



MANGALORE ELECTRICITY SUPPLY COMPANY LIMITED.
BALANCE SHEET AS AT 31ST MARCH 2012

(Rs. in Lakhs)

SL. NO.	PARTICULARS	NOTE NO	ACCOUNT CODE	AS AT 31-03-2012		AS AT 31-03-2011	
I	<u>EQUITY AND LIABILITIES</u>						
1	<u>Shareholders' Funds</u>						
a)	Share Capital	1	52.301	17206.99		15733.99	
b)	Reserves and Surplus	2	52.302 55 to 58	38248.48	55455.47	34000.83	49734.82
2	Share Deposit (Shares pending Allotment)	3	52.303		0.03		0.00
	Sub-Total				55455.50		49734.82
3	<u>Non-Current Liabilities</u>						
a)	Long-term borrowings	4	53 to 54	31709.30		31126.58	
b)	Deferred Tax Liabilities(Net)	5	-	-		-	
c)	Other long term liabilities	6	42 to 48	99973.14		81319.24	
d)	Long-term Provisions	7	44	2246.63		2163.39	
	Sub-Total				133929.07		114609.21
4	<u>Current Liabilities</u>						
a)	Short-term borrowings	8	50	9062.61		4100.09	
b)	Trade payables	9	41	36068.83		28995.17	
c)	Other current liabilities	10	42 to 46	33364.72		29767.40	
d)	Short-term provisions	11	51,53,54 46	698.73		375.01	
	Sub-Total				79194.89		63237.67
	TOTAL				268579.46		227581.70
II	<u>Assets</u>						
1	<u>Non-Current assets</u>						
(a)	Fixed assets						
(i)	Tangible Assets	12	10 & 12	92699.46		84335.22	
(ii)	Intangible assets	13	-	-		-	
(iii)	Capital work-in-progress	14	14,15 &17	7223.73		9320.77	
(iv)	Intangible assets under development	15	-	-		-	
(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	256.60		242.94	
(e)	Other non-current assets	19	28 & 16.2	87024.06		71502.57	
(f)	Deferred Costs	20	-	-		-	
	Sub-Total				187454.85		165652.50
2	<u>Current assets</u>						
(a)	Current Investments	21	-	-		-	
(b)	Inventories	22	22	3250.29		1826.10	
(c)	Trade receivables	23	23, 47.607 & 47.609	35120.89		28885.18	
(d)	Cash and cash equivalents	24	20 & 24	3739.69		2799.58	
(e)	Short-term loans and advances	25	25, 26, 27 & 28.913	2182.65		2966.38	
(f)	Other current assets	26	23.4 & 28	36831.09		25451.96	
	Sub-Total				81124.61		61929.20
	TOTAL				268579.46		227581.70
Significant Accounting Policies and Notes to Accounts form part of the Accounts.							

(K. JAYARAMA ALVA)
Financial Advisor

(H. NAGESH)
Director (Tech)

(VIJAYANARASIMHA)
Managing Director

In terms of our Report of even date
for GANESH & SUDHIR
Chartered Accountants
Firm Reg. No: 000866 S

Place : Mangalore
Date :

GIRIDHAR KAMATH
Partner
Membership No. 203199



MANGALORE ELECTRICITY SUPPLY COMPANY LIMITED.
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. in Lakhs)

SL.NO.	PARTICULARS	NOTE NO.	ACCOUNT CODE	FOR THE YEAR 2011-12	FOR THE YEAR 2010-11
I	Revenue from operations (Distribution of Power)	27	61,62 & 83	154530.56	140047.62
II	Other Income	28	61.905 62 & 65	16359.41	7811.32
III	Total Revenue (I+II)			170889.97	147858.94
IV	Expenses				
	Purchase of Power	29	70	127625.60	110359.70
	Employee Benefits Expense	30	75	18779.44	17305.02
	Finance Costs	31	78 & 80	11917.55	9379.18
	Depreciation and amortization expenses	32	77 & 83.6	6130.97	5093.62
	Other Expenses	33	74,76, 79 & 83	5580.50	5489.40
	Total Expenses			170034.06	147626.92
V	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)			855.91	232.02
VI	Exceptional Items			-	-
VII	PROFIT BEFORE EXTRA ORDINARY ITEMS AND TAX (V-VI)			855.91	232.02
VIII	Extraordinary items			-	-
IX	PROFIT BEFORE TAX (VII-VIII)			855.91	232.02
X	TAX EXPENSE				
	Current Tax		81.1	214.72	61.92
	Deferred Tax			-	-
XI	Profit (Loss) from the period from continuing operations (IX-X)			641.19	170.10
XII	Profit (Loss) from discontinuing operations			-	-
XIII	Tax expense of discontinuing operations			-	-
XIV	Profit (Loss) from discontinuing operations (after Taxes) (XII-XIII)			0.00	0.00
XV	Profit (Loss) for the period (XI+/-XIV)			641.19	170.10
XVI	Earnings per equity share (in Rs)				
	Basic and diluted			0.40	0.12
	Significant Accounting Policies and Notes to Accounts form part of the Accounts.				

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Managing Director

In terms of our Report of even date
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Partner
Membership No. 203199



**MANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDING**

Rs. in Lakhs

SL. NO	PARTICULARS	31.03.2012	31.03.2011	
	Cash flows from operating activities			
	Net profit before taxation and extraordinary items	855.91	232.03	
	Adjustment for:			
	Depreciation	6130.97	5093.66	
	Foreign exchange loss			
	Interest income	104.41	53.54	
	Dividend income			
	Interest expense	11917.55	9379.18	
	Operating profit before working capital changes	18800.02		14651.33
	(increase)/Decrease in trade receivables	-6235.71	-999.89	
	(increase)/Decrease in loans and advances	783.72	296.42	
	(increase)/Decrease in other current assets	-11379.12	-11540.39	
	(increase)/Decrease in inventories	-1424.19	-67.43	
	(increase)/Decrease in short term borrowings	4962.52	442.12	
	(increase)/Decrease in trade payables	7073.66	-8142.68	
	(increase)/Decrease in provisions	323.72	-48.46	
	(increase)/Decrease in current liabilities	3597.32	-6385.80	-26446.11
	Cash generated from operations	16501.94		-11794.78
	Income taxes paid	1106.62	1106.54	
	Cash flow before extraordinary item	15395.32		-12901.32
	Extraordinary items (specifying nature)			
	Net cash from operating activities (A)	15395.32		-12901.32
	Cash flows from investing activities			
	Purchase of tangible fixed assets	-14495.21	-17482.38	
	(Increase)/ Decrease in Capital Work in Progress	2097.04	-127.54	
	(Increase)/ Decrease in other Non-current Assets			
	Increase/ (Decrease) in other long term Liabilities	18653.90	44912.49	
	Increase/ (Decrease) in other long term Provisions	83.24	-138.25	
	Purchase of intangible fixed assets	0.00	0.00	
	Purchase of long term investments	0.00	0.00	
	(increase)/Decrease in other non-current assets	-14629.60	-15711.93	
	(increase)/Decrease in other long term receivables	-13.65	-9.36	
	Interest received	104.41	53.54	
	Net cash from investing activities (B)	-8199.87		11496.57
	Cash flows from financing activities			
	Proceeds from issuance of share capital	1473.03	2500.00	
	Increase/(Decrease) in other long term borrowings	582.72	3034.03	
	Contributions/ Grants and subsidies towards Cost of Capital Assets	3606.46	3751.90	
	Interest paid	-11917.55	-9379.18	
	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)	-6255.34		-93.25
	Net increase in cash and cash equivalents (A) + (B) + (C)	940.11		-1498.00
	Cash and cash equivalents at beginning of period	2799.58		4297.58
	Cash and cash equivalents at end of period	3739.69		2799.58

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Partner
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SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I) SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 31-03-2012.

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 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 Assets/Liabilities, 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.
- v) Contributions, grants and subsidies towards cost of Fixed Assets have not been reduced from the cost of assets but have been shown separately under Capital Reserve Head in the Balance Sheet. The depreciation pertaining to such Fixed Assets is fully charged to Profit and Loss account. The ESAAR, 1985 provides for accounting of such grants separately and not to reduce it from the value of respective Fixed Assets.

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. Due to adopting the revised rate of depreciation with effect from 01.04.2009, 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 an 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 MESCOM 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. Stock of non-reusable or reusable materials for which facilities for repair do not exist are valued at scrap rates indicated in the schedule of rates.

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.

i) 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 is making 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.

The Hon'ble KERC in respect of Review Petition No. 04/2010 filed by GoK has ordered for the payment of trued-up subsidy amount to ESCOMs in 36 monthly installments. Accordingly a sum of Rs. 13287.00 lakhs was due to MESCOM. Out of which Rs. 8377.00 lakhs has been received upto 31.03.2012 and the balance was 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 lakhs 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 Rs. 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 lakhs will be recovered in FY 2013.

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/ESCOs' Pension & Gratuity Trust. The contribution towards pension and gratuity is accounted at the rates noted below:-

Pension - 29.11% of Basic Pay + Dearness Pay +Dearness Allowance
Gratuity - 3.34.% of Basic 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 31.03.2012.

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:

As per para 2.33 / 2.34 / 2.35 of Electricity (Supply) Annual Accounts Rules, 1985, Grants received towards capital expenditure are shown separately under capital grants and are neither diminished as deferred income nor cost of assets has been reduced to the extent of such grants.

n) Contributions from consumers:

As per para 2.33 / 2.34 / 2.35 of ESAAR, 1985, consumer contributions received for capital expenditure are shown separately under contributions and are neither diminished as deferred income nor cost of assets have been reduced to the extent of contributions. Further, the Company has accounted a sum of Rs 1398.34 lakhs. as contribution from consumers towards capital assets which is only book value (at standard rates) of the assets transferred to the Company for works executed by the consumers and does not represent any value received in cash.

o) Investments

I) 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 lakhs paid towards networth of 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.

p) 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 31.3.2012

NOTE : 01 SHARE CAPITAL

(Rs. In lakhs)

SL. NO	PARTICULARS	ACCOUNT CODE	As at 31.03.2012		As at 31.03.2011	
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 (7,17,80,000 shares of Rs. 10 each)	52.301	7178.00		5705.00	
	100289931 shares of Rs. 10 each are allotted as fully paid up to GOK without payment being received in Cash	52.302	10028.99	17206.99	10028.99	15733.99
	TOTAL			17206.99		15733.99

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

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

Particulars	As at 31.03.2012	As at 31.03.2011
No. of Equity shares at the beginning of the Year	157339931	157339931
Add: No. of Equity shares issued during the Year	14730000	0
Less : No. of Equity shares cancelled on buy back during the Year	0	0
No. of Equity shares at the end of the Year	172069931	157339931

NOTE : 02 RESERVES AND SURPLUS

(Rs. In lakhs)

SL. NO	PARTICULARS	ACCOUNT CODE	As at 31.03.2012		As at 31.03.2011	
2.1	Capital Reserve: As per Last Balance Sheet	56.2	132.66		132.66	
	Add: Additions during the Year		0.00		0.00	
	Less: Utilised during the Year		0.00		0.00	
				132.66		132.66

2.2	Reserve for Material Cost Variance As per Last Balance Sheet Add: Additions during the Year Less: Utilised during the Year	56.610	2345.77 0.00 430.98	1914.79	2322.56 23.21 0.00	2345.77
2.3	Profit and Loss Account (Surplus) As per Last Balance Sheet Add: Additions during the Year Less: Utilised during the Year	58.200	5243.38 641.19 0.00	5884.57	5073.27 170.11 0.00	5243.38
2.4	Contributions, grants and subsidies towards cost of Capital assets					
2.4.1	Consumers contribution towards cost of capital assets	55.1	14761.84		10724.40	
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	
2.4.4	APDRP Grant	55.301	3675.81		3675.81	
2.4.5	PMGY Grant	55.302	56.25		56.25	
2.4.6	RGGVY Grant	55.303	6442.91		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	
	Sub - Total			30316.46		26279.02
	TOTAL			38248.48		34000.83

NOTE : 3 SHARE DEPOSIT (SHARES PENDING ALLOTMENT)**(Rs. In lakhs)**

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
3.1	Share Deposit from GOK Pending Allotment	52.303		0.03		0.00
	TOTAL			0.03		0.00

NON -CURRENT LIABILITIES**NOTE: 04 LONG TERM BORROWINGS****(Rs. In lakhs)**

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
4.1	TERM LOANS					
4.1.1	SECURED LOANS					
4.1.1.1	From Banks	53.500	29247.08		28663.63	
4.1.1.2	From Others	53.301, 53.308, 53.309, 53.311	963.40		1029.31	
	Sub- Total			30210.48		29692.94
4.1.2	UN-SECURED LOANS					
4.1.2.1	From Banks					
4.1.2.2	From Government	53.306, 53.307 54.600, 54.700, 54.701, 54.702	720.75		504.73	
4.1.2.3	From Others	54.305, 53.310 53.960	778.07		928.91	
	Sub- Total			1498.82		1433.64
	Total			31709.30		31126.58

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 off in the books of accounts 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 During the year 2010-11 Govt. of Karnataka has released a sum of Rs. 164.96 lakhs under Special Component Sub-Plan (SCSP) and Rs. 108.07 lakhs under Tribal Sub-Plan (TSP) for the infrastructure development in Power Sector as loan. The same was converted into Equity by a separate order No. EN 33 PSR 2011 Bangalore, Dated 30.09.2011 in the year 2011-12.

Further, During the year 2011-12 Govt. of Karnataka has released a sum of Rs. 275.00 lakhs under Special Component Sub-Plan (SCSP) and Rs. 179.48 lakhs under Tribal Sub-Plan (TSP) for the infrastructure development in Power Sector. As the Govt. has not stated the Terms and Conditions and rate of interest of the Loan, MESCOM has not made any financial provision for the payment of interest or repayment of principal for the year 2011-12 in the Annual Accounts.

4.1.2.7 Reconciliation of loan Balances

Sl. No	Name of the Bank / Lender	Loan Drawn	Term of Loan in Yrs.	Floating Rate of Interest as on 31.03.2012 (%)	Loan Installment due for 2012-13		Loan Balance as on 01.04.2011	Loan Drawn during 2011-12	Repayment during 2011-12	Loan Balance as on 31.03.2012
					No of Instal	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	7	13.25	12	514.39	3622.47		449.49	3172.98
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.	9800	8	11.75	12	1428.60	1700.00	8100.00	20.24	9779.76
3	Corporation Bank secured by Hypothecation of present and future current assets of the Company.	5000	6	11.5	4	742.49	1742.49		1000.00	742.49
		10000	8	12.6	12	1428.60	9523.80		1450.12	8073.68
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	12.15	12	598.89	1599.51		1000.62	598.89

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	8	11.75	12	1428.57	7261.90		1428.57	5833.33
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	9	13.25	4	750.00	5250.00		750.00	4500.00
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	9	12	4	625.00	4687.50		625.00	4062.50
	Sub-Total	54800				7516.54	35387.67	8100.00	6724.04	36763.63
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
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					2.54	158.35		2.54	155.81

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.					63.37	570.34		63.37	506.97
5	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			361.96
	Sub-Total	0				65.91	1095.22	0	65.91	1029.31
	Total Secured Loans	54800				7582.45	36482.89	8100	6789.95	37792.95
II	Term Loan-Un-Secured									
1	APDRP-REC Loan payable to KPTCL					150.84	314.42		150.84	163.58
2	PMGY Loan Account					7.66	109.74		7.66	102.08
3	GOK loan for energization of IP sets under GK scheme					12.00	60.00		12.00	48.00
4	Central Govt. Loan towards Power Sector Automation					14.70	102.90		14.70	88.20
5	Loan from GOK - Interest free						62.34			62.34
6	REC – RGGVY Works						765.32			765.32
7	Loan from GOK under SCSP						129.50	310.46	164.96	275.00
8	Loan from GOK under TSP						74.61	212.94	108.07	179.48
	Sub-Total	0				185.20	1618.83	523.40	458.23	1684.00
	TOTAL LONG TERM LOANS	54800				7767.65	38101.73	8623.40	7248.18	39476.95
	Term loan repayment in next year						6975.15			7767.65
	Net long term loan						31126.58			31709.30

Note : The amount shown under column “ Repayment during 2011-12” above includes conversion of SCSP and TSP loans from GOK amounting to Rs. 273.03 lakhs (Rs. 164.96 lakhs + Rs. 108.07 lakhs) into equity during FY 2011-12.

NOTE: 05 DEFERRED TAX LIABILITIES (NET)**(Rs. In lakhs)**

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
5.1			0.00		0.00	

NOTE: 06 OTHER LONG TERM LIABILITIES**(Rs. In lakhs)**

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
6.1	Trade Payables					
6.1.1	M/s KPCL	41.108	39944.53		29227.31	
6.1.2	Interest payable to M/s KPCL	46.430	15903.67		10752.57	
	Sub-Total			55848.20		39979.88
6.2	Others					
6.2.1	Security Deposits from consumers:					
6.2.1.1	Meter Security Deposits	47.603 to 47.606	2030.42		1731.51	
6.2.1.2	Initial/ Additional Security Deposits	48.100 to 48.200	29332.93		26161.42	
	Sub- Total			31363.35		27892.93
6.2.2	KPCL, KPTCL & Other ESCOMs					
6.2.2.1	M/s KPCL	42.203, 42.213,	3.48		3.48	
6.2.2.2	M/s KPTCL	42.214, 42.219, 42.224, 42.229, 46.106	4004.10		4001.41	
6.2.2.3	M/s BESCO	42.215, 42.220, 42.225, 42.230	1370.57		1270.09	
6.2.2.4	M/s HESCO	42.216, 42.222, 42.232	167.71		109.07	
6.2.2.5	M/s GESCOM	42.233	2056.79		1976.00	
6.2.2.6	M/s CESCO	42.790	2430.05		2410.56	
	Sub- Total			10032.70		9770.61

6.2.3	Staff related Liabilities					
6.2.3.1	Security deposit from employees	46.920	0.62		1.06	
	Sub-Total			0.62		1.06
6.2.4	Liability to Suppliers and Contractors					
6.2.4.1	Security Deposits in cash from Suppliers / Contractors	46.101	394.43		552.32	
6.2.4.2	Retention Money- Bill amount retained as per terms of purchase order/ turnkey contract	46.104	2134.26		2944.15	
	Sub-Total			2528.69		3496.47
6.2.5	Payables to GOK					
6.2.5.1	BRP - II recoveries	46.202 to 46.207	40.75		40.75	
6.2.5.2	Amount recoverable from Govt. to towards Bhagya Jyothi Works	28.816	109.22		109.22	
	Sub-Total			149.97		149.97
6.2.6	Others					
6.2.6.1	Stale Cheques	46.910	14.46		3.61	
6.2.6.2	Miscellaneous deposits	46.966	35.15		24.71	
	Sub-Total			49.61		28.32
	TOTAL			99973.14		81319.24

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 lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
7.1	Provisions for Employee benefits					
7.1.1	Provision for earned leave encashment	44.130	1739.07		1598.90	
7.1.2	Provision for Family Benefit Fund	44.141, 44.142, 44.143	507.56		564.49	
	Sub-Total			2246.63		2163.39
	TOTAL			2246.63		2163.39

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

(Rs. In lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
8.1	Bank Overdraft					
8.1.1	State Bank of Mysore	50.210	7179.00		2548.12	
8.1.2	Vijaya Bank	50.260	1883.61		1551.97	
	Sub-Total			9062.61		4100.09
	TOTAL			9062.61		4100.09

NOTE: 09 TRADE PAYABLES

(Rs. In lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
9.1	LIABILITY FOR PURCHASE OF POWER					
9.1.1	M/s. KPCL	41.108	24304.37		10717.21	
9.1.2	M/s. NTPC RSTPS	41.110	1034.19		1025.59	
9.1.3	M/s. Madras Atomic Power Station	41.111	23.00		24.30	
9.1.4	M/s. Neyveli Lignite Corporation Ltd.,	41.112	1803.05		1483.58	
9.1.5	M/s. NPCIL - Kaiga Generating Station	41.114	322.90		314.45	
9.1.6	M/s. Sandur Power Company Ltd.,	41.115	251.73		440.52	
9.1.7	M/s. Sahyadri Power Company Ltd.,	41.116	4.86		3.52	
9.1.8	M/s. Kalson Power	41.118	27.48		49.55	
9.1.9	M/s. Subhash Kabini	41.119	100.39		147.59	
9.1.10	M/s. Graphite India Ltd.,	41.120	0.00		38.62	
9.1.11	M/s. Maruthi Power Gen Hemavathi Pvt. Ltd.,	41.122	0.00		37.44	
9.1.12	M/s. Moodabagil Power Pvt. Ltd.	41.123	4.77		5.13	
9.1.13	M/s. BPCL (NERIA)	41.124	0.00		1.76	
9.1.14	M/s JTPCL	41.125	1894.11		7285.70	
9.1.15	M/s. Mrujara Power Plant	41.126	7.91		6.38	
9.1.16	M/s. Rayalseema Alkalies	41.129	9.12		193.91	

9.1.17	M/s. Tata Company Limited	41.131	1055.74		751.97	
9.1.18	M/s. UPCL	41.132	1595.43		1047.46	
9.1.19	M/s Wind Mill Projects	41.140	801.47		502.57	
9.1.20	M/s KPTCL / Shared expenses	41.173	538.25		305.57	
9.1.21	M/s Mysore Paper Mills Ltd - 11kv	41.195	0.00		0.00	
9.1.22	M/s. NTPC VVNL	41.198	0.00		584.43	
9.1.23	M/s. PTC India Limited	41.199	289.17		3891.46	
9.1.24	M/s Indian Energy Exchange	41.200	0.00		0.00	
9.1.25	M/s. Lanco Electric Utility Ltd.	41.201	2.92		0.92	
9.1.26	M/s. Shamili Hydel Power Project	41.202	61.66		60.41	
9.1.27	M/s. Sagar Power (Dandela) Pvt. Ltd	41.203	0.00		0.00	
9.1.28	M/s. Soham mannappitlu Power Pvt. Ltd	41.204	0.00		27.75	
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		16.97	
9.1.31	M/s. Cogeneration Units	41.208	1566.36		8.32	
9.1.32	Sundry creditors towards Peak Power Purchase	41.210	341.67		0.00	
9.1.33	Payable to KPTCL in respect of Wind Mill Projects	41.141	28.28		22.09	
	Total Power Purchase Liability			36068.83		28995.17
	TOTAL			36068.83		28995.17

NOTE 10: OTHER CURRENT LIABILITIES

(Rs. In lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
10.1	Current Maturities of Long Term Debts					
10.1.1	Term Loan Installment due for repayment within ONE Year					
10.1.1.1	Loans installment due to Commercial Banks	51.100		270.84		270.83
10.1.1.2	Loan drawn by MESCOM from REC-APDRP works	53.308	2.54		2.54	

10.1.1.3	Loan drawn by MESCOM from REC – General	53.309	63.37		63.37	
10.1.1.4	Loans from Commercial Banks	53.500	7516.54		6724.05	
10.1.1.5	APDRP-REC Loan payable to KPTCL	53.305	150.84		150.84	
10.1.1.6	PMGY Loan Account	53.306	7.66		7.66	
10.1.1.7	GOK loan for energization of IP sets under GK scheme	53.307	12.00		12.00	
10.1.1.8	Central Govt. Loan towards Power Sector Automation	54.600	14.70		14.70	
	Sub-Total			7767.65		6975.16
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	542.14		595.09	
10.5.1.2	Sundry creditors / Control Account	42.201	533.42		156.73	
10.5.1.3	Contractors Control Account	42.401	713.82		622.67	
10.5.1.4	Liability to Contractors	42.501	0.73		0.00	
10.5.1.5	Provision for work completed but not commissioned where the expenditure is not booked.	42.601	2614.14		2309.57	
	Sub-Total			4404.25		3684.06
10.5.2	Statutory Dues					
10.5.2.1	Income tax deducted at source on payment to contractors	46.924	12.41		14.12	
10.5.2.2	Income tax deducted at source on other payments	46.925	0.73		0.25	
10.5.2.3	Sales tax deducted at source and payable to department	46.927	2.67		1.73	
10.5.2.4	Sales tax payable	46.951	0.73		0.12	

10.5.2.5	Amount deducted from contractors bills towards PF, ESI & CESS	46.930	8.68		7.52	
10.5.2.6	ESI Contributions recoverable form bill amount of contractors and payable to ESI Corporation	46.931	0.84		0.10	
10.5.2.7	Amount of CESS deducted at source and payable to the department	46.932	2.05		4.60	
10.5.2.8	Employees PF and departmental Share of PF payable a/c	46.957	0.00		0.01	
	Sub-Total			28.11		28.45
10.5.3	Employee related liabilities					
10.5.3.1	Liability towards Pension & Gratuity Trust	44.122	1347.07		636.29	
10.5.3.2	Liability towards contribution to newly defined contributory pension scheme	44.150	31.15		23.14	
10.5.3.3	Unpaid Salaries	44.210	0.55		9.22	
10.5.3.4	Unpaid Bonus	44.220	0.23		0.25	
10.5.3.5	Salary payable	44.310	19.05		16.83	
10.5.3.6	Salary payable to contract employees	44.311	0.82		0.91	
10.5.3.7	Bonus payable	44.320	9.96		33.47	
10.5.3.8	Ex-gratia payable	44.330	142.33		121.82	
10.5.3.9	Sundry creditors for expenses	46.410	61.46		38.04	
10.5.3.10	Sundry creditors for T.A to contract employees	46.411	0.00		0.04	
10.5.3.11	Security deposit from employees	46.920	0.21		0.15	
	Sub-Total			1612.83		880.16
10.5.4	Payables to GOK					
10.5.4.1	Electricity tax	46.300	1286.25		1040.13	
10.5.4.2	Compounding fee	46.301	0.94		1.18	
10.5.4.3	Inspection charges payable to Govt.	46.440	1.36		1.94	

10.5.4.4	Royalty payable to Govt.	46.450	0.02		0.17	
	Sub-Total			1288.57		1043.42
10.5.5	Payables to Consumers					
10.5.5.1	Interest on ISD/ASD	48.340	1510.25		1395.78	
10.5.5.2	Interest on MSD	48.350	184.39		163.87	
10.5.5.3	Other Deposits from Consumers	47.601 to 47.602	43.83		42.42	
	Sub-Total			1738.47		1602.07
10.5.6	Others					
10.5.6.1	Security Deposits in cash from Suppliers / Contractors	46.101	264.50		182.16	
10.5.6.2	Retention Money-Bill amount retained as per terms of purchase order/turnkey contract	46.104	760.72		214.36	
10.5.6.3	Liability for expenses	46.430	10635.63		10482.42	
10.5.6.4	Stale Cheques	46.910	0.19		8.05	
10.5.6.5	Advance received for sale of stores scrap etc.,	46.922	0.00		0.46	
10.5.6.6	Amount recoverable from salary of Company employees and payable to other department / other institutions	46.928	68.62		52.74	
10.5.6.7	Amount recovered from salary of employees towards employees CPS	46.952	28.54		20.55	
10.5.6.8	Miscellaneous deposits	46.966	0.97		1.72	
10.5.6.9	Excess credit afforded by banks pending reconciliation - Canara Bank	46.974	0.01		0.01	
10.5.6.10	Excess credit afforded by banks pending reconciliation - Syndicate Bank	46.975	0.16		0.16	
10.5.6.11	Excess credit afforded 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	Electrification / Service Connection	47.300	2698.79		2744.75	
10.5.6.14	Stock Excess pending Investigation.	22.810	4.34		0.00	
10.5.6.15	Sundry debtors for sale of power - BJ scheme	23.101	128.50		119.21	
10.5.6.16	Sundry debtors for sale of power - LT3 Commercial	23.115	78.01		76.55	
10.5.6.17	Sundry debtors for sale of power-temporary power supply	23.145	1361.83		1183.05	
10.5.6.18	Advance paid to KPTCL towards transmission charges	28.911	26.13		0.00	
	Sub-Total			16120.92		15150.17
10.5.7	Inter Unit Accounts (Net)	31 to 37		133.08		133.08
	Sub-Total					
	TOTAL			33364.72		29767.40

NOTE: 11 SHORT TERM PROVISIONS

(Rs. In lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
11.1	Provision for Employee benefits					
11.1.1	Provision for earned leave encashment	44.130	475.16		157.53	
11.1.2	Provision for Family Benefit Fund	44.143	130.00		123.91	
	Sub-Total			605.16		281.44
11.2	Others					
11.2.1	Provision for Income Tax	46.800		93.57		93.57
	Grand Total			698.73		375.01

Note : 12 Tangible Assets

(Rs. in Lakhs)

Particulars	A/c Code	Original Cost				A/c code	Depreciation				Net Block Value	
		As at 01.04.2011	Additions during the Year	Deductions/Retirements during the Year	As at 31.03.2012		As at 01.04.2011	For the Year	Deductions/Adjustments during the Year	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012
Tangible Assets												
Land: Free hold	10.1	448.73	3.92	0.00	452.65	12.1	0.00	0.00	0.00	0	448.73	452.65
Lease hold		11.08	0.00	0.95	10.13		0.58	0.37	0.95	0	10.50	10.13
Buildings	10.2	2041.04	275.03	0.00	2316.07	12.2	429.60	73.22	0.00	502.82	1611.44	1813.25
Hydraulic Works	10.3	177.28	17.08	0.00	194.36	12.3	39.76	9.50	0.00	49.26	137.52	145.10
Other Civil Works	10.4	28.21	14.88	0.00	43.09	12.4	5.73	1.03	0.00	6.76	22.48	36.33
Plant & Equipments	10.5	18958.35	5003.08	2063.09	21898.34	12.5	4401.82	1153.37	439.83	5115.36	14556.53	16782.98
Lines, Cable Networks	10.6	101372.74	10848.55	360.34	111860.95	12.6	34063.73	4858.20	283.11	38638.82	67309.01	73222.13
Vehicles	10.7	336.07	22.56	5.54	353.09	12.7	279.08	5.07	4.98	279.17	56.99	73.92
Furniture & fixtures	10.8	228.28	25.07	0.91	252.44	12.8	102.87	15.11	0.82	117.16	125.41	135.28
Office Equipments	10.9	99.40	-28.04	0.35	71.01	12.9	42.79	0.78	0.25	43.32	56.61	27.69
TOTAL		123701.18	16182.13	2431.18	137452.13		39365.96	6116.65	729.94	44752.67	84335.22	92699.46
Previous Year's Figures	10	107052.46	18996.38	2347.66	123701.18	12	35106	5099.02	839.06	39365.96	71946.46	84335.22

The account head 10.101 - Land free hold - includes an amount of Rs. 14.36 lakhs 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 lakhs)**

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
			-----NIL-----			
	Grand Total					

NOTE: 14 CAPITAL WORKS IN PROGRESS**(Rs. In lakhs)**

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
14.1	Capital Works in Progress	14.000		7179.28		9310.18
14.2	Revenue expenses pending allocation over capital works - Interest	15.206	43.98		10.12	
14.3	Preliminary expenditure on survey / feasibility studies of projects not yet sanctioned	17.301	0.47		0.47	
	Sub Total			44.45		10.59
	Grand Total			7223.73		9320.77

14.4 An amount of Rs 224.83 lakhs towards interest on loan taken for capital works has been capitalized during the year.

NOTE: 15 - INTANGIBLE ASSETS UNDER DEVELOPMENT**(Rs. In lakhs)**

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
			----- NIL-----			
	Grand Total			0.00		0.00

NOTE : 16 NON- CURRENT INVESTMENTS**(Rs. In lakhs)**

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
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 Limited (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 lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
			-----NIL-----			
	Grand Total					

NOTE 18: LONG TERM LOANS AND ADVANCES

(Rs. In lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
18.1	Deposit with Others	28.935	256.60		242.94	
	Grand Total			256.60		242.94

NOTE 19: OTHER NON CURRENT ASSETS

(Rs. In lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
19.1	Long Term Trade Receivables					
19.1.1	1. Secured and considered Good		0.00		0.00	
19.1.2	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	9134.94		9135.07	
19.3.1.2	M/s BESCO	28.827, 28.832, 28.837, 28.842	13985.08		17162.16	

19.3.1.3	M/s HESCOM	28.829, 28.839, 28.844	18156.18		2436.27	
19.3.1.4	M/s GESCOM	28.840, 28.845	8492.04		7959.17	
19.3.1.5	M/s CESCO	28.850, 28.851, 28.790	25149.22		23747.92	
19.3.1.6	M/s KPCL (related to VVNL)	28.865, 28.874	4.09		4.09	
	Sub-Total			74921.55		60444.68
19.3.2	Other Receivables					
19.3.2.1	Income tax /FBT paid in advance	28.821	3344.56		2452.66	
19.3.2.2	Amount deposited with PF Authorities	46.930	177.63		177.63	
19.3.3	Assets not in Use					
19.3.3.1	Written down value (WDV) of Faulty / Dismantled Assets.	16.200	552.72		400.00	
	Sub-Total			4074.91		3030.29
	Grand Total			87024.06		71502.57

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 and an amount of Rs. 31.79 Crs is shown as receivable from GOK.

NOTE 20: DEFERRED COSTS

(Rs. In lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2012	As at 31.03.2011
			-----NIL-----	
	Grand Total		0.00	0.00

NOTE 21: CURRENT INVESTMENTS

(Rs. In lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2012	As at 31.03.2011
			-----NIL-----	
	Grand Total		0.00	0.00

NOTE - 22 INVENTORIES, STORES AND SPARES

(Rs. In lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
22.1	Materials Stock Account					
22.1.1	Materials Stock Account	22.610	3048.45		1485.10	
22.1.2	Material imprest Account	22.641	18.64		22.33	
22.1.3	Materials Account - Temporary works	22.731	5.71		7.20	
	Sub- Total			3072.80		1514.63
22.2	Written down value (WDV) of obsolete / scrapped assets.	16.100		177.49		311.47
	TOTAL			3250.29		1826.10

NOTE: 23 TRADE RECEIVABLES

(Rs. In lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
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		40757.35		34344.60
	Less :					
23.1.1.1	Provision for withdrawal of Revenue demand	23.800		-336.20		-376.44
23.1.1.2	Provision for Doubtful Dues from consumers (Credit Account)	23.900		-5300.26		-5082.98
	Net Receivables against Supply of Power			35120.89		28885.18
23.2	(Sundry debtors outstanding for less than 6 months & considered good)		11221.22		8963.57	
23.3	(Sundry debtors outstanding for more than 6 months & considered good)		23899.67		19921.61	
	TOTAL			35120.89		28885.18

23.1.1 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.

The Trade receivables include an amount of Rs. 2219.78 lakhs being the amount due from

23.1.2 M/s Mysore Paper Mills (MPM) Bhadravathi. The principal amount outstanding as on 28.02.2011 was Rs. 948.33 lakhs 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. 2219.78 lakhs as on 31.03.2012. 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.

NOTE 24: CASH AND CASH EQUIVALENTS

(Rs. In lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
24.1	Balances with Banks					
24.1.1	Collecting Bank Accounts (Non-Operative)	24.300		1098.24		313.32
24.1.2	Disbursement Bank Account (Operative)					
24.1.2.1	State Bank of Mysore	24.401	2.13		16.24	
24.1.2.2	State Bank of India	24.402	3.11		5.32	
24.1.2.3	Canara Bank	24.404	4.16		5.33	
24.1.2.4	Syndicate Bank	24.405	34.80		29.68	
24.1.2.5	Vijaya Bank	24.409	72.48		291.75	
24.1.2.6	State Bank of Mysore	24.411	65.65		13.32	
24.1.2.7	State Bank of India	24.412	18.65		2.65	
24.1.2.8	Canara Bank	24.414	129.77		59.33	
24.1.2.9	Syndicate Bank	24.415	565.66		61.17	
24.1.2.10	Corporation Bank	24.424	17.28		134.13	
24.1.2.11	Punjab Sind Bank	24.425	0.14		67.45	
24.1.2.12	UCO Bank	24.426	0.01		243.00	
24.1.2.13	AXIS Bank	24.427	0.11		0.05	
24.1.2.14	Karnataka Bank	24.428	23.08		31.97	
24.1.2.15	Indian Bank	24.429	2.07		42.87	
	Sub-Total			939.10		1004.26
24.2	Cash on Hand	24.110, 24.210		504.56		176.80
24.3	Others					
24.3.1	Postage stamps on hand	24.120		2.23		1.77

24.3.2	Remittance to Head Office -Transit Account	24.500		4.20		4.40
24.3.3	Transfers from Head Office In Transit Account	24.600		113.87		1.19
24.4	Fixed deposits in Banks					
24.4.1	Margin Money towards L.C.	20.280	348.65		319.00	
24.4.2	Un-utilised R-APDRP fund	20.280	170.00		170.00	
24.4.3	Un-utilised RGGVY fund	20.280	550.00		800.00	
24.4.4	Others	20.280	8.84		8.84	
	Sub-Total			1077.49		1297.84
	TOTAL			3739.69		2799.58

24.4.3 The Central Government through RECL has released capital subsidy / grant amount of Rs. 6442.91 lakhs and M/s. RECL has released Loan amounting to Rs. 765.32 lakhs as on 31.03.2012, for implementation of RGGVY Scheme in Chikmagalore and Shimoga districts to provide power supply to the consumers under BPL category. The unspent amount has earned interest of Rs. 99.76 lakhs upto 31.03.2012. Out of total funds of Rs. 7307.99 lakhs, Rs. 6698.63 lakhs has been spent for arranging payments of Initial Advance Bills for Supply of materials and Labour Bills etc. pertaining to RGGVY Project. Out of Unspent balance, Rs. 550.00 Lakhs is kept in fixed deposit with Vijaya Bank, Hampankatta Branch and remaining amount of Rs. 59.36 lakhs is retained in the Current account.

NOTE 25 : SHORT TERM LOANS AND ADVANCES

(Rs. In lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
25.1	Capital Advance					
25.1.1	Secured Considered good					
25.1.1.1	Advances to Suppliers (considered good & Fully Secured)	25.501	170.77		180.46	
25.1.1.2	Advances to Contractors	26.6	1898.40		2624.38	
25.1.2	Un-Secured Considered good		0.00		0.00	
	Sub-Total			2069.17		2804.84
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					
25.4.2.1.1	Advance of pay	27.201		0.00		0.00
25.4.2.1.2	Travel advance	27.202		2.94		2.99
25.4.2.1.3	Festival advance	27.203		38.99		44.74
25.4.2.1.4	Medical advance	27.204		29.69		29.07
25.4.2.1.5	Advances to staff against expenses	27.205		11.87		19.12
25.4.2.1.6	Bicycle advance	27.209		0.00		0.00
25.4.2.1.7	Transformers / meters etc. issued for repairs to the Company personnel	27.210		4.04		9.44
	Sub-Total				87.53	105.36
25.5	Advance paid to Power Company of Karnataka Limited	28.913			25.95	56.18
	TOTAL				2182.65	2966.38

25.5 Rs. 99 lakhs paid towards working Capital of PCKL during FY 2007-08 is accounted under Account Code 28.913 as advance. After adjusting the revenue expenditure of M/s. PCKL for FY 2007-08 to FY 2011-12, the net balance under account code 28.913 is Rs. 25.95 lakhs.

NOTE 26 : OTHER CURRENT ASSETS

(Rs. In lakhs)

Sl. No	Particulars	Account Code	As at 31.03.2012		As at 31.03.2011	
26.1	Sundry Debtors for Un Billed Revenue	23.400		11092.61		8132.91
26.2	Sundry Debtors- Trading Account	28.100		983.83		537.47
26.3	Income accrued and due on Bank Deposits	28.210		6.80		0.09

26.4	Recoverable from GOK					
26.4.1	Subsidy receivable from GOK towards BJ/KJ consumers	28.626	830.65		830.97	
26.4.2	Amount receivable from State Govt. towards free supply of power to IP Sets upto 10 HP	28.627	18209.77		5538.22	
	Sub-Total			19040.42		6369.19
26.5	Recoverable from Employees					
26.5.1	Amount recoverable from Employees	28.401	64.27		36.95	
26.5.2	Amount recoverable from Ex-employees	28.402	0.00		0.04	
26.5.3	Amount recoverable from employees - material related	28.409	26.17		13.33	
	Sub-Total			90.44		50.32
26.6	Others					
26.6.1	Claims for Loss / Damage to Capital Assets	28.749	15.98		19.75	
26.6.2	Expenses recoverable from suppliers / contractors	28.810	0.09		0.08	
26.6.3	Prepaid Expenses	28.820	2.73		3.31	
26.6.4	Receivable from others	28.898	1447.57		1506.00	
26.6.5	Amount receivable from P&G Trust	28.907	190.61		452.02	
26.6.6	Advances to PCKL towards UI Charges	28.910	258.88		15.52	
26.6.7	Advance paid to KPTCL towards transmission charges	28.911	0.00		358.30	
26.6.8	Advance made to M/s. PCKL towards short term power purchase	28.915	329.84		394.47	
26.6.9	Advance made to M/s. PCKL towards Non-POC bills	28.916	5.32		0.00	
26.6.10	Regulatory Assets - KERC	28.922	3365.92		7593.00	
26.6.11	M/s. Malavalli Power Plant,	41.117	0.00		19.54	
26.6.12	M/s NTPC VVNL	41.198	0.05		0.00	
26.6.13	Flood Relief Fund	46.978	0.00		-0.01	
	Sub-Total			5616.99		10361.98
	TOTAL			36831.09		25451.96

26.4.2 The GOK has released an amount of Rs. 700.00 Lakhs vide GO No. EN22 PSR 2011 dated 31.03.2012 as subsidy towards free power supply to IP sets. The said amount was received by cash on 07.04.2012. But as on 31.03.2012 it has been shown as receivable from GOK.

26.6 **Regulatory Asset:** In accordance with Hon'ble KERC Tariff order dated 7th December 2010, MESCOM has created Regulatory Assets to the extent of Rs. 7593.00 lakhs by exhibiting it in Note 26 as Regulatory Asset as on 31.03.2011. Out of the said amount an amount of Rs. 4227.08 Lakhs is recovered from the revenue realizations in FY 2011-12. Balance will be recovered in FY 2012-13.

NOTE : 27 REVENUE FROM OPERATIONS

(Rs. In Lakhs)

Sl. No	Particulars	Account Code	For the Year 2011-12	For the Year 2010-11
27.1	Revenue from Operations			
27.1.1	REVENUE FROM SALE OF POWER – LT			
27.1.1.1	Bhagya jyothi Scheme.	61.101	831.11	583.10
27.1.1.2	Revenue from sale of power BJ/KJ up to 18 Units	61.402	719.78	640.10
27.1.1.3	Domestic combined lighting, heating and motive power, Private, Professional and unaided educational institutions.	61.110 61.111	35784.88	30448.84
27.1.1.4	Commercial and Non-Industrial Lights and Fans.	61.115	18338.19	15908.25
27.1.1.5	Irrigation Pump Sets (10 HP & below)/ Water Lifting.	61.119	32288.29	22693.53
27.1.1.6	Irrigation Pump sets (above 10 HP)/Water Lifting.	61.120	40.79	32.17
27.1.1.7	Water supply-V.P, T.P and Others	61.125	3845.24	3477.00
27.1.1.8	Private Horticultural Nurseries, Coffee, Tea, Coconut and Areca nut Plantations.	61.121	173.67	129.20
27.1.1.9	Industrial, Non-Industrial, Heating and Motive Power including Lighting	61.129 To 61.133	7121.26	6499.61
27.1.1.10	Public Lighting-V.P, T.P and Others	61.140	2438.41	2062.35

27.1.1.11	Temporary Power Supply - Non-commercial lights and fans and other small appliances.	61.145	2219.60		4093.42	
	Sub-Total			103801.22		86567.57
27.1.2	Revenue from Sale of Power – HT					
27.1.2.1	Public Water Supply & Sewerage Pumping	61.250	3346.80		2952.11	
27.1.2.2	Industrial, Non-industrial and Commercial purposes & Railway Traction	61.255	32633.23		28814.26	
27.1.2.3	Commercial.	61.256	14218.56		11617.58	
27.1.2.4	Irrigation and Agricultural Farms. Lift Irrigation Societies, Lift Irrigation Schemes and Govt., Horticultural Farms.	61.260	189.36		15.18	
27.1.2.5	Private Horticultural Nurseries, Coffee and Tea Plantations	61.261	8.24		7.40	
27.1.2.6	Residential apartments and colonies availing power supply independently.	61.271	931.90		808.65	
	Sub-Total			51328.09		44215.18
	TOTAL REVENUE FROM OPERATIONS			155129.31		130782.75
27.2	Less: Withdrawal of Revenue Demand	83.830, 83.831, 83.832, 83.833		82.07		756.88
	REVENUE FROM OPERATIONS			155047.24		130025.87
27.3	OTHER REVENUE FROM OPERATIONS					
27.3.1	Wheeling charges recoveries	61.800		0.01		0.00
27.3.2	Miscellaneous charges from Consumers.					
27.3.2.1	Reconnection Fee (D & R)	61.902	15.62		29.22	
27.3.2.2	Service Connection charges	61.904	545.96		659.24	
27.3.2.3	Other Receipts from consumers	61.906	136.89		108.79	
27.3.2.4	Amount collected for green tariff	61.907	120.00		0.00	

27.3.2.5	Incentives received	62.918	891.66		597.83	
27.3.2.6	Other income relating to purchase of power	62.919	2000.26		1033.67	
	Sub- Total			3710.39		2428.75
27.4	Regulatory Assets					
27.4.1	Income on account of Regulatory Assets			-4227.08		7593.00
	NET REVENUE FROM OPERATIONS			154530.56		140047.62

27.5 Total Revenue from sale of energy during 2011-12 includes Rs 11092.61 Lakhs in respect of revenue accrued but pending billing at the year end. The same was Rs. 8132.91 Lakhs for the previous year 2010-11.

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 is Rs. 30803.00 lakhs and Rs.720 lakhs respectively. Out of the said receivable, an amount of Rs. 26168.00 lakhs and Rs. 720 lakhs has been released for IP Set and BJ/ KJ installations respectively as per KERC Tariff Order. The balance amount is accounted as receivable from GOK.

NOTE: 28 OTHER INCOME

(Rs. In Lakhs)

Sl. No	Particulars	Account Code	For the Year 2011-12		For the Year 2010-11	
28.1	Interest Income		0.00		0.00	
28.1.1	From Consumers					
28.1.1.1	Delayed payment charges from consumers.	61.905	2373.25		3036.08	
28.1.2	From Others					
28.1.2.1	Interest on Bank Fixed Deposits	62.222	104.41		53.54	
	Sub-Total			2477.66		3089.62
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	Profit on sale of stores	62.330	120.58		1.55	
28.4.2	Sale of scrap	62.340	149.64		108.72	
28.4.3	Other Miscellaneous receipts from Trading	62.360	1.25		6.54	
28.4.4	Gain on Sale of Assets	62.400	49.28		53.65	
	Sub-Total			320.75		170.46

28.5	Miscellaneous Receipts					
28.5.1	Rental from Staff Quarters	62.901	83.09		51.63	
28.5.2	Rental from others	62.902	4.83		5.96	
28.5.3	Excess found on physical verification of Materials Stock.	62.905	4.64		0.35	
28.5.4	Rebate for collection of Electricity Duty.	62.916	29.50		25.51	
28.5.5	Miscellaneous Recoveries.	62.917	978.42		672.83	
28.5.6	Interest received from Income Tax Department	62.920	14.31		20.99	
28.5.7	Subsidies against Loss on account of Flood, Fire, Cyclone etc.,	63.200	0.00		10.96	
	Sub-Total			1114.79		788.23
28.6	Income relating to previous years :					
28.6.1	Receipts from Consumers Relating to Prior periods	65.200	0.00		1.63	
28.6.2	Interest income for prior periods	65.400	2.00		11.22	
28.6.3	Excess provision for Interest and Finance Charges in prior periods	65.700	0.00		21.86	
28.6.4	Other Excess provision in prior periods	65.800	98.18		1123.80	
28.6.5	Other Income relating to prior periods	65.900	20.03		751.75	
28.6.6	Tariff subsidy relating to prior period	65.910	12326.00		1852.75	
	Sub-Total			12446.21		3763.01
	TOTAL			16359.41		7811.32

28.1.1.1 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 not charged interest on this arrears during the year 2011-12.

28.5.4 As per the Government Order No. EN 06 PSR 2009 Bangalore, Dated 22.02.2010 the rebate payable to the Electricity Distribution Companies for collection of Electricity Tax from Consumers and its remittance to Govt. is revised from 1.5% to 0.5% with effect from 01.01.2010.

28.7 **Electricity Taxes:** Electricity Tax of Rs. 2549.48 lakhs collected from Consumers has been adjusted against the Tariff Subsidy received/ receivable from Govt. vide order No. EN 22 PSR 2011/Bangalore dated 31.03.2012.

NOTE : 29 PURCHASE OF POWER**(Rs. In Lakhs)**

Sl. No	Particulars	Account Code	For the Year 2011-12		For the Year 2010-11	
29.1	Purchase of Power					
29.1.1	M/s. KPCL	70.108	41215.93		34516.52	
29.1.2	M/s. NTPC RSTPS	70.110	14730.83		12457.85	
29.1.3	M/s. Madras Atomic Power Station	70.111	279.62		228.86	
29.1.4	M/s. Neyveli Lignite Corporation Ltd.,	70.112	8642.19		4493.80	
29.1.5	M/s NPCIL-Kaiga	70.114	3411.70		2500.19	
29.1.6	M/s. Sandur Power Company Ltd.,	70.115	3200.43		2671.04	
29.1.7	M/s. Sahyadri Power Company Ltd.,	70.116	33.36		24.25	
29.1.8	M/s. Malavalli Power Plant,	70.117	23.34		340.92	
29.1.9	M/s. Kalson Power	70.118	389.46		275.99	
29.1.10	M/s. Subhash Kabini	70.119	2682.19		1555.94	
29.1.11	M/s. Graphite India Ltd.,	70.120	181.99		188.92	
29.1.12	M/s. Maruthi Power Gen(I) Kabini Pvt. Ltd.,	70.121	238.62		304.13	
29.1.13	M/s. Maruthi Power Gen Hemavathi Pvt. Ltd.,	70.122	115.92		209.70	
29.1.14	M/s. Moodabagil Power Pvt. Ltd.	70.123	35.02		24.79	
29.1.15	M/s. Bhoruka power corporation Ltd., (NERIA)	70.124	801.22		824.71	
29.1.16	M/s. Mrujara Power Plant	70.126	60.95		56.17	
29.1.17	M/s. Rayalseema Alkalies	70.129	874.01		1911.47	
29.1.18	M/s. Tata Company Limited	70.131	4872.69		5066.98	
29.1.19	M/s. UPCL	70.132	12491.69		3214.12	
29.1.20	Wind Mill Projects	70.140	8293.98		4312.02	
29.1.21	M/s. Mysore Paper Mills Ltd.,	70.195	146.55		214.17	
29.1.22	M/s. Shamili Hydel Power Project	70.202	949.72		843.81	
29.1.23	M/s. Sagar Power (Dandela) Pvt. Ltd.,	70.203	553.66		610.94	
29.1.24	M/s. Soham Mannapitlu Power Pvt. Ltd.,	70.204	479.98		983.51	

29.1.25	M/s. Sagar Power (Neerukatte) Pvt. Ltd.,	70.205	702.93		699.41	
29.1.26	M/s. AMR Power Pvt. Ltd.	70.206	1563.49		1657.13	
29.1.27	KPTCL Transmission Charges	70.161	13737.34		9836.36	
29.1.28	SLDC Charges	70.162	181.67		111.03	
29.1.29	PGCIL Transmission Charges	70.163	3004.20		3258.67	
29.1.30	Power purchased from PGCIL NON POC bill	70.213	33.98		0.00	
29.1.31	Power purchased from M/s SRM Power	70.212	13.59		0.00	
29.1.32	Other power purchase cost	70.211	16.15		7.22	
	Sub-Total			123958.40		93400.61
29.2	High Cost Energy Purchased					
29.2.1	UI Charges credits received	70.171	-410.70		-170.16	
29.2.2	UI charges	70.172	620.60		936.48	
29.2.3	M/s. GMR	70.133	0.00		5.56	
29.2.4	Power purchased from JTPCL	70.125	8002.57		17735.24	
29.2.5	Short term power purchased from M/s. NTPC - VVNL	70.198	567.52		2656.63	
29.2.6	Short term power purchased from M/s. PTC India Limited	70.199	2357.67		9274.69	
29.2.7	Short term power purchased from Indian Energy Exchange	70.200	1016.27		675.77	
29.2.8	Power purchases from M/s. LANCO Electric Utility Limited	70.201	405.21		70.92	
29.2.9	Power purchased from Non PPA Co-generation Units	70.208	2905.19		964.96	
29.2.10	Power purchased during Peak Hours	70.210	2638.75		0.00	
	Sub-Total			18103.08		32150.09
29.3	Power Purchase cost withdrawn on the basis of energy balancing	70.209		-14435.88		-15191.00
	TOTAL			127625.60		110359.70

29.3(a) With effect from 1.4.2011, share of power project capacity allocated to MESCOM has been revised vide GOK notification No. EN 126 EMC 2010 dated 12.10.2011 & 04.01.2012. 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 2008-09, 2009-10 & 2010-11, the results have been incorporated in the books of the accounts of MESCOM during the year 2010-11 which was again revised in the current year. The difference was accounted along with the provisional Energy Balancing results for the year 2011-12 based on joint reconciliation carried out by all the ESCOMs at LDC.

NOTE : 30 EMPLOYEE COSTS

(Rs. In Lakhs)

Sl. No	Particulars	Account Code	For the Year 2011-12		For the Year 2010-11	
30.1	Salaries and Wages					
30.1.1	Salaries	75.100	7471.58		7489.19	
30.1.2	Over Time	75.200	241.30		270.02	
30.1.3	Dearness Allowance	75.300	5088.41		4123.85	
30.1.4	Other Allowances	75.400	686.00		719.22	
30.1.5	Bonus	75.500	154.60		155.24	
30.1.6	Medical Expenses reimbursement	75.611	182.89		157.32	
30.1.7	Leave travel assistance	75.612	0.00		0.06	
30.1.8	Earned leave encashment	75.617	812.96		911.66	
30.1.9	Earned leave encashment to retired employees	75.618	321.27		183.88	
30.1.10	Payment under Workmen's Compensation Act	75.629	12.08		2.99	
30.1.11	Payment to helpers/employees of Monsoon gang	75.630	174.31		82.00	
30.1.12	Pension & Leave contribution of employees on deputation	75.8907	11.07		10.77	
	Sub-Total			15156.47		14106.20
30.2	Contribution to Provident and Other Funds					
30.2.1	Terminal benefits (PF) Company Contribution	75.8107	111.70		96.36	
30.2.2	Terminal benefits (Pension) Company Contribution	75.8307	2654.04		2402.68	

30.2.3	Terminal Benefits Company contribution to Contributory pension scheme with effect from 01.04.06	75.8317	352.80		213.92	
30.2.4	Terminal Benefits (Gratuity)	75.8407	192.12		121.28	
	Sub-Total			3310.66		2834.24
30.3	Expenses on ESOP and ESPP			0.00		0.00
30.4	Staff Welfare expenses	75.7, 75.860, 75.880		312.31		364.58
	GRAND TOTAL			18779.44		17305.02

30.5 Employee Benefits:

30.5.1 Short Term Employee Benefits:

30.5.1.1 Short Term Employee Benefits are recognized as an expense amount in the profit and loss account 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 Lakhs)

Sl. No	Particulars	Account Code	For the Year 2011-12		For the Year 2010-11	
31.1	Interest Expenses					
31.1.1	Interest on Consumers' Security Deposits					
31.1.1.1	Interest on ISD and ASD	78.6		1694.85		1559.65
31.1.1.2	Interest on MSD					
31.1.2	Interest on power purchase dues					
31.1.2.1	Interest on KPCL dues	80.1		5151.10		4049.03
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	78.102	10.91		15.01	
31.1.3.1.2	Interest on PMGY Loan account	78.573	13.17		13.91	
31.1.3.1.3	Interest on GOK Loan for energization of IP sets under GK Scheme	78.580	6.60		7.92	
	Sub- Total			30.68		36.84

31.1.3.2	Interest on REC loans					
31.1.3.2.1	Interest on Loan from REC	78.540	82.62		107.13	
31.1.3.2.2	Interest on APDRP-REC Loan payable to KPTCL	78.572	0.00		11.87	
31.1.3.2.3	Interest on loan drawn by MESCOM from REC – APDRP works	78.591	21.40		21.95	
31.1.3.2.4	Interest on loan drawn by MESCOM from REC – General	78.592	65.89		73.27	
31.1.3.2.5	Interest on loan drawn by MESCOM from REC – RGGVY Works	78.593	87.58		66.38	
	Sub-Total			257.49		280.60
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		4938.00		3581.46
	Total Interest on Loans			5267.80		3940.53
31.2	Other Borrowing Costs					
31.2.1	Other Interest and Finance Charges	78.8		28.63		41.33
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			12142.38		9590.54
31.5	Less : Interest and finance charges capitalised					
31.5.1	Capitalisation of interest on funds used during construction	78.900		224.83		211.36
	Total Finance Costs			11917.55		9379.18

31.6 Interest accrued but not due for the financial year 2011-12 in respect of long-term borrowing assigned by KPTCL to the extent of Rs 2.29 lakhs has been provided for as per KPTCL letter No. FA (A & R)/KCO 24/33470/2011-12 dated 28.04.2012.

NOTE :32 DEPRECIATION AND AMORTIZATION EXPENSES (NET)

(Rs. In Lakhs)

Sl. No	Particulars	Account Code	For the Year 2011-12		For the Year 2010-11	
32.1	Depreciation on Fixed Assets					
32.1.1	Depreciation on Lease hold Assets	77.110	0.37		0.37	
32.1.2	Depreciation on Buildings	77.120	72.62		64.71	
32.1.3	Depreciation on Hydraulic Works	77.130	9.40		9.12	
32.1.4	Depreciation on Civil Works	77.140	1.14		0.90	
32.1.5	Depreciation on Plant and Machinery	77.150	1015.29		854.06	
32.1.6	Depreciation on lines, cable, network etc.,	77.160	4756.26		4153.83	
32.1.7	Depreciation on Vehicles	77.170	5.07		2.18	
32.1.8	Depreciation on furniture, fixtures	77.180	11.52		10.05	
32.1.9	Depreciation on Office equipments	77.190	2.59		3.76	
	Total			5874.26		5098.98
32.1.10	Add : Depreciation under provided in previous years.	83.600	292.35		31.57	
32.1.11	Less : Excess provision for Depreciation in prior periods	65.600	49.96		51.19	
	Depreciation on Fixed Assets			6116.65		5079.36
32.2	Depreciation on Released Assets					
32.2.1	Depreciation on Released Good Asset- Plant and Machinery	77.151	12.73		12.82	
32.2.2	Depreciation on Released Good Asset - lines. Cable, network etc	77.161	1.59		1.44	
	Sub-Total			14.32		14.26
	Depreciation (Net)			6130.97		5093.62

NOTE : 33 OTHER EXPENSES

(Rs. In Lakhs)

Sl. No	Particulars	Account Code	For the Year 2011-12		For the Year 2010-11	
33.1	Repairs					
33.1.1	Buildings	74.200	29.69		48.29	
33.1.2	Plant and Machinery	74.100	511.64		528.38	
33.1.3	Lines, Cable Net Work Etc.	74.500	741.01		753.70	
33.1.4	Civil Works	74.3	21.04		7.06	
33.1.5	Vehicles	74.6	20.29		18.54	
33.1.6	Furniture and Fixtures	74.7	0.66		1.12	
33.1.7	Office Equipments.	74.8	11.66		9.62	
	Sub-Total			1335.99		1366.71
33.2	Power and Fuel					
33.2.1	Electricity Charges	76.1580	102.64		86.92	
33.2.2	Fuel expenses for generators	76.161	0.99		0.23	
	Sub- Total			103.63		87.15
33.3	Rent					
33.3.1	Rent (including lease rentals)	76.1010	138.46		133.86	
	Sub- Total			138.46		133.86
33.4	Insurance					
33.4.1	Insurance on Fixed assets-11kv			0.00		0.00
33.5	Rates and Taxes excluding Taxes on Income	76.1020		18.61		7.76
33.6	Miscellaneous Expenses					
33.6.1	Payment to Auditors					
33.6.1.1	Payment to statutory Auditors	76.122				
33.6.1.1.1	As Auditor (Rs 110000 + Service Tax) = 123596/		1.24		1.33	
33.6.1.1.2	Taxation Matter (Rs 40000 + Service Tax) = 44944/		0.45		0.45	
33.6.1.1.3	Reimbursement of Expenses	76.133	0.16		0.17	
33.6.1.2	Payment to Cost Auditors					
33.6.1.2.1	As Auditor (Rs 50000 + Service Tax) = 56180/	76.122	0.56		0.55	

33.6.1.2.2	Taxation Matter			0.00		0.00
33.6.1.2.3	Reimbursement of Expenses			0.00		0.00
	Sub- Total Payment to Auditors			2.41		2.50
33.7	Other A&G Expenses					
33.7.1	Pagers cellular phones E-mail & other communication charges	76.111	1.83		2.42	
33.7.2	Telephone, Trunk call, Telegrams and Telex Charges-11kv	76.112	65.21		51.65	
33.7.3	Mobile Phone Charges	76.114	37.27		32.61	
33.7.4	Postage	76.113	18.11		14.97	
33.7.5	Revenue Receipts Stamps	76.115	0.01		0.00	
33.7.6	Legal Charges	76.121	19.81		12.32	
33.7.7	Consultancy charges	76.123	3.18		11.98	
33.7.8	Other Professional charges	76.125	0.28		0.30	
33.7.9	Remuneration to Contract Agencies for opening & maintenance of ledger Accounts	76.126	480.33		537.58	
33.7.10	Remuneration Private Contractor engaged for shift and minor maintenance duties of stations/MUSS -33kv	76.127	66.21		63.66	
33.7.11	Remuneration paid Chartered Accountants for auditing cash & Revenue Accounts	76.128	6.83		6.92	
33.7.12	Remuneration paid Contract Agencies/ Services obtained	76.129	949.93		871.55	
33.7.13	Remuneration paid to Grama Vidhyuth Prathinidhis	76.130	85.29		45.42	
33.7.14	Conveyance expenses	76.131	0.24		0.41	
33.7.15	Travelling expenses	76.132	1.35		2.28	
33.7.16	Travelling allowance employees	76.133	283.95		303.88	
33.7.17	Travelling Allowance to Contract Employees	76.134	0.12		0.45	
33.7.18	Vehicle hiring expenses for vehicles hired to stations	76.135	127.77		112.79	

33.7.19	Vehicle running expenses other than store vehicles	76.136	88.56		81.33	
33.7.20	Vehicle hiring expenses	76.137	199.13		172.86	
33.7.21	Vehicle License, Registration fee and Taxes	76.138	9.23		13.23	
33.7.22	Shared expenses of MESCOM with KPTCL	76.140	0.50		5.53	
33.7.23	Shared expenses of MESCOM with PCKL	76.141	30.23		18.96	
33.7.24	Fees & Subscriptions	76.151	88.04		35.48	
33.7.25	Books, periodicals and diaries	76.152	1.30		1.17	
33.7.26	Printing & Stationery	76.153	57.63		60.77	
33.7.27	Factory License Fees	76.154	10.00		10.00	
33.7.28	Advertisement Expenses	76.155	39.24		37.49	
33.7.29	Computer stationery and floppies	76.156	4.34		4.09	
33.7.30	Contributions	76.157	13.00		7.98	
33.7.31	Statutory payments as per Company Act, 1956	76.159	2.04		93.27	
33.7.32	Water Charges	76.160	3.69		5.04	
33.7.33	Entertainment	76.162	0.09		0.05	
33.7.33	Secret service grant	76.164	0.60		0.60	
33.7.35	Miscellaneous expenses	76.190	65.16		73.50	
33.7.36	Consumer Relation/ Education	76.196	6.97		0.00	
33.7.37	Material related expenses	76.2	43.47		33.74	
	Sub- Total			2810.94		2726.28
	Sub - Total A&G Expenses			3074.06		2957.55
33.8	Other Debits					
33.8.1	Asset Decommissioning Costs	77.500	7.11		8.26	
33.8.2	Small & Low value items Written off	77.610	7.19		7.08	
33.8.3	Losses relating to Fixed Assets	77.700	60.71		61.94	
33.8.4	Bad & Doubtful Debts Written off / provided for	79.4	239.62		78.98	
33.8.5	Miscellaneous losses and Write offs	79.5	43.03		70.42	
	Sub Total			357.66		226.68

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	1.97		142.61
33.9.3	Employee costs relating to previous years	83.500	29.28		193.40
33.9.4	Interest and other Finance charges relating to previous years	83.700	0.18		7.03
33.9.5	Short Provision for Income tax - previous years	83.810	0.00		27.90
33.9.6	Administrative Expenses - previous years.	83.820	0.50		12.80
33.9.7	Materials related expenses - previous years.	83.840	0.00		4.09
33.9.8	Other Expenses relating to prior periods	83.850	18.26		69.20
33.9.9	Prior Period Expenses relating to purchase of power	83.860	762.61		481.43
	Sub-Total			812.80	938.46
	TOTAL			5580.50	5489.40

34 Disclosures required by Accounting Standards:

34.2 Segment Reporting:

34.2.1 Business Segment:

34.2.1.1 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’.

34.2.2 Secondary Segment:

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

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

34.3.1 In view of the 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:

34.3.2 Managerial Remuneration paid / payable for the financial year 2011-12 to the directors are as follows:

Particulars	Rs. in Lakhs	
	Current Year 2011-12	Previous Year 2010-11
WHOLE TIME DIRECTORS:		
Salary and Allowances	24.84	16.45
Ex-gratia	0.06	0.06
Medical Expenses	0.01	0.86
Travelling Expenses	1.85	2.68
PART TIME DIRECTORS		
Travelling Expenses	0.17	0.54
Sitting Fees	0.19	0.20
TOTAL	27.12	20.79

34.4 Earnings Per Share

Particulars	2011-12	2010-11
Profit after tax as per Accounts (For Basic and Diluted Earnings Per Share) – (A) (Rs. in Lakhs)	641.19	170.10
Weighted Average number of shares outstanding during the year for Basic and Diluted EPS – (B)	159110750	157339931
Basic and Diluted Earnings per Share (A/B) (in Rs.)	0.40	0.12

34.5 Taxation:

34.5.1 Current Taxation:

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

34.5.2 Deferred Taxation:

34.5.2.1 The Company has not recognized Deferred Tax Asset / Deferred Tax Liabilities since there is no such requirement under ESAAR, 1985.

34.6 Estimated amount of capital works remaining to be executed as on 31.03.2012 in respect of Projects amounts to Rs. 11450.12 Lakhs.

- 34.7 The details of amount outstanding to Small and Medium Enterprises based on available information with the Company is as under:

Rs. in Lakhs		
Particulars	As at 31st March 2012	As at 31st March 2011
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	-	-

35 Others:

- 35.1 The details of energy purchase, sale of energy and distribution losses during the year 2011-12 are as follows:

Particulars	Units	For the year 2011-12	For the year 2010-11
Energy at MESCOM's interface point	Mus	4154.38*	3600.09
Total Sales	Mus	3652.17**	3170.90
Distribution Loss	Mus	502.21	429.19
Distribution Loss	%	12.09	11.92

(*includes wheeled energy of 81.96 Mus ; (**)include wheeled energy of 81.96 Mus & Un billed energy of 47.63 Mus

Increase in the Distribution loss for FY 2011-12 compared to FY 2010-11 is because of change in the method of computation of T&D Loss. For FY 2011-12 the T&D Loss is being calculated considering the sales of same month DCB whereas, earlier to this, sales of next month DCB were considered. The distribution loss for FY 2010-11 in the changed method would be 12.99%. The open excess consumption of M/s. VISL Bhadravathi is increased from 6.34 MU in FY 11 to 63.21 MU in FY 12. The increase of 220 MW of connected load is not matched with the similar addition of new sub-stations.

- 35.2 Considering the financial implications involved, insurance of fixed assets or current assets is not done as it is not economical.
- 35.3 Transferring the name in the title deeds of properties transferred from KPTCL is under progress.

36 Contingent Liabilities:

36.1 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 remitted to PF Office Mangalore for hearing once again. The Company is hopeful of a positive outcome on the said issue. No provision has been made in the accounts for the disputed demand.

36.2 The appeal No. ITA/1118/Bang/09 AY 2006-07 preferred by MESCOM against the order CIT(A) Mangalore in respect of disallowance of 80 IA claim of MESCOM relating to AY 2006-07 is pending before Hon'ble ITAT Bangalore. The Hon'ble ITAT has taken up the issue for hearing in FY 12. The demand raised in respect of above issue on the disallowance of appeal of CIT(A) was paid. However the AO has reopened the assessment under section 148 and made additional demand of Rs. 1,92,33,759/- . Out of this an amount of Rs. 96,16,880/- was paid on 08.05.2012 and stay is subsisting for the remaining 50% of the demand.

The company is hopeful of a positive outcome on the Appeal.

36.3 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.

36.4 The table given below indicates the number of pending cases before various authorities and courts as on 31.03.2012 and corresponding amount involved in it.

Particulars	No. of pending cases	Amount involved in lakh Rupees.
Revenue	36	313.18
Labour	41	15.72
Miscellaneous	214	206.80
Total	291	535.70

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

- 36.5 M/s. UPCL, a major IPP with an installed capacity of one unit of 600 MW was Commissioned on 11.11.2010. The generator is claiming tariff at GoK approved tariff of Rs. 3.127/Kwh, on the total energy including Auxiliary consumption and deemed generation (D.G), whereas, MESCOM is admitting bills for the energy exported-import energy at 8.33% of Karnataka Share of 90% as per clause 2(b) of PPA dated 26.12.2005 at the tariff rate of 3.127/Kwh. The Deemed Generation charges are admitted limiting the charges to capacity charges only. As the energy generated by M/s. UPCL is supplied not only to Karnataka but also to other State/s as such the tariff has to be determined by CERC. M/s UPCL has filed the tariff petition on 14.12.2011 before CERC and the same is pending for disposal.
- 36.6 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.
- 37 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.
- 38 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.
- 39 Balance with KPTCL and Other ESCOM's are subject to confirmation and reconciliation.
- 40 The previous figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation.
- 41 The companies Accounts that are approved by the Board on 24.07.2012 have been revised in the light of observations made by the Comptroller and Auditor General of India. The said revision has resulted in decrease in share capital by Rs. 0.03 lakhs, increase in share deposit by Rs. 0.03 lakhs, increase in reserves & surplus by Rs. 100.54 lakhs, increase in long term liabilities by Rs. 4.18 lakhs, decrease in short term liabilities by Rs. 4.18 lakhs, decrease in trade payables by Rs. 36.17 lakhs, decrease in other current liabilities by Rs. 468.03 lakhs, tangible assets have been increased by Rs. 74.14 lakhs, other non current assets decreased by Rs. 25.15 lakhs, trade receivables decreased by Rs. 23.05 lakhs, other current assets decreased by Rs. 429.60 lakhs and total assets and liabilities are decreased by Rs. 403.66 lakhs.

(K. JAYARAMA ALVA)
Financial Advisor

(H. NAGESH)
Director (Tech)

(VIJAYANARASIMHA)
Managing Director

In terms of our Report of even date
for GANESH & SUDHIR
Chartered Accountants
Firm Reg. No: 000866 S

Place : Mangalore

GIRIDHAR KAMATH

Date :

Partner

Membership No. 203199

