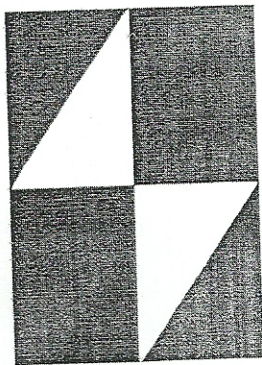


MEGHALAYA POWER DISTRIBUTION
CORPORATION LIMITED

SHILLONG



LIGHTING UP YOUR LIFE

Me PDCL

STATEMENT OF ACCOUNTS

2013-2014

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
BALANCE SHEET AS AT 31st MARCH 2014

Particulars		Note No.	As At 31st March 2014	As At 31st March 2013
I.	EQUITY AND LIABILITIES			
(1)	Shareholders' funds	2	5,00,000	5,00,000
(a)	Share capital	3	(6,61,63,49,648)	(3,88,67,41,201)
(b)	Reserves & surplus:		(6,61,58,49,648)	(3,88,62,41,201)
(2)	Equity Capital pending allotment	4	7,86,35,21,198	7,76,35,11,198
(3)	Non-current liabilities	5	68,68,71,830	1,24,80,88,310
(a)	Long-term borrowings	6	28,72,87,379	24,86,79,740
(b)	Other Long term liabilities		97,41,59,209	1,49,67,68,050
(4)	Current liabilities	7	97,98,78,092	1,06,02,93,784
(a)	Short-term borrowings	8	4,24,37,57,773	2,69,91,69,190
(b)	Trade payables	9	4,00,60,04,691	1,88,77,06,904
(c)	Other current liabilities	10	18,78,95,061	17,68,16,505
(d)	Short term provisions		9,41,75,35,617	5,82,39,86,383
	TOTAL		11,63,93,66,376	11,19,80,24,430
II.	ASSETS			
(1)	Non-current assets			
(a)	Fixed assets	11	1,56,33,89,635	1,68,85,48,738
(i)	Tangible assets	12	5,16,77,33,875	4,40,62,45,131
(ii)	Capital Work in Progress		6,73,11,23,510	6,09,47,93,869
(2)	Current assets	13	14,99,53,393	9,15,66,321
(a)	Inventories	14	4,28,80,90,738	4,59,76,95,373
(b)	Trade receivables	15	29,87,62,530	28,03,87,633
(c)	Cash & Bank Balances	16	2,33,21,961	1,94,97,837
(d)	Short-term loans and advances	17	14,81,14,244	11,40,83,397
(e)	Other current assets		4,90,82,42,866	5,10,32,30,561
	TOTAL		11,63,93,66,376	11,19,80,24,430
	Significant accounting policies	1		
	Notes to the financial statements	27		


The accompanying notes are an integral part of the financial statements


As per our report of even date attached

A Paul & Co
Chartered Accountants
(Firm Regn. No. 312060E)

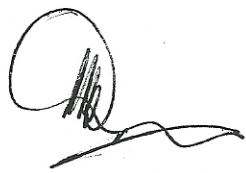

Ajit Paul
Proprietor
M.No: 050527

Place:- Shillong
Date:-


(G S Mukherjee)
Company Secretary


(A Bhagotia)
Director (Finance)

For and on behalf of the board


(P B O Warjri)
Chairman-cum-Managing Director

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2014

Particulars		Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
I.	Revenue			
(a)	Revenue from operations	18	5,65,14,96,596	5,57,43,52,092
	Less:- Electricity Duty :		4,01,63,109	3,87,37,389
			5,61,13,33,487	5,53,56,14,703
(b)	Other income	19	13,37,195	1,25,763
	Total Revenue		5,61,26,70,682	5,53,57,40,466
II.	Expenses:			
(a)	Power Purchase Cost	20	5,69,94,70,467	5,19,50,92,474
(b)	Employee benefits expense	21	93,26,08,129	1,07,54,29,332
(c)	Finance costs	22	35,68,44,075	33,56,03,363
(d)	Depreciation & Amortisation expenses	23	11,49,99,632	8,11,30,464
(e)	Other expenses	24	10,86,41,998	11,32,80,709
(f)	Prior period items (net)	25	47,09,77,902	12,70,20,208
	Total Expenses		7,68,35,42,202	6,92,75,56,548
III.	Profit/(Loss) before exceptional and extraordinary items and tax (I-II)		(2,07,08,71,520)	(1,39,18,16,083)
V.	Exceptional items	26	88,06,42,736	82,21,50,546
VI.	Profit/(Loss) before extraordinary items and tax (III-IV)		(2,95,15,14,255)	(2,21,39,66,629)
VII.	Extraordinary items		-	-
VIII.	Profit/(loss) before tax (V-VI)		(2,95,15,14,255)	(2,21,39,66,629)
IX.	Tax expense			
(a)	Current Tax		-	-
(b)	Deferred Tax		-	-
X.	Profit/(loss) for the year (VII-VIII)		(2,95,15,14,255)	(2,21,39,66,629)
XI.	Basic and Diluted Earnings per equity share (Face value of Rs. 10/- each):		(59,030.29)	(44,279.33)
	Significant accounting policies	1		
	Notes to the financial statements	27		

accompanying notes are an integral part of the financial statements


our report of even date attached

A Paul & Co
Chartered Accountants
 (In Regn. No 312060E)


Ajit Paul
Proprietor

M.No: 050527

Shillong


(G S Mukherjee)
Company Secretary


(A Bhagotia)
Director (Finance)

For and on behalf of the board


(P B O Warjri)
Chairman-cum-Managing Director

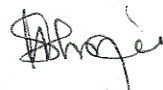
MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014


Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Statement of Profit & Loss	(2,95,15,14,255)	(2,21,39,66,629)
Adjustments for:		
Depreciation & Amortization	11,49,99,632	8,11,30,464
Interest Income	9,93,518	25,241
Finance Cost	35,68,44,075	33,56,03,363
Operating Profit before Working Capital Changes	(2,47,86,77,030)	(1,79,72,07,560)
Adjustments for increase/decrease in:		
Inventories	(5,83,87,071)	(9,15,66,321)
Trade receivables	30,96,04,635	(4,59,76,95,373)
Short term loans & advances	(38,24,124)	(2,03,40,211)
Other current asset	(3,40,30,847)	(85,44,87,265)
Other current liabilities	2,11,82,97,786	2,18,96,13,094
Trade payables	1,54,45,88,583	2,69,91,69,190
Short term provisions	1,10,78,557	17,68,16,505
Other long term liabilities	3,86,07,639	24,86,79,740
Cash generated from Operations	1,44,72,58,127	(2,04,70,18,203)
Taxes Paid	-	-
Net Cash generated from Operations	1,44,72,58,127	(2,04,70,18,203)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	(9,93,518)	(25,241)
Purchase of Fixed Assets & CWIP	(78,64,07,403)	(6,24,31,17,058)
Net Cash from Investing Activities	(78,74,00,921)	(6,24,31,42,299)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Consumer contributions	5,55,04,888	17,84,79,318
Grants & subsidies	20,14,79,050	67,54,74,197
Loss transferred under Transfer Scheme	-	(2,45,89,18,826)
Increase/Decrease in long term borrowings	(56,12,16,480)	1,68,73,11,988
Increase/Decrease in short term borrowings	(8,04,15,692)	1,06,02,93,623
Finance Cost	(35,68,44,075)	(33,56,03,363)
Equity Capital pending allotment	10,00,10,000	7,76,35,11,198
Net Cash from Financing Activities	(64,14,82,309)	8,57,05,48,135
Net Increase in Cash & Cash Equivalents (A+B+C)	1,83,74,898	28,03,87,633
Inter Company Payable/(Receivable)		
Opening balance of Cash and Cash Equivalents	28,03,87,633	-
Closing balance of Cash and Cash Equivalents:	29,87,62,530	28,03,87,633
consisting of:		
Cash in hand	1,82,44,779	78,66,735
Cash Imprests with Staff	49,91,283	42,08,801
Balance with bank in Current accounts	27,55,26,468	26,83,12,097
	29,87,62,530	28,03,87,633

As per our report of even date attached

A Paul & Co
Chartered Accountants
Firm Regn. No 312060E)


Ajit Paul
Proprietor
M.No: 050527


(G S Mukherjee)
Company Secretary


(A Bhagotia)
Director (Finance)


(P B O Warjri)
Chairman-cum-Managing Director

For and on behalf of the board

Office:- Shillong
Phone:-

Note 2 Share capital

Particulars	As At	As At
	31st March 2014	31st March 2013
(a) Authorised 20,00,00,000 (Previous year 20,00,00,000) Equity Shares of Rs.10 each	2,00,00,00,000	2,00,00,00,000
(b) Issued, subscribed and fully paid up 50,000 (Previous year 50,000) Equity Shares of Rs.10 each	5,00,000	5,00,000
Total	5,00,000	5,00,000

2.1 The Company has enhanced authorised capital from Rs.2,00,00,00,000/- to Rs.10,00,00,00,000/- on dated March 16, 2015.

2.2 The Company has only one class of equity shares, having a par value of Rs. 10 per share. Each shareholder is eligible to one vote per share held.

2.3 Reconciliation of the number of shares outstanding: -

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
	No. of shares	Amount	No. of shares	Amount
Equity Shares at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Add:- Shares issued during the year	-	-	-	-
Equity Shares at the end of the year	50,000	5,00,000	50,000	5,00,000

2.4 Details of shares held by the Holding Company:-

100% Shares are held by the holding company Meghalaya Energy Corporation Limited (MeECL) and its

2.5 Details of the shares held by each shareholder holding more than 5% shares:-

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
	No. of shares	% held	No. of shares	% held
Meghalaya Energy Corporation Limited (MeECL) and its nominees	50,000	100%	50,000	100%

Note 3 Equity Capital pending allotment

Particulars	Account Code No.	As At	As At
		31st March 2014	31st March 2013
Equity Capital pending allotment	54.5 (A)	7,86,35,21,198.03	7,76,35,11,198
Total		7,86,35,21,198	7,76,35,11,198

1 Equity capital pending allotment represents the amount of equity capital to be allotted to the MeECL in accordance with notification issued on dated April 29,2015 by Government of Meghalaya and subsequent transactions after that.

2 The 74,23,19,119.no. of Equity Shares have been issued to MeECL amounting to Rs.7,42,31,91,190/- on May 27, 2015 @10/- per share. For balance amount shares will be allotted on completion of due procedure.

Note 4 Reserves & surplus

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Grant & Subsidies	55.2 & 55.3		
Opening Balance		67,54,74,197	-
Add: Addition during the year		20,14,79,050	67,54,74,197
		87,69,53,247	67,54,74,197
Less: Accumulated Amortization	55.90	10,22,70,855	6,71,92,725
Closing Balance		77,46,82,392	60,82,81,472
Consumer Contribution	55.1		
Opening Balance		17,84,79,318	-
Add -Amount transferred as per Transfer Scheme			10,91,17,052
Add -Addition during the Year		5,55,04,888	6,93,62,266
Closing Balance		23,39,84,206	17,84,79,318
Capital Reserves	56.2 & 56.3		
Opening Balance		96,20,500	96,20,500
Add -Addition during the Year			-
Closing Balance		96,20,500	96,20,500
Surplus in Statement of Profit & Loss			
Opening Balance		-4,68,31,22,491	-1,02,37,036
Add -Amount transferred as per Transfer Scheme			-2,45,89,18,826
Add - Profit/(Loss) during the year as per Statement of Profit & Loss		-2,95,15,14,255	-2,21,39,66,629
Closing Balance		-7,63,46,36,746	-4,68,31,22,491
Total		-6,61,63,49,648	-3,88,67,41,201

Note 5 Long term borrowings

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Secured			
Term Loans			
(i) 13.75% Loan from State Bank of India (For Power Purchase; Monthly repayment in 3 Years with 18 months of moratorium from the date of disbursment with State Govt. Guarantee & Charge on moveable assets)	53.5	25,27,00,000	63,55,00,000
Sub Total (A)		25,27,00,000	63,55,00,000
Unsecured			
Term Loans			
(i) 12.75% Loan from Indian Overseas Bank (For Power Purchase; Monthly repayment in 3 Years with 18 months of moratorium from the date of disbursment with State Govt. Guarantee & Charge on moveable assets)	53.91(IOB)	41,66,66,000	50,00,00,000
(ii) 9% Loan from PFC (R-APDRP) (For R-APDRP Works)	53.912	10,19,40,000	10,19,40,000
(iii) 8% Loan from REC (Restructured) (Restructured Loan; Monthly repayment in 20 Years from 2002 with State Govt. Guarantee)	53.301	44,25,59,561	44,98,71,988
(iv) 9.3% Loan from State Government (Semi annual repayment in 10 Years with 2 years of moratorium from the date of disbursment.)	54.2	2,92,59,000	
Sub Total (B)		99,04,24,561	1,05,18,11,988
Less:- Current Maturities of Long Term Debts		55,62,52,731	43,92,23,678
Total (A+B-C)		68,68,71,830	1,24,80,88,310

Note 6 Other long term liabilities

Particulars	Account Code No.	As At	As At
		31st March 2014	31st March 2013
Deposit for Electrification, Service Connection etc.	47	28,32,95,213	24,46,85,875
Security Deposit from Consumers	48:1	39,92,166	39,93,865
Total		28,72,87,379	24,86,79,740

Note 7 Short term borrowings

Particulars	Account Code No.	As At	As At
		31st March 2014	31st March 2013
Secured (Against FDs of Holding Company)			
Repayable on demand/Bank Overdrafts from Banks			
Vijaya Bank	50.201	19,28,39,642	18,65,28,901
State Bank of India	50.202	78,70,38,450	87,37,64,883
Total		97,98,78,092	1,06,02,93,784

Note 8 Trade payables

Particulars	Account Code No.	As At	As At
		31st March 2014	31st March 2013
Liabilities for Purchase of Power	41.1 & 41.2	4,24,37,57,773	2,69,91,69,190
Total		4,24,37,57,773	2,69,91,69,190

8.1 Based on the information available with the company, there are no dues payable to an enterprise covered under the Micro, Small and Medium Enterprises Development Act, 2006.

Note 9 Other current liabilities

Particulars	Account Code No.	As At	As At
		31st March 2014	31st March 2013
Liabilities for O & M Supplies	43.1 to 43.6	1,24,15,326	50,89,265
Liabilities for Capital Supplies	42.1 to 42.6	16,82,76,627	-8,42,374
Deposit and Retention from Suppliers	46.1 & 28.930	4,66,91,555	1,45,15,651
Electricity & Other Duties Payable	46.3	13,03,22,331	9,01,73,395
Liabilities for Expenses	46.4	19,04,64,996	10,45,54,734
Other Liabilities	46.9 & 49	9,22,38,076	2,78,66,398
Service Tax Payable	46.Service Tax	40,64,170	40,63,493
Security Desposit from Franchisee	46.SD	2,95,408	-
Inter Unit transfers	30 to 38	-	-
Inter Company Payable	30-39 & 24.5-24.6	2,22,16,43,462	71,46,88,310
Repayment Due	51.1	-	-
Loan from REC	51.103	31,15,405	17,41,815
Loan from State Bank of India	51.109	10,07,06,193	6,38,00,000
Loan from IOB	51.112	4,16,67,000	-
Interest Accrued and due to	51.2	-	-
Vijay Bank	51.201	2,52,44,749	-
REC (Reschedulement)	51.202	38,10,51,158	37,12,85,105
State Government	51.206	13,48,179	-
REC	51.208	91,74,600	-
SBI	51.210	(1,64,91,464)	1,45,39,613
Indian Overseas Bank	51.215	1,73,76,375	1,68,60,009
PFC (R-APDRP)	51.216	2,01,47,813	2,01,47,813
Current Maturities of Long Term Debts			
SBI		35,07,22,749	34,85,77,251
IOB		19,44,46,000	8,33,34,000
REC (Reschedulement)		1,10,83,982	73,12,427
Total		4,00,60,04,691	1,88,77,06,904

Note 10 Short term provisions

Particulars	Account Code No.	As At	As At
		31st March 2014	31st March 2013
Staff related liabilities & provisions	44.1 to 44.6	18,78,95,061	17,68,16,505
Total		18,78,95,061	17,68,16,505

HALAYA POWER DISTRIBUTION CORPORATION LIMITED
STATEMENT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014
Fixed Assets

Asset Group	Accounts Code	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
		As at 31.03.2013	Addition during the year	Deduction during the year	As at 31.03.2014	As at 31.03.2013	Depreciation for the year	Adjustment or Deduction	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014
Land and land rights	10.1	22,28,377	17,17,402	-	39,45,779	-	-	-	22,28,377	39,45,779	
Buildings	10.2	4,38,75,519	-	-	4,38,75,519	1,77,61,519	14,38,017	-	1,85,99,536	2,67,14,000	2,52,75,988
Public Works	10.3	63,940	-	-	63,940	47,470	3,376	-	50,846	16,470	13,098
Civil Works	10.4	2,33,57,687	-	-	2,33,57,687	53,06,020	7,80,117	-	60,86,137	1,80,51,667	1,72,71,558
Plant and Machinery	10.5	36,14,08,538	9,885	-	36,14,18,423	13,39,44,840	1,66,41,009	-	15,05,85,848	22,74,63,698	21,08,32,117
Transmission and Cable Network	10.6	2,76,04,82,058	2,29,97,970	-	2,78,34,80,029	1,35,89,62,824	12,99,08,767	(4,05,127)	1,48,92,76,717	1,40,15,19,235	1,29,42,03,311
Tools and Equipment	10.7	33,87,756	-	-	33,87,756	30,48,971	-	-	30,48,971	3,38,785	3,38,785
Furniture and Fixtures	10.8	88,35,902	1,15,212	-	89,51,114	54,03,399	4,01,692	-	58,05,091	34,32,503	31,46,097
Office Equipment	10.9	1,47,70,924	4,83,316	-	1,52,54,240	59,86,921	9,04,785	-	68,91,706	87,84,002	83,67,111
Intangible Assets		3,21,84,10,702	2,53,23,785	-	3,24,37,34,487	1,52,98,61,964	15,00,77,782	(4,05,127)	1,68,03,44,852	1,68,85,48,738	1,56,33,40,611
PREVIOUS YEAR		2,29,61,15,032	92,22,95,670	-	3,21,84,10,702	1,32,95,49,572	14,83,23,189	5,19,89,204	1,52,98,61,964	96,65,65,460	1,68,86,44,174

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

Note 12 Capital work in progress

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Capital Work-in-progress	14	5,03,86,34,930	4,28,11,75,476
Advance to Suppliers	25.1 to 25.9	12,90,98,945	12,50,69,655
Total		5,16,77,33,875	4,40,62,45,131

Note 13 Inventories

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Materials Stock	22	14,99,53,393	9,15,66,321
Total		14,99,53,393	9,15,66,321

Note 14 Trade Receivables

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
<u>Outstanding for a period less than six months from the date they are due for payment</u>			
Secured, Considered Good (Secured against security deposit)		39,92,166	39,93,865
Unsecured, Considered Good		2,82,57,48,298	2,78,31,82,181
Sub-Total		2,82,97,40,464	2,78,71,76,046
<u>Outstanding for a period exceeding six months from the date they are due for payment</u>			
Unsecured Considered Good		1,45,83,50,275	1,81,05,19,327
Unsecured Considered Doubtful		14,34,53,696	16,45,06,689
Provision for Doubtful dues from Consumers	23.9	14,34,53,696	16,45,06,689
Total		4,28,80,90,738	4,59,76,95,373

Note 15 Cash & Bank Balances

Particulars	Account Code No.	As At 31st March 2014	As At 31st March 2013
Cash & Cash Equivalents			
Cash	24.1	1,82,44,779	78,66,735
Cash Imprests with Staff	24.2	49,91,283	42,08,801
Balance with Banks			
Current Accounts	24.3, 24.4 & 24.7	27,55,26,468	26,83,12,097
Total (A)		29,87,62,530	28,03,87,633
Other Bank Balances			
Bank FDs	20.2	-	-
Total (B)		-	-
Total (A+B)		29,87,62,530	28,03,87,633

MI GHAI AYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014
 Note 16 Short term loans & advances

Particulars	Account Code No.	As At	
		31st March 2014	31st March 2013
Unsecured, considered good			
Advances for O & M Supplies/Works	26.1 to 26.7	48,86,736	57,60,736
Loans and Advances to Staff	27.1 to 27.2	1,84,14,935	1,37,07,908
Others	27.8	20,289	29,192
Total		2,33,21,961	1,94,97,837

Note 17 Other current assets

Particulars	Account Code No.	As At	
		31st March 2014	31st March 2013
Other Sundry Debtors	28.1	10,240	10,240
Interest accrued and due	28.3	49,73,276	49,73,276
Recoveries from Ex-employees	28.4	1,06,33,179	74,13,915
Other claims and Receivables	28.6 to 28.8 (Excl.28.89) & 50.2	13,24,97,549	10,16,85,965
Total		14,81,14,244	11,40,83,397

Note 18 Revenue from operations

Particulars	Account Code No.	For the year ended	
		31st March 2014	31st March 2013
Revenue from sale of power			
Inter State sale of power to Assam	61.101	9,20,18,175	8,28,05,247
Local sale others			
Domestic & Residential	61.110-122	39,13,49,712	25,34,10,370
Commercial	61.201-219	1,22,08,13,634	1,01,97,41,304
Industrial Medium & Low Voltage	61.221-236	46,79,10,425	40,25,34,492
Industrial High & Extra High Voltage	61.241-253	2,91,85,588	2,78,15,919
Street Lighting	61.261-273	2,09,95,73,411	2,15,66,54,861
Irrigation & Agriculture	61.281-293	1,99,10,812	1,14,67,744
Municipal Water Works	61.301-313	2,52,501	8,68,209
Water Supply to others	61.321-333	18,39,21,040	17,16,35,418
Public & General Purpose	61.341-372	37,12,94,898	32,71,78,637
Instruction Project H.T	61.381-399	91,09,241	63,65,219
Electricity Duty Recovery	61.4 & 61.219	-	44,78,848
	61.501-510	4,01,63,109	3,87,37,389
Total (I)		4,92,55,02,546	4,50,36,93,657
Other Operating Income			
Water Rent	61.6	1,87,00,052	1,58,96,770
Recoveries from thefts of power and malpractices	61.7	-	24,710
Penalty Charges Recoveries	61.8	-	20,48,39,494
Unpaid Charges from consumers	61.9	14,59,36,170	9,78,91,585
Unpaid payment charges from consumers	62.25	41,56,78,829	64,83,52,875
Total (II)		58,03,15,051	96,70,05,435
Revenue Subsidies & Grants			
Subsidy	63.11	14,56,79,000	10,36,53,000
Total (III)		14,56,79,000	10,36,53,000
Revenue from operations (Gross)		5,65,14,96,596	5,57,43,52,092
Electricity Duty	61.54	4,01,63,109	3,87,37,389
Revenue from operations (Net)		5,61,13,33,487	5,53,56,14,703

Note 19 Other Income

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Interest income comprises:			
Interest on loans and advances	62.211-62.228	30,879	24,660
Interest from banks (Other than interest on fixed deposits)	62.270-62.273	10,916	581
Miscellaneous receipts	62.901-62.950	9,51,723	-
		9,93,518	25,241
Other Non operating Income:			
Discount Received	62.260-62.264	3,43,677	70,522
Income from Trading	62.321-62.360	-	30,000
		3,43,677	1,00,522
Total		13,37,195	1,25,763

Note 20 Power Purchase Cost

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Power Purchase Costs			
Power Purchased	70.1	4,63,33,54,870	4,41,59,68,912
Wheeling Charges	70.4	1,06,12,00,382	77,19,54,562
Commitment Charges	70.6	-	71,69,000
Open Access Charges	70.5	49,15,215	-
Total		5,69,94,70,467	5,19,50,92,474

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

Note 21 Employee benefit expense

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Salaries and wages	75.1 to 75.6 & 75.XXX	76,83,80,767	87,75,42,732
Contributions to provident and other funds	75.8	16,39,99,946	30,83,29,209
Staff welfare expenses	75.7	2,27,416	6,35,562
Loss Capitalised to CWIP	75.9	93,26,08,129	1,18,65,07,502
Total		93,26,08,129	1,07,54,29,332

Note 22 Finance costs

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Interest Expense on borrowings	78.1, 2 & 5	34,42,15,023	29,96,55,608
Cost of raising finance	78.851-869	5,62,250	19,56,972
Other charges	78.881-889	1,20,66,801	3,39,90,783
Total		35,68,44,075	33,56,03,363

Note 23 Depreciation & Amortisation Expenses

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Depreciation	77.1	15,00,77,762	14,83,23,189
Transferred from Reserve/Amortisation of grant		3,50,78,130	6,71,92,725
Total		11,49,99,632	8,11,30,464

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

Note 24 Other expenses

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Repairs and maintenance of Assets			
Buildings	74.2	35,74,474	74,65,686
Plant & Machinery	74.1	42,39,779	1,28,99,591
Hydraulics Work	74.3	-	82,977
Civil Works	74.4	32,66,588	24,97,617
Towers & Cables	74.5	3,12,35,538	3,54,91,864
Vehicles	74.6	19,52,702	22,65,076
Furniture & Fixture	74.7	5,76,933	6,08,815
Office equipment	74.8	23,79,588	11,27,696
		4,72,25,601	6,24,39,322
Administration & General Expenses			
Insurance	76.104-76.107	2,86,651	3,05,138
Rent Rates and Taxes	76.101-76.103	3,42,276	2,65,533
Program, Postage, Telegraph and Telex charges	76.110-76.113	10,22,584	9,20,167
Travelling and conveyance	76.131-76.139	4,43,95,229	3,59,89,808
Printing and stationery	76.153	30,75,687	31,97,211
Payments to auditors	76.122	8,43,034	7,28,090
Consultancy Charges	76.123	44,84,630	2,24,943
Arbitration fees	76.124	17,605	9,370
Books & Periodicals	76.152	57,115	37,633
Fees & Subscription	76.151	1,670	2,69,786
Advertisement	76.155	2,12,680	1,35,130
Electricity Charges	76.158	6,08,775	-
Legal and professional	76.121 & 125	1,34,942	43,96,084
SEZHC Fees	76.129	12,17,000	-
Water Charges	76.16	67,324	68,860
Entertainment	76.162	-	17,029
Debt Purchase Related Expenses	76.164, 76.165 & 76.166 & 76.230-	-	-
Reliance expenses	76.290	43,99,091	40,10,375
Retirement & Decommission Expenses	76.19	2,44,490	2,66,230
	77.5	5,614	-
		6,14,16,397	5,08,41,387
		10,86,41,998	11,32,80,709

Note 25 Prior period items (net)

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Interest			
Cost of Power	83.1	47,28,78,234	12,48,86,636
Employee costs	83.5	3,84,221	88,57,704
Provision under provided in previous year	83.6	4,05,127	5,19,89,204
Interest & Other Finance Charges	83.7	-	17,54,101
Administrative Expenses	83.82	-	5,61,780
	83.810, 83.840 & 83.85	-	22,66,998
		47,36,67,582	19,03,16,423
Interest			
Recovery from consumers	65.2	-	11,44,121
Provision for interest & other finance charges	65.7	-	5,80,45,972
Interest provision	65.6, 65.8 & 65.9	26,89,680	41,06,122
		26,89,680	6,32,96,215
		47,09,77,902	12,70,20,208

Note 26 Exceptional Items

Particulars	Account Code No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Losses and other misc. written off	79	88,06,42,736	82,21,50,546
		88,06,42,736	82,21,50,546

MEGHALAYA POWER DISTRIBUTION CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

7. ADDITIONAL DISCLOSURES

7.1 Meghalaya Power Distribution Corporation Limited (MePDCL) was incorporated under the Companies Act, 1956 on 18.12.2009. The company was entitled to commence business according to the Certificate for Commencement of Business issued by the Registrar of Company, Meghalaya w.e.f. 17.03.2010. The authorized share capital of the company is Rs.200 Crores divided into 20 Crores nos. of Equity Shares of Rs. 10 (Rupees Ten) only each. The Company is a Government Company within the meaning of Section 617 of The Companies Act, 1956 and entire Share Capital is held by the Meghalaya Energy Corporation Ltd. except shares allotted to the Signatories of the Memorandum of Association of the company.

2 At the time of formation of the Company 50,000 (Fifty Thousand) nos. of Equity share of Rs.10/- each was allotted to various persons being the signatories of the Memorandum of Association of the company. However, the beneficial interest for all the shares are lying with MeECL. The names of the shareholders are available in the Memorandum and Article of Association issued by the Company.

3 In exercise of the power conferred under Section 131 of the Electricity Act, 2003 the Govt. of Meghalaya unbundled the Meghalaya State Electricity Board (MeSEB) into four companies i.e. Meghalaya Energy Corporation Limited (MeECL), the holding company, Meghalaya Power Distribution Corporation Limited (MePDCL), the distribution utility, Meghalaya Power Generation Corporation Limited (MePGCL), the generation utility, Meghalaya Power Transmission Corporation Limited (MePTCL), the transmission utility vide "The Meghalaya Power Sector Reforms Transfer Scheme, 2010" notified by the Meghalaya State Govt. vide Notification No. Power-79/2009/290 dated 31.03.2010. Subsequently through an amendment in the Transfer Scheme, the State Government transferred all the assets and liabilities of MeSEB to the holding company only and subsidiaries namely generation utility, transmission utility and distribution utility were made operational w.e.f. April 01, 2012 after re-vesting of assets and liabilities by holding company as per notification no. Power-79/2009/Pt-1/422 dated April 29, 2012.

The company is in the process of getting its name incorporated in the various assets and liabilities transferred to it from the holding company as per the provisions of "The Meghalaya Power Sector Reforms Transfer Scheme, 2010" on which the name of the holding company is still appearing for example: current accounts, loans etc. The charge/mortgage created against the

assets of the company as securities in respect of various loans taken by the erstwhile MeSEB and/or MeECT, which are subsequently transferred to the company as on 1st April, 2012 pursuant to the Transfer Scheme notified by the State Government continue to be valid and binding on the company.

17.5 **Details of government grants**

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Government grants and subsidies received by the Company during the year towards	34,71,58,050	77,91,27,197/-
Grant & Subsidies (recognized under Reserves & Surplus)	20,14,79,050	67,54,74,197*
Grant & Subsidies (recognized under Revenue)	14,56,79,000	10,36,53,000/-

Note: * represents grants received as per notification dated April 29, 2015 issued under "The Meghalaya Power Sector Reforms Transfer Scheme, 2010"

16 **Capital work in Progress**

Particulars	As on 31.03.2014	As on 31.03.2013
Capital expenditure work in progress	5,16,77,45,898	440,62,45,131
Others	NIL	NIL

17 **Details of borrowing costs capitalised**

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Borrowing costs capitalised during the year	NIL	NIL
As fixed assets / intangible assets / capital work-in-progress	NIL	NIL
As inventory	NIL	NIL

Related party transactions

Details of related parties

Description of relationship	Names of related parties
Holding Company	1. Meghalaya Energy Corporation Ltd.
Fellow Subsidiaries	1. Meghalaya Power Generation Corporation Ltd.
	2. Meghalaya Power Transmission Corporation Ltd.
Key Management Personnel	1. Mr. W.M.S. Pariat, IAS, Chairman-cum-Managing Director

(KMP)	<i>(Up to February 26, 2014)</i>
	2. Mr. P.B.O. Watjri, IAS, Chairman-cum-Managing Director <i>(With effective from February 26, 2014)</i>
	3. Mr. D.P. Wahlang, IAS, Director (Finance) <i>(Up to February 28, 2014)</i>
	4. Mr. Pankaj Jain, IAS, Director (Finance) <i>(With effective from February 28, 2014)</i>
	5. Mr. M. Kharmujai, IAS, Director (Corporate Affairs) <i>(Up to February 28, 2014)</i>
	6. Mr. Abhishek Bhagotia, IAS, Director (Corporate Affairs) <i>(With effective from February 28, 2014)</i>
	7. Mr. B.K. Dev Varma, IAS, Director
	8. Mr. P. Lyngdoh, Director (Distribution) <i>(Up to August 31, 2013)</i>
	9. Mr. C. Kharkrang, Director (Distribution) <i>(With effective from September 07, 2013)</i>

Key Management Personnel- Salary & Benefits

1. Mr. P. Lyngdoh, Director (Distribution): Rs.4,91,249/- (Gross)
(For the period April 01, 2013 to August 31, 2013)
2. Mr. C. Kharkrang, Director (Distribution): Rs.6,48,927/- (Gross)
(For the period September 07, 2013 to March 31, 2014)

There are no transaction during the year with any related party required to be reported other than transactions between state-controlled enterprises as such as per Para 9 of Accounting Standard-18, the disclosures are not required.

Earnings per share

EPS has been calculated as under:

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Net profit / (loss) for the year	(2,95,15,14,255)	(2,21,39,66629)
Number of equity shares	50,000	50,000
Value per share	10	10
Earnings per share – Basic	(59,030.29)	(44,279.33)
Earnings per share – Diluted	(59,030.29)	(44,279.33)

Company has not discontinued any operation during the financial year.

Company does not have any preference shares, outstanding warrants, stock options, share warrants and convertible bonds for the financial year causing any dilution effect.

Equity Capital pending allotment is resulting into anti-dilutive EPS and therefore has not been considered for calculation of EPS.

17.10 Contingent Liabilities

Income Tax Assessments from the Assessment Year 2010-11 to 2012-13 have been made by the Income Tax Authority and no demand has been raised. Assessment for the AY 2013-14 and AY 2014-15 is pending.

MeECL is representing all court cases related to MePDCL on its behalf, although recognition of any liability due to any unfavorable order/judgment would be passed on company.

There are 30 no. of cases are pending at various form of courts in matter related to Electricity Supply, Load Security Adjustment, Disconnection under non-payment of outstanding electricity bills, Transformer damage, Disconnection of power supply, Land dispute and compensation, Payment of cross subsidy charge etc..

The amount has been estimated at Rs.2,41,17,902/- in 8 matter and rest and for rest cases amount could not be ascertained.

17.11 Exceptional items

Company has made provision of expenses of Rs.77,67,31,185/- under Bad Debts and other misc. written off for excess energy billed in FY 2008-09 & FY 2009-10 due to verdict announced by Hon'ble Supreme Court of India on August 28, 2012 for Civil Appeal Nos.1237-1238 of 2011 for Byrnihat Industries Association V/s Meghalaya State Electricity Regulatory Commission and ANR.

17.12 Payment to auditors: -

The following provisions have been made in the books w.r.t. to Auditors' Fees:

Particulars	As on 31.03.2014	As on 31.03.2013
Statutory Audit	5,70,000	5,00,000
Tax Audit	28,090	28,090
AG Audit	2,00,000	2,00,000
Cost Audit	74,047	NIL

17.13 Terminal Benefits

In terms of "The Meghalaya Government Power Sector Reforms Transfer Scheme 2010." the company has all its employees on deputation from MeECL. The expenses arising relating to terminal benefits of employees comprising of provident fund, pension, CPS gratuity, leave encashment etc. during the financial year has been taken into consideration on the basis of

allocation given by the holding company and the same has been paid/adjusted.

27.14 Net deferred tax (liability) / asset

Applying the principles of AS 22, on Accounting for taxes on income, Deferred tax asset has emerged on account of unabsorbed depreciation and brought forward business losses, however in absence of reasonable and virtual certainty to earn future profits sufficient to set off such assets, the same has not been recognized in the accounts.

27.15 Segment Reporting

As the company deals in a single business and operates under the same economic environment and is not subject to different risks and returns, segment information as per AS - 17 is not required to be disclosed.

27.16 The figures mentioned in financial statements are in confirmation with the books of accounts and are subject to confirmation and reconciliation, if any. In this regard, Note 14 of the financial statement, i.e., Unsecured, Considered Good Debtors comprises of the following:

Sl No.	Accounting Code	As on 31.03.2014	As on 31.03.2013
1	23.1 Sundry Debtors from Sale of Power	2,18,92,66,835	2,61,76,44,255
2	23.2 Electricity Duty Receivable	8,81,19,656	8,15,79,279
3	23.601 (B) Inter State Assam	98,99,223	1,53,34,803
4	23.602 Inter State Mizoram	13,68,746	13,68,746
5	23.606 to 23.617 UI	41,62,65,618	42,09,65,194
6	23.7 Miscellaneous	1,72,66,24,355	1,62,53,09,784
	Sub-Total		4,76,22,02,062
7	Less: Provision for doubtful dues	14,34,53,696	16,45,06,689
	Total	4,28,80,90,738	4,59,76,95,373


27.17 Balances of Trade Payables, Other Current Liabilities, Loans & Advances, IUTs are as per the books of accounts of the company and are subject to confirmation and reconciliation.

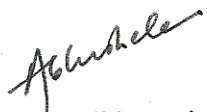
27.18 Foreign Currency Transactions


Particulars	As on 31.03.2014	As on 31.03.2013
Value of imports on CIF basis	Nil	Nil
Earnings in Foreign Currency	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil

- 27.19 There is no non-cancellable Lease as such, disclosure as per AS-19 is not required.
- 27.20 During the year, some of the accounting policies have been added / reworded / redrafted / modified for better presentation and to bring them in line with accounting standards.
- 27.21 The figures mentioned in financial statements are in confirmation with the books of accounts and are subject to confirmation and reconciliation, if any.
- 27.22 Amounts stated in the financial statements are in Indian Rupees and have been rounded off to the nearest rupees.
- 27.23 Previous year's figures have been regrouped, recast and rearranged wherever possible and necessary to correspond with the current year's classification.

For and on behalf of the board


(G S Mukherjee)
Company Secretary


(A Bhagotia)
Director (Finance)


(P B O Warjri)
Chairman-cum-Managing Director

As per our report of even date attached

For A Paul & Co.
Chartered Accountants
(Firm Regn. No. 312060E)



Place:- Shillong
Date:-

MEGHALAYA POWER DISTRIBUTION CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING POLICIES: -

The financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting principles and in accordance with the provisions of the Companies Act, 1956. However where there is a deviation from the provisions of the Companies Act, 1956 in preparation of these accounts, the corresponding provisions of The Electricity Act 2003 have been adopted.

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- a) The Company is a Public Limited company registered under the Provisions of the Companies Act, 1956 and has applied provisions of the said Act for the preparation of its Financial Statements, unless otherwise stated. The Financial Statements are prepared and presented under the historical cost convention on accrual basis of accounting as going concern, in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards referred to in subsection (3C) of section 211 of the companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. Accounting Policies have been followed consistently except stated specifically.
- b) The material known liabilities are provided for on the basis of available information estimates unless otherwise stated.

1.2 USE OF ESTIMATES

The presentation of Financial Statements requires certain estimates and assumptions. These estimates and assumption affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

1.3 FIXED ASSETS

- a) Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. The Fixed Assets of transferred undertaking of erstwhile Meghalaya State Electricity Board are stated as specified in notification No.POWER-

79/2009/290 dated 31st March 2010 issued by the Government of Meghalaya notifying "The Meghalaya Power Sector Reforms Transfer Scheme 2010." as amended.

- b) In case of Fixed Assets for New Projects/ extensions/ renovation and modernization, the related expenses and interest cost up to the date of commissioning, attributable to such projects/ expansions/ renovation and modernization are capitalised.

1.4 CAPITAL WORK IN PROGRESS (CWIP)

- a) Cost of material consumed, erection charges and the incidental expenses incurred for the project/asset, pending for capitalization are shown as Capital Work in Progress till the capitalization of asset/project.
- b) In case of Capital Work in Progress for work against Deposits/ Work contract where the final settlement of bills with contractor is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.
- c) Claim for price variation/ exchange rate variation in case of capital contracts are accounted for an acceptance thereof by the Company.
- d) The cost incurred and revenue generated during the Trial Run Stage of the Projects/Power Station is capitalized.

1.5 BORROWING COST

Borrowing cost including interest, guarantee fees, commitment charges etc; that is directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset up to period the project is commissioned or asset is put to use.

1.6 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.7 IMPAIRMENT OF ASSETS

The Impairment of Assets i.e. "The cash generating unit" is defined in Accounting Standard-28 notified under the Companies Act, 1956 on "Impairment of Assets" are identified at the Balance sheet date with respect to carrying amount of the asset vis-a-vis its estimated revenue generation during balance useful life of that asset and the loss, if any, is recognized in Statement of Profit & Loss. Impairment loss, if any, to be reversed subsequently is accounted for in the year of reversal. The Company has adopted the policy of carrying out impairment test once in the span of every three financial years.

1.8 DEPRECIATION AND AMORTIZATION

The rates of depreciation prescribed by Central Electricity Regularity Commission for the purpose of tariff are being followed by the company which is significantly different from those prescribed under Schedule XIV Companies Act 1956.

1.9 INVESTMENT

Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are stated at cost price. Provision for diminution in the value of non-current Investment is made only if such decline is not temporary in nature in the opinion of the management.

1.10 INVENTORIES

- a) Stores and spares are valued at lower of the weighted average cost inclusive of freight and other allocable overheads or net realizable value.
- b) Scraps/ Obsolete assets are valued at estimated cost or net realizable value, whichever is less.
- c) Stores and spares in transit are valued at cost plus freight and other incidental expenses.

1.11 REVENUE RECOGNITION

(i) Revenue from sale of power

Revenue from sale of power is recognized on accrual basis at the time of billing of energy supplied in accordance with the tariff orders awarded by honorable Meghalaya State Electricity Regulatory Commission (MSERC) as applicable to the consumers.

(ii) Misc. revenue from consumers

Meter rent, recoveries against theft of power/ malpractices, wheeling charges are recognized on accrual basis, except Misc. charges from consumers which are recognized on cash basis.

(iii) Revenue Subsidies

Revenue subsidies as received from State Govt. are accounted for and credited to profit and loss account as and when received.

(iv) Other Income

- (a) Income from sale of scrap and insurance claims are accounted for on the basis of actual realization. Amount in respect of delayed payment charges (except for cases where suit is filed in the court) is accounted on the basis of actual realization of late payment against outstanding energy bills.
- (b) Other income except mentioned above is recognised on accrual basis except when ultimate realisation of such income is uncertain.
- (v) Amount in respect of unclaimed security deposit, earnest money deposit and misc. deposit of suppliers and contractors, stale cheques etc. which is pending for more than three years and which are not payable is considered as income.

1.12 EXPENDITURE

All expenses are reflected in revenue accounts under their natural heads. Expenses shown under the power purchased, employee cost, depreciation, finance cost and other expenses are disclosed separately.

1.13 GRANT AND SUBSIDIES FROM THE GOVERNMENT

- a) In accordance with the Accounting Standard 12 on 'Accounting for Government Grants', notified under the Companies Act 1956, Grants and Subsidies received from Government are recognised on reasonable certainty of its realisability.
- b) Grants and Subsidies received for the specific assets are disclosed as Grants on Liabilities side and amortized in proportion of depreciation every year for depreciable assets acquired. On acquisition of Non depreciable assets, the cost of asset acquired is transferred from Grant account to Capital Reserve and kept intact.
- c) Grants & Subsidies on Revenue Accounts are disclosed separately as Income in the Statement of Profit & Loss.

1.14 TAXATION

Tax expense comprises current income tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provision of Income Tax Act 1961. Deferred tax is recognised, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods using the tax rates and laws that are enacted and are substantively enacted as on the Balance Sheet date. Where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

1.15 PRIOR PERIOD ITEMS AND EXTRAORDINARY ITEMS

Adjustments arising due to errors or omission in the Financial Statements of earlier years are accounts for under "Prior Period". Items of Income & Expenditure, which are not of recurring nature viz, damages due to floods, earth quakes etc., are disclosed as extra ordinary.

1.16 PROVISIONS, LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.17 SEGMENT REPORTING

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

1.18 EMPLOYEE BENEFITS

- (i) Provident fund – The contribution to Provident Fund is transferred to MeECL Provident Fund A/c maintained with Meghalaya Energy Corporation Ltd.
- (ii) Pension – The liability of pension is accounted on the basis of demand based on actuarial valuation raised by MeECL Pension Trust and transfer of demanded amount to MeECL.
- (iii) Gratuity – The liability of gratuity is accounted on the basis of demand based on actuarial valuation raised by MeECL Gratuity Fund and transfer of demanded amount to MeECL.
- (iv) Leave encashment - The encashment of leave is given to the employees of the company on retirement. The company accounts for leave encashment liability on the basis of demand based on actuarial valuation raised by MeECL and transfer of demanded amount to MeECL.

1.19 LEASES

Operating lease payments/income is recognised in the statement of Profit & Loss on a straight line basis over the lease term.

1.20 PROVISION FOR BAD AND DOUBTFUL DEBTS:

As per practice in the previous year, a provision for bad and doubtful debts is made against amount of arrears, i.e. trade receivables excluding the arrears with the Govt. Departments/ Undertakings and also four months average assessment in case of other consumers.