. 267.94 lakh, increase in Trade Payables by Rs. 763.94 lakh, increase in other current liabilities by Rs. 803.87 lakh, increase in long term loans by Rs. 67.02 lakh, increase in Trade Receivables by Rs. 411.78 lakh, increase in other current assets by Rs. 821.07 lakh. The total assets and liabilities are increased by Rs. 1299.87 lakh.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from branches not visited by us];
 - d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - e) as per Notification No.: GSR 829(E) dated 21.10.2003, Government Companies are exempted from the provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For M/S RODRIGUES & D'SOUZA
Chartered Accountants
(Firm Registration No.003284S)

Sd/-
(CA EDMOND D'SOUZA)
Partner
M. No. 015097

Place: Mangalore
Date: 27.09.2013

ANNEXURE TO AUDITORS' REPORT

The Annexure referred to in paragraph 1 of our report of even date to the members of Mangalore Electricity Company Limited (“the Company”) for the year ended 31 March 2013. We report that:

- i) a) The Fixed Asset Register maintained by the Company does not show full particulars such as asset identification number and its situation.
 - b) In the absence of adequate report on physical verification of Fixed Assets, we are unable to comment about the reasonableness of intervals at which Fixed Assets have been verified and accounting of discrepancies noticed thereon if any.
 - c) According to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the year.
- ii) a) As informed and explained to us physical verification of inventory has been conducted at reasonable intervals by the management.
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) In our opinion and as explained and informed to us, the Company is maintaining proper records of inventory. Material discrepancies noticed on physical verification have been properly dealt with in the books of account.
- iii) According to the information and explanation given to us, the company has neither granted nor taken any loan from Companies, firms or other parties covered in the register maintained U/s 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of electricity. According to the information and explanations given to us, the purchase price and sale of electricity is regulated by Karnataka Electricity Regulatory Commission. The Company arranges payment to the power suppliers based on the notional share basis fixed and notified by Govt. of Karnataka from time to time.
- v) As informed and explained to us the Company has not entered into any transactions that needs to be entered into the register in pursuance of section 301 of the Act.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 and the rules framed thereunder. Therefore the provisions of clause (vi) of paragraph 4 of the aforesaid order are not applicable to the Company for the financial year under report.
- vii) In our opinion, the company does not have an Internal Audit System commensurate with the size and nature of its business. Internal Audit system needs to be strengthened in terms of adequate staffing and area of coverage as mentioned in Para 4(ii) of our Audit Report.
- viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for maintenance of cost records U/s 209(1)(d) of the Companies Act, 1956 in respect of distribution of electricity and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the said records.
 - ix) a) According to the books and records as produced before us and examined by us, in accordance with generally accepted auditing practices in India and also based on Management representations, undisputed statutory dues have been regularly deposited by the Company during the year with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues outstanding as at March 31, 2013 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 examined by us, the particulars of EPF dues which has not been deposited on account of a dispute pending are as under:

Name of the Statute	Nature of the disputed dues	Amount (Rs.)	Payments made by the company / adjustments made by the dept. (Rs.)	Period to which the amount relates	Forum where disputes are pending
EPF Act	EPF of contract employees – error in calculation of demand	4,44,06,265	1,77,63,000	2006-07	Case remanded back to PF Office, Mangalore
EPF Act	Interest and damages claimed by the PF department for delayed payment of PF at Puttur division	Interest = 64,36,970 Damages = 83,43,738	Rs 64,36,970 paid on 06.03.2013 & Rs 83,43,738 paid on 12.06.2013	6/2002 to 04/2010	Action taken to file appeal before the Employees Provident Fund Appellate Tribunal New Delhi

- x) The Company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by the audit, nor in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, there is no default in repayment of loan dues by the Company.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute as referred under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion and according to the information and explanations given to us, the term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
- xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has not raised any debentures during the year.
- xx) The Company has not raised any monies by way of public issues during the year.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year, except in the case of theft of electricity reported by the vigilance department of the Company, the amount of which is not quantified.

For M/S RODRIGUES & D'SOUZA
Chartered Accountants
(Firm Registration No.003284S)

Sd/-
(CA EDMOND D'SOUZA)
Partner
M. No. 015097

Place: Mangalore
Date: 27.09.2013

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF MANGALORE ELECTRICITY SUPPLY COMPANY LIMITED, MANGALORE FOR THE YEAR ENDED 31 MARCH 2013.

No. Pr. AG (E&RSA)/ES-II/PS/2013-14/K:O2-14/A-178, Dated: 17.10.2013

The preparation of financial statements of **MANGALORE ELECTRICITY SUPPLY COMPANY LIMITED, MANGALORE** for the year ended **31st MARCH 2013** in accordance with the financial reporting framework prescribed under Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated **27TH SEPTEMBER 2013**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit, under section 619(3)(b) of the Companies Act, 1956, of the financial statements of "**MANGALORE ELECTRICITY SUPPLY COMPANY LIMITED, MANGALORE**" for the year ended **31st MARCH 2013**. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. In view of the revisions made in the financial statements by the management, as a result of my audit observations highlighted during supplementary audit as indicated in the Note No.42 forming part of Accounts, I have no further comments to offer upon or supplement to the Statutory Auditors' Report under section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India
Sd/-
(ANITA PATTANAYAK)
PRINCIPAL ACCOUNTANT GENERAL
(ECONOMIC & REVENUE SECTOR AUDIT)
KARNATAKA, BANGALORE

Place: Bangalore
Date: 17th October 2013

BALANCE SHEET AS AT 31ST MARCH 2013

(Rs.in Lakh)

Sl. No.	Particulars	Note No.	Account Code	As at 31.03.2013		As at 31-03-2012	
I	EQUITY AND LIABILITIES						
1	Shareholders' Funds						
a)	Share Capital	1	52.301	19107.02		17206.99	
			52.302				
b)	Reserves and Surplus	2	55 to 58	12751.21	31858.23	38248.48	55455.47
2	Share application Money pending Allotment	3	52.303		0.00		0.03
	Sub-Total				31858.23		55455.50
3	Non-Current Liabilities						
a)	Long-term borrowings	4	53 to 54	31035.43		31709.30	
b)	Deferred Tax Liabilities(Net)	5	-	-		-	
c)	Other long term liabilities	6	42 to 48	140574.99		99973.14	
d)	Long-term Provisions	7	44	2696.00		2246.63	
	Sub-Total				174306.42		133929.07
4	Current Liabilities						
a)	Short-term borrowings	8	50	6871.01		9062.61	
b)	Trade payables	9	41	37138.02		36068.83	
c)	Other current liabilities	10	42 to 46	25535.71		33364.72	
			51,53,54				
d)	Short-term provisions	11	46	463.96		698.73	
	Sub-Total				70008.70		79194.89
	TOTAL				276173.35		268579.46
II	Assets						
1	Non-Current assets						
(a)	Fixed assets						
(i)	Tangible Assets						
(a)	Tangible Assets (Net)	12	10 & 12	108991.31		92699.46	
(b)	Gross Assets created out of Govt. grant/Consumers Contributions	12	10	33776.50		0.00	
	(c) Net Fixed Assets			75214.81		92699.46	
(ii)	Intangible assets	13	-	-		-	
(iii)	Capital work-in-progress	14	14,15 &17	5338.61		7223.73	
(iv)	Intangible assets under development	15	18.101	230.06		-	
(b)	Non-Current investments	16	20.291	251.00		251.00	
(c)	Deferred Tax Assets(net)	17	-	-		-	
(d)	Long term loans and advances	18	28.935	5046.65		3778.79	
(e)	Other non-current assets	19	28 & 16.2	84628.92		83501.87	
(f)	Deferred Costs	20	-	-		-	
	Sub-Total				170710.05		187454.85
2	Current assets						
(a)	Current Investments	21	-	-		-	
(b)	Inventories	22	22 & 16.1	3472.35		3250.29	
(c)	Trade receivables	23	23, 47.607 & 47.609	41390.21		35120.89	
(d)	Cash and cash equivalents	24	20 & 24	4687.60		3739.69	
(e)	Short-term loans and advances	25	25, 26, 27 & 28.913	3188.81		2182.65	
(f)	Other current assets	26	23.4 & 28	52724.33		36831.09	
	Sub-Total				105463.30		81124.61
	TOTAL				276173.35		268579.46

Significant Accounting Policies and Notes to Accounts form the part of the Accounts.

Sd/-
(K. JAYARAMA ALVA)
Financial Advisor

Sd/-
(N. LAKSHMAN)
Director (Tech)

Sd/-
(M. GOVINDAPPA)
Managing Director

In terms of our Report of even date
for **RODRIGUES & D'SOUZA**

Chartered Accountants
Firm Reg. No: 003284 S

Sd/-
CA EDMOND D'SOUZA
PARTNER
Membership No. 015097

Place: Mangalore
Date : 27.09.2013

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH 2013**

(Rs. in Lakh)

Sl. No.	Particulars	Note No.	Account Code	For the year 2012-13	For the year 2011-12
I	Revenue from operations (Distribution of Power)	27	61 & 83	189899.66	154530.56
II	Other Income	28	62 & 65	7271.84	16359.41
III	Total Revenue (I+II)			197171.50	170889.97
IV	Expenses				
	Purchase of Power	29	70	153742.87	127625.60
	Employee Benefits Expense	30	75	20854.88	18779.44
	Finance Costs	31	78 & 80	18260.04	11917.55
	Depreciation and amortization expenses	32	77 & 83.6	5109.64	6130.97
	Other Expenses	33	74,76, 79 & 83	5615.20	5580.50
	Total Expenses			203582.63	170034.06
V	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)			-6411.13	855.91
VI	Exceptional Items	34	62.917	-7006.40	-
VII	PROFIT BEFORE EXTRA ORDINARY ITEMS AND TAX (V-VI)			595.27	855.91
VIII	Extraordinary items	-	-	-	-
IX	PROFIT BEFORE TAX (VII-VIII)			595.27	855.91
X	TAX EXPENSE				
	Current Tax		81.1	172.66	214.72
	Deferred Tax	-	-	-	-
	MAT Credit entitlement	35	62.922	-836.83	-
XI	Profit (Loss) for the period from continuing operations (IX-X)	-	-	1259.44	641.19
XII	Profit (Loss) from discontinuing operations	-	-	-	-
XIII	Tax expense of discontinuing operations	-	-	-	-
XIV	Profit (Loss) from discontinuing operations (after Taxes) (XII-XIII)	-	-	-	-
XV	Profit (Loss) for the period (XI+/-XIV)			1259.44	641.19
XVI	Earnings per equity share (in Rs)				
	Basic and diluted			0.73	0.40
Significant Accounting Policies and Notes to Accounts form the part of the Accounts.					

Sd/-
(K. JAYARAMA ALVA)
Financial Advisor

Sd/-
(N. LAKSHMAN)
Director (Tech)

Sd/-
(M. GOVINDAPPA)
Managing Director

In terms of our Report of even date
for **RODRIGUES & D'SOUZA**
Chartered Accountants
Firm Reg. No: 003284 S

Sd/-
CA EDMOND D'SOUZA
PARTNER
Membership No. 015097

Place: Mangalore
Date : 27.09.2013

CASH FLOW STATEMENT FOR THE YEAR ENDING

(Rs. in Lakh)

Particulars	31.03.2013	31.03.2012
Cash flows from operating activities		
Net profit before taxation and extraordinary items	595.27	855.91
Adjustment for:		
Depreciation	5109.64	6130.97
Foreign exchange loss	0.00	0.00
Interest income	-91.47	104.41
Dividend income	0.00	0.00
Interest expense	18260.04	11917.55
Operating profit before working capital changes	24056.42	18800.02
(increase)/Decrease in trade receivables	-6269.32	-6235.71
(increase)/Decrease in loans and advances	-1006.16	783.72
(increase)/Decrease in other current assets	-15893.24	-11379.12
(increase)/Decrease in inventories	-222.06	-1424.19
Increase/(Decrease) in short term borrowings	-2191.60	4962.52
Increase/(Decrease) in trade payables	1069.19	7073.66
Increase/(Decrease) in provisions	-234.77	323.72
Increase/(Decrease) in other current liabilities	-7829.00	3597.32
Cash generated from operations	-32576.96	-2298.08
Income taxes paid	25.85	1106.62
Cash flow before extraordinary item	-8546.39	15395.32
Extraordinary items (specifying nature)	-	-
Net cash from operating activities (A)	-8546.39	15395.32
Cash flows from investing activities		
Purchase of tangible fixed assets	12375.01	-14495.21
(Increase)/Decrease in Capital Work in Progress	1885.12	2097.04
Increase/(Decrease) in other long term Liabilities	40601.84	18653.90
Increase/(Decrease) in other long term Provisions	449.37	83.24
Purchase of intangible fixed assets	-230.06	0.00
Purchase of long term investments	-	-
(increase)/Decrease in other non-current assets	-1127.05	-14629.60
(increase)/Decrease in other long term loans and advances	-577.84	-13.65
Interest received	-91.47	104.41
Net cash from investing activities (B)	53284.92	-8199.87
Cash flows from financing activities		
Proceeds from issuance of share capital	1900.00	1473.03
Increase/(Decrease) in other long term borrowings	-673.87	582.72
Contributions / Grants and subsidies towards Cost of Capital Assets	-26756.71	3606.46
Interest paid	-18260.04	-11917.55
Dividends paid	0.00	0.00
Dividend distribution tax	0.00	0.00
Proceeds from ESOPs	0.00	0.00
Net cash used in financing activities (C)	-43790.62	-6255.34
Net increase in cash and cash equivalents	947.91	940.11
(A) + (B) + (C)	3739.69	2799.58
Cash and cash equivalents at beginning of period	3739.69	2799.58
Cash and cash equivalents at end of period	4687.60	3739.69

Sd/-
(K. JAYARAMA ALVA)
Financial Advisor

Sd/-
(N. LAKSHMAN)
Director (Tech)

Sd/-
(M. GOVINDAPPA)
Managing Director

In terms of our Report of even date
for **RODRIGUES & D'SOUZA**

Chartered Accountants
Firm Reg. No: 003284 S

Sd/-
CA EDMOND D'SOUZA

PARTNER
Membership No. 015097

Place: Mangalore
Date : 27.09.2013

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I) SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 31-03-2013.

a) Basis of preparation of financial statements:

The Company is registered under the provisions of Companies Act, 1956. The Company is a distribution licensee under Section 14 of the Electricity Act, 2003. The provisions of the Electricity Act, 2003 read with the rules made there under prevails wherever the same are inconsistent with the provisions of the Companies Act, 1956 in terms of Section 174 of the Electricity Act, 2003.

The Accounts of the company have been prepared on the basis of going concern concept and under the historical cost convention. The Company adopts accrual basis in preparation of its accounts to comply with all material aspects of Generally Accepted Accounting Principles (GAAP) and the accounting standards issued by the Companies (Accounting Standard) Rules, 2006 as per notification No. G.S.R 739 (E) dated 7th December, 2006. However, rebate for early payment and interest on delayed payment to power producers are accounted for as and when intimated by them. Further, in certain areas where different accounting treatment has been prescribed under GAAP and Electricity (Supply) (Annual Accounts) Rules 1985 (ESAAR, 1985) for an item of income / expenditure or Asset / Liability, the accounting treatment prescribed under ESAAR 1985 has been adopted as per Section 174 of the Electricity Act, 2003. Further, assets and liabilities created under applicable electricity laws continue to be depicted under appropriate heads in the Balance Sheet.

b) Use of Estimates:

In the preparation of the Financial Statements, the Company has made estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period to conform with the generally accepted accounting principles. Differences between actual results and estimates are recognized in the period in which results are known / materialized.

c) Fixed Assets:

- i) Fixed assets which are acquired or constructed are recorded in the books of accounts and disclosed in annual accounts at actual cost of acquisition / construction or at standard rate, as the case may be, less accumulated depreciation. Cost of acquisition is inclusive of freight, duties & taxes, levies, borrowing costs and all incidentals attributable to bringing the asset to its working condition.
- ii) In case of fixed assets, for new projects / extension, the related expenses and interest cost up to the date of commissioning attributable to such project / expansion are capitalized.
- iii) Fixed Assets other than those classified as 'Furniture & Fixture' and 'Office Equipments', costing individually up to Rs 500 are written off to Profit and Loss Account during the year.
- iv) Assets transferred by M/s Karnataka Power Transmission Corporation Limited (KPTCL) have been stated at the cost of transfer indicated by KPTCL in transfer document.

d) Impairment of Assets:

The Company at the Balance Sheet date assesses individual fixed assets and group of assets constituting "Cash Generating Units" (CGU) for impairment, if circumstances indicate a possibility or warrant such assessment. If carrying cost is higher than recoverable amount provision will be made for impairment of state of assets or CGU.

e) Depreciation:

- i) Depreciation on all assets (except lease hold land) is provided on straight line method over the useful life of the asset at the rates approved in KERC Tariff Order 2009 dated 25th November 2009. Depreciation on released assets re-issued to works and categorized as assets, is charged at the rates prescribed vide said regulation considering the WDV as the base value. This system is followed consistently.
- ii) In respect of Lease hold land where entire lease amount is paid in advance, depreciation is charged every year by a fixed amount which is arrived by dividing the total Lease cost by the number of years of lease so that 100% of the leased cost of land is recovered over the lease period.
- iii) Depreciation on all assets excluding land is provided up to 90% of the original cost. Depreciation is not charged on those assets for which the accumulated depreciation as at the Balance Sheet date is 90% of the original cost.
- iv) Depreciation on additions of assets is provided on pro-rata basis from the following month in which the asset is available for use. Depreciation on disposed assets / assets withdrawn from use is provided up to the month in which the asset is disposed / withdrawn.

f) Capital Work in Progress:

Material issued to Capital Work is valued at a price which is determined on the basis of previous purchases and prevailing market rates, which is stated as Common Standard Rates for all ESCOMs jointly published by all the ESCOMs in the state of Karnataka.

g) Inventory valuation:

Inventories are valued at Standard Rate, which is determined by MESCO from time to time based on previous purchase price and prevailing market rates (published as O & M Schedule of Rates). The difference in actual cost of material received and standard issue rate represents "Material Cost Variance". At the end of the year debit balance if any, under Material Cost Variance is charged to Profit and Loss Account and credit balance if any is transferred to reserve account called "Reserve for Material Cost Variance".

Dismantled Assets are valued at written down value of assets.

h) Revenue Recognition:

Sale of Electricity is accounted, based on tariff rates approved by the Karnataka Electricity Regulatory Commission (KERC). Revenue from sale of energy is accounted on accrual basis. Revenue is reduced by unbilled revenue of previous year included in current year's revenue. It is increased by the unbilled revenue of current year and revenue due from consumers whose ledger accounts are yet to be opened.

l) Subsidy from Government of Karnataka:

GoK vide notification no. EN 55 PSR 2008 dtd 14.09.2008 has introduced a scheme of free power supply to IP sets having capacity of upto 10 HP (inclusive of 10 HP). Further GoK is also providing free power supply to Bhagyajyothi and Kutira jyothi consumers having monthly consumption upto 18 units.

In accordance with the above said notification MESCOM has been providing free power to IP sets & BJ/KJ consumers and the cost thus involved in providing free power supply to those consumers will be made good by GoK. The difference between the amount of free power supply to BJ/KJ and IP set consumers and the actual amount received from the Govt. has been accounted as receivable from the GoK.

j) Regulatory Asset:

In accordance with tariff order of Hon'ble Karnataka Electricity Regulatory Commission, dated 7th December 2010 page No. 80, MESCOM has treated Rs. 7593 lakh as regulatory assets (deferred revenue expenditure) for the FY 2011. Out of the said amount the Hon'ble KERC, in the said order has ordered to recover the regulatory asset at the rate of 12 paise per unit during FY 2012. Accordingly Rs. 4227.08 lakhs has been recovered by reducing the revenue and regulatory asset during FY 2012 at the rate of 12 paise per unit for 3522.57 MU sold. The remaining amount of Rs. 3365.92 lakh is treated as recovered during FY 2012-13.

In the current year, regulatory Asset is created to the extent of Rs. 20256.00 lakh being the excess Power purchase Cost incurred over the approved cost in ARR by KERC for FY 2012-13.

k) Employee Benefits:

i) All the employees of the Company are on deputation from KPTCL.

ii) In respect of Pension and Gratuity, provision for contribution to KPTCL/ESCOMs' Pension & Gratuity Trust is made on the formula evolved by the Trust based on the actuarial valuation undertaken by KPTCL / ESCOMs' Pension & Gratuity Trust. The contribution towards pension and gratuity is accounted at the rates noted below:

Pension - 30.00% of Basic Pay + Dearness Pay + Dearness Allowance

Gratuity - 6.01% of Basic Pay + Dearness Pay

For those employees who have joined MESCOM on or after 1.4.2006, the contributory pension scheme is applicable wherein 10% of the Basic Pay + Dearness Pay + Dearness Allowance are contributed to the pension fund with matching contribution of employees.

iii) Provision for ELS & FBF:

Provision towards Earned Leave Encashment and Family Benefit Fund has been created based on the Actuarial Valuation carried out as on 31.03.2013.

l) Provision for Bad and Doubtful Debts:

Provisions for Bad and Doubtful Debts is made in the accounting divisions at 4% (as per para 4.2 of Annexure V of ESAAR, 1985) on the balance of sundry debtors for sale of power, outstanding as at the end of the year.

m) Accounting for Grants & Contributions from consumers

Upto the Financial Year 2011-12 the Company had been following para 2.33 / 2.34 / 2.35 of Electricity (Supply) Annual Accounts Rules, 1985, for recognizing Grants & consumers contribution received towards capital expenditure.

The Company has implemented provisions of Accounting Standard -12 issued by the Institute of Chartered Accountants of India for recognizing the Grants & Consumers contribution received towards capital expenditure during the current year. Hence the value of grants and consumer contribution utilized towards the capital expenditure has been reduced from carrying amount of the fixed Assets. Accordingly the depreciation provision made on the fixed assets to the extent of Govt. grants and consumers contributions upto the year 2011-12 has been written back in the current year for an amount of Rs. 7006.40 lakh and as a result the profit of the Company has also increased to that extent.

n) Investments:

l) Investment in Power Company of Karnataka Ltd (PCKL):

An amount of Rs 1.00 lakh paid towards the initial minimum share capital and Rs 250 lakh paid towards network, subsequently converted to Equity by Power Company of Karnataka Ltd (PCKL) have been accounted as investments under account code 20.291.

ii) Long term investments are carried at cost less provisions if any for diminutions in the value of such investments. Current investments are carried at Cost or fair value whichever is lower.

o) Compliance to Accounting Standards:

As per Section 616 of the Companies Act, 1956, the provisions set out in ESAAR 1985 will prevail over the provisions of Companies Act, 1956, in the event of any conflict between ESAAR, 1985, and Accounting Standards. The Company has complied with accounting standards to such extent it does not conflict with ESAAR, 1985.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2013

1 EQUITY AND LIABILITIES

NOTE : 01 SHARE CAPITAL

(Rs. in lakh)

Sl. No.	Particulars	Account Code	As at 31.03.2013		As at 31.03.2012	
1.1	Authorised Capital 30,00,00,000 Equity shares of Rs. 10/- each			30000.00		30000.00
1.2	Issued, Subscribed and Paid up Equity Share Capital (9,07,80,300 shares of Rs. 10 each)	52.301	9078.03		7178.00	
	100289931 shares of Rs. 10 each are allotted as fully paid up to GOK without payment being received in Cash	52.302	10028.99	19107.02	10028.99	17206.99
	TOTAL			19107.02		17206.99

1.3 Except one Share each held by the 10 Directors, remaining entire No. of share are held in the name of His Excellency Governor of Karnataka.

1.4 The reconciliation of the No. of Equity shares outstanding is set out below:

Particulars	As at 31.03.2013	As at 31.03.2012
Equity shares at the beginning of the Year	172069931	157339931
Add : No. of Equity shares issued during the Year	19000300	14730000
Less : No. of Equity shares cancelled on buy back during the Year	0	0
Equity shares at the end of the Year	191070231	172069931

1.5 The Govt. of Karnataka in its order G.O. No. EN 17/PSR 2012 dated 30.03.2013 has ordered for release of equity to the extent of Rs. 25.00 Crs. which was received during FY 2013-14 in the month of April-13. The equity as in para 1.2 above does not include this amount.

NOTE : 02 RESERVES AND SURPLUS

(Rs. in lakh)

Sl. No.	Particulars	Account Code	As At 31.03.2013		As At 31.03.2012	
2.1	Capital Reserve: As per Last Balance Sheet	56.200	132.66		132.66	
	Add: Additions during the Year		0.00		0.00	
	Less: Utilised during the Year		0.00		0.00	
	Closing Balance			132.66		132.66
2.2	Reserve for Material Cost Variance As per Last Balance Sheet	56.610	1914.79		2345.77	
	Add: Additions during the Year		648.74		0.00	
	Less: Utilised during the Year		0.00		430.98	
	Closing Balance			2563.53		1914.79
2.3	Profit and Loss Account (Surplus) As per Last Balance Sheet		5884.57		5243.38	
	Add: Additions during the Year		1259.44		641.19	
	Less: Utilised during the Year		0.00		0.00	
	Closing Balance			7144.01		5884.57
2.4	Contributions, grants and subsidies towards cost of Capital assets					
2.4.1	Consumers contribution towards cost of capital assets	55.100	17008.97		14761.84	
2.4.2	Subsidies towards Cost of Capital Assets	55.200	1193.33		1193.33	
2.4.3	State Govt. grants towards cost of capital works	55.300	400.00		400.00	

(Rs. in Lakh)

Sl. No.	Particulars	Account Code	As at 31.03.2013	
2.4.4	APDRP Grant Account	55.301	3675.81	3675.81
2.4.5	PMGY Grant Account	55.302	56.25	56.25
2.4.6	RGGVY Grant Account	55.303	9512.35	6442.91
2.4.7	Special Grant Towards Capital works under APDRP	55.500	3670.32	3670.32
2.4.8	GOK Grant Towards energization of IP sets under Ganga Kalyana Scheme	55.501	53.00	53.00
2.4.9	Central Govt. Grant towards Power Sector Automation	55.502	63.00	63.00
2.4.10	Grants received from GoK towards special component sub plan [SCSP]	55.504	775.00	0.00
2.4.11	Grants received from GoK towards Tribal sub plan [TSP]	55.505	279.48	0.00
	Sub - Total		36687.51	30316.46
2.5	Gross Assets created out of Grants and reduced from total Fixed Assets		33776.50	0.00
2.6	RGGVY Grants of DK & Udupi Dist. Yet to be utilised		2911.01	-
	Total		12751.21	38248.48

2.5 (a) Consequent to change in Accounting Policy (as per para I(m) of Significant Accounting Policies), Rs. 33776.50 Lakh of total assets created out of the Govt. Grants and Consumers contribution is reduced from the grants. It also has resulted in reduction in the value of fixed assets to that extent.

2.6 (a) Out of the total grants received, a sum of Rs. 2911.01 lakh is pending to be utilised in the subsequent years towards capital works.

2.4.6 (a) The Central Government has formulated RGGVY Scheme to provide power supply to the consumers under BPL category. M/s RECL was nominated as the nodal agency for the Scheme. In MESCOM jurisdiction, the scheme was implemented in Chikmagalore and Shimoga districts in Phase I of XI plan and the work is completed in all respect.

Further the Scheme is extended to Dakshina Kanada and Udupi Districts in Phase II of XI Plan and the work is in progress. The details of funds received and expenses booked are as detailed below:

(Rs. In Lakh)

Particulars	For Shimoga & Chikmagalore dist	For DK & Udupi dist	Total
Grant received from central Govt.	6601.34	2911.01	9512.35
Loan from RECL	765.32	343.82	1109.14
Interest earned upto 31.03.2013	123.91	0.00	123.91
Total funds available	7490.57	3254.83	10745.40
Funds utilised	7284.60	1554.33	8838.93
Total fund available as on 31.03.2013	205.97	1700.50	1906.47
Kept in Fixed deposit with Vijaya Bank Hampankatta Branch, Mangalore	203.61	1700.00	1903.61
Retained in Current Account	2.36	0.50	2.86

2.4.10 (a) The grant amount released by Govt. of Karnataka during the year 2011-12 for the works under Special Component Sub-Plan (SCSP) and Tribal Sub-Plan (TSP) amounting to Rs. 275.00 lakhs and Rs.179.48 lakhs respectively were accounted as loans from GoK in the year 2011-12. Therefore these amounts are transferred from loan accounts to grant Accounts in the year 2012-13.

Further, the grants amounting to Rs. 500.00 lakhs and Rs. 100.00 lakhs received from GOK during Fy 2012-13 for the works under SCSP and TSP schemes respectively are also accounted under A/c 55.504 and A/c 55.505.

2 SHARE APPLICATION MONEY PENDING ALLOTMENT

NOTE : 3 SHARE APPLICATION MONEY PENDING ALLOTMENT

(Rs. in lakhs)

Sl. No.	Particulars	Account Code	As at 31.03.2013	As at 31.03.2012
3.1	Share Deposit from GOK Pending Allotment	52.303	0.00	0.03
	Total		0.00	0.03

3 NON -CURRENT LIABILITIES

NOTE: 04 LONG TERM BORROWINGS

(Rs. in lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2013		As at 31.03.2012	
4.1	Term Loans					
4.1.1	Secured Loans					
4.1.1.1	From Banks	53.500	28823.37		29247.08	
4.1.1.2	From Others	53.301, 53.308, 53.309, 53.311	865.81		963.40	
	Sub-Total			29689.18		30210.48
4.1.2	Un-secured Loans					
4.1.2.1	From Banks		0.00		0.00	
4.1.2.2	From Government	53.306, 53.307, 54.600, 54.700, 54.701, 54.702	231.91		720.75	
4.1.2.3	From Others	53.305, 53.310 53.960	1114.34		778.07	
	Sub-Total			1346.25		1498.82
	Total			31035.43		31709.30

4.1.2.4 At the time of unbundling of transmission and distribution activities and formation of Electricity Distribution Companies, the Government of Karnataka has transferred certain loans taken by M/s KPTCL to the Company as part of transfer of assets and liabilities. The interest payment as intimated by KPTCL has been charged to Profit and Loss Account in the books of account since the assets have been commissioned.

4.1.2.5 The loan balances between KPTCL and the Company is subject to reconciliation and confirmation.

4.1.2.6 Reconciliation of Loan Balances

(Rs. in Lakhs)

Sl. No.	Name of the Bank / Lender	Loan Drawn	Charge ID No	Term of Loan in Yrs.	Floating Rate of Interest as on 31.3.2013 (%)	Loan Balance as on 01.04.2012	Loan Drawn during 2012-13	Repayment during 2012-13	Loan Balance as on 31.3.2013	Details for Loan Installment due for 2013-14	
										No of Instalments	Amount
I	Term Loan-Secured										
A	Commercial Banks										
1	Syndicate Bank Loan from Syndicate Bank is secured by a first charge (floating) on fixed assets viz., transformers, transmission lines, meters, poles, conductors, cables and computers worth Rs. 40.00 crores situated at Company jurisdiction	4000	10149317	7	12.75	3172.98		515.19	2657.79	12	514.39
2	Syndicate Bank Secured by a first charge on assets such as Plant & Machinery, line cable networks including poles, towers, Transformers, Meters etc., Furniture, Office equipment etc. located in Dakshina Kannada, Udupi, Shimoga & Chikmagalur, Districts	10000	10281594	8	11.25	9779.76	200.00	1423.32	8556.44	12	1428.60
3	Corporation Bank secured by Hypothecation of present and future current assets of the Company	5000	10317820	6	-	742.49		742.49	0.00		
		10000	10190264	8	12.45	8073.68		1428.60	6645.08	12	1428.60
4	Vijaya Bank Secured by Hypothecation of the whole of present and future current assets including inventories and book debts belonging to the Company situated at Corporate Office	5000		6	-	598.89		598.89	0.00		
5	Punjab & Sind Bank Secured by Hypothecation of the whole of present and future current assets including inventories and book debts belonging to the Company situated at Corporate Office	10000	10105976	8	11.50	5833.33		1428.57	4404.76	12	1428.57
6	UCO Bank Secured by Hypothecation of the whole of present and future current assets including inventories and book debts belonging to the Company situated at Corporate Office	6000	10149038	9	12.75	4500.00		563.15	3936.85	4 (Qtrly)	937.50
7	Indian Bank Secured by Hypothecation of the whole of present and future current assets including inventories and book debts belonging to the Company situated at Corporate Office	5000	10185366	9	11.5	4062.50		625.00	3437.50	4 (Qtrly)	625.00
8	State Bank of Mysore Hypothecation of the equipments/meters/transformers/poles/aluminium wires/ conductors/ cables/ civil works etc. purchased/ acquired for the project out of the term granted	6500	10369875	8	13.15	0.00	6500.00		6500.00	8	952.41
	Sub-Total	61500				36763.63	6700.00	7325.21	36138.42		7315.07

4.1.2.6 Reconciliation of Loan Balances

(Rs. in Lakhs)

Sl. No.	Name of the Bank / Lender	Loan Drawn	Charge ID No	Term of Loan in Yrs.	Floating Rate of Interest as on 31.3.2013 (%)	Loan Balance as on 01.04.2012	Loan Drawn during 2012-13	Repayment during 2012-13	Loan Balance as on 31.3.2013	Details for Loan Installment due for 2013-14	
										No of Instalments	Amount
B	Others										
1	Loans from Rural Electrification Corporation Works at Mangalore and Udupi Town Secured by hypothecation of all existing unencumbered moveable properties including Machinery, Equipments, Machinery Spare, Tools, Implements and Accessories installed/created/erected and all future moveable properties including machinery etc purchased out of the loan amount					4.58			4.58		4.58
2	REC-APDRP works Works at Shimoga, Bhadravathi and Chikmagalur are secured by way of first charge by hypothecation of moveable machinery, equipments, machinery spares, tools, implements and accessories installed and equipments created under the project and procured out of loan					155.81		16.09	139.72		16.09
3	REC - General Projects at Vogga, Kukkipady and Nellyadi in Dakshina Kannada district, are secured by first charge by hypothecation of all moveable machinery, equipments, machinery spares, tools, implements and accessories installed and equipments created under the project and procured out of loan sanctioned by REC					506.97		63.37	443.60		63.37
4	PFC- R-APDRP works Loan from M/s PFC is secured by 1. Moveable properties of newly financed Assets under projects installed at MESCOM project Area 2. Existing and proposed Moveable plant and Machinery of the Company	361.96	10184171		11.50	361.96			361.96		
	Sub-Total	361.96				1029.32	0.00	79.46	949.86		84.04
	Total Secured Loans	61861.96				37792.90	6700	7404.67	37088.28		7399.11
II	Term Loan-Un-Secured										
1	APDRP-REC Loan payable to KPTCL					163.58		158.38	5.20		
2	PMGY Loan Account					102.08		7.65	94.43		7.65
3	GOK loan for energization of IP sets under GK scheme					48.00		12.00	36.00		12.00
4	Central Govt. Loan towards Power Sector Automation					88.20		14.70	73.50		14.70
5	Loan from GOK-Interest free					62.34			62.34		
6	REC-RGGVY Works-Shimoga & Chikmagalore Districts. REC - RGGVY Works - DK & Udupi Districts					765.32			765.32		
7	Loan from GOK under SCSP					275.00		275.00	0.00		
8	Loan from GOK under TSP					179.48		179.48	0.00		
	Sub-Total	0				1684.00	343.82	647.21	1380.61		34.35
	Total Long Term Loans	61861.96			15.88	39476.95	7043.82	8051.88	38468.89		7433.46
	Term loan due for repayment in next year (shown as current Liabilities in Note:10)					7767.65			7433.46		
	Net long term loan (Note-4)					31709.30			31035.43		

Note: Loan repayments as shown under SCSP (Rs. 275.00 lakhs) and TSP (Rs. 179.48 Lakhs) are the amounts transferred from Loan Account to Grant Account during FY 2012-13.

NOTE: 05 - DEFERRED TAX LIABILITIES (NET)

(Rs. in lakh)

SI. No	Particulars	Account Code	As at 31.03.2013	As at 31.03.2012
5.1	Deferred Tax Liabilities (Net)		0.00	0.00

NOTE: 06 - OTHER LONG TERM LIABILITIES

(Rs. in lakh)

SI. No	Particulars	Account Code	As at 31.03.2013	As at 31.03.2012
6.1	Trade Payables			
6.1.1	M/s KPCL	41.108	64248.90	39944.53
6.1.2	Interest payable to M/s KPCL	46.430	25336.20	15903.67
	Sub-Total		89585.10	55848.20
6.2	Others			
6.2.1	Security Deposits from consumers			
6.2.1.1	Meter Security Deposits	47.603 to 47.606	2124.66	2030.42
6.2.1.2	Initial/ Additional Security Deposits	48.100 to 48.200	32077.43	29332.93
	Sub- Total		34202.09	31363.35
6.2	KPCL, KPTCL & Other ESCOMs			
6.2.1	M/s KPCL	42.203, 42.213,	3.48	3.48
6.2.2	M/s KPTCL	42.214, 42.219, 42.224, 42.229, 46.106	4001.41	4004.10
6.2.3	M/s BESCOM	42.215, 42.220, 42.225, 42.230	691.09	1370.57
6.2.4	M/s HESCOM	42.216, 42.222, 42.232	167.71	167.71
6.2.5	M/s GESCOM	42.233	2056.79	2056.79
6.2.6	M/s CESCO	42.790	7931.90	2430.05
	Sub-Total		14852.38	10032.70
6.3	Staff related Liabilities			
6.3.1	Security deposit from employees	46.920	0.55	0.62
	Sub-Total		0.55	0.62
6.4	Liability to Suppliers and Contractors			
6.4.1	Security Deposits in cash from Suppliers / Contractors	46.101	318.32	394.43
6.4.2	Retention Money- Bill amount retained as per terms of purchase order/turnkey contract	46.104	1431.52	2134.26
	Sub-Total		1749.84	2528.69
6.5	Payables to GOK			
6.5.1	BRP - II recoveries	46.202 to 46.207	40.75	40.75
6.5.2	Amount received from Govt., towards Bhagya Jyothi Works	28.816	109.22	109.22
	Sub-Total		149.97	149.97
6.6	Others			
6.6.1	Stale Cheques	46.910	2.48	14.46
6.6.2	Miscellaneous deposits	46.966	32.58	35.15
	Sub-Total		35.06	49.61
	Total		140574.99	99973.14

6.7 The balance of consumers security deposit held as per accounts and consumers' ledger accounts are subject to reconciliation.

NOTE: 07 LONG TERM PROVISIONS

(Rs. in lakh)

SI. No	Particulars	Account Code	As at 31.03.2013	As at 31.03.2012
7.1	Provisions for Employee benefits			
7.1.1	Provision for earned leave encashment	44.130	1931.84	1739.07
7.1.2	Provision for Family Benefit Fund	44.141, 44.142, 44.143	764.16	507.56
	Total		2696.00	2246.63

4 CURRENT LIABILITIES**NOTE: 08 - SHORT TERM BORROWINGS**

(Rs. in lakh)

Sl. No	Particulars	Account Code	As At 31.03.2013		As At 31.03.2012	
8.1	Bank Overdraft					
8.1.1	State Bank of Mysore	50.210	2034.74			7179.00
8.1.2	Vijaya Bank	50.260	3112.44			1883.61
8.1.3	Central Bank of India	50.270	1723.83			0.00
	Total			6871.01		9062.61

NOTE: 09 TRADE PAYABLES

(Rs. In lakh)

Sl. No	Particulars	Account Code	As At 31.03.2013		As At 31.03.2012	
9.1	Liability for Purchase of Power					
9.1.1	M/s. KPCL	41.108	22281.86			24304.37
9.1.2	M/s. NTPC RSTPS	41.110	2177.13			1034.19
9.1.3	M/s. Madras Atomic Power Station	41.111	11.92			23.00
9.1.4	M/s. Neyveli Lignite Corporation Ltd.	41.112	2587.01			1803.05
9.1.5	M/s. NPCIL - Kaiga Generating Station	41.114	274.10			322.90
9.1.6	M/s. Sandur Power Company Ltd.	41.115	469.26			251.73
9.1.7	M/s. Sahyadri Power Company Ltd.	41.116	3.06			4.86
9.1.8	M/s. Master Power	41.118	0.00			27.48
9.1.9	M/s. Subhash Kabini	41.119	0.00			100.39
9.1.10	M/s. Graphite India Ltd.	41.120	0.00			0.00
9.1.11	M/s. Maruthi Power Gen (Kabini) Pvt. Ltd.	41.121	0.00			0.00
9.1.12	M/s. Maruthi Power Gen Hemavathi Pvt. Ltd.	41.122	49.30			0.00
9.1.13	M/s. Moodabagil Power Pvt. Ltd.	41.123	3.44			4.77
9.1.14	M/s. BPCL (NERIA)	41.124	0.00			0.00
9.1.15	M/s. JSW PTCIL	41.125	96.59			1894.11
9.1.16	M/s. Mrujara Power Plant	41.126	5.38			7.91
9.1.17	M/s. Rayalseema Alkalies	41.129	8.71			9.12
9.1.18	M/s. Tata Company Ltd.	41.131	42.64			1055.74
9.1.19	M/s. UPCL	41.132	7942.57			1595.43
9.1.20	M/s. Wind Mill Projects	41.140	427.81			801.47
9.1.21	Transmission charges payable to M/s TNEB	41.164	12.12			0.00
9.1.22	M/s PGCIL	41.173	516.00			538.25
9.1.23	M/s. PTC India Limited	41.199	57.17			289.17
9.1.24	M/s Indian Energy Exchange	41.200	0.00			0.00
9.1.25	M/s. Lanco Electric Utility Limited	41.201	0.00			2.92
9.1.26	M/s. Shamili Hydel Power Project	41.202	106.90			61.66
9.1.27	M/s. Sagar Power (Dandela) Pvt. Ltd.	41.203	0.00			0.00
9.1.28	M/s. Soham Mannapitlu Power Pvt. Ltd.	41.204	0.00			0.00
9.1.29	M/s. Sagar Power (Neerukatte) Pvt. Ltd.	41.205	0.00			0.00
9.1.30	M/s. AMR Power Pvt. Ltd	41.206	0.00			0.00
9.1.31	M/s. Cogeneration Units & Non PPA's	41.208	24.57			1566.36
9.1.32	Sundry creditors towards Peak Power Purchase	41.210	0.51			341.67
9.1.33	M/s. SRM Power Pvt. Ltd.	41.212	0.00			0.00
9.1.34	Payable to KPTCL in respect of Wind Mill Projects	41.141	39.97			28.28
	Total			37138.02		36068.83

NOTE 10 : OTHER CURRENT LIABILITIES

(Rs. in lakh)

Sl. No.	Particulars	Account Code	As At 31.03.2013		As At 31.03.2012	
10.1	Current Maturities of Long Term Debts					
10.1.1	Term Loan Installment due for repayment within Next One Year					
10.1.1.1	Loans installment due to Commercial Banks	51.100		0.00		270.84
10.1.1.2	Loans from REC	53.301	4.58			
10.1.1.3	Loan drawn by MESCOM from REC – APDRP works	53.308	16.09		2.54	
10.1.1.4	Loan drawn by MESCOM from REC – General	53.309	63.37		63.37	
10.1.1.5	Loans from Commercial Banks	53.500	7315.06		7516.54	
10.1.1.6	APDRP-REC Loan payable to KPTCL	53.305	0.00		150.84	
10.1.1.7	PMGY Loan Account	53.306	7.66		7.66	
10.1.1.8	GOK loan for energization of IP sets under GK scheme	53.307	12.00		12.00	
10.1.1.9	Central Govt. Loan towards Power Sector Automation	54.600	14.70		14.70	
	Sub-Total			7433.46		7767.65
10.2	Interest Accrued but not due on Borrowings		0.00		0.00	
10.3	Interest Accrued and due on Borrowings		0.00		0.00	
10.4	Income received in Advance		0.00		0.00	
10.5	Other Payables					
10.5.1	Liability for supplies/works					
10.5.1.1	Liability for supply of Materials	42.101	833.49		542.14	
10.5.1.2	Sundry creditors / Control Account	42.201	447.79		533.42	
10.5.1.3	Sundry creditors – Amount payable towards supply of materials which do not pass through stores.	42.202	3.77		0.00	
10.5.1.4	Contractors Control Account	42.401	201.70		713.82	
10.5.1.5	Liability to Contractors	42.501	4.99		0.73	
10.5.1.6	Provision for work completed but not commissioned where expenditure are not booked	42.601	503.88		2614.14	
	Sub-Total			1995.62		4404.25
10.5.2	Statutory Dues					
10.5.2.1	Service Tax payable under reverse charge Mechanism	46.921	0.00		0.00	
10.5.2.2	Income tax deducted at source on payment to contractors	46.924	62.21		12.41	
10.5.2.3	Income tax deducted at source on other payments	46.925	4.31		0.73	
10.5.2.4	Sales tax deducted at source and payable to department	46.927	1.43		2.67	
10.5.2.5	Sales tax payable on sale of Stores	46.951, 46.926	8.44		0.73	
10.5.2.6	Amount deducted from contractors bills towards PF, ESI & CESS	46.930	6.43		8.68	
10.5.2.7	ESI Contributions recoverable form bill amount of contractors and payable to ESI Corporation	46.931	0.10		0.84	
10.5.2.8	Amount of CESS deducted at source and payable to the department	46.932	1.00		2.05	
10.5.2.9	Employees PF and deparl. Share of PF payable account	46.957	0.00		0.00	
	Sub-Total			83.92		28.11

(Rs. In lakh)

Sl. No.	Particulars	Account Code	As At 31.03.2013		As At 31.03.2012	
10.5.3	Employee related liabilities					
10.5.3.1	Liability towards Pension & Gratuity Trust	44.122	1442.81		1347.07	
10.5.3.2	Liability towards contribution to newly defined contributory pension scheme	44.150	35.91		31.15	
10.5.3.3	Unpaid Salaries	44.210	0.16		0.55	
10.5.3.4	Unpaid Bonus	44.220	0.26		0.23	
10.5.3.5	Salary payable	44.310	6.98		19.05	
10.5.3.6	Salary payable to contract A.E/J.E	44.311	0.00		0.82	
10.5.3.7	Bonus payable	44.320	8.51		9.96	
10.5.3.8	Ex-gratia payable	44.330	135.58		142.33	
10.5.3.9	Sundry creditors for expenses	46.410	90.81		61.46	
10.5.3.10	Liability for miscellaneous expenses	46.412	14.81		-	
10.5.3.11	Security deposit from employees	46.920	0.25		0.21	
	Sub-Total			1736.08		1612.83
10.5.4	Payables to GOK					
10.5.4.1	Electricity tax	46.300	1725.80		1286.25	
10.5.4.2	Compounding fee	46.301	1.16		0.94	
10.5.4.3	Inspection charges payable to Govt.	46.440	1.16		1.36	
10.5.4.4	Royalty payable to Govt.	46.450	0.00		0.02	
	Sub-Total			1728.12		1288.57
10.5.5	Payables to Consumers					
10.5.5.1	Interest on ISD/ASD	48.340	2636.47		1510.25	
10.5.5.2	Interest on MSD	48.350	390.15		184.39	
10.5.5.3	Other Deposits from Consumers	47.601 to 47.602	48.15		43.83	
	Sub-Total			3074.77		1738.47
10.5.6	Others					
10.5.6.1	Security Deposits in cash from Suppliers / Contractors	46.101	195.35		264.50	
10.5.6.2	Retention Money-Bill amount retained as per terms of purchase order/turnkey contract	46.104	653.35		760.72	
10.5.6.3	Liability for expenses	46.430	2765.81		10635.63	
10.5.6.4	Stale Cheques	46.910	3.28		0.19	
10.5.6.5	Amount recoverable from salary of Company employees and payable to other department/other institutions	46.928	70.08		68.62	
10.5.6.6	Amount recovered from salary of employees towards employees CPS	46.952	28.60		28.54	
10.5.6.7	Miscellaneous deposits	46.966	7.27		0.97	
10.5.6.8	Excess credits by banks pending reconciliation - SBM	46.971	0.00		0.00	
10.5.6.9	Excess credits by banks pending reconciliation - Canara Bank	46.974	0.01		0.01	
10.5.6.10	Excess credits by banks pending reconciliation - Syndicate Bank	46.975	0.16		0.16	
10.5.6.11	Excess credits by banks pending reconciliation - Corporation Bank	46.976	0.01		0.01	
10.5.6.12	Amount payable to other Departments against DCW works	46.967, 46.970	63.97		63.97	
10.5.6.13	Flood Relief Fund	46.978	0.05		0.00	
10.5.6.14	Electrification / Service Connection	47.300	3486.14		2698.79	
10.5.6.15	Stock Excess pending Investigation.	22.810	0.00		4.34	
10.5.6.16	Sundry debtors for sale of power - BJ scheme	23.101	16.32		128.50	
10.5.6.17	Sundry debtors for sale of power - LT3 Commercial	23.115	244.78		78.01	

SI. No.	Particulars	Account Code	As at 31.03.2013		As at 31.03.2012	
10.5.6.18	Sy. dtr. for sale of power- IP set LT4(a)	23.119	160.55		-	
10.5.6.19	Sy. dtr. for sale of power-LT5- below 40 HP	23.130	3.07		-	
10.5.6.20	Sy. dtr. for sale of power-LT5- 40 HP & above and up and inclusive of 50 HP	23.131	3.38		-	
10.5.6.21	Sy. dtr. for sale of power-temporary power supply	23.145	1458.19		1361.83	
10.5.6.22	Advances paid to SLDC towards UI Charges	28.910	182.24		0.00	
10.5.6.23	Advance paid to KPTCL towards transmission charges	28.911	0.00		26.13	
10.5.6.24	Advance made to M/s. PCKL towards Non-POC bills	28.916	8.05		0.00	
	Sub-Total			9350.66		16120.92
10.5.7	Inter Unit Accounts (Net)	31 to 37	133.08		133.08	
	Sub-Total			133.08		133.08
	Total			25535.71		33364.72

NOTE: 11 SHORT TERM PROVISIONS

(Rs. in lakh)

SI. No.	Particulars	Account Code	As at 31.03.2013		As at 31.03.2012	
11.1	Provision for Employee benefits					
11.1.1	Provision for earned leave encashment	44.130	360.53		475.16	
11.1.2	Provision for Family Benefit Fund	44.143	9.86		130.00	
	Sub-Total			370.39		605.16
11.2	Others					
11.2.1	Provision for Income Tax	46.800	93.57		93.57	
	Total			463.96		698.73

II. Assets

1. Non-Current Assets

Note : 12 Tangible Assets

Particulars	A/c Code	Original Cost			A/c code	Depreciation			Net Block Value			
		As at 01.04.2012	Additions during the Year	Deductions/Retirements during the Year		As at 31.03.2013	As at 01.04.2012	For the Year	Deductions/Adjustments during the Year	As at 31.03.2012	As at 31.03.2013	
Tangible Assets												
Land: Free hold	10.101	452.65	26.06	0.00	478.71	12.1	0.00	0.00	0.00	452.65	478.71	
Buildings	10.2	2316.07	369.32	0.00	2685.39	12.2	502.82	79.42	0.00	1813.25	2103.15	
Hydraulic Works	10.3	194.36	8.54	0.00	202.90	12.3	49.26	10.43	0.00	145.10	143.21	
Other Civil Works	10.4	43.09	0.00	0.00	43.09	12.4	6.76	2.23	0.00	36.33	34.10	
Plant & Equipments	10.5	21898.34	4859.25	2026.51	24731.08	12.5	5115.36	1309.42	409.74	6015.04	18716.04	
Lines, Cable Networks	10.6	11860.95	10889.39	491.92	122258.42	12.6	38638.82	5354.91	295.15	43698.58	78559.84	
Vehicles	10.7	353.09	0.00	6.39	346.70	12.7	279.17	5.44	5.75	278.86	67.84	
Furniture & fixtures	10.8	252.44	28.82	2.22	279.04	12.8	117.16	12.48	1.97	127.67	151.37	
Office Equipments	10.9	71.01	2.79	1.07	72.73	12.9	43.32	2.45	0.46	45.31	27.42	
Assets & Depreciation withdrawn on account of Govt. grants / Consumers Contributions												
Total		137442.00	16184.17	36304.61	151098.06		44752.67	5084.73	7719.47	42117.93	92689.33	108980.13
Lease hold land	10.102	10.13	1.62	0.57	11.18		0.00	0.57		10.13	11.18	
Sub-Total		137452.13	16185.79	36305.18	151109.24		44752.67	5085.30	7719.47	42117.93	92699.46	108991.31
Assets Created out of Govt. grants / Consumers Contributions												
Total		137452.13	16185.79	2528.68	151109.24		44752.67	5085.30	7719.47	42117.93	92699.46	75214.81
Previous Year's Figures	10	123701.18	16182.13	2431.18	137452.13	12	39365.96	6116.65	729.94	44752.67	84335.22	92699.46

The account head 10.101 - Land free hold - includes an amount of Rs. 14.36 lakh in respect of land purchased for Shikaripura Division from APMC, which has covenant that the land cannot be sold to any one until completion of 10 years period from the date of purchase.

NOTE: 13 - INTANGIBLE ASSETS

(Rs. In lakh)

Sl.No.	Particulars	Account Code	As at 31.03.2013	As at 31.03.2012
			----- NIL -----	
	Total			

NOTE: 14 - CAPITAL WORKS IN PROGRESS

(Rs. In lakh)

Sl. No.	Particulars	Account Code	As at 31.03.2013		As at 31.03.2012	
14.1	Capital Work in Progress	14.000		5277.32		7179.28
14.2	Revenue expenses pending allocation over capital works - Interest	15.206	43.92		43.98	
14.3	Preliminary expenditure on survey / feasibility studies of projects pending allocation	17.301	17.37		0.47	
	Sub Total			61.29		44.45
	Total			5338.61		7223.73

14.4 An amount of Rs. 206.67 lakhs towards interest on loan taken for capital works has been capitalized during the year.

NOTE: 15 - INTANGIBLE ASSETS UNDER DEVELOPMENT

(Rs. in lakh)

Sl. No.	Particulars	Account Code	As at 31.03.2013		As at 31.03.2012	
15.1	Software acquired / Purchased for internal use	18.101		230.06		0.00
	Total			230.06		0.00

NOTE: 16 - NON-CURRENT INVESTMENTS

(Rs. in lakh)

Sl. No.	Particulars	Account Code	As at 31.03.2013		As at 31.03.2012	
16.1	Investments:					
16.1.1	Long Term Investments - (Un-quoted at cost.)					
16.1.1.1	Investment in share capital of Power Company of Karnataka Ltd. (25100 Equity shares of Rs. 1000 each)	20.291		251.00		251.00
	Total			251.00		251.00

NOTE: 17 - DEFERRED TAX ASSETS (NET)

(Rs. in lakh)

Sl.No.	Particulars	Account Code	As at 31.03.2013	As at 31.03.2012
			----- NIL -----	
	Total			

NOTE: 18 - LONG TERM LOANS AND ADVANCES

(Rs. in lakh)

Sl. No.	Particulars	Account Code	As at 31.03.2013		As at 31.03.2012	
18.1	Deposit with Others	28.935		770.07		256.60
18.2	Income Tax paid in advance	28.821		3197.75		3344.56
18.3	MAT Credit Entitlement	28.802		836.83		0.00
18.4	Amount deposited with PF Authorities	46.930		242.00		177.63
	Total			5046.65		3778.79

NOTE :19 - OTHER NON CURRENT ASSETS

(Rs. in lakh)

Sl. No.	Particulars	Account Code	As at 31.03.2013		As at 31.03.2012	
19.1	Long Term Trade Receivables					
19.1.1	Secured and considered Good		0.00		0.00	
19.1.2	Un-secured and considered Good		0.00		0.00	
19.2	Subsidy Recoverable from GOK					
19.2.1	Subsidy / Grants receivable	28.620	8027.60		8027.60	
	Sub-Total			8027.60		8027.60
19.3	Others					
19.3.1	Receivables from KPCL, KPTCL and Other ESCOMs					
19.3.1.1	M/s KPTCL	28.826, 28.831, 28.836 28.841, 28.881	9134.95		9134.94	
19.3.1.2	M/s BESCOM	28.827, 28.832, 28.837, 28.842	4265.27		13985.08	
19.3.1.3	M/s HESCOM	28.829, 28.839, 28.844	24043.10		18156.18	
19.3.1.4	M/s GESCOM	28.840, 28.845	13189.68		8492.04	
19.3.1.5	M/s CESCO	28.850, 28.790	2766.01		2672.30	
19.3.1.6	Amount receivable from CESCO on account of excess of Assets over liability assumed by CESCO on bifurcation of undivided MESCOM as on 01.04.2005	28.851	22476.92		22476.92	
19.3.1.7	M/s KPCL (Transferred from VVNL)	28.865, 28.874	4.09		4.09	
	Sub-Total			75880.02		74921.55
19.3.2	Other Receivables					
19.3.2.1	Amount recoverable from Employees	28.401	59.44		-	
19.3.2.2	Amount recoverable from employees - material related	28.409	11.97		-	
19.3.2.3	Claims for Loss / Damage to Capital Assets	28.749	16.17		-	
	Sub-Total			87.58		-
19.3.3	Assets not in Use					
19.3.3.1	Written down value (WDV) of Faulty / Dismantled Assets	16.200	633.72		552.72	
	Sub-Total			633.72		552.72
	Total			84628.92		83501.87

19.2.1 The GOK vide order No. EN 34 PSR 2008 dated 19.08.2010 has ordered to refund the amount paid by the farmers during the period from 01.04.2001 to 31.03.2003 to them and the same is implemented by MESCOM. An amount of Rs. 31.79 Crs is shown as receivable from GOK under this head.

NOTE: 20 - DEFERRED COSTS

(Rs. in lakh)

SI.No.	Particulars	Account Code	As at 31.03.2013	As at 31.03.2012
			-----NIL-----	
	Total			

NOTE: 21 - CURRENT INVESTMENTS

(Rs. in lakh)

SI.No.	Particulars	Account Code	As at 31.03.2013	As at 31.03.2012
			-----NIL-----	
	Total			

NOTE: 22 - INVENTORIES, STORES AND SPARES

(Rs. in lakh)

SI. No.	Particulars	Account Code	As at 31.03.2013	As at 31.03.2012
22.1	Materials Stock Account			
22.1.1	Materials Stock Account	22.610	3087.31	3048.45
22.1.2	Material imprest Account	22.641	13.34	18.64
22.1.3	Materials issued to fabricators.	22.720	0.04	0.00
22.1.4	Materials Account - Temporary works	22.731	4.19	5.71
	Sub- Total		3104.88	3072.80
22.2	Written down value (WDV) of obsolete / scrapped assets.	16.100	367.47	177.49
	Total		3472.35	3250.29

NOTE : 23 - TRADE RECEIVABLES

(Rs. in lakh)

SI. No.	Particulars	Account Code	As at 31.03.2013	As at 31.03.2012
23.1	Trade Receivables			
23.1.1	Sundry Debtors for sale of Power – LT, HT & Others (Excluding Un billed revenue)	23, 47.607, 47.609	47668.62	40757.35
	Less :			
23.1.1.1	Provision for withdrawal of Revenue demand	23.800	710.42	336.20
23.1.1.2	Provision for Doubtful Dues from consumers (Credit Account)	23.900	5567.99	6278.41
	Net Receivables against Supply of Power		41390.21	35120.89
23.2	Sundry debtors outstanding for less than 6 months & considered good		13208.52	11221.22
23.3	Sundry debtors outstanding for more than 6 months & considered good		28181.69	23899.67
	Total		41390.21	35120.89

23.1.1 (a) The outstanding balance in Revenue Suspense Account representing collection from consumers pending allocation for want of details has been shown as deduction from the Sundry Debtors account since this amount is with the Company.

23.1.1 (b) The Trade receivables include an amount of Rs. 2532.93 lakh being the amount due from M/s Mysore Paper Mills (MPM) Bhadravathi. The principal amount outstanding as on 28.02.2011 was Rs. 948.33 lakh which was reconciled. But, M/s MPM has not made any payments to clear these dues. Besides M/s MPM is not paying even the monthly bills in full because of which the dues accumulated to Rs. 2532.93 lakh as on 31.03.2013. MESCOM is in the process of recovery of the dues from M/s MPM, for which once the installation was

disconnected on 03.07.2012, but later reconnected on the same day with the assurance of making prompt payment of bills in future. The matter is being pursued with M/s MPM.

- 23.1.1(c) The Govt. of Karnataka in its order G.O. No. EN34/PSR 2013 dated 17.05.2013 has waived off the amount of Rs. 38.80 Crs payable by BJ/KJ installations upto 13.05.2013. This includes the sundry debtors of Rs. 30.49 Crs and 8.31 Crs of subsidy receivables from GoK. No adjustment is made in the accounts for the amount receivable from GoK. Hence the sundry debtors in para 23.1.1 includes Rs. 30.49 Crs.

NOTE: 24 - CASH AND CASH EQUIVALENTS

(Rs. in lakh)

SL. No.	Particulars	Account Code	As at 31.03.2013		As at 31.03.2012	
24.1	Balances with Banks					
24.1.1	Collecting Bank Accounts (Non-Operative)	24.300		294.21		1098.24
24.1.2	Disbursement Bank Account (Operative)					
24.1.2.1	State Bank of Mysore	24.401		2.39		2.13
24.1.2.2	State Bank of India	24.402		0.94		3.11
24.1.2.3	Canara Bank	24.404		5.40		4.16
24.1.2.4	Syndicate Bank	24.405		43.44		34.80
24.1.2.5	Vijaya Bank	24.409		39.94		72.48
24.1.2.6	State Bank of Mysore	24.411		257.76		65.65
24.1.2.7	State Bank of India	24.412		4.53		18.65
24.1.2.8	Canara Bank	24.414		155.81		129.77
24.1.2.9	Syndicate Bank	24.415		418.58		565.66
24.1.2.10	Corporation Bank	24.424		220.78		17.28
24.1.2.11	Punjab Sind Bank	24.425		44.32		0.14
24.1.2.12	UCO Bank	24.426		231.49		0.01
24.1.2.13	AXIS Bank	24.427		0.02		0.11
24.1.2.14	Karnataka Bank	24.428		1.62		23.08
24.1.2.15	Indian Bank	24.429		35.86		2.07
	Sub-Total			1462.88		939.10
24.2	Cash on Hand	24.110, 24.210		478.28		504.56
24.3	Others					
24.3.1	Postage stamps on hand	24.120		2.58		2.23
24.3.2	Remittance to Head Office - Transit Account	24.500		0.00		4.20
24.3.3	Transfers from Head Office In Transit Account	24.600		15.48		113.87
24.4	Fixed deposits in Banks					
24.4.1	Margin Money towards L.C.	20.280		352.49		348.65
24.4.2	Un-utilised R-APDRP fund	20.280		173.07		170.00
24.4.3	Un-utilised RGGVY fund	20.280		1903.61		550.00
24.4.4	Others	20.280		5.00		8.84
	Sub-Total			2434.17		1077.49
	Total			4687.60		3739.69

NOTE 25 : SHORT TERM LOANS AND ADVANCES

(Rs. in lakh)

Sl. No.	Particulars	Account Code	As at 31.03.2013		As at 31.03.2012	
25.1	Capital Advance					
25.1.1	Secured Considered good					
25.1.1.1	Advances to Suppliers (considered good & Fully Secured)	25.501	169.86		170.77	
25.1.1.2	Advances to Contractors	26.6	2029.38		1898.40	
25.1.2	Un-Secured Considered good		0.00		0.00	
	Sub-Total			2199.24		2069.17
25.2	Security Deposits					
25.2.1	Secured Considered good		0.00		0.00	
25.2.2	Un-Secured Considered good		0.00		0.00	
25.3	Loans and Advances to related Parties					
25.3.1	Secured Considered good		0.00		0.00	
25.3.2	Un-Secured Considered good		0.00		0.00	
25.4	Other Loans and Advances					
25.4.1	Secured Considered good		0.00		0.00	
25.4.2	Un-Secured Considered good					
25.4.2.1	Loans and advances to Staff - Interest bearing		0.00		0.00	
25.4.2.2	Loans and advances to Staff - Interest Free					
25.4.2.2.1	Travel advance	27.202	6.90		2.94	
25.4.2.2.2	Festival advance	27.203	40.69		38.99	
25.4.2.2.3	Medical advance	27.204	25.40		29.69	
25.4.2.2.4	Advances to staff against expenses	27.205	11.55		11.87	
25.4.2.2.5	Transformers / meters etc. issued for repairs to the Corporation personnel	27.210	4.09		4.04	
	Sub-Total			88.63		87.53
25.5	Advance paid to Power Company of Karnataka Limited	28.913		16.01		25.95
25.6	Advance Power purchase Charges paid to M/s. UPCL	28.957		884.93		0.00
	Total			3188.81		2182.65

25.5 (a) Rs. 99 lakhs paid towards working Capital of PCKL during FY 2007-08 is accounted under Account Code 28.913 as advance and shown under "Loans and Advances" schedule. After adjusting the revenue expenditure of M/s. PCKL for FY 2007-08 to FY 2012-13, the net balance under account code 28.913 is Rs. 16.01 lakh.

NOTE 26: OTHER CURRENT ASSETS

(Rs. in lakh)

Sl. No.	Particulars	Account Code	As at 31.03.2013		As at 31.03.2012	
26.1	Sundry Debtors for Un Billed Revenue	23.400		10529.28		11092.61
26.2	Sundry Debtors - Trading Account	28.100		225.23		983.83
26.3	Income accrued and due on Bank Deposits	28.210		35.61		6.80
26.4	Recoverable from GOK					
26.4.1	Subsidy receivable from GOK towards BJ/KJ consumers	28.626	830.97		830.65	
26.4.2	Amount receivable from State Govt. towards free supply of power to IP Sets upto 10 HP	28.627	19097.12		18209.77	
	Sub-Total			19928.09		19040.42
26.5	Recoverable from Employees					
26.5.1	Amount recoverable from Employees	28.401	15.39		64.27	
26.5.2	Amount recoverable from Ex-employees	28.402	0.00		0.00	
26.5.3	Amount recoverable from employees - material related	28.409	4.89		26.17	
	Sub-Total			20.28		90.44
26.6	Others					
26.6.1	Claims for Loss / Damage to Capital Assets	28.749	7.36		15.98	
26.6.2	Amount receivable from Panchayaths towards energisation of Rural Water Supply works	28.801	81.17		0.00	
26.6.3	Expenses recoverable from suppliers / contractors	28.810	0.14		0.09	
26.6.4	Prepaid Expenses	28.820	9.21		2.73	
26.6.5	Receivable from others	28.898 & 28.899	1455.40		1447.57	
26.6.6	Amount receivable from P&G Trust	28.907	81.67		190.61	
26.6.7	Advances paid to SLDC towards UI Charges	28.910	0.00		258.88	
26.6.8	Advance paid to KPTCL towards transmission charges	28.911	43.86		0.00	
26.6.9	Advance made to M/s. PCKL towards short term power purchase	28.915	30.87		329.84	
26.6.10	Advance made to M/s. PCKL towards Non-POC bills	28.916	0.00		5.32	
26.6.11	Regulatory Assets - KERC	28.922	20256.00		3365.92	
26.6.12	Deposit with Railways	28.933	5.76		0.00	
26.6.13	M/s. Kalson Power	41.118	0.67		0.00	
26.6.14	M/s. Subhash Kabini	41.119	2.22		0.00	
26.6.15	M/s. Graphite India Ltd.,	41.120	0.26		0.00	
26.6.16	M/s. BPCL (NERIA)	41.124	0.88		0.00	
26.6.17	M/s. Maruthi Power Gen (Kabini) Pvt. Ltd.	41.121	1.16		0.00	
26.6.18	M/s NTPC VVNL	41.198	0.05		0.05	
26.6.19	M/s. Malavalli Power Plant,	41.117	0.00		0.00	
26.6.20	M/s. Sagar Power (Dandela) Pvt. Ltd	41.203	1.62		0.00	
26.6.21	M/s. Soham Mannapitlu Power Pvt. Ltd	41.204	2.06		0.00	
26.6.22	M/s. Sagar Power (Neerukatte) Pvt. Ltd	41.205	1.15		0.00	
26.6.23	M/s. AMR Power Pvt. Ltd	41.206	3.93		0.00	
26.6.24	M/s. SRM Power Pvt. Ltd	41.212	0.06		0.00	
26.6.25	Advance received for sale of stores scrap	46.922	0.34		0.00	
26.6.26	Flood Relief Fund	46.978	0.00		0.00	
	Sub-Total			21985.84		5616.99
	Total			52724.33		36831.09

26.4.1(a) The Govt. of Karnataka in its order G.O. No. EN34/PSR 2013 dated 17.05.2013 has waived off the amount of Rs. 38.80 Crs payable by BJ/KJ installations upto 13.05.2013. This includes the sundry debtors of Rs. 30.49 Crs and Rs. 8.31 Crs of subsidy receivables from GoK.

26.6.11 **Regulatory Asset:** In accordance with KERC Tariff order dated 7th December 2010, MESCOM has created Regulatory Assets to an extent of Rs. 7593.00 lakh. Out of the said amount Rs. 4227.08 Lakh was treated as recovered from the revenue realizations during FY 2011-12. Balance amount of Rs. 3365.92 lakh was treated as recovered during FY 2012-13.

In the current year, regulatory Asset is created to the extent of Rs. 20256.00 lakh being the excess Power purchase Cost incurred over the approved cost in ARR by KERC for FY 2012-13. Reconciliation of the Accounts is detailed below:

Particulars	FY	Created	Recovered	Balance
Regulatory Asset created according to KERC Tariff Order 2010	2010-11	7593.00		7593.00
According to KERC Tariff Order 2010	2011-12		4227.08	3365.92
Regulatory Asset is created for excess Power purchase Cost incurred over the approved cost in ARR by KERC for FY 2012-13	2012-13	20256.00	3365.92	20256.00

NOTE 27: REVENUE FROM OPERATIONS

(Rs. in lakh)

Sl. No.	Particulars	Account Code	For the Year 2012-13		For the Year 2011-12	
27.1	Revenue from Operations					
27.1.1	Revenue from Sale of Power – LT					
27.1.1.1	Bhagya jyothi Scheme	61.101	811.54		831.11	
27.1.1.2	Revenue from sale of power BJ/KJ up to 18 Units	61.402	720.38		719.78	
27.1.1.3	Domestic combined lighting, heating and motive power, Private, Professional and unaided educational institutions	61.110 61.111	40989.89		35784.88	
27.1.1.4	Commercial and Non-Industrial Lights and Fans.	61.115	19900.84		18338.19	
27.1.1.5	Irrigation Pump Sets (10 HP & below)/ Water Lifting.	61.119	33568.08		32288.29	
27.1.1.6	Irrigation Pump sets (above 10 HP)/ Water Lifting.	61.120	42.71		40.79	
27.1.1.7	Water supply-V.P, T.P and Others	61.125	3420.92		3845.24	
27.1.1.8	Private Horticultural Nurseries, Coffee, Tea, Coconut and Areca nut Plantations	61.121	225.92		173.67	
27.1.1.9	Industrial, Non-Industrial, Heating and Motive Power including Lighting	61.129 to 61.133	7332.29		7121.26	
27.1.1.10	Public Lighting-V.P, T.P and Others	61.140	2750.12		2438.41	
27.1.1.11	Temporary Power Supply - Non-commercial lights and fans and other small appliances	61.145	3057.65		2219.60	
	Sub-Total			112820.34		103801.22
27.1.2	Revenue from Sale of Power – HT					
27.1.2.1	Public Water Supply & Sewerage Pumping	61.250	3297.10		3346.80	
27.1.2.2	Industrial, Non-industrial and Commercial purposes & Railway Traction	61.255	36958.22		32633.23	
27.1.2.3	Commercial	61.256	16500.24		14218.56	
27.1.2.4	Irrigation and Agricultural Farms Lift Irrigation Societies, Lift Irrigation Schemes and Govt., Horticultural Farms	61.260	283.70		189.36	
27.1.2.5	Private Horticultural Nurseries, Coffee and Tea Plantations	61.261	8.23		8.24	
27.1.2.6	Residential apartments and colonies availing power supply independently	61.271	863.78		931.90	
27.1.2.7	Revenue from sale of power - HT5- Temporary power supply	61.290	225.09		0.00	
	Sub-Total			58136.36		51328.09
	Total Revenue from Operations			170956.70		155129.31

Sl. No.	Particulars	Account Code	For the Year 2012-13		For the Year 2011-12	
27.2	Less: Withdrawal of Revenue Demand	83.830, 83.831, 83.832, 83.833		249.98		82.07
	Revenue From Operations			170706.72		155047.24
27.3	Other Revenue from Operations			1.66		0.01
27.3.1	Wheeling charges recoveries	61.800				
27.3.2	Miscellaneous charges from Consumers					
27.3.2.1	Reconnection Fee (D & R)	61.902	0.50		15.62	
27.3.2.2	Service Connection charges	61.904	537.96		545.96	
27.3.2.3	Other Receipts from consumers	61.906	147.30		136.89	
27.3.2.4	Amount collected for green tariff	61.907	96.30		120.00	
27.3.2.5	Incentives received	62.918	1160.60		891.66	
27.3.2.6	Other income relating to purchase of power	62.919	358.54		2000.26	
	Sub-Total			2301.20		3710.39
27.4	Regulatory Assets					
27.4.1	Income on account of Regulatory Assets / Truing up Subsidy.	61.910		16890.08		-4227.08
	Net Revenue From Operations			189899.66		154530.56

27.5 Total Revenue from sale of energy during 2012-13 includes Rs. 10472.21 Lakh in respect of revenue accrued but pending billing at the year end as against a sum of Rs. 11092.61 Lakh during the previous year.

27.6 During the Year the amount to be received from the GOK as subsidy towards free power supply to IP set consumers having connected load of upto and inclusive of 10 HP and free power supply to BJ/KJ consumers with consumption upto 18 units, on actual basis are Rs. 34308.00 Lakh and Rs.719.00 lakh respectively. Out of the said receivables, an amount of Rs. 29190.00 lakh and Rs. 719.00 lakh has been released for IP Set and BJ/ KJ installations respectively as per KERC Tariff Order. The balance amount of Rs. 5118.00 lakh is accounted as receivable from GOK for FY 2012-13.

27.4.1(a) Hon'ble KERC has approved the Power purchase cost of Rs. 133487.00 lakh for FY 2012-13 in the ARR computation of the Company. However the Company has incurred Rs. 153743.00 lakh towards cost of power purchase during the year. The MESCOM's Board in its 48th meeting held on 20th July 2013 vide Resolution No. 48/27 has approved for accounting the additional cost incurred for power purchase as **"Provision for Regulatory Asset recovery/ Truing up Subsidy"** in the year 2012-13 and to submit the proposal to the Energy Department in this regard. Accordingly the Company has created the Provision for Regulatory Asset recovery/ Truing up Subsidy in the year 2012-13 to the extent of Rs. 20256.00 lakh being the additional power purchase cost incurred during the FY 2012-13 and accounted as income on account of regulatory assets.

Further, the regulatory Asset amounting to Rs. 3365.92 lacs created during the year 2010-11 is treated as recovered during the year 2012-13 and income is reduced to that extent.

NOTE: 28 OTHER INCOME

(Rs. in lakh)

Sl. No.	Particulars	Account Code	For the Year 2012-13		For the Year 2011-12	
28.1	Interest Income					
28.1.1	From Consumers					
28.1.1.1	Delayed payment charges from consumers	61.905	3382.21		2373.25	
28.1.2	From Others					
28.1.2.1	Interest on Bank Fixed Deposits	62.222	91.47		104.41	
	Sub-Total			3473.68		2477.66
28.2	Dividend Income		0.00		0.00	
28.3	Net Gain / Loss on sale of Investments		0.00		0.00	
28.4	Other Non-operating Income					
28.4.1	Interest on Loans and Advances to Licenses	62.240	78.01		0.00	

Sl. No.	Particulars	Account Code	For the Year 2012-13		For the Year 2011-12	
28.4.2	Interest on advance to Suppliers/ Contractors	62.260	32.93		-	
28.4.3	Profit on sale of stores	62.330	15.04		120.58	
28.4.4	Sale of scrap	62.340	225.54		149.64	
28.4.5	Other Miscellaneous receipts from Trading	62.360	0.75		1.25	
28.4.6	Gain on Sale of Assets	62.400	119.01		49.28	
	Sub-Total			471.28		320.75
28.5	Miscellaneous Receipts					
28.5.1	Rental from Staff Quarters	62.901	108.43		83.09	
28.5.2	Rental from others	62.902	2.73		4.83	
28.5.3	Excess found on physical verification of Materials Stock	62.905	1.44		4.64	
28.5.4	Rebate for collection of Electricity Duty	62.916	30.77		29.50	
28.5.5	Miscellaneous Recoveries	62.917	290.14		978.42	
28.5.6	Interest received from Income Tax Department	62.920	16.10		14.31	
28.5.7	Subsidies against Loss on account of Flood, Fire, Cyclone etc.	63.200	0.00		0.00	
	Sub-Total			449.61		1114.79
28.6	Income relating to previous years:					
28.6.1	Receipts from Consumers Relating to Prior periods	65.200	0.00		0.00	
28.6.2	Interest income for prior periods	65.400	0.00		2.00	
28.6.3	Excess provision for Interest and Finance Charges in prior periods	65.700	13.00		0.00	
28.6.4	Other Excess provision in prior periods	65.800	753.65		98.18	
28.6.5	Other Income relating to prior periods	65.900	492.62		20.03	
28.6.6	Tariff subsidy relating to prior period	65.910	1618.00		12326.00	
	Sub-Total			2877.27		12446.21
	Total			7271.84		16359.41

28.1.1.1 (a) Since the arrears in respect of IP set Consumers having connected load upto 10 HP is freezed with effect from 01.08.2008, the Company has stopped charging interest on this arrears from the year 2011-12.

28.7 **Electricity Taxes:** Electricity Tax of Rs. 6500.00 lakh collected from Consumers and payable to GOK has been adjusted against the Tariff Subsidy receivable from Govt. vide order No. EN 14 PSR 2012/ Bangalore dated 30.03.2013.

NOTE 29: PURCHASE OF POWER

(Rs. in lakh)

Sl. No.	Particulars	Account Code	For the Year 2012-13		For the Year 2011-12	
29.1	Purchase of Power					
29.1.1	M/s. KPCL	70.108	47996.00		1215.93	
29.1.2	M/s. NTPC RSTPS	70.110	16633.92		14730.83	
29.1.3	M/s. Madras Atomic Power Station	70.111	302.17		279.62	
29.1.4	M/s. Neyveli Lignite Corporation Ltd.	70.112	7090.11		8642.19	
29.1.5	M/s NPCIL-Kaiga	70.114	3541.25		3411.70	
29.1.6	M/s. Sandur Power Company Ltd.,	70.115	2964.85		3200.43	
29.1.7	M/s. Sahyadri Power Company Ltd.	70.116	30.83		33.36	
29.1.8	M/s. Malavalli Power Plant	70.117	0.00		23.34	
29.1.9	M/s. Master Power	70.118	159.70		389.46	
29.1.10	M/s. Subhash Kabini	70.119	1231.35		2682.19	
29.1.11	M/s. Graphite India Ltd.	70.120	90.46		181.99	
29.1.12	M/s. Maruthi Power Gen(l) Kabini Pvt. Ltd.	70.121	126.44		238.62	

Sl. No.	Particulars	Account Code	For the Year 2012-13		For the Year 2011-12	
29.1.13	M/s. Maruthi Power Gen Hemavathi Pvt. Ltd.	70.122	118.04		115.92	
29.1.14	M/s. Moodabagil Power Pvt. Ltd.	70.123	41.40		35.02	
29.1.15	M/s. Bhoruka power corporation Ltd. (NERIA)	70.124	646.24		801.22	
29.1.16	M/s. Mrujara Power Plant	70.126	54.05		60.95	
29.1.17	M/s. Rayalseema Alkalies	70.129	122.77		874.01	
29.1.18	M/s. Tata Company Limited	70.131	1343.35		4872.69	
29.1.19	M/s. UPCL	70.132	19591.47		12491.69	
29.1.20	Wind Mill Projects	70.140	11569.82		8293.98	
29.1.21	M/s. Mysore Paper Mills Ltd.	70.195	52.09		146.55	
29.1.22	M/s. Shamili Hydel Power Project	70.202	866.84		949.72	
29.1.23	M/s. Sagar Power (Dandela) Pvt. Ltd.	70.203	490.43		553.66	
29.1.24	M/s. Soham Mannapitlu Power Pvt. Ltd.	70.204	825.52		479.98	
29.1.25	M/s. Sagar Power (Neerukatte) Pvt. Ltd.	70.205	549.42		702.93	
29.1.26	M/s. AMR Power Pvt. Ltd.	70.206	1355.86		1563.49	
29.1.27	KPTCL transmission charges	70.161	15888.91		13737.34	
29.1.28	SLDC Charges	70.162	19.51		181.67	
29.1.29	PGCIL transmission charges	70.163	3103.00		3004.20	
29.1.30	Transmission charges to M/s TNEB	70.164	12.12		0.00	
29.1.31	Power purchased from M/s SRM Power	70.212	115.74		13.59	
29.1.32	Power purchased from PGCIL NON POC bill	70.213	32.83		33.98	
	Sub-Total			136966.49		123942.25
29.2	High Cost Energy Purchased					
29.2.1	UI Charges credits received	70.171	-677.26		-410.70	
29.2.2	UI charges	70.172	186.29		620.60	
29.2.3	Power purchased from JSWPTCL	70.125	2464.29		8002.57	
29.2.4	Short term power purchased from M/s. NTPC - VVNL	70.198	0.00		567.52	
29.2.5	Short term power purchased from M/s. PTC India Limited	70.199	0.00		2357.67	
29.2.6	Short term power purchased from IEX / PXI	70.200	0.74		1016.27	
29.2.7	Power purchases from M/s. LANCO Electric Utility Limited	70.201	0.00		405.21	
29.2.8	Power purchased from Non PPA Co-generation Units	70.208	3617.33		2905.19	
29.2.9	Power purchased from Peak Power Purchase	70.210	372.13		2638.75	
	Purchases from others (Other than Short term Purchases)					
29.2.10	Bright Packages Ltd.	70.211	0.00		16.15	
29.2.11	JSW power trading Company Ltd.	70.211	8136.83		0.00	
29.2.12	BMM Ispat Ltd.	70.211	506.46		0.00	
29.2.13	National Energy Trading and Services Ltd.	70.211	4133.36		0.00	
29.2.14	Hare Krishna Metalics & Others	70.211	48.84		0.00	
29.2.15	Gujarath Urja Vikas Nigam Ltd.	70.211	8694.92		0.00	
29.2.16	PTCIL (Vijayanagar Sugar & Satavahana ispat)	70.211	158.76		0.00	
29.2.17	Satavahana Ispat	70.211	13.13		0.00	
29.2.18	Vijayanagara Sugars	70.211	4.75		0.00	
29.2.19	NSL Sugars Ltd.	70.211	78.21		0.00	
	Sub-Total			27738.78		18119.23
29.3	Power Purchase cost withdrawn on the basis of energy balancing	70.209		-10962.40		-14435.88
	Total			153742.87		127625.60

- 29.3(a) With effect from 1.4.2012, share of power project capacity allocated to MESCOM has been revised vide GOK notification No. EN 61 PSR 2011 dated 23.04.2012. Power Purchase Cost is being accounted for and paid as per the above share which is readjusted at the end of the year based upon actual drawal of energy for the year.
- 29.3(b) MESCOM is arranging payment to the power suppliers based on the notional share basis fixed and notified by the Govt. of Karnataka from time to time. Based on the energy balancing report furnished by LDC for the year from 2008-09 to 2012-13, the results have been incorporated in the books of account of MESCOM as and when informed. The Energy Balancing results for the year 2012-13 are provisional, which are accounted based on joint reconciliation carried out by all the ESCOMs at LDC.

NOTE 30: EMPLOYEE COSTS

(Rs. in lakh)

Sl. No.	Particulars	Account Code	For the Year 2012-13	For the Year 2011-12
30.1	Salaries and Wages			
30.1.1	Salaries	75.100	12377.07	7471.58
30.1.2	Over Time	75.200	315.04	241.30
30.1.3	Dearness Allowance	75.300	605.47	5088.41
30.1.4	Other Allowances	75.400	1269.81	686.00
30.1.5	Bonus	75.500	144.09	154.60
30.1.6	Medical Expenses reimbursement	75.611	139.57	182.89
30.1.7	Leave travel assistance	75.612	0.03	0.00
30.1.8	Earned leave encashment	75.617	881.53	812.96
30.1.9	Earned leave encashment to retired employees	75.618	354.26	321.27
30.1.10	Payment under Workmen's Compensation Act	75.629	14.11	12.08
30.1.11	Payment to helpers/employees of Monsoon gang	75.630	37.26	174.31
30.1.12	Pension & Leave contribution of employees on deputation	75.890	22.78	11.07
	Sub-Total		16161.02	15156.47
30.2	Contribution to Provident and Other Funds			
30.2.1	Terminal benefits (PF) Corporation Contribution	75.810	175.93	111.70
30.2.2	Terminal benefits (Pension) Corporation Contribution	75.830	3155.95	2654.04
30.2.3	Terminal Benefits Company contribution to Contributory pension scheme with effect from 01.04.06	75.831	343.83	352.80
30.2.4	Terminal Benefits (Gratuity)	75.840	581.69	192.12
	Sub-Total		4257.40	3310.66
30.3	Expenses on ESOP and ESPP			
30.4	Staff Welfare expenses	75.7, 75.845 75.860 75.880	436.46	312.31
	Total		20854.88	18779.44

30.5 Employee Benefits:
30.5.1 Short Term Employee Benefits:

- 30.5.1.1 Short Term Employee Benefits are recognized as an expense in the profit and loss Statement for the year in which related services are rendered.

30.5.2 Post Employment Benefits:

- 30.5.2.1 The Company makes contribution for Pension and Gratuity to KPTCL / ESCOM's Pension and Gratuity Trust. The same becomes a Multi-Employer Defined Benefit Plan.

For employees who have joined the Company on or after 1.4.2006, the pension plan is Multi-Employer Defined Contribution Plan.

NOTE 31: FINANCIAL COSTS - INTEREST AND OTHER BANK CHARGES (NET)

(Rs. in lakh)

Sl. No.	Particulars	Account Code	For the Year 2012-13		For the Year 2011-12	
31.1	Interest Expenses					
31.1.1	Interest on Consumers' Security Deposits					
31.1.1.1	Interest on ISD, ASD & MSD	78.600		3026.62		1694.85
31.1.2	Interest on power purchase dues					
31.1.2.1	Interest on KPCL dues	80.108		9066.38		5151.10
31.1.2.2	Interest on belated payment to M/s JSW Energy Ltd	80.125		574.00		0.00
31.1.2.3	Interest on belated payment to M/s Soham Mannapitlu	80.204		0.62		0.00
31.1.3	Interest on Loans					
31.1.3.1	Interest on GOK Loans					
31.1.3.1.1	Interest on Central Govt. Loan towards Power Sector Automation	78.101	9.30		10.91	
31.1.3.1.2	Interest on PMGY Loan	78.573	12.25		13.17	
31.1.3.1.3	Interest on GOK Loan for energization of IP sets under GK Scheme	78.580	5.28		6.60	
	Sub-Total			26.83		30.68
31.1.3.2	Interest on REC loans					
31.1.3.2.1	Interest on Loan from REC	78.540	78.01		82.62	
31.1.3.2.2	Interest on loan drawn by MESCOM from REC-APDRP works	78.591	14.17		21.40	
31.1.3.2.3	Interest on loan drawn by MESCOM from REC - General	78.592	62.29		65.89	
31.1.3.2.4	Interest on loan drawn by MESCOM from - REC - RGGVY Works	78.593	86.45		87.58	
	Sub-Total			240.92		257.49
31.1.3.3	Interest on PFC loans					
31.1.3.3.1	Interest on loan drawn from PFC for implementation of RAPDRP works	78.594		41.63		41.63
31.1.3.4	Interest on Loan from Commercial Banks	78.560		5204.86		4938.00
	Total Interest on Loans			5514.24		5267.80
31.2	Other Borrowing Costs					
31.2.1	Other Interest and Finance Charges	78.800		284.85		28.63
31.3	Applicable Net gain or loss on Foreign Currency Transactions		0.00		0.00	
31.4	Other Interest Charges					
31.4.1	Interest on Income Tax	78.510	0.00		0.00	
	Gross Finance Costs			18466.71		12142.38
31.5	Less: Interest and finance charges capitalised					
31.5.1	Capitalisation of interest on Funds used during construction	78.900		206.67		224.83
	Total Finance Costs			18260.04		11917.55

31.6 Interest accrued but not due for the financial year 2012-13 in respect of long-term borrowing assigned by KPTCL to the extent of Rs 1.83 lakh has been provided for as per KPTCL letter No. FA (A & R)/ KCO 24/42964/2012-13 dated 05.04.2013.

NOTE 32: DEPRECIATION AND AMORTIZATION EXPENSES (NET)

(Rs. in lakh)

Sl. No	Particulars	Account Code	For the Year 2012-13		For the Year 2011-12	
32.1	Depreciation on Fixed Assets					
32.1.1	Depreciation on Lease hold Assets	77.110	0.42		0.37	
32.1.2	Depreciation on Buildings	77.120	78.34		72.62	
32.1.3	Depreciation on Hydraulic Works	77.130	10.45		9.40	
32.1.4	Depreciation on Civil Works	77.140	1.51		1.14	
32.1.5	Depreciation on Plant and Machinery	77.150	1175.79		1015.29	
32.1.6	Depreciation on lines, cable, network etc.	77.160	5287.56		4756.26	
32.1.7	Depreciation on Vehicles	77.170	5.44		5.07	
32.1.8	Depreciation on furniture, fixtures	77.180	12.48		11.52	
32.1.9	Depreciation on Office equipments	77.190	2.45		2.59	
	Sub-Total			6574.44		5874.26
32.1.10	Depreciation withdrawn on Assets Created out of Govt. grants / Consumers Contributions			-1692.05		0.00
	Total			4882.39		5874.26
32.1.11	Add: Depreciation under provided in previous years	83.6	216.80		292.35	
32.1.12	Less: Excess provision for Depreciation in prior periods	65.6	13.89		49.96	
	Depreciation on Fixed Assets			5085.30		6116.65
32.2	Depreciation on Released Assets					
32.2.1	Depreciation on Released Good Asset - Plant and Machinery	77.151	22.90		12.73	
32.2.2	Depreciation on Released Good Asset - lines, Cable, network etc	77.161	1.44		1.59	
32.2.3	Depreciation on Released Good Asset - Office equipments	77.191	0.00		0.00	
	Sub-Total			24.34		14.32
	Depreciation (Net)			5109.64		6130.97

32.1.10 (a) Consequent to change in the Accounting Policy (as per para I(m) of Significant Accounting Policies), Company has not provided depreciation during 2012-13 on the fixed assets acquired out of Govt. grants and Consumer Contribution. Since the fixed assets acquired out of Govt. grants and Consumer Contribution could not be identified in fixed Asset registers, total depreciation chargeable on these assets for the year is withdrawn as an adjustment.

NOTE 33: OTHER EXPENSES

(Rs. in lakh)

Sl. No.	Particulars	Account Code	For the Year 2012-13		For the Year 2011-12	
33.1	Repairs					
33.1.1	Buildings	74.200	34.39		29.69	
33.1.2	Plant and Machinery	74.100	545.80		511.64	
33.1.3	Lines, Cable Net Work etc.	74.500	872.12		741.01	
33.1.4	Civil Works	74.300	26.29		21.04	
33.1.5	Vehicles	74.600	21.01		20.29	
33.1.6	Furniture and Fixtures	74.700	1.02		0.66	
33.1.7	Office Equipments	74.800	11.04		11.66	
	Sub-Total			1511.67		1335.99
33.2	Power and Fuel					
33.2.1	Electricity Charges	76.158	121.98		102.64	
33.2.2	Fuel expenses for generators	76.161	0.68		0.99	
	Sub-Total			122.66		103.63
33.3	Rent					
33.3.1	Rent (including lease rentals)	76.101	163.73		138.46	
	Sub-Total			163.73		138.46

Sl. No.	Particulars	Account Code	For the Year 2012-13		For the Year 2011-12	
33.4	Insurance					
33.4.1	Insurance on Fixed assets			0.00		0.00
33.5	Rates and Taxes excluding Taxes on Income	76.102		10.71		18.61
33.6	Miscellaneous Expenses					
33.6.1	Payment to Auditors					
33.6.1.1	Payment to statutory Auditors					
33.6.1.1.1	As Auditor	76.122	1.10		1.24	
33.6.1.1.2	Taxation Matter	76.122	0.40		0.45	
33.6.1.1.3	Reimbursement of Expenses	76.125	0.33		0.16	
33.6.1.2	Payment to Cost Auditors					
33.6.1.2.1	As Auditor	76.122	0.50		0.56	
33.6.1.2.2	Taxation Matter		0.00			
33.6.1.2.3	Reimbursement of Expenses		0.00			
	Sub- Total Payment to Auditors			2.33		2.41
33.7	Other A&G Expenses					
33.7.1	Service Tax payment to service provider	76.107	34.47		0.00	
33.7.2	Service Tax payment to central excise customs & service Tax Dept.	76.108	61.57		0.00	
33.7.3	Pagers cellular phones E-mail & other communication charges	76.111	1.80		1.83	
33.7.4	Telephone, Trunk Call, Telegrams and Telex Charges	76.112	60.51		65.21	
33.7.5	Mobile Phone Charges	76.114	39.96		37.27	
33.7.6	Postage	76.113	17.30		18.11	
33.7.7	Revenue Receipts Stamps	76.115	0.00		0.01	
33.7.8	Legal Charges	76.121	8.04		19.81	
33.7.9	Consultancy charges	76.123	2.88		3.18	
33.7.10	Other Professional charges	76.125	3.70		0.28	
33.7.11	Remuneration to Contract Agencies for opening & maintenance of ledger Accounts	76.126	425.71		480.33	
33.7.12	Remuneration to Private Contractor engaged for shift and minor maintenance duties of stations / MUSS	76.127	103.63		66.21	
33.7.13	Remuneration paid to Chartered Accountants for auditing cash & Revenue Accounts	76.128	7.68		6.83	
33.7.14	Remuneration paid to Contract Agencies / Services obtained	76.129	1160.27		949.93	
33.7.15	Remuneration paid to Grama Vidhyuth Prathinidhis	76.130	46.62		85.29	
33.7.16	Conveyance expenses	76.131	0.32		0.24	
33.7.17	Travelling expenses	76.132	2.53		1.35	
33.7.18	Travelling allowance employees	76.133	340.05		283.95	
33.7.19	Travelling Allowance to Contract Employees	76.134	0.10		0.12	
33.7.20	Vehicle hiring expenses for vehicles hired to stations	76.135	156.58		127.77	
33.7.21	Vehicle running expenses other than store vehicles	76.136	99.97		88.56	
33.7.22	Vehicle hiring expenses	76.137	248.89		199.13	
33.7.23	Vehicle License, Registration fee and Taxes	76.138	9.30		9.23	
33.7.24	Shared expenses of MESCOM with KPTCL	76.140	0.00		0.50	

Sl. No.	Particulars	Account Code	For the Year 2012-13		For the Year 2011-12	
33.7.25	Shared expenses of MESCOM with PCKL	76.141	87.95		30.23	
33.7.26	Fees & Subscriptions	76.151	54.71		88.04	
33.7.27	Books, periodicals and dairies	76.152	2.03		1.30	
33.7.28	Printing & Stationery	76.153	62.18		57.63	
33.7.29	Factory License Fees	76.154	10.00		10.00	
33.7.30	Advertisement Expenses	76.155	25.63		39.24	
33.7.31	Computer stationery and floppies	76.156	6.40		4.34	
33.7.32	Contributions	76.157	101.00		13.00	
33.7.33	Statutory payments as per Company Act, 1956	76.159	2.10		2.04	
33.7.34	Water Charges	76.160	4.89		3.69	
33.7.35	Entertainment	76.162	0.04		0.09	
33.7.36	Secret grant account	76.164	0.60		0.60	
33.7.37	Miscellaneous expenses	76.190	99.39		65.16	
33.7.38	Consumer Relation / Education	76.196	4.23		6.97	
33.7.39	Material related expenses	76.2	47.51		43.47	
	Sub-Total			3340.54		2810.94
	Total A&G Expenses			3639.97		3074.05
33.7.40	Administration & General Expenses charged to capital works (credit Account)	76.900		-0.25		0.00
	Net A&G Expenses			3639.72		3074.05
33.8	Other Debits					
33.8.1	Asset Decommissioning Costs	77.500	6.69		7.11	
33.8.2	Small & Low value items Written off	77.610	6.26		7.19	
33.8.3	Losses relating to Fixed Assets	77.700	70.02		60.71	
33.8.4	Bad & Doubtful Debts Written off / provided for	79.400	275.54		239.62	
33.8.5	Miscellaneous losses and Write offs	79.500	39.77		43.03	
	Sub Total			398.28		357.66
33.9	Prior Period Expenses / losses:					
33.9.1	Short provision for power purchased in previous years	83.100	0.00		0.00	
33.9.2	Operating Expenses of previous years	83.300	0.77		1.97	
33.9.3	Employee costs relating to previous years	83.500	28.73		29.28	
33.9.4	Interest and other Finance charges relating to previous years	83.700	0.16		0.18	
33.9.5	Short Provision for Income tax - previous years	83.810	0.03		0.00	
33.9.6	Administrative Expenses - previous years	83.820	2.26		0.50	
33.9.7	Materials related expenses - previous years	83.840	0.00		0.00	
33.9.8	Other Expenses relating to prior periods	83.850	33.58		18.26	
33.9.9	Prior Period Expenses relating to purchase of power	83.860	0.00		762.61	
	Sub-Total			65.53		812.80
	Total			5615.20		5580.50

NOTE 34: EXCEPTIONAL ITEMS

(Rs. In lakh)

Sl. No.	Particulars	Account Code	For the Year 2012-13	For the Year 2011-12
34.1	Depreciation written back	62.917	7006.40	0.00
	Total		7006.40	0.00

34.1 (a) Consequent to change in the Accounting Policy (as per para I(m) of Significant Accounting Policies), the depreciation provision created on the fixed assets acquired out of Govt. grants and Consumer Contribution upto 31.03.2012 has been written back. This has resulted in increase in net profit to the extent of Rs. 7006.40 lakh for the current year.

NOTE 35: MAT CREDIT ENTITLEMENT

(Rs. In lakh)

Sl. No	Particulars	Account Code	For the Year 2012-13	For the Year 2011-12
35.1	Income on account of MAT credit Entitlement	62.922	836.83	0.00
	Total		836.83	0.00

36 Disclosures required by Accounting Standards:**36.1 Segment Reporting:****36.1.1 Business Segment:**

36.1.1.1 Electricity distribution is the principal business activity of the Company. There are no other activities which form a reportable segment as per the Accounting Standard – 17 'Segment Reporting'.

36.1.2 Secondary Segment:

36.1.2.1 The operations of the Company are mainly carried out within the four districts of Karnataka State namely, Dakshina Kannada, Udupi, Chickmagalur and Shimoga. Therefore geographical segments are not applicable.

36.2 Disclosure of transactions with Related Parties as required by the Accounting Standard – 18

36.2.1 In view of paragraph 9 of AS 18, no disclosure is required as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.

Other disclosures as required under AS 18 are as given below:

36.2.2 Managerial Remuneration paid / payable for the financial year 2012-13 to the Directors are as follows:

(Rs. in Lakhs)

Particulars	Current Year 2012-13	Previous Year 2011-12
Whole Time Directors:		
Salary and Allowances	24.87	24.84
Ex-gratia	0.06	0.06
Medical Expenses	0.63	0.01
Travelling Expenses	4.04	1.85
Part Time Directors:		
Travelling Expenses	0.00	0.17
Sitting Fees	0.26	0.19
Total	29.86	27.12

36.3 Earnings Per Share

Particulars	2012-13	2011-12
Profit after tax as per Accounts (For Basic and Diluted Earnings Per Share) – (A) (Rs. in Lakhs)	1259.44	641.19
Weighted Average number of shares outstanding during the year for Basic and Diluted EPS – (B)	172174210	159110750
Basic and Diluted Earnings per Share (A/B) (in Rs.)	0.73	0.40

36.4 Taxation:**36.4.1 Current Taxation:**

36.4.1.1 The provision for Minimum Alternate Tax (MAT) under Section 115 JB of Income Tax Act 1961 has been created in the Accounts.

36.4.2 Deferred Taxation:

- 36.4.2.1 The Company has not recognized Deferred Tax Asset / Deferred Tax Liabilities since there is no such requirement under ESAAR, 1985.
- 36.5 Estimated amount of capital works remaining to be executed as on 31.03.2013 in respect of Projects amounts to Rs. 4265.81 Lakh.
- 36.6 The details of amount outstanding to Small and Medium Enterprises based on available information with the Company is as under:

Particulars	(Rs. in Lakhs)	
	As at 31st March 2013	As at 31st March 2012
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of the delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding Years	-	-

37 Others:

37.1 The details of energy purchase, sale of energy and distribution losses during the year 2012-13 are as follows:

Particulars	Units	For the year 2012-13	For the year 2011-12
Energy purchased at Generation point	Mus	4694.43	4734.70
Energy Balancing Adjustments	Mus	221.14	516.78
Net energy	Mus	4473.29	4217.92
Energy at interface point	Mus	4280.45	4154.38
Energy Sales	Mus	3771.88	3652.17
Distribution Loss	Mus	508.57	502.21
Percentage of Distribution Loss	%	11.88	12.09

37.2 Considering the financial implications involved, insurance on fixed assets or current assets has not been made as it is not economical.

37.3 The title deeds of properties transferred from KPTCL are completely transferred in the name of Company.

38 Contingent Liabilities:

38.1 The Company was subjected to EPF Inspection during the year 2006-07 and thereby a demand of Rs 4.44 Crores was raised on the Company towards the dues for EPF of Contract Employees. The Company has disputed the same in view of the error in calculation of demand and also with regard to applicability of the regulations to contractors' employees. A deposit of Rs 1.77 Crores has already been made with the EPF department and the case has been remanded to PF Office Mangalore for hearing once again in the year 2011-12. The Company is hopeful of a positive outcome on the said issue. No provision has been made in the accounts for the disputed demand.

The Regional Provident Fund Commissioner, Mangalore has issued notice to the O&M Division Puttur for payment of interest and damages for the belated remittances under Section 7Q and 14B of the Employees' Provident Fund and Miscellaneous Provision Act, 1952. The total amount of interest & damages payable are Rs. 6436970 and Rs. 8343738 respectively. The Company has deposited Rs. 6436970 on 06.03.2013 and Rs. 8343738 on 12.06.2013 under protest. Action has been taken to file an appeal before the Employees' Provident fund Appellate Tribunal at New Delhi. Hence no provision is made in the Accounts.

38.2 The appeal No. ITA/1118/Bang/09 AY 2006-07 preferred by MESCOM against the order of CIT(A) Mangalore in respect of disallowance of 80 IA claim of MESCOM relating to AY 2006-07 is disposed by the Hon'ble ITAT Bangalore on 31.10.2012 stating that the appeal of the Company is partly allowed for statistical purpose. The Assessing Officer is yet to pass the order giving effect to the order of ITAT. As the major claim of disallowance of 80IA was not considered by the ITAT an appeal has been preferred before the Hon'ble High Court of Karnataka at Bangalore. The case is not yet come for hearing as on date. The entire demand pertaining to the Assessment Year 2006-07 has been paid and treated as deposit in view of the pending appeal for disposal before the Hon'ble High Court of Karnataka.

- 38.3 The Commissioner of Central Excise and Service tax, Mangalore has passed two orders bearing No. C.No. IV/09/114/2010 Hqrs. Adjn 1/2295 on 28.01.2011 and order No. IV/09/114/2010/Hqrs Adj(1)/17109 dated 26/10/2010 for Rs. 6,37,250/- and for Rs. 85,53,406/- which includes service tax of Rs. 3,18,625/- and Rs. 42,76,703/- respectively and penalty of Rs. 3,18,625/- u/s. 76 and penalty of Rs. 42,76,703/- u/s. 78 respectively excluding penalty u/s. 77 and rule 7(c). Further interest amount u/s. 75 has not been quantified. These orders have been passed in respect of service tax on Goods transport Agency Service since 2005 being not paid to the Department. The Company has got stay against the demand raised by the department from CESTAT Bangalore. The case is not come up for hearing so far.
- 38.4 The table given below indicates the number of pending cases before various authorities and courts as on 31.03.2013 and corresponding amount involved in it.

Particulars	No. of pending cases	Amount involved in lakh Rupees
Revenue	28	115.40
Labour	36	11.72
Miscellaneous	227	1178.76
Total	291	1305.88

There may be contingent liability for the said amount if the cases are not decided in favour of MESCOM.

- 38.5 M/s UPCL have filed petition before CERC for determination of tariff for the period from 11.11.2010 to 31.03.2014 for Unit – I and from 01.04.2012 to 31.03.2014 for Unit – II, based on the CERC (Terms and Conditions of Tariff) Regulations, 2009.

The tariff is yet to be finalized by CERC. Mean while, as per ATE order dated 08.02.2013, the provisional tariff as decided by CERC vide order dated 24.12.2012 for Unit – I is being paid from 01.09.2012 for both Units I & II. As the finalization of tariff is pending before Hon'ble CERC, the same provision of Rs. 42.00 Crs for the period from 11.11.2010 to 31.03.2012 made in FY 12 is being continued in FY 13 also. The difference between the amount claimed by UPCL and bills admitted by MESCOM for the period FY 13 is Rs. 43.84 Crs.

- 38.6 In the case of petition, filed by M/s GMR Energy Ltd., in OP 47/2011 before KERC praying for offsetting of the stated adverse financial impact to them due to energy supplied under section 11(1) of EA 2003 during the period Jan – 09 to May – 09 as per G.O dated 30.12.2008 and 01.01.2009, Hon'ble KERC vide majority order dated 30.11.2012, allowed the tariff of Rs. 6.90/KWh in place of the tariff of Rs. 5.50/KWh provided in the G.O. However, MESCOM along with BESCOM & PCKL has filed Review Petition before KERC in RP 01/2013. The case is pending for adjudication. Amount involved is Rs. 4.40 Crs.
- 38.7 In the case of petition, filed by M/s Himatsinglka Seide Ltd., & M/s J.K. Cements in OP 40/2010 & OP 41/2010, before KERC praying for offsetting of the adverse financial impact suffered by them due to energy supplied under section 11(1) of EA 2003 during the period Apr – 10 to Jun – 10 as per G.O dated 03.04.2010, Hon'ble KERC vide order dated 14.02.2013, allowed the tariff of Rs. 5.72/KWh in place of the tariff of Rs. 5.00/KWh approved by KERC vide common order dated 24.03.2011.
- However, BESCOM & PCKL have filed Review Petition before KERC in RP 03/2013. Now action has been taken to transpose ESCOMs from Respondents to Petitioners. The case is pending for adjudication. Amount involved is Rs. 15.86 Lakhs.

- 38.8 The following generators / suppliers have raised surcharge claims of Rs. 15.59 Crs for the delay in payments as shown below :

Name of the Firm	Amount (Rs. in Crs)
National Energy Trading & Services Limited	0.74
Power Trading Corporation India Ltd.	2.93
NTPC VVNL	0.47
Neyveli Lignite Corporation	11.45
Total	15.59

Above Surcharge claims are not admitted by MESCOM.

- 38.9 KPTCL had raised a demand at 26.23 paise per unit for the transmission of electricity for the year 2006-07 against which the company has admitted the bills at 19.42 paise per unit as per KERC order. However, KPTCL has appealed against the order of KERC with Appellate Tribunal for Electricity, New Delhi. The ATE has passed an order requiring KERC to carry out certain modification in its transmission tariff. The KERC preferred an

appeal against the order of ATE at Hon'ble Supreme Court, New Delhi. The appeal is pending for disposal before the Hon'ble Supreme Court. MESCOM may contingently be liable for an amount of Rs. 19.74 Crs. if orders are passed in favour of KPTCL.

- 38.10 In accordance with the provisions of Section 185 (2)(d) of the Electricity Act, 2003, all rules made under sub-section (1) of section 69 of the repealed Electricity (Supply) Act, 1948 shall continue to have effect until such rules are rescinded or modified. Accordingly, the accounting system is based on the rules laid down under the Electricity (Supply) Act, 1948, since the modified rules have not yet been notified under the Electricity Act, 2003.
- 39 The Balances in respect of Sundry Debtors, Sundry Creditors, Loans, Advances to Supplies and other borrowings are subject to confirmation and other reconciliation if any.
40. The Energy Balancing dues between the ESCOMs as on 31.03.2013 were reconciled during the Financial year 12-13. Other balance with KPTCL and Other ESCOM's are subject to confirmation and reconciliation. The reconciliation is under process.
41. The previous figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.
42. The Company's accounts that are approved by the Board on 29.08.2013 have been revised in the light of observations made by the Comptroller & Auditor General of India. The said revision has resulted in decrease in Reserves & Surplus by Rs. 267.94 lakh, increase in Trade Payables by Rs. 763.94 lakh, increase in other current liabilities by Rs. 803.87 lakh, increase in long term loans and advances by Rs. 67.02 lakh, increase in Trade Receivables by Rs. 411.78 lakh, increase in other current assets by Rs. 821.07 lakh. The total assets and liabilities are increased by Rs. 1299.87 lakh.

Sd/-
(K. JAYARAMA ALVA)
Financial Advisor

Sd/-
(N. LAKSHMAN)
Director (Tech)

Sd/-
(M. GOVINDAPPA)
Managing Director

In terms of our Report of even date
for **RODRIGUES & D'SOUZA**
Chartered Accountants
Firm Reg. No: 003284 S

Sd/-
CA EDMOND D'SOUZA
PARTNER
Membership No. 015097

Place: Mangalore
Date : 27.09.2013

**Statement showing sector wise capital expenditure with and without
released assets issued to capital works for 2012-13**

(Rs. in Lakhs)

Sl. No.	Particulars	Account code	Budget Allocation	Cost during the year	Released Assets issued to capital works	Net Capital Expenditure
1	System Augmentation & Strengthening					
a	DTC Metering	14.152		0.06	0.39	-0.33
b	Replacement of Electro-Mechanical Meters by Static Meters	14.153	500.00	253.69	9.30	244.39
c	Auto-recloser & Sectionliser	14.156	6100.00			0.00
d	RLMS Works	14.157		17.99		17.99
e	Link lines, Re-conductering of HT, LT & 33 KV lines	14.167		1286.40	10.25	1276.15
f	Installation of Additional Transformers	14.168		1627.02	24.12	1602.90
g	Universal Metering	14.351 14.361, 14.401		0.00		0.00
h	Improvement- Others	14.150, 14.160		733.15	9.72	723.43
i	Tackling of High Loss High consumption Feeders & HVDS	14.169		866.49	15.21	851.28
	Sub-Total		6600.00	4784.80	68.99	4715.81
2	APDRP Works	14.143				0.00
3	R- APDRP Works	14.144	2300.00	42.14		42.14
4	Replacement of faulty distribution transformers by similar capacities	14.170	1500.00	1395.47	1107.54	287.93
	Replacement of faulty distribution transformers by higher capacities	14.171		27.95	4.57	23.38
5	Service Connection including promoter vanished layout works					
a	Service Connection	14.400	1500.00	1752.28	45.09	1707.19
b	Energisation of Rural water supply under RD & PR	14.404		549.71	2.16	547.55
c	Promotor vanished layout works	14.142		75.26	0.24	75.02
	Sub Total (a+b+c)		1500.00	2377.25	47.49	2329.76
6	Rural Electrification (General)					
a	GGVY	14.210	5500.00	200.65		200.65
b	Electrification of Hamlets / Janatha Colonies	14.302, 14.300, 14.200, 14.303	500.00	185.04	0.35	184.69
c	Energisation of IP sets (incl. providing infrastructure for regularization of un-authorised IP sets)	14.320, 14.326, 14.220, 14.325	1000.00	275.03	9.84	265.19
d	CWIP - Regularisation of unauthorised IP sets on or before 31.7.11	14.324		2412.46	11.77	2400.69
e	Kutir Jyothi	14.350, 14.360	50.00	7.85	0.33	7.52
f	Naksal Package	14.371		11.04		11.04
	Sub Total (a+b+c+d+e+f)		7050.00	3092.07	22.29	3069.78
7	Tribal Sub-Plan					
a	Electrification of Tribal Colonies / Janatha Colonies	14.340, 14.341	72.00	18.74	0.07	18.67
b	Energisation of IP sets	14.328	112.00	4.34	0.01	4.33
c	Kutir Jyothi	14.362	8.00	0.50	0.02	0.48
	Sub Total (a+b+c)		192.00	23.58	0.10	23.48
8	Special Component Plan					
a	Electrification of S.C. Colonies /Janatha Colonies	14.342	180.00	60.43	0.06	60.37
b	Energisation of IP sets	14.329	150.00	9.51	0.04	9.47
c	Kutir Jyothi	14.363	13.00	0.77	0.16	0.61
	Sub Total (a+b+c)		343.00	70.71	0.26	70.45
9	Tools & Plants & Computers	14.600, 14.700 14.800	200.00	166.06		166.06
10	Civil Engineering Works	14.502	800.00	371.66		371.66
11	Construction of new sub stations & lines (33KV)	14.110, 14.120	4500.00	740.55		740.55
	Total		24985.00	13092.24	1251.24	11841.00

STATEMENT SHOWING CAPITAL WORKS IN PROGRESS FOR THE YEAR 2012-13

(Rs. in Lakhs)

Account Code	Description	O.B. As on 01.04.2012	Incurred	Cate gorised	C.B. As on 31.03.2013
14.110	CWIP - Transmission lines (G.P)	0.02	77.71	77.73	0.00
14.120	CWIP - Step Down Stations (GP)	483.62	662.84	725.21	421.25
14.126	CWIP - Step Down Stations - non plan	0.07		0.07	0.00
14.142	CWIP - Promoter vanished layouts - 11KV lines, Transformers, LT lines/ S.C etc., (G.P)	12.11	75.74	64.64	23.21
14.144	CWIP - 11KV & below Distribution works under RAPDRP works	80.28	42.14		122.42
14.150	CWIP - Transmission lines - Transformers etc., Improvements (GP)	571.57	606.07	978.66	198.98
14.152	CWIP - Improvements - DTC Metering	0.10	0.06	0.10	0.06
14.153	CWIP - Improvements - replacement of electro mechanical meters by static meters	91.48	253.69	212.82	132.35
14.156	CWIP - improvements - Auto - reclosures & sectionalizers	5.49	-5.46	0.03	0.00
14.157	CWIP - improvements - RLMS Workers	29.51	17.99	34.49	13.01
14.160	CWIP - Reduction of Losses in lines	339.14	244.37	501.57	81.94
14.167	CWIP - improvements - linklines & reconductering of HT, LT& 33kv line	405.17	1300.58	1087.92	617.83
14.168	CWIP - installation of additional transformers	407.11	1635.75	1424.35	618.51
14.169	CWIP - tracking of high loss high consumption feeders & HVDS	368.15	868.85	819.30	417.70
14.170	CWIP - Replacement of distribution Transformers by similar capacities	137.23	1685.58	1718.51	104.30
14.171	CWIP - Replacement of Transformers by higher capacities	6.07	27.95	32.38	1.64
14.200	CWIP - REC Plan Schemes	0.03	0.19	0.03	0.19
14.210	CWIP - RGGVY	92.02	1619.90	1622.78	89.14
14.220	CWIP - SPA Schemes	8.31	1.13	4.86	4.58
14.300	CWIP - Village Electrification (G.P)	43.12	11.43	54.55	0.00
14.302	CWIP - Electrification of Hamles and Tandas (G.P)	198.03	264.66	392.56	70.13
14.303	CWIP - Electrification of Hamles and Tandas (Non-Plan)	0.00	3.68	3.68	0.00
14.320	CWIP - Power Supply to IP sets (G.P)	220.06	312.86	403.32	129.60
14.324	CWIP - Regularisation of unauthorised IP sets on or before 31.7.11	126.79	2410.62	1822.13	715.28
14.325	CWIP - Power Supply to IP sets under O.Y.T Scheme	0.21	-0.21		0.00
14.326	CWIP - Regularisation of unauthorised IP sets under O.Y.T Scheme	0.28	0.96		1.24
14.328	CWIP - Energization of IP sets under Tribal Sub-Plan	-0.01	4.76	2.43	2.32
14.329	CWIP - Energization of IP sets under Special Component Plan	3.59	9.55	10.44	2.70
14.340	CWIP - Tribal Area Electrification (G.P)	22.39	2.67	25.06	0.00
14.341	CWIP electrification of tribal colonies under Tribal sub-plan	41.16	32.03	69.55	3.64
14.342	CWIP electrification of SC colonies under Special Component plan	42.58	68.72	100.96	10.34
14.350	CWIP - Bhagya Jyothi Schemes	17.00	0.48		17.48
14.360	CWIP - Kuteera Jyothi Schemes	1.29	7.57	0.19	8.67
14.362	CWIP - Electrification of K.J Installation under TSP	0.09	0.50	0.29	0.30

(Rs. in Lakhs)

Account Code	Description	O.B. As on 01.04.2012	Incurred	Cate gorised	C.B. As on 31.03.2013
14.363	CWIP - Metering of existing K.J Installation under SCP	0.24	0.77	0.54	0.47
14.371	CWIP - Naxal Prone Area Development Programme		11.04	3.84	7.20
14.400	CWIP - Service Connections	644.22	1620.37	1832.39	432.20
14.401	CWIP - Metering of I.P sets pf 10 HP and below	0.03	13.98	13.98	0.03
14.404	CWIP water supply	0.00	748.38	481.24	267.14
14.502	CWIP - Buildings	110.36	396.56	303.29	203.63
14.708	CWIP - Furniture and Fixtures	0.33	9.53	9.86	0.00
14.809	CWIP - Office equipment	7.89	80.43	79.78	8.54
14.810	CWIP - Tools and Tackles	47.95	69.78	72.33	45.40
14.811	CWIP - Mobile Phones	0.08	6.30	6.38	0.00
14.911	CWIP - Provision for ongoing works	2614.15	-2110.26		503.89
	Total	7179.31	13092.24	14994.24	5277.31

Statement of Material Stock Account

(Rs. in lakhs)

Sl. No.	Account Head	Particulars	
		As on 31.03.2013	As on 31.03.2012
A	Opening Stock	3048.45	1485.10
B	R E C E I P T S		
1	Material Purchases	9486.57	10085.82
2	Material inward - Others	2743.95	3191.31
	TOTAL RECEIPTS	12230.52	13277.13
C	OPENING STOCK + RECEIPTS	15278.97	14762.23
D	I S S U E S		
1	Material issued capital	8847.95	7363.04
2	Material issues (O&M)	1233.94	1163.35
3	Material Outward - Others	2109.77	3187.39
	TOTAL ISSUES	12191.66	11713.78
E	CLOSING BALANCE OF STOCK (C-D)	3087.31	3048.45

Statement showing the details of source-wise power purchase cost

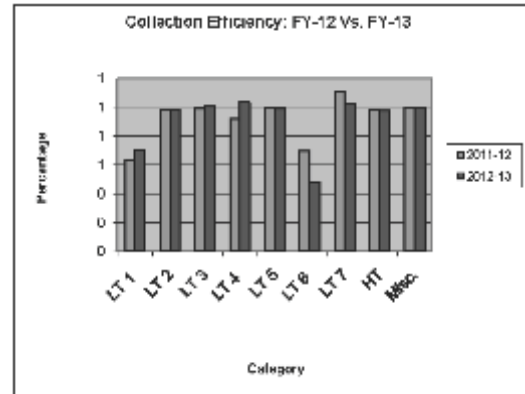
Sl. No.	Particulars	2012-13		2011-12	
		Energy (Mus)	Cost (Rs. in Crs.)	Energy (Mus)	Cost (Rs. in Crs.)
1	Hydel Power	889.44	52.09	1457.55	68.92
2	Thermal Power				
A	KPC	1059.86	427.87	1077.48	343.24
B	NTPC	611.87	166.34	578.98	147.31
3	Lignite Power	237.11	70.90	231.77	86.42
4	Atomic Power				
A	MAPS	14.66	3.02	13.29	2.80
B	KAIGA	116.90	35.41	111.37	34.12
5	Conventional Energy	508.80	210.58	305.75	182.38
6	Non Conventional Energy				
A	Mine Hydel	301.53	96.67	363.34	120.03
B	Bio-Mass	0.00	0.00	0.42	0.23
C	Captive	2.01	0.52	5.65	1.47
D	Wind Mill energy	324.27	115.70	235.67	82.94
7	UI Charges	-12.70	-4.91	10.84	2.10
8	High Cost Energy				
A	Short term power	632.25	278.58	292.44	152.54
B	Peak power	6.28	3.72	43.86	26.39
9	Transmission charges				
A	KPTCL	0.00	158.89	0.00	137.37
B	PGCIL	0.00	31.03	0.00	30.04
C	TNEB	0.00	0.12		
10	Other Charges (Trading margin charges, open access charges, SLDC charges, PCKL charges energy to be accounted as per reconciliation)	2.15	0.52	6.29	2.32
	Sub Total	4694.43	1647.05	4734.70	1420.62
11	Less: Energy Balancing Adjustments				
A	Relating to present year	221.14	64.79	516.78	144.36
B	Relating to previous years	95.56	44.77		
C	Difference amount due to change in Average Rate taken for Energy Balancing (2008-09 & 2009-10)		0.06		
	Sub Total	316.70	109.62	516.78	144.36
	Total	4377.73	1537.43	4217.92	1276.26

Cost of Power at Different Points

Sl. No.	Particulars	2012-13			2011-12		
		Energy (MU)	Amount (Rs. In Crs)	Rate per unit (in Rs.)	Energy (MU)	Amount (Rs. In Crs)	Rate per unit (in Rs.)
1	At Generation Point	4473.29	1537.43	3.44	4217.92	1276.25	3.03
2	At Interface Point	4280.45	1537.43	3.59	4072.42	1276.25	3.13
3	At Consumer Point	3771.88	1537.43	4.08	3570.21	1276.25	3.57
4	Delivered cost of power to consumer (Excluding ROE)	3771.88	1959.13	5.19	3570.21	1702.49	4.77

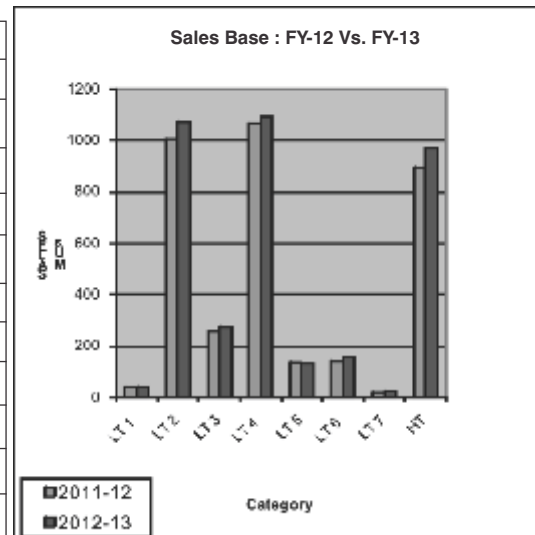
Collection Efficiency as per DCB

Category	Collection Efficiency (in %)	
	2011-12	2012-13
LT 1	63.07%	70.24%
LT 2	98.40%	98.79%
LT 3	99.04%	100.62%
LT 4	91.90%	103.59%
LT 5	99.67%	99.16%
LT 6	59.95%	47.92%
LT 7	104.27%	102.50%
HT	94.16%	97.82%
Misc.	100.00%	100.00%
Total	93.62%	97.09%



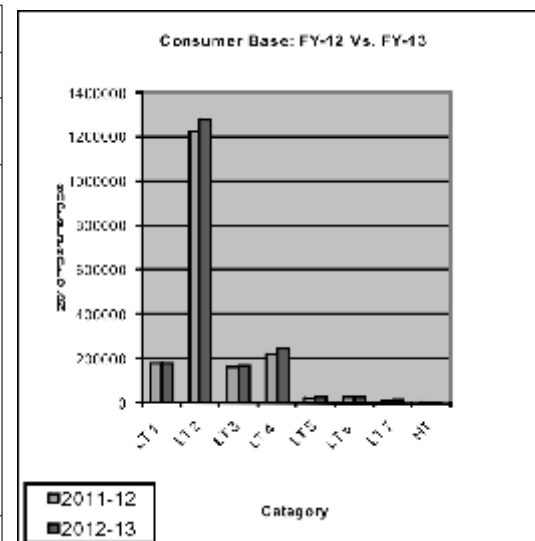
Sales

Category	Sales - Mus			
	2011-12		2012-13	
	sales	%	sales	%
LT 1	41.38	1.16	40.53	1.08
LT 2	1009.03	28.26	1071.07	28.46
LT 3	259.75	7.28	273.08	7.26
LT 4	1066.85	29.88	1091.11	28.99
LT 5	135.47	3.79	132.63	3.52
LT 6	142.05	3.98	155.43	4.13
LT 7	20.15	0.57	27.78	0.74
HT	895.53	25.08	972.08	25.83
Total	3570.21	100.00	3763.70	100.00



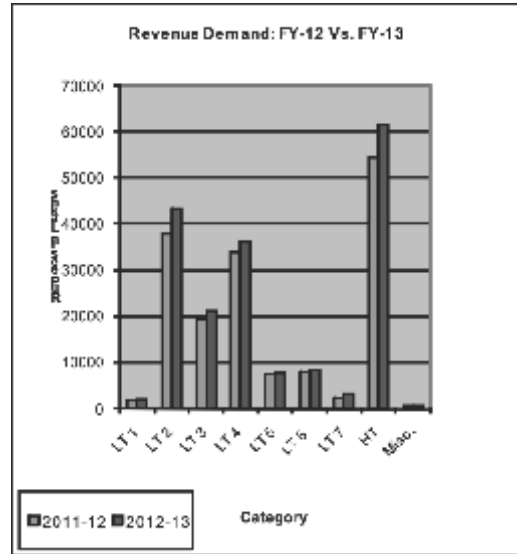
Consumer Profile

Category	Consumer Base			
	2011-12		2012-13	
	Installations in nos.	%	Installations in nos.	%
LT 1	180560	9.83	180787	9.39
LT 2	1221097	66.48	1275807	66.26
LT 3	159818	8.70	167139	8.68
LT 4	220728	12.02	241465	12.54
LT 5	21310	1.16	22798	1.18
LT 6	23206	1.26	25430	1.32
LT 7	8964	0.49	10534	0.55
HT	1225	0.07	1357	0.07
Total	1836908	100.00	1925317	100.00



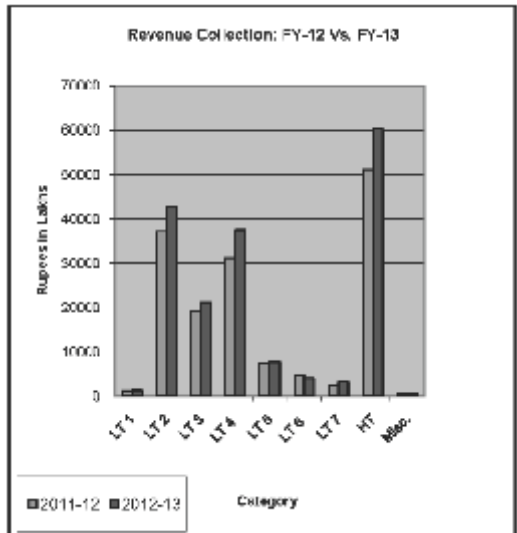
Revenue Demand

Category	Revenue Demand as per DCB			
	2011-12		2012-13	
	Rs. in Lakhs	%	Rs. in Lakhs	%
LT 1	1844.26	1.11	1873.14	1.02
LT 2	37742.08	22.82	43284.05	23.55
LT 3	19298.92	11.67	20997.42	11.42
LT 4	33940.48	20.52	36225.43	19.71
LT 5	7502.35	4.54	7754.56	4.22
LT 6	8073.12	4.88	8391.36	4.57
LT 7	2326.96	1.41	3215.59	1.75
HT	54213.57	32.77	61588.98	33.51
Misc.	469.66	0.28	471.06	0.26
Total	165411.40	100.00	183801.58	100.00



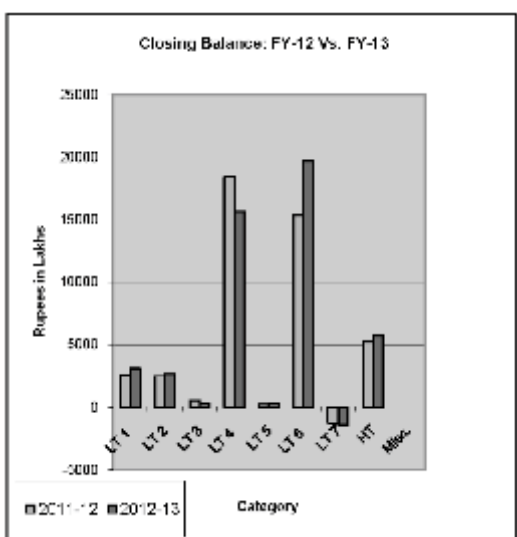
Revenue Collection

Category	Revenue Collection as per DCB			
	2011-12		2012-13	
	Rs. in Lakhs	%	Rs. in Lakhs	%
LT 1	1163.24	0.75	1315.78	0.74
LT 2	37137.69	23.98	42762.41	23.96
LT 3	19113.44	12.34	21127.42	11.84
LT 4	31190.03	20.14	37527.65	21.03
LT 5	7477.39	4.83	7689.61	4.31
LT 6	4840.08	3.13	4020.78	2.25
LT 7	2426.28	1.57	3295.94	1.85
HT	51047.86	32.96	60244.90	33.76
Misc.	469.66	0.30	471.06	0.26
Total	154865.67	100.00	178455.55	100.00



Closing Balance

Category	Closing Balance as per DCB			
	2011-12		2012-13	
	Rs. in Lakhs	%	Rs. in Lakhs	%
LT 1	2549.34	5.84	3093.27	6.72
LT 2	2485.72	5.70	2683.43	5.83
LT 3	553.43	1.27	294.12	0.64
LT 4	18449.24	42.28	15664.79	34.04
LT 5	259.79	0.60	299.65	0.65
LT 6	15358.74	35.20	19717.55	42.85
LT 7	-1274.46	-2.92	-1439.66	-3.13
HT	5257.05	12.05	5703.58	12.39
Misc.	0.00	0.00	0.00	0.00
Total	43638.85	100.00	46016.73	100.00



Average Realization Rate From Sale of Power 2012-13

Rs. in Lakhs

Account Head - LT Category	Tariff	Account Code		No. of Consumers	Units Sold		Average Realization Rate per Unit (Ps.)	Opening balance as on 01.04.2012	Revenue Demand as per DCB	Net Provision for Unbilled revenue	Provision for withdrawal of revenue	Revenue Demand as per accounts	Collection for the year 12-13	Closing Balance
		Demand Series	Closing Balance Series		Units (MU)	% of Units Sold								
BJ/ KJ - Tariff subsidy	LT - 1	61.402	28.626	136147	12.36	0.33%	582.88	720.38	720.38			720.38	720.38	0.00
BJ/ KJ	LT - 1	61.101	23.101	44640	27.67	0.73%	293.26	1801.76	818.32	-6.63	0.14	811.54	482.05	2131.25
Dom. Ltg., Non-Dom, Non-Com Ltg and Govt. Hospital Ltd., Dom. Combined Ltg. (AEH), Non-Dom., Non-Coml. Comb. Ltg. & htg. Motive Power, & Govt. Hospitals for handicapped Orphans, aged & destitute & Pvt. Professional & other Pvt. Edu. Instns.	LT - 2a&b	61.110, 61.111	23.110, 23.111	1275807	1080.47	28.65%	379.37	3471.90	40932.90	57.87	0.87	40989.89	40870.56	3591.23
Comm. Ltg. Heating & motive power	LT - 3	61.115	23.115	167139	271.44	7.20%	733.15	1091.98	19912.76	-8.58	3.35	19900.84	20004.29	988.53
Irrigation pumpsets, Lift Irrigation Schemes/ Societies (upto & inclusive of 10 HP) Tariff subsidy	LT - 4a	61.119	23.119	238638	1060.21	28.11%	316.62	11604.54	34306.87	-738.79	0.00	33568.08	34313.60	10859.02
Irrigation pumpsets, Lift Irrigation Schemes/ Societies (above 10 HP)	LT - 4b	61.120	23.120	176	1.08	0.03%	396.96	68.27	42.47	0.25	0.00	42.71	27.90	83.08
Private Horticultural Nurseries, Coffee, Tea, Coconut & Arecanut Plantations	LT - 4c	61.121	23.121	2651	6.50	0.17%	347.63	765.72	222.70	3.22	0.00	225.92	264.21	727.43
Industrial, Non-Industrial Hft. & Motive Power including lighting	LT - 5a to d	61.129, 61.130, 61.131, 61.133	23.129, 23.130, 23.131, 23.133	22798	130.98	3.47%	559.79	506.45	7347.27	-11.60	3.37	7332.29	7318.15	520.59
Water Supply - Sewerage pumping - VP/TP & others	LT - 6a	61.125	23.125	10622	97.46	2.58%	351.02	8472.52	3450.19	-29.28	0.00	3420.92	1846.96	10046.48
Public lighting - VP/TP & others	LT - 6b	61.14	23.14	14808	57.48	1.52%	478.42	2635.94	2742.99	5.47	-1.66	2750.12	1620.86	3765.20
Temporary Power Supply	LT - 7	61.145	23.145	10534	27.22	0.72%	1123.35	122.20	3061.10	-3.19	0.26	3057.65	3061.10	118.76
KPC						0.00%								
TOTAL OF LT				1923960	2772.88	73.51%	406.87	30541.27	113557.95	-731.27	6.33	112820.36	110530.06	32831.56

Average Realization Rate From Sale of Power 2012-13

Rs. in Lakhs

Account Head - LT Category	Tariff	Account Code		No. of Consumers	Units Sold		Average Realization Rate per Unit (Ps.)	Opening balance as on 01.04.2012	Revenue Demand as per DCB	Net Provision for Unbilled revenue	Provision for withdrawal of revenue	Revenue Demand as per accounts	Collection for the year 12-13	Closing Balance
		Demand Series	Closing Balance Series		Units (MU)	% of Units Sold								
Public Water Supply & Sewerage Pumping	HT - 1	61.250	23.250	55	77.74	2.06%	424.12	1658.04	3290.91	6.19	0.00	3297.10	2165.17	2789.97
Industrial, Non-Industrial, Non-Commercial and Railway Traction	HT - 2a	61.255	23.255	624	655.55	17.38%	563.78	5867.42	36953.17	6.81	1.76	36958.22	36691.75	6133.89
Commercial	HT - 2b	61.256	23.256	592	225.82	5.99%	730.69	1408.00	16391.46	108.78	0.00	16500.24	16421.56	1486.68
Irrigation and Agricultural Farms, Private Horticultural Nurseries, Coffee and Tea and Arecanut Plantations.	HT - 3a&b	61.260	23.260	15	19.40	0.51%	150.51	110.23	273.61	18.33	0.00	291.94	336.20	65.96
Residential Apartments and Hospitals.	HT - 4	61.271	23.271	64	17.09	0.45%	505.52	86.53	865.62	-1.84	0.00	863.78	859.18	91.12
Sundry Debrs for sale of power - HT-5 temporary supply	HT - 5	61.290	23.290	7	3.42	0.09%	658.74	0.00	195.94	29.15	0.00	225.09	226.18	-1.09
TOTAL OF HT				1357	999.00	26.49%	581.94	9130.21	57970.70	167.42	1.76	58136.37	56700.03	10566.54
TOTAL (LT + HT)				1925317	3771.88	100.00%	453.24	39671.48	171528.65	-563.85	8.09	170956.73	167230.09	43398.11
Sundry debtors for electricity tax							23.3	1265.52	6949.43			6949.43	6107.62	2107.33
Misc. receipts from consumers (Interest)							23.7	10895.20	3382.21			3382.21	1360.94	12916.47
Misc. receipts from consumers (Other than Interest)									783.72			783.72	783.72	-
Less: Provision for withdrawal of revenue demand							23.8	334.22						700.44
Less: Provision for doubtful dues from consumers							23.9	5300.26						5567.99
Less: Revenue suspense account								-15.82						233.99
Sundry receivables-trading														
Less: Withdrawal of revenue demand									249.98			249.98		
GRAND TOTAL				1925317	3771.876			46213.55	182394.03	-563.85	8.09	181822.10	175482.37	51919.49

**Subsidy received from GOK in 2012-13 against the demand raised during 2012-13
towards Free Power supply to IP Sets having connected load upto 10 HP and to BJ/KJ consumers consuming
upto 18 Units per month, including Opening balance and Other arrears**

Rs. in Lakhs

Sl.No.	Particulars	No of Live Installations			Consumption in Mius			Opening Balance as on 01.04.2012	Demand			Adjustments	Subsidy released for 2012-13	Balance as on 31.03.2013
		Metered	Un-Metered	Total	Metered	Un-Metered	Total		Metered	Un-Metered	Total bill amount			
1		3	4	5	6	7	8	9	10	11	12	13	14	15
1	Power supply to IP Sets of up to 10 HP (LT4a)	184227	54411	238638	625.64	457.33	1082.97	13299.77	19780.43	14522.82	34303.25	-4635.00	30123.90	12844.12
2	Power supply to BJ/KJ upto 18 Units per month per Installations	105528	30619	136147	9.34	3.09	12.43	830.65	720.38		720.38		720.06	830.97
3	Amount refunded in respect of IP Set payment made by farmers from 01.04.2001 to 31.03.2003			0			0.000	3179.74			0.00			3179.74
4	ROR Subsidy			0			0.000	4847.86			0.00			4847.86
6	Gap to be paid by GOK as per KERC Order			0			0.000	4910.00	1618.00		1618.00	4635.00	4910.00	6253.00
	TOTAL	289755	85030	374785	634.980	460.420	1095.400	27068.02	22118.81	14522.82	36641.63	0.00	35753.96	27955.69

STATEMENT SHOWING CATEGORY WISE, AGE WISE DETAILS FOR THE ARREARS OUTSTANDING AS ON 31.03.2013
Rs. in Crores

A/c Code (23 series)	Tariff	Particulars	Account Head	Age wise analysis for Closing Balance					Total (col. 5 to 8)
				less than one year	more than ONE year but less than THREE years	more than THREE years but less than FIVE years	more than FIVE years	8	
1	2	3	4	5	6	7	8	9	
I. LT Category									
23.1017	LT-1	BJ/KJ	61.1017	4.22	1.89	1.09	0.47	7.67	
23.1107	LT-2A	Domestic	61.1107	23.20	4.50	3.34	3.83	34.87	
23.1117	LT-2B	Educational Institutions	61.1117	0.14	0.01	0.00	0.00	0.15	
23.1157	LT-3	Commercial	61.1157	4.27	0.24	0.16	0.09	4.76	
23.1197	LT-4A	IP Upto 10 HP	61.1197	0.00	0.00	40.80	55.74	96.55	
23.1207	LT-4B	IP Above 10 HP	61.1207	0.37	0.32	0.14	0.08	0.91	
23.1217	LT-4C	Horticultural nurseries	61.1217	4.68	1.37	1.26	0.02	7.32	
23.1297	LT-5B(I)	Industries-5HP&Below	61.1297	40.06	8.89	9.58	9.63	68.16	
23.1307	LT-5B(II)	Industries-Above 5 but below 40 HP	61.1307	0.94	0.09	0.03	0.03	1.10	
23.1317	LT-5B(III)	Industries- 40HP & above but below 67 HP	61.1317	0.69	0.06	0.04	0.01	0.81	
23.1337	LT-5B(IV)	Industries-67HP & above	61.1337	0.42	0.01	0.01	0.02	0.45	
23.1257	LT-6A	Watersupply	61.1257	15.82	7.22	7.39	2.38	32.81	
23.1417	LT-6B	Streetlight	61.1417	23.93	8.88	3.41	1.64	37.87	
23.1457	LT-7	Temporary	61.1457	1.88	0.02	0.00	0.00	1.90	
TOTAL (LT) - A				120.63	33.50	67.26	73.94	295.32	
II. HT Category									
23.2507	HT-1	Watersupply	61.2507	19.91	6.04	0.82	0.25	27.02	
23.2557	HT-2A	Industries	61.2557	0.66	25.40	0.06	2.78	28.90	
23.2567	HT-2B	Commercial	61.2567	0.25	0.00	0.00	0.02	0.27	
23.2607	HT-3A	Lift irrigation	61.2607	0.23	0.00	0.00	0.00	0.23	
23.2717	HT4B	Colony supply	61.2717	0.19	0.01	0.00	0.00	0.20	
TOTAL (HT) - B				21.24	31.46	0.87	3.05	56.61	
LT + HT TOTAL - (A+B)				141.86	64.95	68.13	76.99	351.93	
III. Electricity Tax									
23.3010	HT			1.38	0.13	0.07	0.06	1.63	
23.3020	LT			15.08	2.23	1.81	0.34	19.46	
TOTAL TAX - C				16.46	2.35	1.87	0.40	21.09	
IV. Misa Rev									
23.7000				18.77	30.50	38.17	38.52	125.97	
TOTAL Misa Rev- D				18.77	30.50	38.17	38.52	125.97	
GRAND TOTAL (A+B+C+D)				177.09	97.81	108.18	115.91	498.99	



MANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

VISION STATEMENT

PURPOSE

We exist to improve the conditions of society and contribute to Economic development through the supply of power at affordable prices.

OUR CORE VALUES

- Customer focus and responsiveness
- Commercial efficiency
- Result-oriented activities
- Employee care and welfare

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ನಿರಂತರ ನಿಮ್ಮ ಸೇವೆಯಲ್ಲಿ



MANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

(A Government of Karnataka Undertaking)

Corporate Office: Paradigm Plaza, A.B. Shetty Circle, Mangalore – 575 001