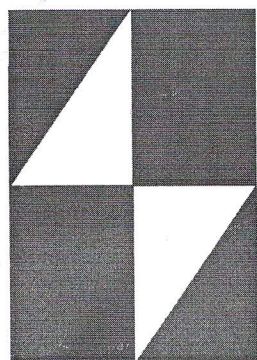


4

**MEGHALAYA POWER DISTRIBUTION
CORPORATION LIMITED**

SHILLONG



LIGHTING UP YOUR LIFE

Me PDCL

STATEMENT OF ACCOUNTS

2012-2013

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2013

Particulars	Note No.	For the year ended 31st March 2013	For the year ended 31st March 2012
I. Revenue			
(a) Revenue from operations	18	5,57,43,52,092	
Less:- Electricity Duty		3,87,37,389	-
		5,53,56,14,703	-
(b) Other income	19	1,25,763	1,050
Total Revenue		5,53,57,40,466	1,050
II. Expenses:			
(a) Power Purchase Cost	20	5,19,50,92,474	-
(b) Employee benefits expense	21	1,07,54,29,332	-
(c) Finance costs	22	33,56,03,363	-
(d) Depreciation & Amortisation expenses	23	8,11,30,464	-
(e) Other expenses	24	11,32,80,709	39,326
(f) Prior period items (net)	25	12,70,20,208	-
Total Expenses		6,92,75,56,548	39,326
III. Profit/(Loss) before exceptional and extraordinary items and tax (I-II)		(1,39,18,16,083)	(38,276)
IV. Exceptional items	26	82,21,50,546	-
V. Profit/(Loss) before extraordinary items and tax (III-IV)		(2,21,39,66,629)	(38,276)
VI. Extraordinary items		-	-
VII. Profit/(loss) before tax (V-VI)		(2,21,39,66,629)	(38,276)
VIII. Tax expense		-	-
(a) Current Tax		-	-
(b) Deferred Tax		-	-
IX. Profit/(loss) for the year (VII-VIII)		(2,21,39,66,629)	(38,276)
X. Basic and Diluted Earnings per equity share (Face value of Rs. 10/- each):		(44,279.33)	(0.77)
Significant accounting policies	1		
Notes to the financial statements	27		

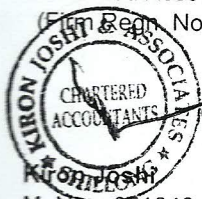
The accompanying notes are an integral part of the financial statements

As per our report of even date attached

Kiron Joshi & Associates

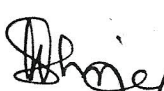


Chartered Accountants

(Firm Reg. No 313048E)



M. No. : 051046

For and on behalf of the board

 (G S Mukherjee) Company Secretary	 (P Jain) Director (Finance)	 (P B O Warjri) Chairman-cum-Managing Director
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Place:- Shillong

Date:- 17.7.15

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Statement of Profit & Loss	(2,21,39,66,629)	-
Adjustments for :		
Depreciation & Amortization	8,11,30,464	-
Interest Income	25,241	-
Finance Cost	33,56,03,363	-
Operating Profit before Working Capital Changes	(1,79,72,07,560)	-
Adjustments for increase/decrease in:		
Inventories	(9,15,66,321)	-
Trade receivables	(4,59,76,95,373)	-
Short term loans & advances	(2,03,40,211)	-
Other current asset	(85,44,87,265)	-
Other current liabilities	4,88,87,82,284	-
Short term provisions	17,68,16,505	-
Other long term liabilities	24,86,79,740	-
Cash generated from Operations	(2,04,70,18,203)	-
Taxes Paid	-	-
Net Cash generated from Operations	(2,04,70,18,203)	-
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	(25,241)	-
Purchase of Fixed Assets & CWIP	(6,24,31,17,058)	-
Net Cash from Investing Activities	(6,24,31,42,299)	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Consumer contributions, grants & subsidies	(1,60,49,65,311)	-
Increase/Decrease in long term borrowings	1,68,73,11,988	-
Increase/Decrease in short term borrowings	1,06,02,93,623	-
Finance Cost	(33,56,03,363)	-
Equity Capital pending allotment	7,76,35,11,198	-
Net Cash from Financing Activities	8,57,05,48,135	-
Net Increase in Cash & Cash Equivalents (A+B+C)	28,03,87,633	-
Inter Company Payable/(Receivable)		
Opening balance of Cash and Cash Equivalents	-	-
Closing balance of Cash and Cash Equivalents:	28,03,87,633	-
Consisting of:		
Cash in hand	78,66,735	-
Cash Imprests with Staff	42,08,801	-
-Balance with bank in Current accounts	26,83,12,097	-
	28,03,87,633	-

As per our report of even date attached

Kiron Joshi & Associates

Chartered Accountants


(Firm Regn. No 313048E)




M. No. : 051046

For and on behalf of the board


(G S Mukherjee)
Company Secretary


(P Jain)
Director (Finance)


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

Place:- Shillong

Date:- 17.7.15

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013

Note 2 Share capital

Particulars	As At	
	31st March 2013	31st March 2012
(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 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.

2.2 Reconciliation of the number of shares outstanding: -

Particulars	As at 31 March 2013		As at 31 March 2012	
	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

2.3 Details of shares held by the Holding Company:-

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

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

Particulars	As at 31 March 2013		As at 31 March 2012	
	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	
		31st March 2013	31st March 2012
Equity Capital pending allotment		7,76,35,11,198	-
Total		7,76,35,11,198	-

3.1 Equity capital pending allotment represents the amount of equity capital to be allotted to the Holding Company in accordance with notification issued on dated April 29, 2015 by Govt of Meghalaya and consequent transactions during financial year. The shares will be allotted on completion of due procedure.



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013

Note 4 Reserves & surplus

Particulars	Account Code No.	As At 31st March 2013	As At 31st March 2012
Grant & Subsidies			
Opening Balance		67,54,74,197	-
Add: Addition during the year		67,54,74,197	-
Less: Amount transferred for the year		6,71,92,725	-
Closing Balance		60,82,81,472	-
Consumer Contribution			
Opening Balance	55.1	10,91,17,052	-
Add:-Addition during the Year		6,93,62,266	-
Closing Balance		17,84,79,318	-
Capital Reserves			
Opening Balance	56.2 & 56.3	96,20,500	96,20,500
Add: Amount transferred as per Transfer Scheme		-	-
Add:-Addition during the Year		-	-
Less: Amount transferred for the year		-	-
Closing Balance		96,20,500	96,20,500
Surplus in Statement of Profit & Loss			
Opening Balance		(2,46,91,55,862)	(1,01,98,760)
Add:- Profit/(Loss) during the year as per Statement of Profit & Loss		(2,21,39,66,629)	(38,276)
Closing Balance		(4,68,31,22,491)	(1,02,37,036)
Total		(3,88,67,41,201)	(6,16,536)

Note 5 Long term borrowings

Particulars	Account Code No.	As At 31st March 2013	As At 31st March 2012
Unsecured Term Loans			
(i) Loan from IOB (For Power Purchase, Monthly repayment in 3 Years with 18 months of moratorium from the date of disbursement with State Govt. Guarantee)	53.91((OB)	50,00,00,000	-
(ii) Loan from SBI (For Power Purchase, Monthly repayment in 3 Years with 18 months of moratorium from the date of disbursement with State Govt. Guarantee)	53.5	69,93,00,000	-
(iii) Loan from PFC (R-APDRP) (For R-APDRP Works)	53.912	10,19,40,000	-
(iv) Loan from REC (Restructured) (Restructured Loan : 8% p.a.; Monthly repayment in 20 Years from 2002 with State Govt. Guarantee)	53.301	44,98,71,988	-
(V) Loan from REC (Reschedulement) (For RGGVY Works: 12.75 % p.a.)	53.304	17,41,815	-
Less:- Current Maturities of Long Term Debts	(A)	1,75,28,53,803	-
Unsecured	(B)	6,55,41,815	-
		6,55,41,815	-
Grand Total	(A)-(B)	1,68,73,11,988	-



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013

Note 6 Other long term liabilities

Particulars	Account Code No.	As At 31st March 2013	As At 31st March 2012
Deposit for Electrification, Service Connection etc.	47	24,46,85,875	-
Security Deposit from Consumers	48.1	39,93,865	-
Total		24,86,79,740	-

Note 7 Short term borrowings

Particulars	Account Code No.	As At 31st March 2013	As At 31st March 2012
<u>Unsecured</u> Repayable on demand/Bank Overdrafts from Banks	50.2	1,06,02,93,623	-
Total		1,06,02,93,623	-

Note 8 Trade payables

Particulars	Account Code No.	As At 31st March 2013	As At 31st March 2012
Liabilities for Purchase of Power	41.1 & 41.2	2,69,91,69,190	-
Total		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 31st March 2013	As At 31st March 2012
Liabilities for O & M Supplies	43.1 to 43.6	50,89,265	-
Deposit and Retention from Suppliers	46.1 & 28.930	1,45,15,651	-
Electricity & Other Duties Payable	46.3	9,01,73,395	-
Liabilities for Expenses	46.4	10,45,54,734	1,16,536
Other Liabilities	46.9	2,78,66,398	-
Service Tax Payable	46.Service Tax	40,63,493	-
Inter Unit transfers	48.1	27,82,71,634	-
Inter Company Payable		1,17,68,20,705	-
<u>Current Maturities of Long Term Debts</u>			
Loan from REC	51.103	17,41,815	-
Loan from SBI	51.109	6,38,00,000	-
<u>Interest Accrued and due from</u>			
REC	51.202	37,12,85,105	-
Indian Overseas Bank	51.215	1,68,60,009	-
Other Banks	51.209 & 51.210	1,45,39,613	-
RAPDRP	51.216	2,01,47,813	-
Total		2,18,97,29,630	1,16,536

Note 10 Short term provisions

Particulars	Account Code No.	As At 31st March 2013	As At 31st March 2012
Staff related liabilities & provisions	44.1 to 44.6	17,68,16,505	-
Total		17,68,16,505	-



SHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013

11 Fixed Assets

Asset Group	Accounts Code	GROSS BLOCK						Opening Balance as on 1.04.2012
		Opening Balance as on 01.04.2012	Transferred as per Transfer Scheme	Opening Balance as on 1.04.2012	Addition during the year	Deduction during the year	As at 31.03.2013	
Land and land rights	10.1	-	22,28,377	22,28,377	-	-	22,28,377	-
Buildings	10.2	-	4,06,45,157	4,06,45,157	32,30,362	-	4,38,75,519	-
Hydraulic Works	10.3	-	63,940	63,940	-	-	63,940	-
Others Civil Works	10.4	-	1,40,72,068	1,40,72,068	92,85,619	-	2,33,57,687	-
Plant and Machinery	10.5	-	18,54,37,695	18,54,37,695	17,59,70,843	-	36,14,08,538	-
Lines and Cable Network	10.6	-	2,02,75,27,312	2,02,75,27,312	73,29,54,747	-	2,76,04,82,058	-
Vehicles	10.7	-	33,87,756	33,87,756	-	-	33,87,756	-
Furniture and Fixtures	10.8	-	83,89,904	83,89,904	4,45,998	-	88,35,902	-
Office Equipment	10.9	-	1,43,62,823	1,43,62,823	4,08,101	-	1,47,70,924	-
TOTAL		-	2,29,61,15,032	2,29,61,15,032	92,22,95,670	-	3,21,84,10,702	-
PREVIOUS YEAR		-	-	-	-	-	-	-



Total (A+B)		28,03,87,633	-
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ACCUMULATED DEPRECIATION					NET BLOCK	
Transferred as per Transfer Scheme	Opening Balance as on 1.04.2012	Depreciation for the year	Adjustment or Deduction	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
-	-	-	-	-	22,28,377	-
1,39,17,158	1,39,17,158	14,38,017	18,06,345	1,71,61,519	2,67,14,000	-
44,094	44,094	3,376	-	47,470	16,470	-
33,62,125	33,62,125	7,80,117	11,63,777	53,06,020	1,80,51,667	-
11,01,72,609	11,01,72,609	1,67,89,681	69,82,549	13,39,44,840	22,74,63,698	-
1,18,89,55,937	1,18,89,55,937	12,80,37,683	4,19,69,204	1,35,89,62,824	1,40,15,19,235	-
30,48,971	30,48,971	-	-	30,48,971	3,38,785	-
49,40,235	49,40,235	3,95,836	67,328	54,03,399	34,32,503	-
51,08,442	51,08,442	8,78,479	-	59,86,921	87,84,002	-
1,32,95,49,572	1,32,95,49,572	14,83,23,189	5,19,89,204	1,52,98,61,964	1,68,85,48,738	-
-	-	-	-	-	-	-

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013

Note 12 Capital work in progress

Particulars	Account Code No.	As At	As At
		31st March 2013	31st March 2012
Capital Work-in-progress	14	4,28,11,75,476	-
Advance to Suppliers	25.1 to 25.9	12,50,69,655	-
Total		4,40,62,45,131	-

Note 13 Inventories

Particulars	Account Code No.	As At	As At
		31st March 2013	31st March 2012
Materials Stock	22	9,15,66,321	-
Total		9,15,66,321	-

Note 14 Trade Receivables

Particulars	Account Code No.	As At	As At
		31st March 2013	31st March 2012
<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)		39,93,865	-
-Unsecured, Considered Good		2,78,31,82,181	-
Sub-Total		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		1,81,05,19,327	-
Unsecured Considered Doubtful		16,45,06,689	-
Less :- Provision for Doubtful dues from Consumers	23.9	16,45,06,689	-
Total		4,59,76,95,373	-

Note 15 Cash & Cash Equivalents

Particulars	Account Code No.	As At	As At
		31st March 2013	31st March 2012
(A) Cash & Cash Equivalents			
Cash in Hand	24.1	78,66,735	-
Cash Imprests with Staff	24.2	42,08,801	-
Balance with Banks			
In Current Accounts	24.3 & 24.4	26,83,12,097	-
Total (A)		28,03,87,633	-
(B) Other Bank Balances			
Bank FDs	20.2	-	-
Total (B)		-	-
Total (A+B)		28,03,87,633	-



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013
 Note 16 Short term loans & advances

Particulars	Account Code No.	As At	
		31st March 2013	31st March 2012
<u>Unsecured, considered good</u>			
Advances for O & M Supplies/Works	26.1 to 26.7	57,60,736	-
Loans and Advances to Staff	27.1 to 27.2	1,37,07,908	-
Liabilities for Capital Supplies	42.1 to 42.6	8,42,374	-
Others	27.8	29,192	-
Total		2,03,40,211	-

Note 17 Other current assets

Particulars	Account Code No.	As At	
		31st March 2013	31st March 2012
Other Sundry Debtors	28.1	10,240	-
Interest accrued and due	28.3	49,73,276	-
Recoveries from Ex-employees	28.4	74,13,915	-
Other claims and Receivables	28.6, 28.7 & 28.8 (Excl.28.89)	10,16,85,804	-
Remittance in transit		74,04,04,029	-
Total		85,44,87,265	-

Note 18 Revenue from operations

Particulars	Account Code No.	For the	
		year ended 31st March 2013	year ended 31st March 2012
I. Revenue from sale of power			
Inter State sale of power to Assam	61.101	8,28,05,247	-
U.I sale others	61.110 -122	25,34,10,370	-
Domestic & Residential	61.201-213	1,01,97,41,304	-
Commercial	61.221-236	40,25,34,492	-
Industrial Medium & Low Voltage	61.241-253	2,78,15,919	-
Industrial High & Extra High Voltage	61.261-273	2,15,66,54,861	-
Public Lighting	61.281-293	1,14,67,744	-
Irrigation & Agriculture	61.301-313	8,68,209	-
Public Water Works	61.321-333	17,16,35,418	-
Bulk Supply to others	61.341-372	32,71,78,637	-
Misc & General Purpose	61.381-399	63,65,219	-
Construction Project H.T	61.4 & 61.219	44,78,848	-
Electricity Duty Recovery	61.501-510	3,87,37,389	-
Total (I)		4,50,36,93,657	-
II. Other Operating Income			
Meter Rent	61.6	1,58,96,770	-
Recoveries from thefts of power and malpractices	61.7	24,710	-
Wheeling Charges Recoveries	61.8	20,48,39,494	-
Misc. Charges from consumers	61.9	9,78,91,585	-
Delayed payment charges from consumers	62.25	64,83,52,875	-
Total (II)		96,70,05,435	-
III. Revenue Subsidies & Grants			
R.E Subsidy	63.11	10,36,53,000	-
Total (III)		10,36,53,000	-
Revenue from operations (Gross)		5,57,43,52,092	-
Less: Electricity Duty	61.54	3,87,37,389	-
Revenue from operations (Net)		5,53,56,14,703	-



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MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013

Note 19 Other Income

Particulars	Account Code No.	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest from banks	62.211-62.216	25,241	-
Miscellaneous receipts	62.901-62.950	1,00,522	1,050
Total		1,25,763	1,050

Note 20 Power Purchase Cost

Particulars	Account Code No.	For the year ended 31st March 2013	For the year ended 31st March 2012
Power Purchase Costs			
Power Purchased	70.1	4,41,59,68,912	-
Wheeling Charges	70.4	77,19,54,562	-
Commitment Charges	70.6	71,69,000	-
Total		5,19,50,92,474	-



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MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013

Note 21 Employee benefit expense

Particulars	Account Code No.	For the year ended 31st March 2013	For the year ended 31st March 2012
Salaries and wages	75.1 to 75.6	87,75,42,732	-
Terminal benefit expenses		30,69,12,771	-
Contributions to provident and other funds	75.8	14,16,438	-
Staff welfare expenses	75.7	6,35,562	-
		1,18,65,07,502	-
Less: Capitalised to CWIP	75.9	11,10,78,171	-
Total		1,07,54,29,332	-

Note 22 Finance costs

Particulars	Account Code No.	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest Expense on borrowings	78.1, 2 & 5	29,96,55,608	-
Cost of raising finance	78.861-869	19,56,972	-
Other charges	78.881-889	3,39,90,783	-
Total		33,56,03,363	-

Note 23 Depreciation & Amortisation Expenses

Particulars	Account Code No.	For the year ended 31st March 2013	For the year ended 31st March 2012
Depreciation	77.1 to 77.7	14,83,23,189	-
Less:- Transferred from Reserve/Amortisation of grant	77.900	6,71,92,725	-
Total		8,11,30,464	-



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013

Note 24 Other expenses

Particulars	Account Code No.	For the year ended 31st March 2013	For the year ended 31st March 2012
Repairs and maintenance of Assets			
Buildings	74.2	74,65,686	-
Plant & Machinery	74.1	1,28,99,591	-
Hydraulics Work	74.3	82,977	-
Civil Works	74.4	24,97,617	-
Lines & Cables	74.5	3,54,91,864	-
Vehicles	74.6	22,65,076	-
Furniture & Fixture	74.7	6,08,815	-
Office equipment	74.8	11,27,696	-
		6,24,39,322	-
Administration & General Expenses			
Insurance	76.104-76.107	3,05,138	-
Rent, Rates and Taxes	76.101-76.103	2,65,533	-
Telegram, Postage, Telegraph and Telex charges	76.110-76.113	9,20,167	-
Training and conveyance	76.131-76.139	3,59,89,808	-
Printing and stationery	76.153	31,97,211	-
Payments to auditors	76.122	7,28,090	39,326
Consultancy Charges	76.123	2,24,943	-
Technical fees	76.124	9,370	-
Books & Periodicals	76.152	37,633	-
Fees & Subscription	76.151	2,69,786	-
Advertisement	76.155	1,35,130	-
Legal and professional	76.121 & 125	43,96,084	-
Water Charges	76.16	68,860	-
Entertainment	76.162	17,029	-
Other Purchase Related Expenses	76.165 & 76.230-76.290	40,10,375	-
Miscellaneous expenses	76.19	2,66,230	-
		5,08,41,387	39,326
Total		11,32,80,709	39,326

Note 25 Prior period items (net)

Particulars	Account Code No.	For the year ended 31st March 2013	For the year ended 31st March 2012
Expenses			
Purchase of Power	83.1	12,48,86,636	-
Employee costs	83.5	88,57,704	-
Depreciation under provided in previous year	83.6	5,19,89,204	-
Interest & Other Finance Charges	83.7	17,54,101	-
Administrative Expenses	83.82	5,61,780	-
Others	83.810, 83.840 & 83.850	22,66,998	-
		19,03,16,423	-
Incomes			
Receipt from consumers	65.2	11,44,121	-
Excess provision for interest & other finance charges	65.7	5,80,45,972	-
Other excess provision	65.6, 65.8 & 65.9	41,06,122	-
		6,32,96,215	-
Total		12,70,20,208	-

Note 26 Exceptional Items

Particulars	Account Code No.	For the year ended 31st March 2013	For the year ended 31st March 2012
Bad Debts and other misc. written off (refer note 27.10)	79.4-79.5	82,21,50,546	-
Total		82,21,50,546	-



MEGHALAYA POWER DISTRIBUTION CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013

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 notified under the Companies Act 1956. 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 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. Sundry Debtors excluding the arrears with the Govt. Departments/ Undertakings and also four months average assessment in case of other consumers.



MEGHALAYA POWER DISTRIBUTION CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013

27. ADDITIONAL DISCLOSURES

- 27.1 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.
- 27.2 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.
- 27.3 In exercise of the power conferred under Section 131 of the Electricity Act, 2003 the Govt. of Meghalaya decided to unbundle 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. However, subsequently through an amendment in the Transfer Scheme, the State Government decided that all the assets and liabilities of MeSEB will be initially transferred to the holding company only and subsidiaries namely generation utility, transmission utility and distribution utility would be operationalized w.e.f. 1st April, 2012 after re-vesting of assets and liabilities by holding company.



27.4 In exercise of the power conferred under Section 131(4) of the Electricity Act, 2003 the Govt. of Meghalayanotified the amendments to the "The Meghalaya Power Sector Reforms Transfer Scheme, 2010" vide its notification number Power-79/2009/Pt-I/422 dated 29/04/2015 for transfer of assets and liabilities from holding company to the generation, transmission and distribution companies w.e.f 1st April, 2012. The value of assets and liabilities being transferred to the generation, transmission and distribution companies and remaining with the holding company are given in the said notification. Accordingly the opening balances of the assets and liabilities as on 1st April, 2012 transferred from holding company to the company have been taken into account.

27.5 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: fixed deposits, 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 MeECL 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.

27.6 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.

27.7 Inter Company Receivable/Payable

During the financial year 2012-13, the fund management activities for all the subsidiary companies were handled by the holding company. The transactions in this regard were initially recorded in the books of accounts of the holding company, which were later on identified in respect of the generation, transmission and distribution companies and transferred to them. The inter company receivable/payable represent the amount receivable/payable from/to MeECL, MePGCL and MePTCL.



27.8 Related party transactions

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.

27.9 Earnings per share

EPS has been calculated as under:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Net profit / (loss) for the year	(2,213,966,629)	(38,276)
Number of equity shares	50,000	50,000
Value per share	10	10
Earnings per share – Basic	(44,279.33)	(0.77)
Earnings per share – Diluted	(44,279.33)	(0.77)

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

27.10 Exceptional items

Company has made provision of expenses of Rs.82,15,51,866/ under Bad Debts and other misc. written off 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.

27.11 Contingent Liabilities

The company has a few ongoing litigations in various statutory/legal forums. The future cash outflow as a result of these litigations is not ascertainable at this stage.

27.12 Payment to auditors: -

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

Particulars	As on 31.03.2013	As on 31.03.2012
Statutory Audit	5,00,000	39,326
Tax Audit	28,090	-
AG Audit	2,00,000	-



27.13 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.

27.14 Segment Reporting

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard – 17 Segment Reporting.

27.15 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.

27.16 Foreign Currency Transactions

Particulars	As on 31.03.2013	As on 31.03.2012
Value of imports on CIF basis	Nil	Nil
Earnings in Foreign Currency	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil

27.17 Amounts stated in the financial statements are in Indian Rupees and have been rounded off to the nearest rupees.

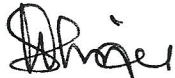
27.18 The figures mentioned in financial statements are in confirmation with the books of accounts and are subject to confirmation and reconciliation, if any. In this regard, Note 14 of the financial statement, i.e., Unsecured, Considered Good Debtors comprises of the following:

SI No.	Accounting Code	Amount (in Rs.)
1	23.1 Sundry Debtors from Sale of Power	2,61,76,44,255.69
2	23.2 Electricity Duty Receivable	8,15,79,279.61
3	23.601 (B) Inter State Assam	1,53,34,803.00
4	23.602 Inter State Mizoram	13,68,746.00
5	23.606 to 23.617 UI	42,09,65,194.00
6	23.7 Miscellaneous	1,62,53,09,784.34
	TOTAL	4,76,22,02,062.64
7	Less: Provision for doubtful dues	(16,45,06,689.45)
	TOTAL	4,59,76,95,373.19



27.19 Previous year's figures have been regrouped/reclassified, wherever necessary to correspond with the current year's classification. However, the figures of the previous year are pertaining to NIL business operation and current year figures pertains to business inherited by company as per "Transfer Scheme 2010" and as such are not comparable with the current year figures.

For and on behalf of the board



(G S Mukherjee)
Company Secretary



(P Jain)
Director (Finance)



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

As per our report of even date attached

For Kiron Joshi & Associates

Chartered Accountants

(Firm Regd. No.: 313048E)



M No.: 051046

Place:- Shillong

Date:- 17.7.15