Eastern Power
Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ
(An ISO 9001-2008 & ISO 27001:2005 Certified Company)

EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED

Regd. Office :
P & T Colony, Seethammadhara, Visakhapatnam - 530 013
Phone : 0891 - 2582503, Fax : 0891 - 2737675
website : www.apeasternpower.com
CIN : U40109AP 2000 SGC 034117

BOARD OF DIRECTORS

Ms. Nagalakshmi. S, IAS
Chairman & Managing Director
DIN 07741194

Sri. K. Rajabapaiah
Director (Projects)
DIN 08384715

Sri. B. Ramesh Prasad
Director (Operations)
DIN 08686701

Sri. Shamsher Singh Rawat, IAS
Director
DIN 06927486

Sri. K.V.N. Chakradhara Babu, IAS
Director
DIN 08504821

Sri. B.A.V.P. Kumara Reddy
Director
DIN 08521458

BANKERS

STATE BANK OF INDIA

ANDHRA BANK

AUDITORS

M/s GRANDHY & CO.
Chartered Accountants
MIG 36, 4-68-1/4
Lawsonsbay Colony, Visakhapatnam-12
Andhra Pradesh

COMPANY SECRETARY

K.S.V.S. SASTRY, F.C.S

Eastern Power
Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ
(An ISO 9001-2008 & ISO 27001:2005 Certified Company)

EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED

VISAKHAPATNAM - 530 013

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Eastern Power
Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ
(An ISO 9001-2008 & ISO 27001:2005 Certified Company)

EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED

Regd. Office: P&T Colony, Seethammadhara, Visakhapatnam – 530 013

CIN : U40109AP2000SGC034117

NOTICE

NOTICE is hereby given that the Adjourned Nineteenth Annual General Meeting of the Eastern Power Distribution Company of Andhra Pradesh Limited will be held on Tuesday, 31st December, 2019 at 04.30 P.M. at the Registered Office of the Company at P&T Colony, Seethammadhara, Visakhapatnam – 530 013.

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019 together with the Board's Report, Statutory Auditors' Report and Comments of the Comptroller and Auditor General of India, thereon.

2. To take note of appointment of Statutory Auditors by the Comptroller and Auditor General of India for the Financial Year 2019-20 as per the provisions of Section 139 of the Companies Act, 2013 and to fix the remuneration of Statutory Auditors for the Financial year 2019-20 as per the provisions of Section 142 of the Companies Act, 2013.

Special Business:

3. To consider and if thought fit, to pass the following resolution as a Special Resolution with or without modifications:

"RESOLVED THAT in supersession of the resolution passed by the Company in the 17th Annual General Meeting held on 29.09.2017 in relation to the exercise the borrowing powers and pursuant to the provisions Section of 180 1(c) and other applicable provisions, if any, of the Companies Act, 2013 the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to borrow money, from time to time, at its discretion either from the Company's Bank or any other Bank, Financial Institutions or any other lending institutions on such terms and conditions as may be considered suitable by the Board of Directors for the purpose of the business of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the Ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose provided that the total amount to be borrowed shall not exceed the sum of Rs.7500 Crores (Rupees Seven Thousand Five Hundred Crores) at any time.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deemed necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the Borrowings aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

4. To consider and if thought fit, to pass the following resolution as a Special Resolution with or without Modifications:

" RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section of 180 1(a) and other applicable provisions, if any, of the Companies Act, 2013, to mortgage and / or hypothecate and / or charge of all or any part of the immovable and creating a floating Company both present and future of every nature and kind whatsoever and creating a floating charge on all or any of the movable properties of the company and the whole of undertaking of the company to or in favour of Banks or Financial institute is or any other lending institutions for borrowing from time to time such sums of money as they deem requisite for the purpose of the business of the Company notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the Ordinary course of business), shall not exceed the sum of Rs.7500 Crores (Rupees Seven Thousand Five Hundred Crores only) at any time.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to finalize with the lenders, documents for creating the aforesaid mortgages, hypothecations and / or the charge (s) and to do all such acts deeds and things as may be necessary for giving effect to the above resolution.

FURTHER RESOLVED THAT the mortgages / charges / hypothecations created / to be created and / or all agreements / documents executed / to be executed and all acts done by and with the authority of the Board of Directors are hereby confirmed and ratified."

5. To ratify the action in having fixed remuneration of the Cost Auditors by the Board of Directors for the F.Y. 2019-20 and in this regard to consider and if thought fit, to pass the following resolution with or without modifications as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014(including any statutory amendments/modifications), the cost auditors M/s Narasimha Murthy & Co, Cost Accountants, 3-6-365,104 & 105, Pavani Estate, Y.V.Rao Mansion, Himayatnagar, Hyderabad - 500029 appointed and remuneration fixed by the Board of Directors in their 116th Board Meeting held on 03.08.2019 to conduct Cost Audit of the Company for the F.Y.2019-2020 with a cost audit fee of Rs.1,00,000/- (Rupees One Lakh only) plus applicable taxes and reimbursement of actual out of pocket expenses be and is hereby ratified by the Shareholders of the Company."

"FURTHER RESOLVED THAT the Board of Directors and/or the Company Secretary be and is hereby authorised to do such acts to give effect to the above resolution".

By Order of the Board
Sd/-
K.S.V.S. Sastry
Company Secretary

Place: Visakhapatnam
Date: 27.12.2019

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote and such proxy need not be a member of the Company.
2. Proxy form is enclosed. Instrument appointing proxy shall be deposited at the Registered Office of the Company by not less than 48 hours before commencement of the meeting.
3. The Comments of the Comptroller and Auditor General of India (CAG) on the Audited Financial Statements for the Financial Year 2018-2019 shall be placed before the members at the Annual General Meeting of the Company.
4. Explanatory Statement pursuant to Sec 102(1) of the Companies Act, 2013 is enclosed.
5. Route map showing the venue of the meeting is enclosed and the same is available on the website of the company.

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

Special Business:

Item 3 & 4 : To execute/Implement various schemes for constructing sub stations, erection of distribution transformers, implementation of World Bank Projects i.e Power for All, Andhra Pradesh Disaster Recovery Project (Under Ground cabling project at Visakhapatnam), and implementation High Voltage Distribution System, issuance of Smart Meters, laying of new lines and electrification of unelectrified villages, Hamlets and Dalitwadas and taking up of various Energy efficient measures, the Company from time to time requires to borrow monies from the Banks and / or various financial institutions.

Necessary approval under section 180 1(c) and 180 (1) (a) of the Companies Act, 2013 has been taken at the 17th Annual General Meeting of the Company held on 29.09.2017 to borrow money from time to time notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the Ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose provided that the total amount to be borrowed by the Board of Directors shall not exceed the sum of Rs.6000 Crores (Rupees Six Thousand Crores only) at any one time.

In pursuance to the above, the loans liability of the Company may exceed the aforesaid limits of Rs. 6000 Crores. Presently, the paid up capital of the Company is Rs. 121.22 Crores and it has been decided to fix the borrowing limits U/s 180 1(C) of the Companies Act, 2013 to the extent of Rs. 7500 Crores (Rupees Seven Thousand Five Hundred Crores Only).

The Company to meet the financial requirements of capital works undertaken under various schemes has been approaching various Banks/ Financial Institutions like Rural Electrification Corporation Limited and Power Finance Corporation Limited. The aforesaid institutions are generally agreeing to finance the requirement of the Company on security of charge created on assets of the Company, either existing or future assets to be created under the various schemes.

However, the creation of charge on assets by hypothecation attracts the restrictive provisions of Section 180 1(a) of the Companies Act, 2013 to the extent of Rs. 7500 Crores (Rupees Seven Thousand Five Hundred Crores Only) to which the prior consent of members at a General Meeting is essential.

Accordingly, consent of the shareholders is sought for passing as Special Resolutions as set out for these items in the Notice.

None of the Directors and Key Managerial Personnel of the Company, their relatives, is in any way, concerned or interested, financially or otherwise, in the resolution set out for this item in the Notice.

The Board of Directors recommends the resolution set out for this item in the Notice for approval by the shareholders.

Item No. 5

It is to inform that pursuant to the provisions of Section 148 and any other provisions applicable of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendments/

modifications) and rule 14 for the purpose of Sub-Section (3) of Section 148, the remuneration recommended by the Audit Committee and fixed by the Board of Directors in their meeting held on 116th Board Meeting held on 03.08.2019 to conduct Cost Audit of the Company for the F.Y. 2019-2020 with a cost audit fee of Rs.1,00,000/- plus applicable taxes and reimbursement of actual out of pocket expenses to M/s Narasimha Murthy & Co, Cost Accountants, 3-6-365,104 & 105, Pavani Estate, Y.V.Rao Mansion, Himayatnagar, Hyderabad-500029 shall be ratified by the Shareholders.

Accordingly, consent of the shareholders is sought for passing an Ordinary Resolution as set out for this item in the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

None of the Directors and Key Managerial Personnel of the Company, their relatives, is in any way, concerned or interested, financially or otherwise, in the resolution set out for this item in the Notice.

The Board of Directors recommends the resolution set out for this item in the Notice for approval of the shareholders.

By Order of the Board
Sd/-
K.S.V.S. Sastry
Company Secretary

Place: Visakhapatnam
Date: 27.12.2019

EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED

Regd. Office: P&T Colony, Seethammadhara, Visakhapatnam – 530 013

CIN : U40109AP2000SGC034117

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Eastern Power Distribution Company of Andhra Pradesh Limited will be held on Friday, 27th December, 2019 at 01.00 P.M. at the Registered Office of the Company at P&T Colony, Seethammadhara, Visakhapatnam – 530 013.

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019 together with the Board's Report, Statutory Auditors' Report and Comments of the Comptroller and Auditor General of India, thereon.

2. To take note of appointment of Statutory Auditors by the Comptroller and Auditor General of India for the Financial Year 2019-20 as per the provisions of Section 139 of the Companies Act, 2013 and to fix the remuneration of Statutory Auditors for the Financial year 2019-20 as per the provisions of Section 142 of the Companies Act, 2013.

Special Business:

3. To consider and if thought fit, to pass the following resolution as a Special Resolution with or without modifications:

"RESOLVED THAT in supersession of the resolution passed by the Company in the 17th Annual General Meeting held on 29.09.2017 in relation to the exercise the borrowing powers and pursuant to the provisions Section of 180 1(c) and other applicable provisions, if any, of the Companies Act, 2013 the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to borrow money, from time to time, at its discretion either from the Company's Bank or any other Bank, Financial Institutions or any other lending institutions on such terms and conditions as may be considered suitable by the Board of Directors for the purpose of the business of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the Ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose provided that the total amount to be borrowed shall not exceed the sum of Rs.7500 Crores (Rupees Seven Thousand Five Hundred Crores) at any time.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deemed necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the Borrowings aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

4. To consider and if thought fit, to pass the following resolution as a Special Resolution with or without Modifications:

" RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section of 180 1(a) and other applicable provisions, if any, of the Companies Act, 2013, to mortgage and / or hypothecate and / or charge of all or any part of the immovable and creating a floating Company both present and future of every nature and kind whatsoever and creating a floating charge on all or any of the movable properties of the company and the whole of undertaking of the company to or in favour of Banks or Financial institute is or any other lending institutions for borrowing from time to time such sums of money as they deem requisite for the purpose of the business of the Company notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the Ordinary course of business), shall not exceed the sum of Rs.7500 Crores (Rupees Seven Thousand Five Hundred Crores only) at any time.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to finalize with the lenders, documents for creating the aforesaid mortgages, hypothecations and / or the charge (s) and to do all such acts deeds and things as may be necessary for giving effect to the above resolution.

FURTHER RESOLVED THAT the mortgages / charges / hypothecations created / to be created and / or all agreements / documents executed / to be executed and all acts done by and with the authority of the Board of Directors are hereby confirmed and ratified."

5. To ratify the action in having fixed remuneration of the Cost Auditors by the Board of Directors for the F.Y. 2019-20 and in this regard to consider and if thought fit, to pass the following resolution with or without modifications as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014(including any statutory amendments/modifications), the cost auditors M/s Narasimha Murthy & Co, Cost Accountants, 3-6-365,104 & 105, Pavani Estate, Y.V.Rao Mansion, Himayatnagar, Hyderabad - 500029 appointed and remuneration fixed by the Board of Directors in their 116th Board Meeting held on 03.08.2019 to conduct Cost Audit of the Company for the F.Y.2019-2020 with a cost audit fee of Rs.1,00,000/- (Rupees One Lakh only) plus applicable taxes and reimbursement of actual out of pocket expenses be and is hereby ratified by the Shareholders of the Company."

"FURTHER RESOLVED THAT the Board of Directors and/or the Company Secretary be and is hereby authorised to do such acts to give effect to the above resolution.

By Order of the Board
Sd/-

Place: Visakhapatnam
Date: 02.12.2019

K.S.V.S. Sastry
Company Secretary

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote and such proxy need not be a member of the Company.

2. Proxy form is enclosed. Instrument appointing proxy shall be deposited at the Registered Office of the Company by not less than 48 hours before commencement of the meeting.

3. The Comments of the Comptroller and Auditor General of India (CAG) on the Audited Financial Statements for the Financial Year 2018-2019 shall be placed before the members at the Annual General Meeting of the Company.

4. Explanatory Statement pursuant to Sec 102(1) of the Companies Act, 2013 is enclosed.

5. Route map showing the venue of the meeting is enclosed and the same is available on the website of the company.

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

Special Business:

Item 3 & 4 : To execute/Implement various schemes for constructing sub stations, erection of distribution transformers, implementation of World Bank Projects i.e Power for All, Andhra Pradesh Disaster Recovery Project (Under Ground cabling project at Visakhapatnam), and implementation High Voltage Distribution System, issuance of Smart Meters, laying of new lines and electrification of unelectrified villages, Hamlets and Dalitwadas and taking up of various Energy efficient measures, the Company from time to time requires to borrow monies from the Banks and / or various financial institutions.

Necessary approval under section 180 1(c) and 180 (1) (a) of the Companies Act, 2013 has been taken at the 17th Annual General Meeting of the Company held on 29.09.2017 to borrow money from time to time notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the Ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose provided that the total amount to be borrowed by the Board of Directors shall not exceed the sum of Rs.6000 Crores (Rupees Six Thousand Crores only) at any one time.

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The Company to meet the financial requirements of capital works undertaken under various schemes has been approaching various Banks/ Financial Institutions like Rural Electrification Corporation Limited and Power Finance Corporation Limited. The aforesaid institutions are generally agreeing to finance the requirement of the Company on security of charge created on assets of the Company, either existing or future assets to be created under the various schemes.

However, the creation of charge on assets by hypothecation attracts the restrictive provisions of Section 180 1(a) of the Companies Act, 2013 to the extent of Rs. 7500 Crores (Rupees Seven Thousand Five Hundred Crores Only) to which the prior consent of members at a General Meeting is essential.

Accordingly, consent of the shareholders is sought for passing as Special Resolutions as set out for these items in the Notice.

None of the Directors and Key Managerial Personnel of the Company, their relatives, is in any way, concerned or interested, financially or otherwise, in the resolution set out for this item in the Notice.

The Board of Directors recommends the resolution set out for this item in the Notice for approval by the shareholders.

Item No. 5

It is to inform that pursuant to the provisions of Section 148 and any other provisions applicable of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendments/

modifications) and rule 14 for the purpose of Sub-Section (3) of Section 148, the remuneration recommended by the Audit Committee and fixed by the Board of Directors in their meeting held on 116th Board Meeting held on 03.08.2019 to conduct Cost Audit of the Company for the F.Y. 2019-2020 with a cost audit fee of Rs.1,00,000/- plus applicable taxes and reimbursement of actual out of pocket expenses to M/s Narasimha Murthy & Co, Cost Accountants, 3-6-365,104 & 105, Pavani Estate, Y.V.Rao Mansion, Himayatnagar, Hyderabad-500029 shall be ratified by the Shareholders.

Accordingly, consent of the shareholders is sought for passing an Ordinary Resolution as set out for this item in the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

None of the Directors and Key Managerial Personnel of the Company, their relatives, is in any way, concerned or interested, financially or otherwise, in the resolution set out for this item in the Notice.

The Board of Directors recommends the resolution set out for this item in the Notice for approval of the shareholders.

By Order of the Board
Sd/-
K.S.V.S. Sastry
Company Secretary

Place: Visakhapatnam
Date: 02.12.2019

Eastern Power
Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ
(An ISO 9001-2008 & ISO 27001:2005 Certified Company)



BOARD'S REPORT

Eastern Power
Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ
(An ISO 9001-2008 & ISO 27001:2005 Certified Company)

BOARD'S REPORT

Dear Shareholders,

Your directors take immense pleasure in presenting the Nineteenth Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March 2019. During the Nineteenth Year of Company's operations also, your company advances on the path of progress by effective management through optimum utilization of resources and better management of human resources and Information technology. Your management continues its focus on the key areas of loss reduction and quality control together with dedicated customer care measures.

FINANCIAL HIGHLIGHTS

The management would like to inform the shareholders of the Company that the Audited Financial Statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 for the Financial Year 2018-19.

The financial performance of the Company for the F.Y.2018-19 compared to APERC Approved figures for the F.Y 2018-19 and previous Financial Year 2017-18 is as follows:

(Rs. Crores)

Sl. No.	Particulars	APERC Approved for 2018-19	Actual for 2018-19	Actual for 2017-18
I	Revenue			
	Sale of Power	9959.62	10199.28	9558.6
	Inter state sales and Inter Discom Sales		184.76	50.33
	Other Income	519.00	612.37	511.54
	Subsidy	1093.18	1115.24	512.42
	Total Revenue	11571.80	12111.65	10632.89
II	Expenditure			
	Power Purchase	9387.92	13580.16	8793.64
	Employee Cost	1283.47	1430.36	878.9
	Administration & General Charges		94.78	82.05
	Repairs & Maintenance	124.67	162.54	124.94
	Interest & Finance Charges			
	Interest to Consumers on Security Deposit	102.33	98.49	83.48
	Interest on Working Capital and Other Loans	153.92	344.70	269.04
	Depreciation	427.51	401.75	357.35
	Other Expenses	113.43	332.02	127.86
	special Appropriation - Supply margin, Taxes on Income & Others.	25.73	-	-
	Less:1. Expenses Capitalized	47.18	80.17	89.46
	2.Interest During Construction (IDC)	0	0	0
	Total Expenditure	11571.80	16364.63	10627.80

Sl. No.	Particulars	APERC Approved for 2018-19	Actual for 2018-19	Actual for 2017-18 (As per Ind AS)
	Profit/(Loss) before Tax but After Prior period items & Spl. Appropriation	(0.00)	(4252.98)	5.09
	Provision for Income Tax & FBT	-	-	-
	Deferred Tax	-	-	2.20
III	Profit after Tax/ (Loss)	(0.00)	(4252.98)	2.89
	Other Comprehensive Income Remeasurements of defined benefit liability(net of tax)	0.00	(391.16)	7.56
	Total Comprehensive Income for the year	(0.00)	(4644.14)	10.45

As per the revised methodology communicated by CEA the AT&C Losses calculation for the F.Y 2018-19 is as follows:

Sl	Description	UoM	2018-19
A	Net Input Energy (MkWh)	M Kwh	21086.77
B	Energy Sold (MkWh)	M Kwh	19678.14
C	Revenue from Sale of Energy (Rs Cr)	Rs. in Crores	11292.46
D	Adjusted Revenue from Sale of Energy on Subsidy Received basis (Rs Crores)	Rs. in Crores	10425.88
E	Opening Debtors for Sale of Energy (Rs Crores)	Rs. in Crores	1711.12
F	Closing Debtors for Sale of Energy (Rs Crores)	Rs. in Crores	2251.39
		Rs. in Crores	0.00
G	Adjusted Closing Debtors for Sale of Energy (Rs. Crores)	Rs. in Crores	2251.39
H	Collection Efficiency (%)		87.54
I	Units Realized (MkWh) =(Energy Sold * Collection efficiency)	MkWh	17226.24
J	Units Unrealized (MkWh) = (Net input Energy -Units Realized)	MkWh	3860.53
K	AT &C Losses (%) = ((Units Unrealized /Net Input Energy)*100)	%	18.31

Variation in Expenditure in 2018-19 when compared to APERC Approvals:

The actual expenditure during the year 2018-19 is Rs. 16364.63 Crores as against the APERC approved estimated expenditure of Rs. 11571.80 Crores. The details of current year's expenditure in certain key areas compared to the APERC Targets are as follows:

(Rs in Crores)

Particulars	APERC Approved Expenditure 2018-19	Actual Expenditure 2018-19	Remarks
Power Purchase Cost (Including Transmission and SLDC Charges etc.)	9387.92	13580.16	1) Approved Power Purchase cost is Rs.9387.92 Crores for 21525.06 M.U and average Power Purchase cost per unit is Rs.4.36. 2) Actual Power Purchase cost is Rs.11744.11 Crores for 22968.42 MU and Average Power Purchase cost per unit is Rs.5.11. 3) Differential Power purchase costs & FCA of earlier years booked in F.Y 2018-19 for Rs.1836.05 Crs.
Employee benefits expense	1156.86	1362.22	1) Increase in employee benefit expenses due to implementation of revision of pay scales for employees and revision of pensions for pensioners with effect from 01.04.2018. 2) Statutory provision made as per Actuarial Valuation report: Pension, Gratuity : Rs.77.97 Crs. CrsEL encashment : Rs.274.05 Crs. CrsPension/Gratuity benefits payable to employees after 31.03.2029 has been provided as provision for : Rs.184.38 Crs
Finance costs	256.25	443.19	Actual Finance costs Includes Rs.300.13 Cr towards interest on Working Capital Loans taken for power purchase payments which was not allowed by Hon'ble APERC in ARR. Hence variation appears to be on high side.
Repairs & Maintenance	124.67	162.54	Salaries of Out sourced employees has increased by 50% w.e.f 01.04.2018.
Other Expenses	113.43	332.02	1) Rs.26.58 Crores Incurred towards Distribution of LED Bulbs as against the APERC Approved Amount of Rs.21.07 Crores 2)Rs.113.44 Crores Incurred towards Solar Agl. Pump sets as against the APERC Approved Amount of Rs.45.06 Crores. 3)Rs.27.22 Crores Incurred towards Energy Pump sets as against the APERC Approved Amount of Rs.21.05 Crores. 4) Titili & Other cyclone expenses Rs.107.69Crs. 5) Provision for Bad & Doubt full debts Rs.47.77 Crs

SURPLUS/(LOSS) IN REVENUE ACCOUNT:

During the year 2018-19 the company has recorded a net Loss of Rs.4644.14 Crores before tax.

DIVIDEND AND TRANSFER TO RESERVES

As there is no adequate surplus available for distribution of dividend, your Directors could not declare any dividend for the year 2018-19.

SHARE CAPITAL:

The Authorized Share Capital of the Company as on 31/03/2019 is Rs. 122,00,00,000 divided into 12,20,00,000 Equity Shares of Rs. 10/- each and the Issued and Paid Share Capital is Rs. 121,22,53,290/- divided into 12,12,25,329 Equity Shares of Rs. 10/- each and whole Share Capital is held by the Government of Andhra Pradesh.

PERFORMANCE AND OPERATIONAL HIGHLIGHTS:

During the year, the Sale of Energy was 19678.14 Million Units, an increase of 7.26 % as compared to 18346.12 Million Units for the previous year. The aggregate technical and distribution losses were stood at 6.68%.

During the Financial year 2018-19, the DPE wing inspected 75,867 services and assessed an amount of Rs. 3813.69 Lakhs in respect of 14,522 cases booked, relating to Direct Tapping, Pilferage, Malpractice, Back Billing, etc and realised cases 14,132 and an amount of Rs.2787.37 Lakhs including previous year pending realised amounts.

During the Financial year 2018-19, the Assessment wing has disposed off 3473 Nos. of cases.

SYSTEM IMPROVEMENT:

The Company is continuously upgrading and augmenting its network to achieve different objectives viz., to reduce technical losses, to improve reliability of the system, to serve the consumers for better services and to give uninterrupted quality power.

PROGRESS OF PROJECT WORKS:

Your Company continues to explore various modes to utilize project works for improving operational efficiency. Some of the highlights are:

- Erection of new 33/11KV Substations: 19Nos. New 33/11KV Substations with estimated cost of Rs.45.68Crs are erected and charged during the F.Y. 2018-19 under IPDS (9Nos) and DDUGJY Scheme (10Nos).

I) DEEN DAYAL UPADYAYA GRAM JYOTHI YOJANA (DDUGJY SCHEME):

DDUGJY works are completed by 31.03.2019 and so far an expenditure of Rs.301.96Crs is incurred under the scheme. Under DDUGJY Scheme 85Nos. 33/11 KV substations, 3445.68Km of 33KV/11KV/LT lines were erected along with strengthening of distribution network in 30Nos SAGY villages. All identified 2,10,623Nos UE Households were electrified under Rural Electrification component and thus achieved 100% electrification and an amount of Rs.149.42Crs is received as grant.

II) INTEGRATED POWER DEVELOPMENT SCHEME (IPDS):

IPDS works are completed by 28.02.2019 and so far an expenditure of Rs.317.25Crs is incurred under the scheme. Under IPDS, 40Nos 33/11 KV substations, 72Nos Additional & Augmentation of PTRs, 3218Nos Additional & Augmentation of DTRs, 742.54Km of New 33KV/11KV/LT Lines were erected, under metering plan 3,64,545Nos meters were provided and 1236KWp Solar roof top plants were commissioned for all 5 District Collectorates and APEPDCL Offices of Subdivision, Division & Circles and an amount of Rs.163.34Crs is received as grant.

III) DDG PROJECTS:

- 229 Nos interior tribal habitations are identified in Vishakhapatnam, Rajamahendravaram and Eluru circles and got sanctioned for an amount of Rs.19.34 Crs by REC Ltd. All habitations were electrified as on now.
- An amount of Rs.6.595 Crs was released by REC towards Grant portion pertaining to 1st, 2nd and 3rd installments of this scheme. Loan was sanctioned for an amount of Rs.5.8 Crs. and documentation is under progress.

IV) HYBRID GRID WORKS (Electrification of Tribal habitations under TSP 2017-18):

- Government of AP has sanctioned an amount of Rs.7.11 Crs to APEPDCL under TSP for Electrification ST habitations for FY 2017-18.
- As per instructions of ED/REC, it has been proposed to extend grid supply to Tribal habitations which were already electrified under DDG earlier along with any other new habitations and Households as and when identified in 05 Circles of APEPDCL with an amount of Rs.7.11 Crs of State Government of A.P funds sanctioned under TSP 2017-18.
- The details of Circle wise habitations and households electrified with grid are as follows:

S. No	Name of the Circle	No of habitations Electrified with Grid Supply	No of BPL HHs electrified with Grid
1	Srikakulam	21	20
2	Vizianagaram	12	135
3	Vishakhapatnam	83	3810
4	Rajamahendravaram	12	3650
	EPDCL Total	**128**	**7615**

V) SCADA PART-A SCHEME:

- The scheme was sanctioned by M/s. PFC for implementation of SCADA in Vishakhapatnam City for amount of Rs.13.16 Crs.
- Installation & Commissioning works of all SCADA Components were completed. Further SCADA SAT, DMS SAT and System availability test were completed.
- M/s. Power Grid Corporation (as TPIEA) completed its verification during Nov'2018.

CONSUMER SERVICES:

Your company dedicates itself to efficient and timely customer service and the following initiatives were further launched during the year:

- The Company is resolving immediately the complaints registered in Centralized Electricity Call Centre on a priority basis from time to time.
- Online 'Spandana' for receiving the consumer complaints to improve the customer services and to achieve the objective of customer delight in addition Spandana programme which is being conducted on every Monday at Corporate Office to resolve the grievances of customers.
- Centralized call center Number 1912 established for better customer support for rectification electricity supply and other electrical problems.

- HT Consumers meets are being organized at Circle Offices and Corporate Office to resolve pending issues.
- Wide publicity activities were taken up such as exhibition of display boards, norms for new service connections and citizen charters etc.
- Regular visits are conducted for effective monitoring as part of continuous improvement.
- During the year new payment gateway i.e. payment of bills through Andhra Bank ATMs was introduced to facilitate consumers to have multiple choices for bill payment.
- Implemented online e-payment system for collection of bills and also introduced UPI payment service for receiving electricity payments using BHIM app for better consumer service.

CONSUMER GRIEVANCES REDREESSAL FORUM

- Forum has conducted 49 Consumer Awareness Programmes besides 49 Nos. public hearings in various places and disposed off 396 Nos. complaints during the year.

SAFETY MEASURES:

Safety comes first and remains at the top of the agenda of Company round the year. Company has initiated various safety measures like procurement of safety equipments for the field staff and initiating safety awareness programmes etc.

- Safety Boards are displayed in all fault centers of APEPDCL Jurisdiction for enforcement of Safety rules.
- Safety training provided to line staff.
- Safety Committees formed up to Sub-Division level for strict implementation of safety measures.

INFORMATION TECHNOLOGY

Your Company continues to explore various modes to utilize technological developments for improving operational efficiency and customer care. Some of the highlights of the areas in which the basic work is completed are as follows:

Mobile app for HT Consumers:

APEPDCL has launched mobile app exclusively for HT Consumers with the following features:

- Dashboard (amount to be paid, consumption details of last 12 months and payment history of last 3 months)
- Payment history of last 12 months
- Month-wise and day-wise consumption
- Know power supply position including SAIDI and SAIFI
- Day-wise demand (KVA) at a glance
- Provision to update payment details for easy reconciliation after payment through RTGS.
- Access various features of the mobile app using voice assistant.

Online Energy Audit:

In addition to Real time monitoring, Energy Auditing at 11KV feeder level is taken up in real time on monthly basis. To ensure this, the following process/activities are being taken:

- Mapping of distribution transformers (DTs) and HT services to its respective 11kV feeder.
- Mapping of all LT services to the respective Distribution Transformer.
- Arriving input based on the IAMR data.
- Taking sales for the mapped services from the billing data and
- Finally, computing the energy loss.

New developments in SAP:

As part of implementation of SAP ERP, the following modules are under implementation in APEPDCL:

- Finance Accounting (FI)
- Controlling (CO)
- Material Management (MM)
- Project Systems (PS)
- Plant Maintenance (PM)
- Human Capital Management (HCM)

The following new developments have been made by the in-house team:

- E-Stores implemented in all five District stores which eliminates repeated visits to stores by AE-Operations so that considerable time can be saved.
- E-M book, work bill preparation and Dashboard – A provision is made in SAP for preparation of work bills by the section officers and an e-M Book will be generated in SAP. All officers can view the status of position of work orders including the status of work bills.
- Entire work flow for Customer Requests, Solar pump sets, Depository Contribution (DC) works and Improvement works including dashboard for estimates.
- Entire process for HT New services and HT Load changes from registration to service release.
- Module for Distribution Transformers Management.

Bio-metric Attendance:

- As per instructions of Govt. of AP, APEPDCL has implemented bio-metric attendance system in all the offices in all 5 districts.
- As part of this, 412 Nos. Bio-metric machines are installed at 480 co-located Offices.
- Salaries of the employees in the Corporate Office are being processed using the bio-metric attendance data.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, are given below.

(A) Conservation of energy:

SOLAR AGRICULTURE PUMP SETS AND ROOF TOP

- During the FY 2018-19, the Solar Agricultural Pumpsets installed are 3 HP -337 Nos and 5 HP – 4218 Nos totalling to 4555 Nos
- During the FY 2018-19, 2346 Nos rooftop services were synchronised to grid with a capacity of 15383 KW.
- During the FY 2018-19, 2 MW capacity floating Type Solar Power Plant of GVSCCL was synchronised and the total capacity installed i.e. 74.3 MW.
- As per the GoAP Policy, Agricultural farmers receive 9Hrs of free supply by Providing Subsidy amount to APDISCOMS.
- Applicability of Scheme is only for agricultural motors of 5HP & 3HP systems

INITIATIVES OF APEPDCL FOR PROMOTION OF SOLAR ROOFTOP:

1) APEPDCL is encouraging the development of Non-Renewable energy and accepting the Gross/Net Metering options from the eligible developers as per the Policy, 2015.
2) APEPDCL installed 10 KW Solar Rooftop on ATC building as initiative and for demonstration purpose.

(B) Technology absorption:

Major efforts made towards technology absorption.

- Company has upgraded its android application on Google play store so that any consumer can make the payment of the energy bill through its android mobile.
- Transformer load loss measurement facility at stores.
- Company is in the process of adopting new technologies to reduce the consumption of Electricity.

(C) Foreign exchange earnings and outgo

There were no foreign exchange earnings and outgo during the year.

UDAY SCHEME:

Ministry of Power, Government of India (GOI) has notified UDAY (Ujwal Discom Assurance Yojana) Scheme for the financial turnaround of Power Distribution Companies and an Tripartite MOU was entered with GOI, Government of Andhra Pradesh and APDISCOMs on 24.06.2016. Government of Andhra Pradesh has issued G.O.Ms.No.27 Dated 26.07.2016 for implementation of UDAY Scheme.

ANTI THEFT MEASURES:

Your Company is having a full- fledged Vigilance Department (DPE Wing).

- Night raids have been conducted where department transformers are inside the consumer premises like fish tanks, poultry farms, marriage function halls & Industries.
- Awareness was created among staff members and public not to allow any sort of evil practices.
- High loss sections or low specific or unmanned Distributions, Low consumption, Nil consumption, stuck up meters, burnt meters, no billing & UDC services were Inspected.
- Review of MRB registers, abnormal consumption services in EPIMRS were checked.
- Conducted intensive inspections in theft prone areas based on information received from Public, Material published in News papers, Vigilance reports etc.

- Intensive inspections over a specified area were being conducted by pooling up DPE Units of various OPE Divisions on getting the information from the concerned Superintending Engineer/Operations, and also as per the instructions from Joint Managing Director (V&S), Directors & Chairman & Managing Director.

VIGIL MECHANISM:

The Company has a Vigil Mechanism System as per the existing APSEB Employees Conduct Regulations. However, a Vigil Mechanism Policy has also been in place to comply with the provisions of Section 177 (9) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.

TARIFF

Andhra Pradesh Electricity Regulatory Commission [APERC] is the authority who has been entrusted with the various functions inter alia determination of tariff for electricity for various categories of consumers.

RISK MANAGEMENT POLICY:

The elements of risk threatening the Company's existence is very minimal. However, the Business risk evaluation and management is an ongoing process within the organization. And a Risk Management Policy has been in place in line with the provisions of Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY:

As per the provisions of Section 135 of the Companies Act, 2013, the Board has constituted the Corporate Social Responsibility Committee with the following Directors:

Chairman & Managing Director

Director (Finance & HRD)

Director (Operations & Projects)

Representative Director of Energy Department, Government of Andhra Pradesh

The Board also adopted CSR Policy of the Company, which has been posted on the website of the Company. CSR Budget to be spent during the Financial year 2018-19 is NIL as the company is not having any average net profits for the last three financial years i.e. 2015-16, 2016-17 and 2017-18. Hence, the Company has not undertaken any projects as per CSR Policy. However, being a Power Distribution Company, our Company continuously taking up energy efficiency measures as a part of CSR initiatives from time to time as per the State Government directives and with the association of Andhra Pradesh State Energy Conservation Mission (APSECM) and Andhra Pradesh State Energy Efficiency Development Corporation Limited which have been constituted by Government of Andhra Pradesh as a part of energy conservation measures. The Annual report on CSR activities as specified is annexed in the prescribed format, which forms part of this report.

AP Re-Organisation Act, 2014:

As per AP Re-Organisation Act, 2014, the demerger scheme for apportionment of assets and liabilities pertaining to 7 (Seven) Mandals of erstwhile Khammam District between TSNPDCL and APEPDCL had been approved by Board of Directors of both the Companies and also by the Expert Committee. Accordingly, the assets and liabilities as on 02.06.2014 in respect of 7 Mandals of erstwhile Khammam District were incorporated in the books of accounts for the Financial Year 2017-18 and also the transactions recognized in respect of 7 merged Mandals taken place between 02.06.2014 to 31.03.2015 were also incorporated in the books of accounts for the Financial Year 2017-18.

BOARD OF DIRECTORS

The Details of Directors of the Board from the last Annual General Meeting to till date is as follows including changes.

Name of the Director	Designation	Date of appointment	Date of cessation
Ms. Nagalakshmi.S, IAS (DIN : 07741194)	Chairman and Managing Director	27.06.2019	—-
Sri Shamsher Singh Rawat, IAS (DIN:06927486)	Director	04.11.2019	—-
Sri K.V.N.Chakradhara Babu, IAS (DIN:08504821)	Director	11.09.2019	—-
Sri B.A.V.P.Kumara Reddy (DIN:08521458)	Director	22.07.2019	—-
Sri K.Rajabapaiah (DIN:08384715)	Director (Projects)	24.02.2019	—-
Sri K.V.V.Satyanarayana, IRAS (DIN:08076027)	Director	11.09.2019	04.11.2019
Sri M.Ravi Chandra, IAS (DIN: 05352925)	Director	31.07.2018	11.09.2019
Sri I.Mohan Rao (DIN:08145966)	Director	03.08.2018	22.07.2019
Smt. Sobha Hymavathi Devi (DIN: 08105274)	Woman Independent Director	11.04.2018	30.07.2019
Sri B.Seshu Kumar (DIN:07236508)	Director (Operations & Projects)	16.06.2015	18.06.2019
Sri T.V.S.Chandra Sekhar (DIN:05252424)	Director (Finance & HRD)	26.06.2015	25.06.2019
Sri H.Y.Dora (DIN: 02198284)	Chairman & Managing Director	15.09.2017	18.02.2019

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company.

Ms. Nagalakshmi.S, IAS, Chairman and Managing Director

Sri K.Rajabapaiah, Director (Operations & Projects)

Sri K.S.V.S.Sastry, Company Secretary

MEETINGS:

BOARD MEETINGS:

During the Financial Year 2018-19, 4 (Four) Board meetings were held on 11.07.2018, 09.08.2018, 27.09.2018 and 21.12.2018

AUDIT COMMITTEE:

The Audit Committee of the Company consists of the following Directors as on the date of 19th Annual General Meeting:

Name of the Director	Designation
Sri Shamsher Singh Rawat, IAS	Director
Sri K.V.N.Chakradhara Babu, IAS	Director
Sri B.A.V.P.Kumara Reddy	Director
Sri K.Rajabapaiah	Director (Operations & Projects)

During the Financial Year 2018-19, 3 (Three) Audit Committee Meetings were held on 09.08.2018, 27.09.2018 and 21.12.2018.

Regarding the statement on declaration by Independent Director under Sub-Section (6) of Section 149, being a Government Company, the Directors are officials of the Government of Andhra Pradesh and the Directors have disclosed their interest and was noted in the Board Meeting. Further, clause (a) and (c) of Sub- Sections (6) of Section 149 of the Companies Act, 2013, shall not apply to Government Company as per Notification of MCA Dt.05.06.2015.

Regarding policy on Directors appointment and remuneration including criteria for determining qualification, positive attributes u/s 178(3) of the Companies Act, 2013, it is informed that it is a Government Company. The Government of Andhra Pradesh have issued guidelines in G.O.Ms.No.18, Energy (Power – III) dept., Dt.14.05.2012 for appointment of Directors in which selection procedure, selection committee, process of Selection of eligible persons, etc were given. Section 197 of the Companies Act, 2013 shall not apply to Government of Company as per Notification of MCA Dt.05.06.2015 i.e. on Managerial remuneration. And Clause (e) of Sub- Section (3) of Section 134 of the Companies Act, 2013 shall not apply to Government Company as per the Notification of MCA Dt.05.06.2015 i.e. policy on Directors appointment and remuneration etc., However, the Company has constituted a Nomination and Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013.

DIRECTORS RESPONSIBILTY STATEMENT

To the best of knowledge, belief and according to the information received, the Board of Directors confirm as under for the Financial Year 2018-19 in terms of Section 134 (3) (c) of the Companies Act, 2013.

i. In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period;

iii. The Directors had taken proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and

iv. The Directors had prepared Annual Accounts on a going concern basis.

v. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & AUDIT REPORT

i) INTERNAL AUDITORS:

The Company had appointed Internal Auditors for each Division separately for conducting Internal Audit of the Company for the Period from 1st April, 2018 to 31st March, 2019 and the Internal Audit Wing of the Company is reviewing reports received from the internal auditors from time to time.

ii) STATUTORY AUDITORS:

The Office of the Comptroller and Auditor General of India (C&AG) have appointed M/s Grandhy & Co., (SR0164), Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2018-2019.

The C&AG have appointed i.e. M/s. B.V.RAO & CO LLP, Chartered Accountants as Statutory Auditors of the Company for the financial year 2019-2020.

iii) COST AUDITORS:

Under the directives of Section 148 (1) of Companies Act, 2013, the Company is required to conduct a cost audit. The Board, on the recommendations of the Audit Committee, appointed M/s. Narasimha Murthy & Co., Cost Accountants as Cost Auditor for the Financial Year 2018-19 and has received the cost audit report which will be submitted to the Central Government.

The Board also re-appointed Mr. M/s. Narasimha Murthy & Co., as Cost Auditor for the Financial Year 2019-20. As per the provisions of the Companies Act, 2013, the remuneration of the Cost Auditor as approved by the Board is to be ratified by the Members and the necessary resolution for the approval of the shareholders is included in the notice of the Annual General Meeting.

iv) SECRETARIAL AUDITORS:

The Board of Directors appointed Sri P.Vithal Kumar, Practicing Company Secretary as Secretarial Auditor of the Company for the F.Y.2018-19 and he has submitted his report along with his adverse remarks on the non compliance of provisions of Section 143 (6) by not ensuring placing of final comments of the Comptroller and Auditor General of India (CAG) at the Annual General Meeting held on 27.09.2018.

With regard to non compliance of Section 143 (6) by not ensuring placing of final comments of the Comptroller and Auditor General of India (CAG) at the Annual General Meeting held on 27.09.2018, management would

like to inform you that the Company awaited final comments from CAG till the last due date of the Annual General Meeting, however, the final comments could not received till the due date, the Board after seeking the approval of the shareholders of the Company adopted the financial statements with the provisional comments of the CAG. However, after receipt of the final comments from CAG, an Extraordinary General Meeting (EGM) was convened on 21.12.2018, members present took note the final comments of the Comptroller and Auditor General of India (CAG) on the annual accounts for F.Y.2017-18. Report of the secretarial Auditor is annexed which forms part of this report.

REPLIES TO COMMENTS OF THE STATUTORY AUDITORS AND THE C&AG

Replies of the management to comments of the Statutory Auditors and the Comptroller and Auditor General of India (CAG) u/s143 of the Companies Act, 2013 respectively are annexed hereto and forms part of this Report.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.

RELATED PARTY TRANSACTIONS

During the Financial year 2018-19, the Company has not entered into any related party transactions as per the provisions of Section 188 of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Companies Act, 2013, the extract of annual return is Annexed in the prescribed Form MGT-9, which forms part of this report.

COMPLIANCE WITH SEXUAL HARASSMENTS OF WOMEN AT WORK PLACE

The Company has put in place an Anti Sexual Harassment Policy to prevent, prohibit and redress the issues on the Sexual Harassment of Women at the work place.

HUMAN RESOURCE DEVELOPMENT ACTIVITIES

- The Rule of Reservation is followed both in promotions and recruitment.
- Industrial harmony was maintained throughout the year and continuous interaction with respective unions / Associations were maintained.
- Motivational steps such as Non – Monetary Rewards, encouragement by commendation Certificates etc., were maintained.

OTHER DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following item as there were no transactions on these items during the year under review:-

1. During the year under review, the Company has neither accepted nor renewed any deposits covered / as defined under Chapter-V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

2. The Managing Director of the Company did not receive any remuneration or commission from any of its subsidiaries as there are no subsidiaries.

3. No significant or material orders were passed by the regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

4. There is no occurrence of material change and commitment made between the end of Financial Year and date of this report which has affected financial position of the Company.

5. There was no change in the nature of business of the Company during the Financial Year 2018-19.

6. The company is engaged in distribution of power, being a Government Company which is covered under the exemptions notified by the Ministry in this regard on 5th June, 2015. Accordingly, the details of loan given or guarantee or security provided by the company are not required to be reported.

7. There were no instances of frauds identified or reported by the Statutory Auditor during the course of the Audit pursuant to Section 143 (12) of the Companies Act, 2013.

8. The Company has no subsidiary or joint venture Company as defined under the Companies Act, 2013.

9. The Company being a Government Company is exempted vide Notification No. GSR-163 (E) Dated 05-Jun-2015 issued by the Ministry of Corporate Affairs (MCA), Govt. of India, to furnish information as required under Section 197 of the Companies Act, 2013 , relating to particulars of employees.

ACKNOWLEDGEMENTS

Your Directors acknowledge the invaluable support and co-operation of the Chairman & Managing Director, APTRANSCO and Chairman & Managing Director of APSPDCL. We welcome Ms. Nagalakshmi.S, IAS, Sri Shamsher Singh Rawat, IAS, Sri K.V.N.Chakradhara Babu, IAS, Sri B.A.V.P.Kumara Reddy and Sri K.Rajabapaiah who have been appointed as Directors of the Company on the Board by the Government of Andhra Pradesh. We also place on record our appreciation for the excellent contribution rendered by Sri M.Ravi Chandra, IAS, Sri H.Y.Dora, Sri K.V.V.Satyanarayana, IRAS, Smt. Sobha Hymavathi Devi, Sri T.V.S.Chandra Sekhar, Sri B.Seshu Kumar and Sri I.Mohan Rao during their tenure as Directors on the Board. We take this opportunity to thank the Secretary to Energy, I & I, Government of A.P., the Secretary, APERC and other officials of the Government of A.P., the Office of the Comptroller & Auditor General of India; the Bankers and Financial Institutions and look forward to their continued support in the future. We also wish to congratulate the employees as well as the Employees' Unions and the Engineers' and Officers' Associations of APEPDCL, for their invaluable services. We further congratulate the accounts Department for their dedicated involvement in preparing the Audited Financial Statements as per Indian Accounting Standards.

For and on behalf of the Board of Directors
Sd/-
Nagalakshmi.S, IAS
Chairman & Managing Director
(DIN 07741194)

Place: Visakhapatnam
Date: 31.12.2019

ANNUAL REPORT ON CSR ACTIVITIES

1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs:

The CSR policy of the Company states that the activities to be undertaken by the Company shall be within the gamut of activities specified in Schedule VII of the Companies Act, 2013. The amount of the expenditure to be incurred during any financial year shall be at least the amount specified in the said Act and the relevant rules.

2) The composition of the CSR Committee:

The CSR Committee of the Board of Directors consists of the following three members:

Chairman and Managing Director

Director (Finance & HRD)

Director (Operations & Projects)

Director representing Energy Department, Government of Andhra Pradesh

3) Average net profit of the company for last three financial years:

CSR Budget to be spent during the Financial Years 2018-19 is NIL as the Company recorded losses/profit to the extent of (-) Rs. 471.86 Crores and (-) Rs. 394.16 Crores and (+) 2.89 Crores during the Financial Years 2015-16, 2016-17 and 2017-18 respectively. Therefore, the Company does not have any average net profits to arrive at CSR Budget for the respective financial years.

4) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): NIL

5) Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: NIL

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

S. No	CSR project or activity identified	Sector in which the project is covered	Area where project was undertaken	Budgeted outlay (Rs. lakhs)	Actual expenditure (Rs. lakhs)	Cumulative expenditure up to 31-Mar-19 (Rs. lakhs)	Direct/ Implementing agency
The Company has not undertaken any CSR activities during the Financial Year 2018-19 as the Company does not have average net profits during the preceding Three Financial Years i.e. 2015-16, 2016-17 and 2017-18							

6) In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. NOT APPLICABLE

7) Responsibility statement:

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company.

For and on behalf of the Board of Directors
Sd/-
Nagalakshmi.S, IAS
Chairman & Managing Director
(DIN 07741194)

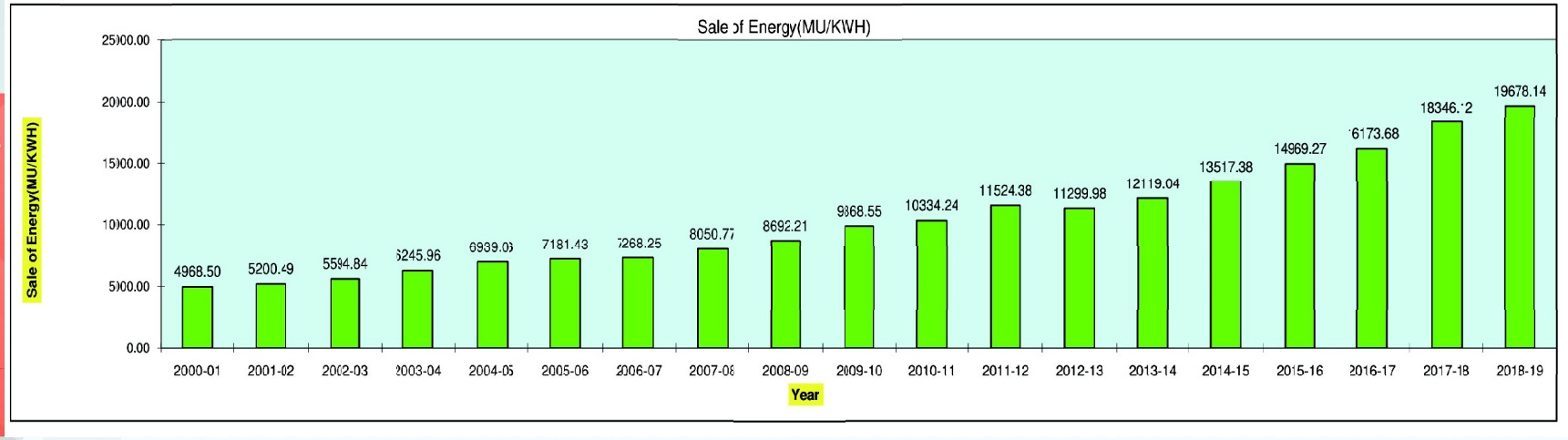
Eastern Power
Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ
(An ISO 9001-2008 & ISO 27001:2005 Certified Company)



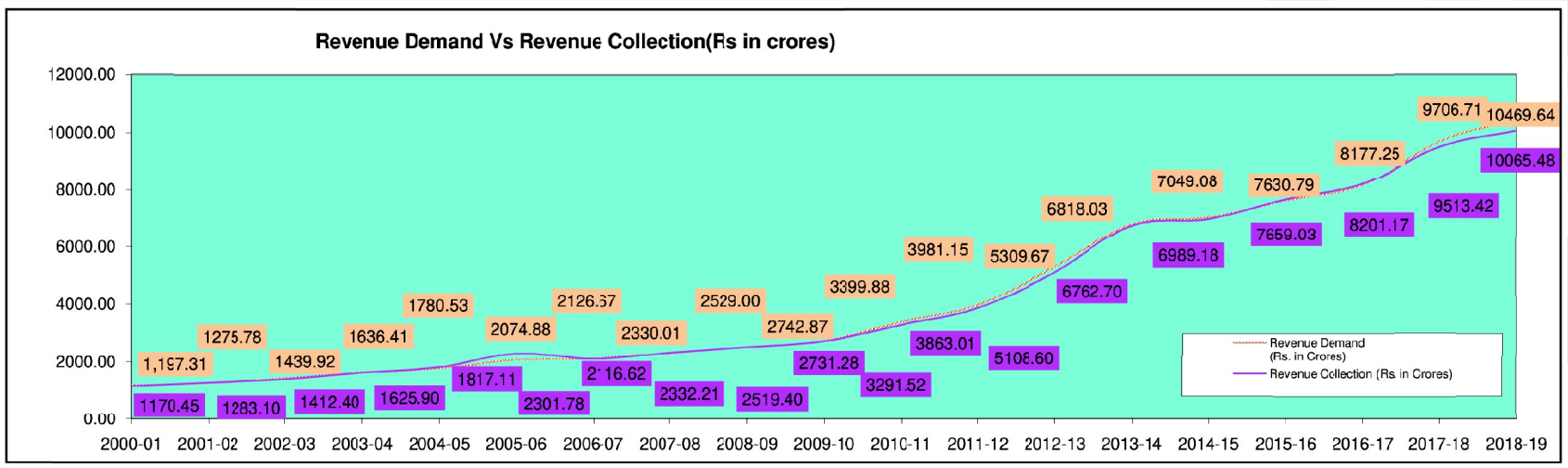
STAYING AHEAD CONSISTENTLY

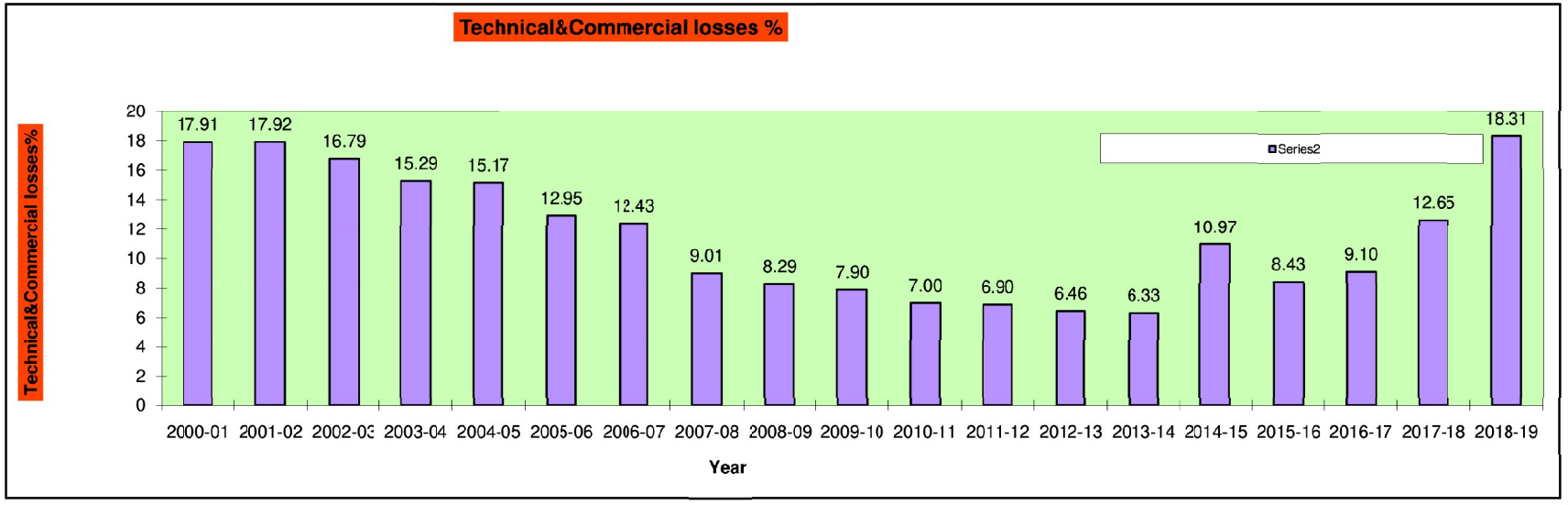
	YEAR	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
PERFORMANCE HIGHLIGHTS	Sale of Energy(MU)	4968.50	5200.49	5594.84	6245.96	6939.06	7181.43	7268.25	8050.77	8692.21	9868.55	10334.24	11524.38	11299.98	12119.04	13517.38	14969.27	16173.68	18346.12	19678.14
	Revenue Demand (Rs. in Crores)	1197.31	1275.78	1439.92	1636.41	1780.53	2074.88	2126.67	2330.01	2529.00	2742.87	3399.88	3981.15	5309.67	6818.03	7049.08	7630.79	8177.25	9706.71	10469.64
	Revenue Collection (Rs. in Crores)	1170.45	1283.10	1412.40	1625.90	1817.11	2301.78	2116.62	2332.21	2519.40	2731.28	3291.52	3863.01	5108.60	6762.70	6989.18	7659.03	8201.17	9513.42	10065.48
OPERATIONAL HIGHLIGHTS	Technical&Commercial losses %	17.91	17.92	16.79	15.29	15.17	12.95	12.43	9.01	8.29	7.90	7.00	6.90	6.46	6.33	10.97	8.43	9.10	12.65	18.31
FINANCIAL HIGHLIGHTS	Total Revenue (Rs. in Crores)	1198.11	1540.67	1663.98	1821.52	2013.25	2138.02	2322.68	2731.32	3534.14	3983.83	4470.83	5508.29	5091.41	6350.67	7960.71	8796.41	8729.24	10632.89	12111.65
	Total Expenditure (including OCI) (Rs. in Crores)	1198.11	1555.61	1658.34	1818.76	1999.21	2106.49	2309.6	2766.23	3510.38	3966.55	4454.82	5489.83	6771.96	6486.22	8682.95	9268.27	9170.55	10622.44	16755.79
	Profit after Tax (including OCI) (Rs. in Crores)	0.00	(14.94)	5.19	2.54	12.89	18.89	13.78	35.32	13.59	18.33	12.82	25.24	(1680.55)	(135.85)	(722.24)	(471.86)	(441.31)	10.45	(4644.14)

Note : AT&C Losess form the fy 2014-15 are arrived as per revised methodology circulated by CEA vide Lr. No. CEA-GO-17(11/1/2018/DP&R Div / 408-530dated 08-08-2018



Eastern Power Distribution Company of A.P. Limited
(An ISO 9001:2008 & ISO 27001:2005 Certified Company)



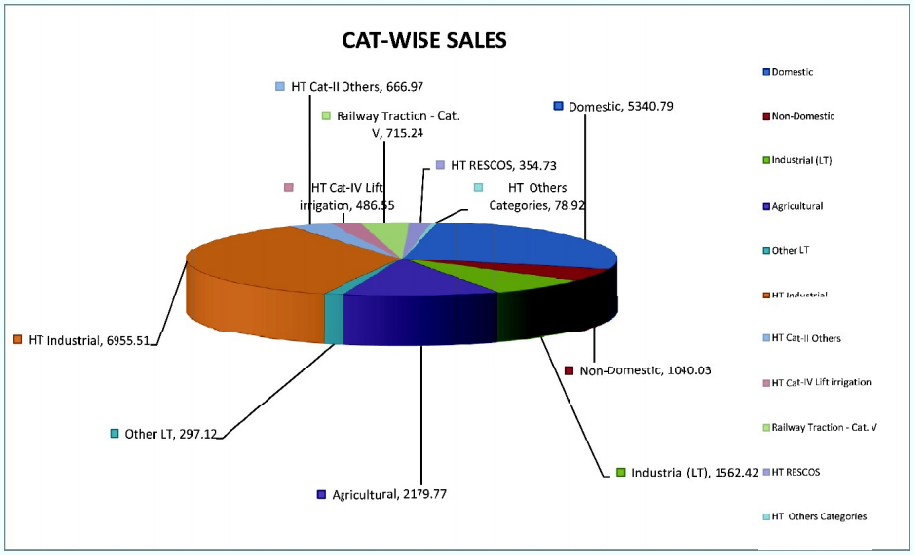


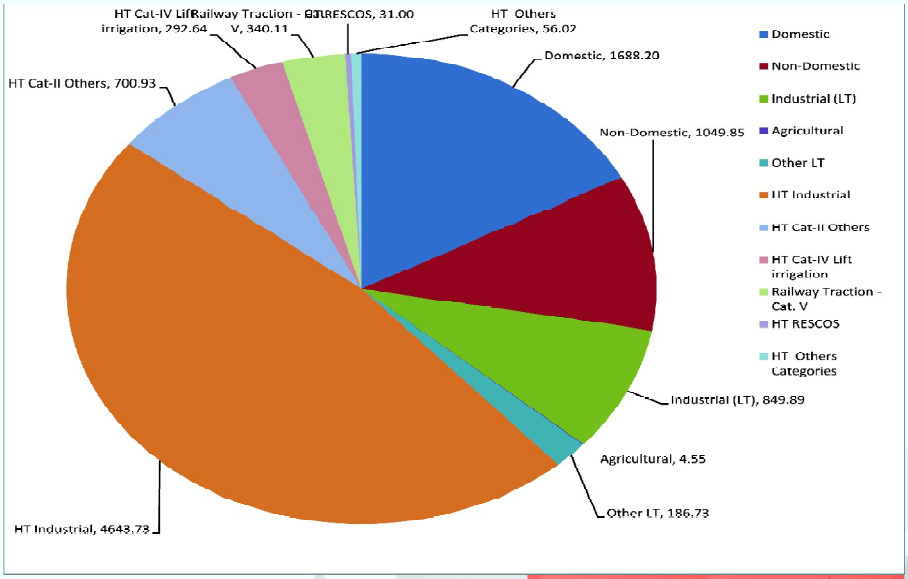
Note : AT&C Losess form the fy 2014-15 are arrived as per revised methodology circulated by CEA vide Lr. No. CEA-GO-17(11/1/2018/ DP&R Div / 408-530dated 08-08-2018

Eastern Power
Distribution Company of A.P. Limited
(An ISO 9001:2008 & ISO 27001:2005 Certified Company)

SALES AND REVENUE - CATEGORY WISE 2018-19

Particulars	SALES		REVENUE	
	MU	%	Rs. Crores	%
Domestic	5340.79	27.14	1688.20	17.15
Non-Domestic	1040.03	5.29	1049.85	10.67
Industrial (LT)	1562.42	7.94	849.89	8.63
Agricultural	2179.77	11.08	4.55	0.05
Other LT	297.12	1.51	186.73	1.90
HT Industrial	6955.51	35.35	4643.73	47.17
HT Cat-II Others	666.97	3.39	700.93	7.12
HT Cat-IV Lift irrigation	486.65	2.47	292.64	2.97
Railway Traction - Cat. V	715.24	3.63	340.11	3.46
HT RESCOS	354.73	1.80	31.00	0.31
HT Others Categories	78.92	0.40	56.02	0.57
TOTAL	**19678.14**	**100.00**	**9843.64**	**100.00**





FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	U40109AP2000SGC034117
2	Registration Date	30.03.2000
3	Name of the Company	EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES / ANDHRA PRADESH STATE GOVERNMENT COMPANY
5	Address of the Registered office & contact details	CORPORATE OFFICE, P & T COLONY, SEETHAMMADHARA, VISAKHAPATNAM
6	Whether listed company	NO
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED, CORPORATE OFFICE, P&T COLONY, SEETHAMMADHARA, VISAKHAPATNAM - 530013 WEBSITE ADDRESS: www.apeasternpower.com Tel: 0891 - 2582503 Fax:2737675

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Power Distribution	9953	100%
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NIL				
2					
3					

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) State Govt(s)	0	121,225,329	121,225,329	100.00%	0	121,225,329	121,225,329	100.00%	0.00%
d) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total (A) (1)	-	121,225,329	121,225,329	100.00%	-	121,225,329	121,225,329	100.00%	0.00%
(2) **Foreign**									
a) NRI Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total (A) (2)	0	0	0	0.00%	0	0	0	0.00%	0.00%
TOTAL (A)	-	121,225,329	121,225,329	100.00%	-	121,225,329	121,225,329	100.00%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
	0	0	0		0	0	0		
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g) FIIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
	0	0	0		0	0	0		
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-total (B)(1):-	0	0	0	0.00%	0	0	0	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0.00%	0	0	0	0.00%	0.00%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals	0	0	0		0	0	0		
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0.00%	0	0	0	0.00%	0.00%
	0	0	0		0	0	0		
	0	0	0		0	0	0		
	0	0	0		0	0	0		
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0.00%	0	0	0	0.00%	0.00%
	0	0	0		0	0	0		
	0	0	0		0	0	0		
	0	0	0		0	0	0		
c) Others (specify)	0	0	0		0	0	0		
Non Resident Indians	0	0	0	0.00%	0	0	0	0.00%	0.00%
Overseas Corporate Bodies	0	0	0	0.00%	0	0	0	0.00%	0.00%
	0	0	0		0	0	0		
Foreign Nationals	0	0	0	0.00%	0	0	0	0.00%	0.00%
Clearing Members	0	0	0	0.00%	0	0	0	0.00%	0.00%
Trusts	0	0	0	0.00%	0	0	0	0.00%	0.00%
Foreign Bodies - D R	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-total (B)(2):-	0	0	0	0.00%	0	0	0	0.00%	0.00%
Total Public (B)	0	0	0	0.00%	0	0	0	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0.00%
	0	0	0		0	0	0		
	0	0	0		0	0	0		
Grand Total (A+B+C)	-	121,225,329	121,225,329	100.00%	-	121,225,329	121,225,329	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Honorable Governor of Andhra Pradesh	121,225,320	99.999993%	0	121,225,320	99.999993%	0	0.00%
2	Individuals / Government Nominees	9	0.000007%	0	9	0.000007%	0	0.00%
3		121,225,329	100.00%	0	121,225,329	100.00%	0	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	There is no change in Promoters' Shareholding between 01.04.2018 to 31.03.2019 except change of names of Government Nominees					
	Changes during the year						
	At the end of the year						

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	At the beginning of the year	01.04.2018	NIL				
	At the end of the year	31.03.2019					

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	Name						
1	Sri H.Y.Dora	01.04.2018	At the beginning of the Year	1	0.00000082%	1	0.00000082%
		31.03.2019	At the end of the Year	1	0.00000082%	1	0.00000082%
2	Sri B.Seshu Kumar	01.04.2018	At the beginning of the Year	1	0.00000082%	1	0.00000082%
		31.03.2019	At the end of the Year	1	0.00000082%	1	0.00000082%
3	Sri T.V.S.Chandra Sekhar	01.04.2018	At the beginning of the Year	1	0.00000082%	1	0.00000082%
		31.03.2019	At the end of the Year	1	0.00000082%	1	0.00000082%
4	Sri M.Venu Gopal Reddy, IAS	01.04.2018	At the beginning of the Year	1	0.00000082%	1	0.00000082%
		31.03.2019	At the end of the Year	-	0.00000000%	-	0.00000000%
5	Sri I.Mohan Rao	01.04.2018	At the beginning of the Year	-	0.00000000%	-	0.00000000%
		31.03.2019	At the end of the Year	1	0.00000082%	1	0.00000082%
6	Sri M.Ravi Chandra, IAS	01.04.2018	At the beginning of the Year	-	0.00000000%	-	0.00000000%
		31.03.2019	At the end of the Year	-	0.00000000%	-	0.00000000%
7	Smt. Sobha Hymavathi Devi	01.04.2018	At the beginning of the Year	-	0.00000000%	-	0.00000000%
		31.03.2019	At the end of the Year	-	0.00000000%	-	0.00000000%
8	Sri K.V.V.Satyanarayana, IRAS	01.04.2018	At the beginning of the Year	-	0.00000000%	-	0.00000000%
		31.03.2019	At the end of the Year	-	0.00000000%	-	0.00000000%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	34,847,425,255	-	-	34,847,425,255.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	34,847,425,255	-	-	34,847,425,255.00
Change in Indebtedness during the financial year				
* Addition	13,001,282,592	-	-	13,001,282,591.84
* Reduction	3,631,168,810			3,631,168,810.00
Net Change	9,370,113,782	-	-	9,370,113,781.84
Indebtedness at the end of the financial year				
i) Principal Amount	44,217,539,037	-	-	44,217,539,036.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	44,217,539,037	-	-	44,217,539,036.84

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director

SN.	Particulars of Remuneration	Name of Managing Director		Total Amount
	Name	Sri H.Y.Dora	Sri K.Rajabapaiah	(Rs)
	Designation	Managing Director	Director (Projects) / CMD (FAC)	
1	Gross salary	2,733,192.00	563,753.00	3,296,945.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	---	---	-
		---	---	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	---	---	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	---	---	-
		---	---	
2	Stock Option			-
3	Sweat Equity	---	---	-
4	Commission	---	---	-
	- as % of profit	---	---	-
	- others, specify	---	---	-
5	Others, please specify	---	---	-
	Total (A)	2,733,192.00	563,753.00	3,296,945.00
	Ceiling as per the Act		-	-

A. Remuneration to Whole-time Directors

SN.	Particulars of Remuneration	Name of Whole Time Director		Total Amount
	Name	Sri B.Seshu Kumar	Sri T.V.S.Chandra Sekhar	(Rs.)
	Designation	Director (Operations)	Director (Finance) / CFO	
1	Gross salary	2,631,312.00	3,768,480.00	6,399,792.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-		-
3	Sweat Equity	-	-	-
4	Commission	-		-
	- as % of profit	-	-	-
	- others, specify	-		-
5	Others, please specify	-	-	-
	Total (A)	2,631,312.00	3,768,480.00	6,399,792.00
	Ceiling as per the Act	-	-	-

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount
							(Rs.)
1	Independent Directors	Sri K.V.V.Satyanaraya ana, IRAS	Sri M.Venu Gopal Reddy, IAS	Smt. Sobha Hymavathi Devi	Sri M.Ravi Chandra, IAS	Sri I.Mohan Rao	-
	Fee for attending board committee meetings	-		-	-	-	-
	Commission	-		-	-	-	-
	Others, please specify	-		-	-	-	-
	Total (1)	-		-	-	-	-
2	Other Non-Executive Directors	-		-	-	-	-
	Fee for attending board committee meetings	-		-	-	-	-
	Commission	-		-	-	-	-
	Others, please specify	-		-	-	-	-
	Total (2)	-		-	-	-	-
	Total (B)=(1+2)	-		-	-	-	-
	Total Managerial Remuneration	-		-	-	-	9,696,737.00
	Overall Ceiling as per the Act	-		-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of the Key Managerial Personnel	Total Amount
	Name	K.S.V.S.Sastry	Rs.
	Designation	Company Secretary	1,393,341.00
1	Gross salary		-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option		-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	-	- - -
5	Others, please specify	-	-
	Total		1,393,341.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.				
Punishment					
Compounding					

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Eastern Power Distribution Company of Andhra Pradesh Limited
APEPDCL, Corporate Office, P&T Colony,
Seethammadhara, Visakhapatnam – 530013.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Eastern Power Distribution Company of Andhra Pradesh Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Eastern Power Distribution Company of Andhra Pradesh Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/~~our~~ opinion, the company has, during the audit period covering the financial year ended on 31.03.2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Eastern Power Distribution Company of Andhra Pradesh Limited ("the Company") for the financial year ended on 31.03.2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA'), Securities and Exchange Board of India Act, 1992 (SEBI) and SEBI Guidelines and Regulations to the extent they are applicable; and

(iii) The Electricity Act, 2003 read with the Electricity Rules, 2005 and Regulations of the appropriate Commission issued from time to time.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The Company convened its Annual General Meeting (AGM) for the Financial Year 2017-18 on 27.09.2018. At the AGM, the members of the Company adopted the audited financial accounts for F.Y. 2017-18 with the provisional comments of the Comptroller and Auditor General of India (CAG) pending receipt of final comments from the CAG.

After receipt of the final comments from CAG, an Extraordinary General Meeting was convened on 21.12.2018 and the members of the Company took note the final comments of the Comptroller and Auditor General of India (CAG) on the annual accounts for F.Y.2017-18.

Hence, the Company has not complied with the provision to Section 143 (6) by not ensuring placing of final comments of the Comptroller and Auditor General of India (CAG) at the Annual General Meeting held on 27.09.2018.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that in view of the size and operations of the company, the systems and processes adopted in the company are inadequate to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company is advised to put in place an integrated Legal Compliance Management System with periodical reporting to the Board.

Signature: Sd/-
Name: P. VITHAL KUMAR
ACS No. 14440
CP No.8224

Place: Visakhapatnam
Date: 05.12.2019

UDIN A014440A000356903

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'Annexure A'

To
The Members,
Eastern Power Distribution Company of Andhra Pradesh Limited
APEPDCL, Corporate Office, P&T Colony,
Seethammadhara, Visakhapatnam – 530013.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the content of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained Management representation about compliance with laws, rules and regulations, happening of events, etc.
5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature: Sd/-
Name: P. VITHAL KUMAR
ACS No. 14440
CP No. 8224

Place: Visakhapatnam
Date: 05.12.2019

Eastern Power
Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ

सत्यमेव जयते

प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय
आन्ध्र प्रदेश, हैदराबाद - 500 004
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
ANDHRA PRADESH, HYDERABAD - 500 004.

No.PAG (Audit)/AP/ ES-PSUs(Power)/APEPDCL/AA 2018-19/170 Date:31.12.2019.

To
The Chairman and Managing Director,
Eastern Power Distribution Company of A.P. Limited,
P&T Colony, Seethammadhara,
Visakhapatnam – 530 013.

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the Financial Statements of Eastern Power Distribution Company of AP Limited for the year ended 31 March 2019.

***

I am to forward herewith comments of the Comptroller and Auditor General of India (C&AG) under Section 143 (6) (b) of the Companies Act, 2013 on the Financial Statements of your company for the year ended 31 March 2019 for necessary action. You are requested to communicate/ furnish the following.

1. The date of placing Annual Report for the year 2018-19 together with the financial statements, comments of the C&AG and independent auditor's report before the shareholders of the company. A copy of the proceedings of the meeting held in this regard may be furnished.
2. The date of forwarding the Annual Report and financial statements of the company for the year 2018-19 together with the auditor's report and comments of the C&AG to the State Government for being placed before the Legislature of Andhra Pradesh may be communicated.
3. Ten copies of the Annual Report for the year 2018-19 may be furnished in due course. PDF copy of the Annual Report may also be furnished for our record and reference.

Receipt of this letter along with the enclosure may please be acknowledged.

Yours faithfully,

Nawal
31/12/2019.

Encl: As stated.

Sr. Deputy Accountant General (ES)

Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of Eastern Power Distribution Company of A.P. Limited, Visakhapatnam for the year ended 31 March 2019.

The preparation of financial statements of Eastern Power Distribution Company of A.P. Limited, Visakhapatnam for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 October 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Eastern Power Distribution Company of A.P. Limited, Visakhapatnam for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the statutory auditor to give effect to some of my audit observations raised during the supplementary audit.

In addition, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

Statement of Profit & Loss

Expenses

1. Purchase of Power (Note 25): Rs.13,580.16 crore

i. The above was understated by an amount of Rs.77.22 crore due to short provision/ non-provision of liability towards the following power purchase costs. Consequently, Trade Payables and Loss for the year were understated by the same amount.

a) During the year, AP Discoms availed 3,295.27 MUs energy from power traders on returnable basis to be returned with five per cent extra units. The company had not made provision for the extra five per cent energy to be returned. Further, provision

was made at Rs.3.741 per unit instead of Rs.4 per unit (lower of average purchase cost for the year at Rs.5.97 per unit and Rs.4 per unit being the amount payable to the traders in case of failure to return the power). The company made provision for Rs.1,232.76 crore as against the provision to be made at Rs.1,384.01 crore for 3,460.04 MUs (including five per cent extra) at Rs.4 per unit, resulting in short provision of Rs.51.83 crore {(Rs.1,384.01 crore - Rs.1,232.76 crore) X 34.27 per cent being the share of the company};

b) Non-provision of Rs.14.39 crore towards the power purchased from APGENCO during December 2018 to March 2019 from its solar power plant at Talaricheruvu, in Ananthapuram district;

c) Non-provision of Rs.1.35 crore being the heavy water make up adjustment charges and differential income tax for 2018-19 claimed by M/s Nuclear Power Corporation of India Ltd, Kaiga in its April 2019 and May 2019 power purchase bills; and

d) Non-provision of Rs.9.65 crore towards the revised power purchase cost claimed by M/s NTPC during April 2019 to August 2019 for the power supplied during 2018-19.

ii. The above was overstated by an amount of Rs.522.38 crore due to excess booking of energy charges/ non-accountal of excess paid energy charges recoverable in respect of the following. Consequently, Trade Payables and Loss for the year were overstated by the same amount.

a) Non-accountal of Rs.8.16 crore recoverable from M/s Spectrum Power Generation Limited towards fixed cost paid for the period April 2016 to October 2017 in excess the rates specified in APERC Retail Supply Tariff Orders;

b) Excess booking of fixed cost of Rs.50.54 crore payable to M/s APPDCL for March 2019 due to booking the amount twice;

c) Non-accountal of Rs.24.72 crore being the excess paid fixed and variable cost pertaining to the years 2015-18 recoverable from M/s Lanco Kodapalli Power Ltd.; and

d) Excess accountal of fixed cost of Rs.438.96 crore payable to APPDCL. For the years 2015-19, fixed cost payable to APPDCL for the energy despatched from its Krishnapatnam power plant was Rs.4,506.14 crore as per the fixed cost approved (March 2019) by APERC. Against this, company accounted for fixed cost of Rs.5,787.04 crore which resulted in excess accountal of fixed cost by Rs.1,280.90

crore. (Rs.5,787.04 crore - Rs.4,506.14 crore) out of which the share of the company was Rs.438.96 crore (Rs.1,280.90 X 34.27 per cent).

iii. The above included Rs.128.41 crore being the surcharge paid during the year due to delay in payment of power purchase bills. As the surcharge was paid due to the failure of the company to pay the energy bills in time, the same should have been booked under Other Expenses. This had resulted in overstatement of Cost of Power Purchase and understatement of Other Expenses by Rs.128.41 crore.

Balance Sheet
Assets
Current Assets

2. **Inventories (Note 10): Rs.187.00 crore**

The above was overstated by Rs.14.68 crore due to continued exhibition of value of pumpsets and accessories (4566 5HP submersible EEPS pumps and 4606 Electric smart control panels) which were installed at the beneficiaries' premises before 31 March 2019. Even though pumpsets were installed before 31 March 2019, value of the same was continued under Inventory for want of formalities. This had resulted in overstatement of Inventory and understatement of Expenditure as well as Loss for the year by Rs.14.68 crore.

Liabilities
Non-current Liabilities
Provisions (Note 17)

3. **Provision for Employee Benefits - Rs.534.76 crore**

The above was understated by Rs.634.58 crore due to non-provision towards pension liability of Andhra Pradesh State Electricity Board (APSEB) employees retired before unbundling of APSEB. Estimated pension liability of the company as on 31 March 2019 in respect of 2,585 pensioners retired before unbundling of APSEB worked out to Rs.788.75 crore. Even though the company was paying the pension, revising the pension from time to time and providing medical facilities to these pensioners, it did not make provision towards pension liability. This had resulted in understatement of Employee Benefits Expense and Provision for Employee Benefits by Rs.634.58 crore (Rs.788.75 crore - Rs.154.17 crore master share liability available in the books of the company). Consequently, Loss for the year was understated by the same amount.

4. Other comments

Power Purchase Agreements entered into by the AP Discoms include clause as per which the Discoms have to pay delayed payment surcharge in case of delay in payment of energy bills to the generators. The company had not made provision towards delayed payment surcharge even though outstanding dues to generators stood at Rs.7,933.62 crore as on 31 March 2019. On the other hand, the company was accounting the delayed payment surcharge on the dues receivable from its consumers on accrual basis. In the absence of details, provision not made towards the delayed payment surcharge on the dues payable to the generators and its impact on the Loss for the year was not ascertainable.

for and on the behalf of
the Comptroller and Auditor General of India

(L.V.SUDHIR KUMAR)
Principal Accountant General (Audit)

Place: Hyderabad
Date: 31.12.2019

REPLIES OF THE COMPANY TO THE COMMENTS OF THE AG AUDITORS

S.No.	Comments of the Comptroller and Auditor General of India.	Reply of the Company
1	**Statement of Profit & Loss Expenses** **1. Purchase of Power (Note 25): Rs.13,580.16 crore** i. The above was understated by an amount of Rs.77.22 crore due to short provision/ non-provision of liability towards the following power purchase costs. Consequently, Trade Payables and Loss for the year were understated by the same amount. 1.i.(a) During the year, AP Discoms availed 3,295.27 MUs energy from power traders on returnable basis to be returned with five per cent extra units. The company had not made provision for the extra five per cent energy to be returned. Further, provision was made at Rs.3.741 per unit instead of Rs.4 per unit (lower of average purchase cost for the year at Rs.5.97 per unit and Rs.4 per unit being the amount payable to the traders in case of failure to return the power). The company made provision for Rs.1,232.76 crore as against the provision to be made at Rs.1,384.01 crore for 3,460.04 MUs (including five per cent extra) at Rs.4 per unit, resulting in short provision of Rs.51.83 crore (Rs.1,384.01 crore - Rs.1,232.76 crore X 34.27 per cent being the share of the company);	APDISCOMS provided provision for swapping energy expenditure @100% in FY 18-19 and the same will be reversed in year 2019-20. After reversal of provision the actual cost @105% will be booked in the books of accounts in FY 2019-20.However audit comment is noted and will be followed in future.
	i.(b) Non-provision of Rs.14.39 crore towards the power purchased from APGENCO during December 2018 to March 2019 from its solar power plant at Talaricheruvu, in Ananthapuram district;	AP Genco was requested to furnish supporting documents for claim.. As such letter has been addressed to AP Genco requesting to furnish the same. Consent for the project is awaiting from APERC. Hence the cost was not accounted in the FY 2018-19. As per the audit suggestion, the cost will be factored in the F.Y 2019-20.
	i.(c) Non-provision of Rs.1.35 crore being the heavy water make up adjustment charges and differential income tax for 2018-19 claimed by M/s Nuclear Power Corporation of India Ltd, Kaiga in its April 2019 and May 2019power purchase bills;	The NPC Kaiga revision of energy charges and differential Income Tax debit Rs.1.35 Crs was received in the monthly invoice of April'2019 and May'2019 claimed in May'19 & June'2019 respectively.

S.No.	Comments of the Comptroller and Auditor General of India.	Reply of the Company
		In this regard, it is to submit that the APDISCOMS/APPCC filed True-Up Petition before the Hon'ble APERC for the FY 2018-19 duly considering the Power Purchase Cost in books of accounts for the FY 2018-2019.Since True up petition already filed before Hon'ble commission this bill taken-up in the FY 2019-20. However Audit comment is noted and will be followed in future.
	i.(d)Non-provision of Rs.9.65crore towards the revised power purchase cost claimed by M/s NTPC during April 2019 to August 2019 for the power supplied during 2018-19.	The NTPC Thermal Stations revision of energy charges and differential fixed charges debit Rs.9.65 Crs was received in the monthly invoice of April'2019 to May'2019 claimed in May'2019 to June'2019. In this regard, it is to submit that the APDISCOMS / APPCC filed True-Up Petition before the Hon'ble APERC for the FY 2018-19 duly considering the Power Purchase Cost in books of accounts for 2018-2019. Since True up petition already filed before Hon'ble commission this bill taken-up in the FY2019-20. However Audit comment is noted and will be followed in future.
	ii) The above was overstated by an amount of Rs.522.38 crore due to excess booking of energy charges/ non- accountal of excess paid energy charges recoverable in respect of the following. Consequently, Trade Payables and Loss for the year were overstated by the same amount. .ii (a)Non-accountal of Rs.8.16 crore recoverable from M/s Spectrum Power Generation Limited towards fixed cost paid for the period April 2016 to October 2017 in excess the rates specified in APERC Retail Supply Tariff Orders;	During reconciliation of dues for the period beyond expiry of PPA of M/s. Spectrum Power Generation Ltd, recovery of Fixed charges amounting to Rs.8.16 crs calculated for the period from 19.04.16 to 09.10.17 is arrived in the month of September 2019. Hence it could not be exhibited in the books of accounts for the F.Y 2018-19 As the reconciliation has been made in September 2019 and books are already closed by that time and True Up has already been submitted to APERC. Therefore, the necessary recovery entries will be taken-up in the FY2019-20

S.No.	Comments of the Comptroller and Auditor General of India.	Reply of the Company
	ii.(b) Excess booking of fixed cost of Rs.50.54 crore payable to M/s APPDCL for March 2019 due to booking the amount twice;	The APPDCL has claimed an amount of Rs.3489.41 Crs on 12-03-2019 towards differential Fixed Cost for the period from 2015-16 to 2018-19 which includes Rs.147.49 Crs (EPDCL Rs.50.54 Crs) In this regard, subject to verification the APDISCOMS taken total claim in the books of accounts of 2018-19 on provisional basis. M/s APPDCL has claimed differential fixed charges for the entire financial year 2018-19 instead of 11 months where claim has given during March'19. Again M/s APPDCL claimed Fixed charges for March'2019 in the regular monthly energy charges invoice without deducting already claimed differential fixed charges for March'2019. The excess fixed charges Rs.50.54 Crs will be cleared during FY 2019-20.
	ii.(c) Non-accountal of Rs.24.72 crore being the excess paid fixed and variable cost pertaining to the years 2015-18 recoverable from M/s Lanco Kodapalli Power Ltd.	It is to submit that, the recovery of Fixed and Variable charges amounting to Rs.24.72 crores for the period from 02.01.16 to 31.03.18 has been made to M/s Lanco Kondapalli Power Ltd during the month of September 2019 while reconciliation of dues for the period beyond expiry of PPA. Hence it could not be exhibited in the books of accounts for the F.Y 2018-19 as the reconciliation has been made in September 2019 and books are already closed by that time and True Up was already submitted to APERC. Therefore, the necessary recovery entries will be taken in to the accounts during the current F.Y 2019-20
	ii(d) Excess accountal of fixed cost of Rs.438.96 crore payable to APPDCL. For the years 2015-19, fixed cost payable to APPDCL for the energy despatched from its Krishnapatnam power plant was Rs.4,506.14 crore as per the fixed cost approved (March 2019) by APERC. Against this, company accounted for fixed cost of Rs.5,787.04 crore which resulted in excess accountal of fixed cost by Rs.1,280.90 crore. (Rs.5,787.04 crore - Rs.4,506.14 crore) out of which the share of the company was Rs.438.96 crore (Rs.1,280.90 X 34.27 per cent).	The APPDCL has claimed an amount of Rs.3489.41 Crs (EPDCL Rs.1195.82 Crs) on 12-03-2019 towards differential Fixed Cost for the period from 2015-16 to 2018-19 which includes Rs.6866.76 Crs and an amount of Rs.955.25 Crs (EPDCL Rs.327.36 Crs) on 30-05-2019 towards differential variable Cost for the period from 2015-16 to 2018-19. In this regard, subject to verification the APDISCOMS accounted total claim of FC Rs. 3489.41 Crs (EPDCL Rs.1195.82 Crs) & VC Rs. 955.25 Crs (EPDCL Rs.327.36 Crs) in 2018-19 on provisional basis only.

S.No.	Comments of the Comptroller and Auditor General of India.	Reply of the Company
	iii. The above included Rs.128.41 crore being the surcharge paid during the year due to delay in payment of power purchase bills. As the surcharge was paid due to the failure of the company to pay the energy bills in time, the same should have been booked under Other Expenses. This had resulted in overstatement of Cost of Power Purchase and understatement of Other Expenses by Rs.128.41 crore.	At present APPCC/APDISCOMs considering surcharge under GL account 7000100 Fixed Cost. In future a separate GL account will be created for accounting of delayed payment surcharge amounts.
2	**Current Assets** **Inventories (Note 10): Rs.187.00 crore** The above was overstated by Rs.14.68 crore due to continued exhibition of value of pump sets and accessories (4566 5HP submersible EEPS pumps and 4606 Electric smart control panels) which were installed at the beneficiaries' premises before 31 March 2019. Even though pump sets were installed before 31 March 2019, value of the same was continued under Inventory for want of formalities. This had resulted in overstatement of Inventory and understatement of Expenditure as well as Loss for the year by Rs.14.68 crore.	It is to submit that as per the procedure, as and when the motors received from the supplier as per the requirement they will be stored in the sub store of the respective division. The concerned Executive Engineer will check measure the material and delivery challan will be sent to District stores for taking the motors in to stock & Form-13 will be issued by the ADE/Sores for arranging payment. The concerned ADE/Operation is nodal officer to monitor the issue of motors & execution of work. Accordingly for the pump sets pointed out by the audit, which were executed mostly during 3/2019 and requisitions have been submitted to district stores for issue of motors against the work orders for regularization of transaction and booking of expenditure after 03/2019. As the SAP will not allow posting of stores transactions with back date in F.Y 2018-19 and the same could not be done in the financial year 18-19. These transactions are regularized and expenditure booked in F.Y 2019-20. Audit comment is noted for future guidance and necessary care will be taken from 2019-20.
3	**Liabilities -Non-current Liabilities-Provisions (Note 17)** **Provision for Employee Benefits - Rs.534.76 crore** The above was understated by Rs.634.58 crore due to non-provision towards pension liability of Andhra Pradesh State Electricity Board	As per A.P. Electricity Reforms Act 1998 and A.P. Electricity Reforms (Transfer Scheme) Rules 1999 the responsibility of discharging the past employed pension and gratuity

S.No.	Comments of the Comptroller and Auditor General of India.	Reply of the Company
	(APSEB) employees retired before unbundling of APSEB. Estimated pension liability of the company as on 31 March 2019 in respect of 2,585 pensioners retired before unbundling of APSEB worked out to Rs.788.75 crore. Even though the company was paying the pension, revising the pension from time to time and providing medical facilities to these pensioners, it did not make provision towards pension liability. This had resulted in understatement of Employee Benefits Expense and Provision for Employee Benefits by Rs.634.58 crore (Rs.788.75 crore - Rs.154.17 crore master share liability available in the books of the company). Consequently, Loss for the year was understated by the same amount.	liabilities of APSEB employees retired for the period prior to 1st February , 1999 i.e. prior to unbundling of APSEB was entrusted to the APGENCO. Consequently APGENCO has issued the Bonds jointly to the Trustees of the A.P. State Electricity Employees Master Pension and Gratuity Trust(Master Trust) which has been established to administer the pension and gratuity payment to the members retired prior to 1st February,1999. For liability of Master Trust, indents are being sent to APGENCO every month towards 100% pension in respect of pensioners and family pensioners as on 31.01.1999 and funds are being received every month and there are no dues from Master Trust to APEPDCL as on 31.03.2019. Hence no provision in respect of employees retired prior to 01.02.1999 is necessary in the books of the company.
4	**Other comments** Power Purchase Agreements entered into by the AP Discoms include clause as per which the Discoms have to pay delayed payment surcharge in case of delay in payment of energy bills to the generators. The company had not made provision towards delayed payment surcharge even though outstanding dues to generators stood at Rs.7,933.62 crore as on 31 March 2019. On the other hand, the company was accounting the delayed payment surcharge on the dues receivable from its consumers on accrual basis. In the absence of details, provision not made towards the delayed payment surcharge on the dues payable to the generators and its impact on the Loss for the year was not ascertainable.	The APDISCOMS accounted delayed payment surcharges as per claims made by central generating stations including NTECL Valluru during FY 2018-19 only after payments. However audit comment is noted and will be followed in future.

Eastern Power
Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ

GRANDHY & CO
CHARTERED ACCOUNTANTS

201, Sunny Residency
Dwarakapuri Colony
Punjagutta
Hyderabad - 500082
landline : 040-23358191
email : grandhyco@gmail.com

To the Members of
M/s. Eastern Power Distribution Company of Andhra Pradesh Limited
Visakhapatnam

Report on the Audit of the standalone Financial Statements

Adverse Opinion

We have audited the accompanying Standalone financial statements of **M/s. Eastern Power Distribution Company of Andhra Pradesh Limited (*"the Company"*)** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the accompanying financial statements, the information required by Companies Act 2013(Act), do not give a true and fair view in conformity with the accounting principles generally accepted in India, including "Ind AS" specified under Section 133 of the Act read with Companies (Accounts) rules 2014, of the state of affairs of the Company as at March 31, 2019, of its loss, position of changes in equity and the cash flows for the year then ended.

Basis of Adverse Opinion

1. **Material Uncertainty relating to Going Concern**

   We draw attention to Note 15 in the financial statements, which indicates that the Company incurred a net loss of Rs 4,64,414.31 lakhs during the year ended March 31, 2019 and, as of that date, as on that date the company has negative net worth of Rs. 7,74,552.95 lakhs (Accumulated loss up to FY 2017-18 Rs.3,10,138 lakhs). As discussed below, the events or conditions, along with other matters as set forth in below indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Further in the absence of confirmation relating to infusion of capital by the government, this situation indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. The financial statement does not disclose these facts.

2. **IND AS 19 – Employee Benefits : Provision for Employee Pension and Gratuity :**

   We draw your attention to schedule no - 17 (ii)

   The employees appointed before 1-2-1999 are eligible for pension, commutation of Gratuity after retirement. The 100 % liability will be discharges by AP GENCO Master Trust in case of employees

retired before 01.02.1999. In case of employees retired after 01.02.1999 the liability will be discharged at 74% by APGENCO Master Trust and 26% by APEPDCL Pension and Gratuity Trust as per the tripartite agreement dated 24-05-2002

As per the communication received from the master trust dated 13-08-2019, 100% liability relating to employees retiring after 01-02-1999 is to be funded by unit trust. APEPDCL has to create a 100% provision as communicated by Master trust to the company.

The following are the details of additional provision for Gratuity and pension

Particular	Amount in Rs in Lakhs
Gratuity and Pension Liability as per actuarial valuation report as on 31st March 2019	5,96,078.00
Less : Funded by the company to the trust	1,58,953.16
Less : Provision made by the company as on 31st March 2019	26,234.91
Additional Provision required	4,10,889.93

In the absence of accounting additional provision in the books of the Company, the Provision for Gratuity and pension is under stated to the extent of Rs.4,10,889.93 lakhs and loss also is understated to the extent of Rs. 4,10,889.93 lakhs for the year ended 2018-19.

3. Ind AS - 8 - Accounting Policies, Changes in Accounting Estimates, and Prior period errors : Restatement of Financial Statements

As required by para 43 of IND AS - 8 Prior Period error, A prior period error shall be corrected by retrospective restatement.

However, the Company has not done the restatement of prior year financial statements for the following:

I. AP Transco has passed on the true down credit relating to power purchase cost of Rs 8,700 lakhs to APPCC relating to years 17-18, out of such credit the APEPDCL share, which is 34.27% amounting to Rs 2,981 lakhs in FY 2017-18 which is debited to Power purchase cost in statement of Profit and Loss in the current reporting year APEPDCL. It noted by APPCC during the current year 2018-19 a credit of Rs 5,642 lakhs towards power purchases cost in previous year 2017-18, was given to APEPDCL pertaining to APSPDCL and the same is rectified in current 2018-19. Instead of restating the previous year cost, the credit of Rs 2,661 lakhs adjusted power purchase cost of current year.

II. Power Purchase cost relating FY 2017-18 Rs.53,786.00 Lakhs is accounted in FY 2018-19 which is to be restated in Power purchase cost in the statement of Profit and loss of 2017-18.

III. Power Purchase cost relating to FY 2014-15, FY 2015-16 and FY 2016-17 of Rs.1,24,070 Lakhs accounted in FY 2018-19, which to be restated in opening retained earnings as on 1st April 2017.

4. Reconciliation of True Up / True down of Power Purchase Cost

The difference in rate approved by APREC and Power Purchase agreement relating to around 500 vendors is adjusted through True up or true down of Power purchase cost. APPCC has done the reconciliation of

True up cost till FY 2018-19. Based on our reconciliation there is additional short provision of true up cost to the extent of Rs. Rs.1,03,167.29 lakhs. On account of this non provision current year loss is under stated to the extent of Rs.1,03,167.29 lakhs and the accumulated loss understated to the same extent.

5. Generation based Incentive (GBI)

The APERC order for the period 2015-16 to 2019-20 vide regulation no 1/2015 para 20 states dated 31-07-2015.

"The Commission shall take into consideration any incentive or subsidy offered by the Central or State Government, including accelerated depreciation (AD) benefit, if availed by the generating company, for the Wind Power Projects while determining the tariff under these Regulations. Provided that the following principles shall be considered for ascertaining income tax benefit on account of accelerated depreciation, if availed, for the purpose of tariff determination."

During the year 2016-17 APERC fixed Rs 4.84 per unit as per its order dated 26-03-2016. In the absence of any other explicit information in the order we are of the opinion that the rate fixed by APERC is Rs.4.84 Plus GBI of 0.50 as per para 20 regulation 1 / 2015, ie. Hence, additional provision of Rs 14,113 lakhs (34% of 41,510 lakhs) is required to be made to that extent. In the absence of such provision the Loss for the year is understated to the extent of Rs 14,113 lakhs and the accumulated loss understated to the same extent.

6. Buy out transaction with Godavari Gas Power Plant

As approved by Government of AP the assets relating to M/s GGPP is to be transferred from APEPDCL to APGENCO. In the absence of details relating to asset creation and commissioning and the working condition of that asset and also the fact that amount is not yet transferred to AP Genco, the above capital advance of Rs 9,923 lakhs needs to be impaired /written off.

7. IND AS 16 – Property Plant and Equipment

The value of tangible assets under construction as on 31st March 2019 is amounting to Rs.48,762.75 Lakhs which include balances pending capitalisation, owing to pending analysis of status, value and also obtaining of commissioning certificates. An Amount of Rs 13,900.21 lakhs is in CWIP for more than 1 year, owing to pending analysis of status, value and also obtaining commission certificates, correctness and adequacy of tangible assets under construction cannot be ascertained.

The Correctness and adequacy of tangible assets under construction cannot be ascertained as the company does not have project wise breakup. In the absence of ageing analysis, and adequacy management has to test for Impartment.

Company is capitalizing overheads and employees cost @ 8.5% and 1.5% respectively of the capital work in progress. During the year company has capitalized Rs 6814.20 lakhs of such expenditure. However, IND AS 16 prescribes to capitalize only such expenses attributable to the specific assets. The said policy is in non compliance of the IND AS 16

The Company not carried out any techno – economic assessment during the year ended 31st March 2019 and hence identification of impartment loss and provision thereof, if any, has not been made. The same is

in not in accordance with the IND AS 36 – Impairment of Assets. We are of the opinion the entire Capital work progress has to impaired as no information is available to substantiate the existence of the assets.

8. The trade receivable includes the amount receivables pending due to court cases Rs 43,789.82 Lakhs. Since an amount of Rs 43,743.23 lakhs is more than 3 years old, management should take steps to write off this amount. There was no provision made against these receivables hence we are of the opinion that there is no evidence to substantiate the removability of these trade receivables the same need to either written off / or provided for. In the absence of any provision against these receivables the loss for the year is overstated to the extended of Rs 43789.82 Lakhs and Trade Receivables is over stated to the same extent.

9. Vendor Reconciliations :

Reconciliation of the balances are not done at any time during the year relating to Power Generators, Power traders, other distribution companies, Power transmitters, Trade and other receivables, Sundry & other claims, various depositors and other parties with whom the company has transactions.

However, the Management states, "The power purchase cost was admitted limited to APERC approved tariff and energy as per actual receipt, irrespective of APERC approved quantum. As a result there is a difference between bill submitted by Generator and Power purchase cost admitted by APPCC".

Considering the above facts, *we are unable to comment on any* impact of the consequential adjustments required. We are unable ascertain the completeness and accuracy of these balances stated in the Balance Sheet as on the date.

10. We report that the following accounts have not been reconciled at any time during the year and as at 31st March 2019 and accordingly we are unable to express an opinion on the effect of said unreconciled amount on the loss of the Company for the year.

a) Inter unit accounts

b) Amount appearing under "Debit Service Clearing A/c" with a debit balance of Rs. 1,509.83 lakhs and under loan clearing account with a credit balance of Rs. 24.96 lakhs.

11. IND AS 32 - Financial instruments Presentation:

We draw attention to significant accounting policies no 2.1.2.

The accounting policy on Investments stated that the investments are to be fair valued in line with IND AS – 32.

However, the Unlisted investments amounting to Rs 14,674.92 lakhs fair valuation was not done and impact on such non-compliance cannot be ascertained, whether such investments value is over stated as on 31.03.2019 or otherwise. This is non compliance of accounting standard which may be of material in nature.

12. Ind AS 2 - Inventory

We draw your attention to the Company's accounting policy no 2.1.6 : The Company's inventories are carried in the Balance Sheet at Rs.18,700.73 Lakhs, Management has not stated the inventories at the lower of Cost or Net Realizable Value, but has stated them solely at cost (weighted average cost), which

is not in accordance with the IND AS 2 referred to in section 133 of the Act & non-compliance of the IND AS – 2 Inventories. The impact on such non-compliance of the IND AS in the financial statements not ascertainable.

13. The company's main accounting application is SAP, the evidence showing Information Technology General Controls (ITGCs),Viz Change Management controls, Access controls and SOD controls validations and review documentation were not available. Further, the access control system, disaster data recovery reviews validation no documentation were made available. In absence of the above said evidences were unable to conclude whether ITGCs are operating effectively throughout the year.

14. The financial instrument does not contain the following disclosures:

a. Gearing ratio is not disclosed in the Capital management risk

b. Interest rate risk not disclosed

This is non-compliance of IND AS107 and IND AS 109 IND AS 32.

15. Reference is invited to Company's Accounting Policy No.2.2.14, The Chief Operational Decision Maker (CODM) I,e., Chairman and Managing Director monitors the operating results of its business segments separately for the purpose of making decisions for the purpose of resource allocation and performance measurement. But Management has not disclosed Segment Financial reporting in compliance with IND AS-108 Operating Segments.

16. <u>Accounting of Power purchased transaction by APPCC</u>

The company is using a service organisation i.e, APPCC for accounting, purchases and payable transactions. This service organisation has not been subjected to any control testing audit ie ITGC SAP (Information technology in general controls in SAP) and (P to P business process controls in SAP) since this is not in line with SA 402 the relevant para is given below.

" A16. A service organisation may engage a service auditor to report on the description and design of its controls (Type 1 report) or on the description and design of its controls and their operating effectiveness (Type 2 report). Type 1 or Type 2 reports may be issued under Standard on Assurance Engagements (SAE) 3402 or under standards established by an authorised or recognised standards setting organisation (which may identify them by different names, such as Type A or Type B reports)."

In the absence of such reports we are unable to ascertain on the operating effectiveness of the controls at the referred service organisation and the completeness and accuracy of the numbers flowing from that service organisation to the Company's financial statements.

17. <u>Amounts disclosed in the other matters</u>

We draw attention amounts relating to various assets and liabilities are recognized in the books of accounts as described, are provisional and accordingly are subject to further adjustment as may be determined by the state government. As such many elements in the accompanying financial statements would have been materially affected. The effects on the financial statements on account of the other matters and matters disclosed above have not been determined.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Other Information

1. We draw attention to following points regarding matters referred in financial statements, which requires user's attention.

    a. Consequent to the amendment brought in vide G.O. Ms. 396 dt 09.06.2005 to the second transfer scheme notified vide GO Ms 142 dt 29.09.2001, the company has incorporated in its books of accounts as on 01.04.2010 various assets, including fixed assets and liabilities towards power purchase, supplies and services received and balances outstanding in respect of the loans, representing term loans, cash credit, working capital loans, received from various banks and financial institutions, other receivables from the state government of Andhra Pradesh of the amounts mentioned in the two notifications referred to above. We understand that the above amounts, at which various assets and liabilities are recognized in the books of accounts as on that date, are provisional and accordingly are subject to further adjustment as may be determined by the state government.

b. In terms of GO Ms No 58, Energy (power III) dt 07.06.2005, APPCC, which has no separate legal entity under any statute, administrative matters relating to purchase of power including the allocation of the said cost of purchase between various DISCOMs including "Expensive power " sale of power between various DISCOMs, inter-state sale \ purchase of power and maintains the books of account in respect of the same on behalf of various DISCOMs in the state of Andhra Pradesh. Accordingly the transactions relating to purchase of power, sale \ purchase of power to \ from other DISCOMs, write back of excess provision in earlier years towards cost of power purchased, interstate sale of power, subsidies from state government of AP towards "expensive power " recognized in the books of account in earlier years, borrowings made for the purchase of power being cash credit facilities and short term borrowings from banks, financial institutions, state and central governments together with interest etc, are adopted in the books of account of the company based on the information provided by the APPCC.

    I. Amounts outstanding in the various loans obtained from state government of Andhra Pradesh totalling to Rs. 2460.52 Lakhs

    II. Amounts outstanding in the various term loans obtained from various banks and financial institutions totaling to Rs. 2,76,579.21 Lakhs

    III. Amounts lying in various current accounts operated by Andhra Pradesh Power Co-ordination Committee on behalf of the company with various schedule banks totalling to Rs. 848.09 Lakhs

    IV. Amounts due to / from various power generators, other power DISCOMs, AP Transco, whose accounts are monitored by APPCC in respect of power purchase is Rs.7,66,110.70 Lakhs and net inter DISCOM balances receivable is Rs.4,11,336.39 Lakhs.

V. Debit balance of Rs.4,118.84 Lakhs appearing in the pool account operated by APPCC

VI. Balance due to from various vendors for supplies and services, other power distribution companies & AP Transco.

The company's Board of Directors is responsible for the other information stated in other matters stated above. Our opinion on the financial statements does not cover the other matter and we do not express any form of assurance conclusion thereon in respect of the above matters, the above said financial information were certified by the Management. As described in the Basis for Adverse Opinion section above, the company accounted these balances based on provisional amounts.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with rule 7 of companies (Accounts) rules,2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls**,** that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure -A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2) As required by Section 143(5) of the Act, we have considered the directions / sub directions issued by Comptroller and Auditor General of India, the action taken thereon and its impact on the financial statements on the Company are given in the Annexure-B.

3) As required by Section 143(3) of the Act, we report that:

a) We have sought except for the matters described in the basis for Adverse opinion paragraph and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) Except for the possible effects of the matter described in the Basis for Adverse opinion paragraph above, in our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books.

c) In our opinion, except for the matters described in the basis of adverse opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

d) Except for the possible effects for the matters described in the basis for Adverse opinion, the balance sheet, the statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.

e) Being a government company, pursuant to the notification no G S R 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, the Provisions of sub section (2) of Section 164 of the Companies Act 2013 are not applicable to the company.

f) Except the possible effects of the matters described in the basis of Adverse opinion with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C "

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note XX to the financial statements; Or the Company does not have any pending litigations which would impact its financial position.

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

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

For GRANDHY & Co
Chartered accountants,
Firm Registration No. 001007S
Sd/-
Sudheendra Rao S
Partner
M.No:226611

Place : Velagapudi
Date : 24.10.2019
UDIN : 19226611AAAADE2324

Annexure-A to the Auditors' Report

Annexure referred to in paragraph under 'Report on Other Legal and Regulatory requirements' section of our report of the Independent Auditors' Report of even date of APEPDCL, on the standalone Ind AS financial statements for the year ended March 31, 2019

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state the following:

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets subject to updating in SAP, however hardcopy records are not maintained

(b) We are informed by the company that no physical verification of fixed assets has be carried out during the year under review. Accordingly we are unable to comment regarding any material discripances between the fixed assets register and the assets physically available.

(c) According to information and explanation given to us, and procedure conducted by us, Company's Land / Freehold Land in the Balance Sheet is carried at Rs.8,257.44 Lakhs, the details relating to lands acquired by the company by way of sale deed, gift deed etc are held in the name of the company are not made available to us. In the absence of the above information, we are not able to determine the state of ownership and title of such property carried in the balance sheet at Rs 8,257.44 lakhs. Hence, Land Further, the immovable properties transferred in pursuant to Demerger TSNPDCL are not registered in name of the company, in the absence of the above said information we are unable to determine the state of ownership and titles of such property.

ii. As per the information and explanation provided to us, the Physical verification of inventory has been conducted at reasonable intervals by the management and the same has not been reconciled with the books of accounts.

iii. As per the information and explanation provided to us, the company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable to the company.

iv. As per the information and explanation provided to us, The Company has not made any transactions in the nature of loans, investments, guarantees, and security, where provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Thus, paragraph 3(iv) of the Order is not applicable to the Company.

v. As per the information and explanation provided to us, The Company has not accepted any deposits, within the meaning of provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Thus, paragraph 3(v) of the Order is not applicable to the company.

vi. The cost records under sub-section (1) of Section 148 of the Companies Act, 2013 are not produced for verification, hence, the contents of these accounts and records have not been examined by us.

vii. a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value

added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other statutory dues which were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable, except the following:

Name of the statute/ Authority	Nature of dues	Period to which the amount relates	Amount (In Lakhs)
	NIL		

b) As at 31st March 2019, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess (excluding penalties), except the following:

S. No.	Name of the Statute	Nature of the Dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
1	APVAT Act,2005	Entry Tax	602.06	From FY2002-03 to 2004-05	Value Added Tax Tribunal
2	APVAT Act,2005	Entry Tax	5030.42	From FY2012-13 to 2017-18	Value Added Tax Tribunal
3	The Employee Provident Fund Act, 1952	EPF	342.14		High court
4	APVAT Act,2005	VAT	1901.79	April2007 to dec2011	High Court
5	APVAT Act,2005	VAT	658.35	From 01.01.2012 to 31.10.2013	High Court
6	APVAT Act,2005	VAT	658.35	From 01.01.2012 to 31.10.2013	High Court
7	APVAT Act,2005	VAT on Sale of Electrical Scrap	204.21	From 01.04.2013 to 31.03.2016	Commercial Tax officer
8	APVAT Act,2005	VAT on Sale of Electrical Scrap	204.21	From 01.04.2013 to 31.03.2016	Commercial Tax officer
9	CGST Act	GST	1542.00		

viii. In our opinion and according to information and explanations given to us, the company as not defaulted in repayment of loans or borrowings due to any financial institution, bank, Government or dues to its debenture holders as on the date of balance sheet.

ix. The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the reporting period. Term loans availed during the reporting period was applied for the purposes for which those were raised.

x. During the course of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, and according to the information and explanations given to us, we have come across one instance of news paper clipping claiming that there was a fraud committed by officer of the company.

On our verification, we were informed that the company has constituted a committee for investigation of over payment of contract relating to Cover Conductors. Based on explanations submitted by the officers, it was concluded that the vendor got benefitted beyond the generally allowable profit percentage in government contracts. Committee recommended for exploring the possibility for recovery of Rs 3.64 crores from the contractor or vendor.

xi. Government company (EPDCL) is exempted from the provisions of Section 197 read with schedule V to the Companies Act, 2013.

xii. According to the information and explanation given to us and based on audit procedure conducted by us, In our opinion, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable for the company.

xiii. In our opinion and according to information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Financial statements of the company as required by applicable Accounting Standards.

xiv. According to information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to information and explanation given to us, the company has not entered into non-cash transactions with directors or any persons connected with him. Thus, paragraph 3(xiv) of the Order is not applicable to the company.

xvi. In our opinion, the company is not required to be registered under section 45IA of Reserve Bank of India Act 1934. Thus, paragraph 3(xvi) of the Order is not applicable to the company.

For GRANDHY & Co
Chartered accountants,
Firm Registration No. 001007S
Sd/-
Sudheendra Rao S
Partner
M.No:226611

Place : Velagapudi
Date : 24.10.2019

Annexure - B to the Auditors' Report

The **Annexure B** referred to in "Report on Other Legal and Regulatory Requirements" paragraph of our Independent Auditor's report of even date on the financial statements of Eastern **Power Distribution Company of A P Limited, Visakhapatnam.**

We report that:

Directions

Sl. No.	Questions	Replies
1	**Direction**	
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has a system in place to process all the accounting transactions through SAP IT system. During Financial Year 2018-19, all the accounting transactions have been processed through IT system.However, for preparation of financial statements some manual interventions are carried out.Major discrepancies in certain areas are given hereunder 1. Reclassification entries required for presentation of IND AS financial statements are not passed through SAP 2. Power purchase entries are passed by APPCC in production server and APEPDCL is uploading only the trail balance send by APPCC in live server of SAP.
2	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	There are no cases of restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc., made by a lender to the company.
3	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation	According to the information and explanation given to us and on the basis of our verification of the records. The funds received /receivable from Central / state Governments under various projects / schemes have been properly accounted on receipt basis

2	**Sub Directions**	
1	Whether the company has made adequate provision towards pension, gratuity and leave encashment liability of APSEB origin employees (retired and serving) and gratuity and leave encashment liability of employees recruited on or after 1 February 1999.	The Company has not made adequate provision as informed by master trust through their letter dated 13th Aug 2019.And we have qualified in our audit report
2	Whether the company accounted for the power purchases at the rates approved by the Regulatory Commission through its tariff orders/ regulations and made provision for the unpaid power purchase cost and other charges as on 31 March.	The Company has accounted power purchase cost based on the Power purchase agreement with vendors. In FY 2018-19 the company has accounted provision for the differential cost between rate as per Power purchase agreement and rate mentioned in the tariff order from FY 2014-15 to FY 2018-19
3	Whether the company has reconciled the un-paid power purchase cost and transmission charges outstanding as on 31 March 2019.	The Company has reconciled the unpaid power purchase and made provision Rs.2998.46 Crores
4	Whether the company has system for monitoring mobilization advances and recovery of principal and interest as per contract/ agreement terms.	Mobilization advance is not applicable to this company
5	Whether the company has system to monitor the bank guarantees and for extension/ encashment of the same before expiry of bank guarantees.	Yes, Company has system to monitor the list of bank guarantees
6	Whether the company has system to monitor the contracts terminated at the risk & cost of the defaulting contractors and to monitor the realisation of risk & cost amount within a reasonable time.	The management has system to monitor the contracts terminated during the year.

For GRANDHY & Co
Chartered accountants,
Firm Registration No. 001007S
Sd/-
Sudheendra Rao S
Partner
M.No:226611

Place : Velagapudi
Date : 24.10.2019

Annexure - C to the Auditors' Reports

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **APEPDCL** ("the Company") as on March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Due to the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Adverse Opinion

According to the information and explanation given to us, the Company following material weakness have been identified in the operating effectiveness of the company's internal controls over financial reporting as at March 2019.

(a) Conformation of the balances are not obtained from Power Generators, Power traders, other distribution companies, Power transmitters, Trade and other receivables, Sundry & other claims, various depositors and other parties with whom the company has transactions and the impact of the consequential adjustments required, if any, on financial statements is not ascertained.

(b) The company's main accounting application is SAP, the evidence showing Information Technology General Controls(ITGCs), Viz Change Management controls, Access controls and SOD controls validations and review documentation were not available. Further, the input controls in SAP in respect of capturing data and recording of transaction, access control system, disaster data recovery reviews validation no documentation were available. In absence of the above said evidences were unable to conclude whether ITGCs are operating effectively throughout the year. However, Independent System audit on SAP implementation is not carried out since Go-Live of the Project.

(c) At present, Company is Accounting Power Purchase related transactions in Quality Server of SAP and on a later date transferred to production server. Moreover, there is no checks and controls established to check the validity of the data entered in the production server, periodic reconciliation of transactions recorded in production server with Quality server. In the absence of controls and documented reconciliation we are unable to quantify the impact of mis-statements of financial statements in respect of power purchase related transactions.

(d) There were material misstatement of financial statements in the current period as per basis of qualification para indicate that the misstatement was not have been detected by the company's internal financial controls over financial reporting.

(e) As per Basis of qualification para in the audit report indicated that certain transactions are recorded as necessary to permit the preparation of financial statements is not in conformity with generally accepted accounting principles

(f) Making annual revenue requirement filings with Electricity Regulatory Commission (ERC) for turing up of the cost incurred by the company

(g) Review of equipment charging report, initial accounts received for capitalization and lack of controls over issue of financial completion certificate resulting in inappropriate measurement and classification of asset

(h) Periodical physical verification of fixed assets and its reconciliation

(i) Conducting bank reconciliation of bank pool account operated by APPCC

(j) Capitalization of capital work orders without work order completion certificates and non closure of work orders

(k) Reconciliation of various modules information with finance module of SAP

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting as of 31.03.2019, based on the above comments in the preceding paras, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31.03.2019 weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a adverse opinion on the standalone financial statements

For GRANDHY & Co
Chartered accountants,
Firm Registration No. 001007S
Sd/-
Sudheendra Rao S
Partner
M.No:226611

Place : Velagapudi
Date : 24.10.2019

Eastern Power Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ

REPLIES TO STATUTORY AUDITORS COMMENTS

Sl.No.	Statutory Auditors Comments	Replies
1	Material Uncertainty relating to Going Concern We draw attention to Note 15 in the financial statements, which indicates that the Company incurred a net loss of Rs 4,64,414.31 lakhs during the year ended March 31, 2019 and, as of that date, as on that date the company has negative net worth of Rs. 7,74,552.95 lakhs (Accumulated loss up to FY 2017-18 Rs.3,10,138 lakhs). As discussed below, the events or conditions, along with other matters as set forth in below indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Further in the absence of confirmation relating to infusion of capital by the government, this situation indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. The financial statement does not disclose these facts.	APEPDCL is a Govt. of AP enterprise whose Revenue & Expenditures are approved by APERC. Every year Aggregate Revenue Requirement (ARR) & Tariff revenues are approved by the APERC. GAP in revenues are approved by the APERC as tariff subsidy with the confirmation of Govt. to provide subsidy by Govt. True up petitions will be filed for over and above the APERC approved costs to collect from the consumers either in the form of tariff hike or Govt. will support in the form of tariff subsidy. True up petitions for the F.Y 2014-15, 2016-17 & F.Y 2017-18 for Rs.3405 Crs has been already filed with APERC for approval of addl. Cost incurred over and above APERC approval and the same are pending. True up petition for F.Y 2018-19 has been filed with APERC for Rs.1538.20 Crs for approval of addl. cost incurred over and above APERC approval. A comparative statement of APERC Approved Vs Actual revenue is here with enclosed which describes most of other costs are within APERC approved limits except Power purchase cost. The EPDCL is having Capital Reserves & Consumer contributions of Rs.508868.37 Lakhs which consists the UDAY support received from Govt. of AP Rs.2998.99 Crs. As per UDAY MoU Clause no 1.2 (i) the Govt. of AP has to take over the losses of the DISCOM in a graded manner as follows: (copy enclosed) Year | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 % of previous year's DISCOM losses to be taken over | 0% of the losses of 2014-15 | 0% of the losses of 2015-16 | 5% of the losses of 2016-17 | 10% of the losses of 2017-18 | 25% of the losses of 2018-19 | 50% of the previous years loss As agreed in UDAY MoU the 5% losses of F.Y 2016-17 Rs.22.06 Crs taken over by the Govt. of AP in 4/2019. Similarly 25% losses of F.Y 2018-19 for Rs.1161.04 Crs will be taken over by the Govt. of AP in F.Y 2019-20. In view of the above APEPDCL will continue as a going concern.

<table>
<tr><th>Sl.No.</th><th>Statutory Auditors Comments</th><th>Replies</th></tr>
<tr><td>2</td><td>
IND AS 19 – Employee Benefits : Provision for Employee Pension and Gratuity :

We draw your attention to schedule no - 17 (ii)

The employees appointed before 1-2-1999 are eligible for pension, commutation of Gratuity after retirement. The 100 % liability will be discharges by AP GENCO Master Trust in case of employees retired before 01.02.1999. In case of employees retired after 01.02.1999 the liability will be discharged at 74% by APGENCO Master Trust and 26% by APEPDCL Pension and Gratuity Trust as per the tripartite agreement dated 24-05-2002

As per the communication received from the master trust dated 13-08-2019, 100% liability relating to employees retiring after 01-02-1999 is to be funded by unit trust. APEPDCL has to create a 100% provision as communicated by Master trust to the company.

The following are the details of additional provision for Gratuity and pension

<table>
<tr><th>Particulars</th><th>Amount in Rs. in Lakhs</th></tr>
<tr><td>Gratuity and Pension Liability as per actuarial valuation report as on 31st March 2019</td><td>5,96,078.00</td></tr>
<tr><td>Less : Funded by the company to the trust</td><td>1,58,953.16</td></tr>
<tr><td>Less : Provision made by the company as on 31st March 2019</td><td>26,234.91</td></tr>
<tr><td>Additional Provision required</td><td>4,10,889.93</td></tr>
</table>
In the absence of accounting additional provision in the books of the Company, the Provision for Gratuity and pension is under stated to the extent of Rs.4,10,889.93 lakhs and loss also is understated to the extent of Rs. 4,10,889.93 lakhs for the year ended 2018-19.
</td><td>
The employees appointed before 01.02.1999 are eligible for Pension, commutation and Gratuity after retirement. The 100% liability will be discharged by APGENCO Master Trust in case of employees retired before 01.02.1999. In case of employees retired after 01.02.1999 the liability will be discharged at 74% by APGENCO Master Trust and 26% by APEPDCL Pension and Gratuity Trust as per the tripartite agreement.

Based on the audit comment of the C&AG of India regarding short provision of liability towards Pension & Gratuity of APSEB origin employees during the audit of Annual Accounts for the FY 2017-18 , the matter is being referred to APPCC since a uniform decision is to be taken at APPCC for making provision pertaining to 74% Pension and Gratuity liability after 2029 as the liability of Master Trust will ceased after Decmber,2029.

As per minutes of APPCC Meeting dt.23.09.2019 it was resolved that DISCOMs have to get the actuarial valuations done for providing the pension liability towards erstwhile APSEB employees after December, 2029 onwards, in place of Master Trust, by factoring the liability in a phased manner, bringing it into books of accounts under employee cost.

Accordingly Actuarial valuation report has been obtained and as per the report liability to be borne by APEPDCL towards 74% pension & Gratuity after December,2029 has been arrived at Rs.2212.60 Crs . Since it is not possible to recognize the huge liability at a time through Profit & loss account in the present year and also as per the recommendations of the Audit committee , the APEPDCL board decided to recognize the liability of Rs.2212.60 Crs in a phased manned i.e year on year from 2018-19 to 2029-30 (i.e in 12 years) through Profit & loss account along with regular liability of 26%.

The liability is Rs.184.38 crores per annum starting from the Financial year 2018-19 to 2029-30 in respect of liability of Rs. 2212.60 crores and the same is to be accounted in Profit and Loss every year.

The part of above liability for the period beyond 2029 recognized in Profit & loss account of F.Y 2018-19 is Rs.184.383 Crs along with regular liability of 26% of Rs.457.28 Crs.
</td></tr>
</table>

Sl.No.	Statutory Auditors Comments	Replies
3	**Ind AS - 8 - Accounting Policies, Changes in Accounting Estimates, and Prior period errors : Restatement of Financial Statements** As required by para 43 of IND AS - 8 Prior Period error, A prior period error shall be corrected by retrospective restatement. However, the Company has not done the restatement of prior year financial statements for the following: i. AP Transco has passed on the true down credit relating to power purchase cost of Rs 8,700 lakhs to APPCC relating to years 17-18, out of such credit the APEPDCL share, which is 34.27% amounting to Rs 2,981 lakhs in FY 2017-18 which is debited to Power purchase cost in statement of Profit and Loss in the current reporting year APEPDCL. It noted by APPCC during the current year 2018-19 a credit of Rs 5,642 lakhs towards power purchases cost in previous year 2017-18, was given to APEPDCL pertaining to APSPDCL and the same is rectified in current 2018-19. Instead of restating the previous year cost, the credit of Rs 2,661 lakhs adjusted power purchase cost of current year. ii. Power Purchase cost relating FY 2017-18 Rs.53,786.00 Lakhs is accounted in FY 2018-19 which is to be restated in Power purchase cost in the statement of Profit and loss of 2017-18. iii. Power Purchase cost relating to FY 2014-15, FY 2015-16 and FY 2016-17 of Rs.1,24,070 Lakhs accounted in FY 2018-19, which to be restated in opening retained earnings as on 1st April 2017.	Principal Secretary to Government, Energy department issued an Order No. 12/1/Power, I/ 2017 dated 10.04.2017('Order') **(Refer Annexure 1)**which states that DISCOMs should spend according to APERC tariff order since they get revenue as fixed by APERC and based on this Order, in F.Y. 2017-18, DISCOMs have accounted for cost of purchasing power up to APERC approved tariff. Contingent Liability was provided in the audited financial statements of F.Y 2017-18 regarding the power purchase cost which were in excess of APERC approved tariff. As per the disclosure of contingent liabilities Note No.30(xi)(r) in EPDCL financials for F.Y 2017-18, "Power purchase cost was admitted limited to APERC approved tariff and energy as per actual receipt irrespective of APERC approved quantum. As a result there is difference between generator billing/claim Vs. Power purchase cost admitted by APPCC. Similarly in case of Bills raised by APPDCL, APPCC is admitting bills provisionally at Rs.3.63 per Unit since the tariff of said station is yet to be approved by Hon'ble APERC. Contingent Liability was provided in the audited financial statements of F.Y 2014-15 to F.Y 2017-18 regarding the power purchase cost which were in excess of APERC approved tariff, as per the disclosure of contingent liabilities Note No.30(xi)(9) in EPDCL financials for F.Y 2017-18, The amount disclosed in contingent liability note was best estimated by the management using the latest information available at that time. Now in F.Y 2018-2019, APERC has issued in O.P No 47 of 2017 Dt.02.03.2019 which required EPDCL to record Power purchase cost related to previous years in F.Y 2018-19 & as per the APPCC minutes dated 19.06.2019 it is decided to file entire true-up up to F.Y 2018-19 before APERC for its approval. A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new

Sl.No.	Statutory Auditors Comments	Replies
		information or new developments and, accordingly, are not corrections or errors. The excess liability that is to be paid is due to revision in purchase cost as per recent order . The management had created a contingent liability since the management has estimated that it was not probable to settle this obligation, relying on the order issued by Principal Secretary. As per para 10 of Ind AS 8, "Changes in accounting estimates result from new information or new developments". Management had estimated the liability as per the latest information available and an amount of INR. 1836.05 Crores had been provided as liability towards power purchase cost in F.Y 2018-19 and disclosed in Note no. 25. Since the liability amount has been revised due to a revision in the purchase price , this a change in accounting estimate since it has resulted from new information which was not available with the management earlier. As a result of this updated available information the management has to adjust the carrying amount of the liability and the effect of the charge was recognized prospectively by including it in profit or loss in the period of the change Management believes that the revision of power purchase price is a change in accounting estimate and any changes in the carrying amount of the liability and power purchase cost will be accounted prospectively.
4	**Reconciliation of True Up / True down of Power Purchase Cost** The difference in rate approved by APREC and Power Purchase agreement relating to around 500 vendors is adjusted through True up or true down of Power purchase cost. APPCC has done the reconciliation of True up cost till FY 2018-19. Based on our reconciliation there is additional short provision of true up cost to the extent of Rs. Rs.1,03,167.29 lakhs. On account of this non provision current year loss is under stated to the extent of Rs.1,03,167.29 lakhs and the accumulated loss understated to the same extent.	The cost of unpaid energy bills due to difference in rate approved by Hon'ble APERC and rate approved in PPA amount of Rs.8668.45 Crs (APEPDCL @ 34.27% Rs.2970.68 Crs and APSPDCL @ Rs.5697.77 Crs) is taken in books of accounts of FY 2018-19 and as per regulation 1 of 2014, APDISCOMs filed True-Up petition in Hon'ble APERC. True-up petitions public hearing posted to 18th February'2020.

Sl.No.	Statutory Auditors Comments	Replies
5	**Generation based Incentive (GBI)** The APERC order for the period 2015-16 to 2019-20 vide regulation no 1/2015 para 20 states dated 31-07-2015. "The Commission shall take into consideration any incentive or subsidy offered by the Central or State Government, including accelerated depreciation (AD) benefit, if availed by the generating company, for the Wind Power Projects while determining the tariff under these Regulations. Provided that the following principles shall be considered for ascertaining income tax benefit on account of accelerated depreciation, if availed, for the purpose of tariff determination." During the year 2016-17 APERC fixed Rs 4.84 per unit as per its order dated 26-03-2016. In the absence of any other explicit information in the order we are of the opinion that the rate fixed by APERC is Rs.4.84 Plus GBI of 0.50 as per para 20 regulation 1 / 2015, ie. Hence, additional provision of Rs 14,113 lakhs (34% of 41,510 lakhs) is required to be made to that extent. In the absence of such provision the Loss for the year is understated to the extent of Rs 14,113 lakhs and the accumulated loss understated to the same extent.	As per the decision of the management GBI Amount of Rs. 0.50/- per unit is deducted from Feb-17 onwards as per APERC Regulation No.1 of 2015. Same has been disclosed as contingent liability since High court case is pending.
6	**Buy out transaction with Godavari Gas Power Plant** As approved by Government of AP the assets relating to M/s GGPP is to be transferred from APEPDCL to APGENCO. In the absence of details relating to asset creation and commissioning and the working condition of that asset and also the fact that amount is not yet transferred to AP Genco, the above capital advance of Rs 9,923 lakhs needs to be impaired /written off.	Amount paid for acquiring of GVK plant is continued under Capital Advances since the asset is to be transferred to APGENCO as directed by GoAP. Negotiations on the subject are going on and after finalisation of the same, the asset will be transferred to APGENCO. Further, the issue relates to two DISCOMS and to ensure uniformity in the accounting of the cost paid to GVK , the same is continued under Capital Advances. If the Capital Advances transferred to asset, it may lead to other complications as the asset is to be handed over to APGENCO.

Sl.No.	Statutory Auditors Comments	Replies
7	**IND AS 16 – Property Plant and Equipment:** The value of tangible assets under construction as on 31st March 2019 is amounting to Rs.48,762.75 Lakhs which include balances pending capitalisation, owing to pending analysis of status, value and also obtaining of commissioning certificates. An Amount of Rs 13,900.21 lakhs is in CWIP for more than 1 year, owing to pending analysis of status, value and also obtaining commission certificates, correctness and adequacy of tangible assets under construction cannot be ascertained. The Correctness and adequacy of tangible assets under construction cannot be ascertained as the company does not have project wise breakup. In the absence of ageing analysis, and adequacy management has to test for Impartment. Company is capitalizing overheads and employees cost @ 8.5% and 1.5% respectively of the capital work in progress. During the year company has capitalized Rs 6814.20 lakhs of such expenditure. However, IND AS 16 prescribes to capitalize only such expenses attributable to the specific assets. The said policy is in non compliance of the IND AS 16 The Company not carried out any techno – economic assessment during the year ended 31st March 2019 and hence identification of impartment loss and provision thereof, if any, has not been made. The same is in not in accordance with the IND AS 36 – Impairment of Assets. We are of the opinion the entire Capital work progress has to impaired as no information is available to substantiate the existence of the assets.	The material can be drawn from stores only by the responsible person (Asst. Engineer/Asst. Divisional Engineer) against the sanctioned estimate and budgeted work order. The material drawn is under custody of the responsible officer until completion of work and such material will be shown in CWIP. After completion of work the responsible officer will submit details of materials consumed in the work order and work completion certificate. These details will be check measured by the next higher responsible officer and forward the work order for closing and capitalisation of asset. All CWIP lies with responsible officers and there is stringent mechanism for recovery of amount from responsible officers if any discrepancies noticed. Hence there is no impairment loss in CWIP. Further Assets of Rs.27515.47 Lakhs were capitalized from CWIP up to 31.10.2019 on completion of works. Capitalization of Administrative overheads @11% of the direct cost of asset is done since a policy decision taken by the management. As per Para 9 Ind AS 36, An entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. Management does not notice any impairment indications in reporting period. Hence, we did not provide any impairment loss.
8	The trade receivable includes the amount receivables pending due to court cases Rs 43,789.82 Lakhs. Since an amount of Rs 43,743.23 lakhs is more than 3 years old, management should take steps to write off this amount. There was no provision made against these receivables hence we are of the opinion that there is no evidence to substantiate the removability of these trade receivables the same need to either written off / or provided for. In the absence of any provision against	All Court cases are expected to be disposed of in favour of the company and receivable by the company. Hence all court cases pending at court/ Tribunal are disclosed as Contingent liabilities vide Note no 30 (xi).

Sl.No.	Statutory Auditors Comments	Replies
	these receivables the loss for the year is overstated to the extended of Rs 43789.82 Lakhs and Trade Receivables is over stated to the same extent.	
9	**Vendor Reconciliations** : Reconciliation of the balances are not done at any time during the year relating to Power Generators, Power traders, other distribution companies, Power transmitters, Trade and other receivables, Sundry & other claims, various depositors and other parties with whom the company has transactions. However, the Management states, "The power purchase cost was admitted limited to APERC approved tariff and energy as per actual receipt, irrespective of APERC approved quantum. As a result there is a difference between bill submitted by Generator and Power purchase cost admitted by APPCC". Considering the above facts, we are unable to comment on any impact of the consequential adjustments required. We are unable ascertain the completeness and accuracy of these balances stated in the Balance Sheet as on the date.	We have already addressed all vendors for balance confirmation. We are in the process of receiving vendor balances confirmations.
10	We report that the following accounts have not been reconciled at any time during the year and as at 31st March 2019 and accordingly we are unable to express an opinion on the effect of said un reconciled amount on the loss of the Company for the year. a) Inter unit accounts. b) Amount appearing under 'Debt Service Clearing A/c" with a debit balance of Rs. 1,509.83 lakhs and under loan clearing account with a credit balance of Rs. 24.96 lakhs.	Credit balance in Inter unit at APPCC is reconciled with inter unit balances at Discom and there is no significant balance in Inter unit account.. Interest payable on working capital loans as on 31.03.2019 is posted to Debt servicing account. It will be reversed in 2019-20.
11	**IND AS 32 - Financial instruments Presentation**: We draw attention to significant accounting policies no 2.1.2. The accounting policy on Investments stated that the investments are to be fair valued in line with IND AS – 32. However, the Unlisted investments amounting to Rs 14,674.92 lakhs fair valuation was not done and impact on such non-compliance cannot	All investments are Unlisted and unquote, hence valued at cost.

Sl.No.	Statutory Auditors Comments	Replies
	be ascertained, whether such investments value is over stated as on 31.03.2019 or otherwise. This is non compliance of accounting standard which may be of material in nature.	
12	**Ind AS 2 - Inventory:** We draw your attention to the Company's accounting policy no 2.1.6 : The Company's inventories are carried in the Balance Sheet at Rs.18,700.73 Lakhs, Management has not stated the inventories at the lower of Cost or Net Realizable Value, but has stated them solely at cost (weighted average cost), which is not in accordance with the IND AS 2 referred to in section 133 of the Act & non-compliance of the IND AS – 2 Inventories. The impact on such non-compliance of the IND AS in the financial statements not ascertainable	The inventories held by the company are mostly utilized in constructing substations & laying of New lines, installation of Transformers useful for extending Power supply to prospective consumers besides system strengthening for reduction of T&D Losses and for supplying quality power to the customers. Net Realizable Value (NRV) is the expected selling price in the ordinary course of business minus any costs of completion, disposal, and transportation. The said inventory has active market and these inventories are neither meant for any manufacturing purpose nor any further processing. We have measured the inventory and noted NRV is higher than cost. Hence we have recorded inventory cost.
13	The company's main accounting application is SAP, the evidence showing Information Technology General Controls (ITGCs),Viz Change Management controls, Access controls and SOD controls validations and review documentation were not available. Further, the access control system, disaster data recovery reviews validation no documentation were made available. In absence of the above said evidences were unable to conclude whether ITGCs are operating effectively throughout the year.	Documentary evidences for access control, change control , segregation of duties (SOD) are available.
14	The financial instrument does not contain the following disclosures: a. Gearing ratio is not disclosed in the Capital management risk b. Interest rate risk not disclosed This is non-compliance of IND AS107 and IND AS 109 IND AS 32.	a. Gearing ratio already disclosed in Note no. 33 b. Interest rate risk already disclosed in Note no. 32.C. ii

Sl.No.	Statutory Auditors Comments	Replies
15	Reference is invited to Company's Accounting Policy No.2.2.14, The Chief Operational Decision Maker (CODM) I,e., Chairman and Managing Director monitors the operating results of its business segments separately for the purpose of making decisions for the purpose of resource allocation and performance measurement. But Management has not disclosed Segment Financial reporting in compliance with IND AS-108 Operating Segments.	This is Previous years accounting policy, which was already revised as per last year audit comment. Please refer the accounting policy 2.1.12: The Company is primarily engaged in distribution of electricity which is only the reportable business segment in line with the segment wise information which is being presented to the Chief Operational Decision Maker (CODM). Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. There are no reportable geographical segments, since all business with in India.
16	**Accounting of Power purchased transaction by APPCC :** The company is using a service organisation i.e, APPCC for accounting, purchases and payable transactions. This service organisation has not been subjected to any control testing audit ie ITGC SAP (Information technology in general controls in SAP) and (P to P business process controls in SAP) since this is not in line with SA 402 the relevant para is given below. " A16. A service organization may engage a service auditor to report on the description and design of its controls (Type 1 report) or on the description and design of its controls and their operating effectiveness (Type 2 report). Type 1 or Type 2 reports may be issued under Standard on Assurance Engagements (SAE) 3402 or under standards established by an authorized or recognized standards setting organization (which may identify them by different names, such as Type A or Type B reports)." In the absence of such reports we are unable to ascertain on the operating effectiveness of the controls at the referred service organisation and the completeness and accuracy of the numbers flowing from that service organisation to the Company's financial statements.	As per SA 402 service organisation means A third-party organisation (or segment of a third party organisation) that provides services to user entities that are part of those entities' information systems relevant to financial reporting. APPCC is a Apex committee nominated by Govt. of Andhra Pradesh which is part of our company only .It is clear that APPCC is not an third party organisation that provide services. Statutory Auditors are encouraged to check entire controls at APPCC.

Eastern Power
Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ
(An ISO 9001-2008 & ISO 27001:2005 Certified Company)



FINANCIAL STATEMENTS

Eastern Power
Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ

Balance Sheet as at 31 March, 2019

(All amounts in Indian rupees in lakhs, except share data and otherwise stated)

PARTICULARS	Note No.	31 March 2019	31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	3	378,337.91	338,049.36
Capital work-in-progress	4	48,762.75	39,883.42
Intangible assets	5	1.66	4.14
Financial assets			
Investments	6	14,674.92	16,577.84
Loans	7	9,248.36	7,302.91
Other financial assets	8	1,822.61	1,360.66
Other non-current assets	9	428,811.12	349,429.39
Total non-current assets		**881,659.33**	**752,607.72**
Current assets			
Inventories	10	18,700.73	20,531.26
Financial assets			
Trade receivables	11	219,325.97	168,373.38
Cash and cash equivalents	12	15,004.50	28,554.42
Other financial assets	8	247,253.37	142,612.87
Other current assets	9	5,933.65	814.98
Other tax assets	13	1,592.74	1,488.96
Total current assets		**507,810.96**	**362,375.87**
Total assets		**1,389,470.29**	**1,114,983.59**
Equity and liabilities			
Equity			
Equity share capital	14	12,122.53	12,122.53
Other equity	15	(786,675.08)	(322,260.77)
Total equity		**(774,552.55)**	**(310,138.24)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	238,185.56	256,221.63
Provisions	17	68,152.42	46,029.12
Grants & Consumer contributions	18	508,868.37	484,161.39
Deferred tax liabilites (Net)	19	220.03	220.03
Other non-current liabilities	20	177,223.08	155,630.78
Total non-current liabilities		**992,649.46**	**942,262.95**
Current liabilities			
Financial liabilities			
Borrowings	16	203,989.83	92,252.62
Trade payables	21	793,361.70	286,020.34
Other financial liabilities	22	17,881.93	16,683.43
Provisions	17	53,476.00	17,205.57
Other current liabilities	20	102,663.92	70,696.92
Total current liabilities		**1,171,373.38**	**482,858.88**
Total liabilities		**2,164,022.84**	**1,425,121.83**
Total equity and liabilities		**1,389,470.29**	**1,114,983.59**

See accompanying notes forming part of the financial statements.
In terms of our report attached

For M/s. Grandhy & Co
Chartered Accountants
Firm Regn No.001007S

Sd/-xxxxx
Sudheendra Rao Sidlagatta
Partner
Membership No:226611
Station : Velagapudi
Date : 24.10.2019

Sd/-xxxxx
G.Srinivasa Reddy
Chief General Manager (Expr)

For and on behalf of Board

Sd/-xxxxx
Nagalakshmi. S IAS
Director(Finance & HRD)
Chairman & Managing Director
DIN 07741194

Sd/-xxxxx
K.S.V.S. Sastry
Company Secretary

Eastern Power Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ

Statement of Profit and Loss

(All amounts in Indian rupees in lakhs, except share data and otherwise stated)

PARTICULARS	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenues			
Revenue from operations	23	1,149,928.32	1,012,135.25
Other income	24	61,236.63	51,153.73
Total income		**1,211,164.95**	**1,063,288.98**
Expenses			
Purchase of Power	25	1,358,015.87	879,363.61
Employee benefits expense	26	136,222.00	80,286.00
Finance costs	27	44,319.08	35,252.11
Depreciation and amortisation expense	28	40,174.64	35,734.68
Operating and other expenses	29	57,731.75	32,143.34
Total expenses		**1,636,463.34**	**1,062,779.74**
Profit before tax		**(425,298.39)**	**509.24**
Current tax		-	-
Deferred tax		-	220.03
Income tax expense		-	220.03
Profit after tax (PAT)		**(425,298.39)**	**289.21**
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Remeasurements of defined employee benefit plans		(39,115.92)	755.59
Income tax on items that will not be reclassified subsequently to profit or loss		-	-
Total comprehensive income for the year (TCI)		**(464,414.31)**	**1,044.80**
Earnings per equity share (refer note 34 for further details)			
Basic & Diluted (Face value of INR 10 per share) on PAT		(350.83)	0.24
Basic & Diluted (Face value of INR 10 per share) on TCI		(383.10)	0.86

See accompanying notes forming part of the financial statements.
In terms of our report attached

For M/s. Grandhy & Co
Chartered Accountants
Firm Regn No.001007S

Sd/-xxxxx
Sudheendra Rao Sidlagatta
Partner
Membership No:226611
Station : Velagapudi
Date : 24.10.2019

Sd/-xxxxx
G.Srinivasa Reddy
Chief General Manager (Expr)

For and on behalf of Board

Sd/-xxxxx
Nagalakshmi. S IAS
Director(Finance & HRD)
Chairman & Managing Director
DIN 07741194

Sd/-xxxxx
K.S.V.S. Sastry
Company Secretary

Eastern Power
Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ

Statement of cash flows
For the year ended 31 March 2019

(All amounts in Indian rupees in lakhs, except share data and otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit (loss) after tax	(425,298.39)	1,044.80
Adjustments for		
Depreciation on property,plant and equipment	40,174.64	35,734.68
Amortisation of consumer contributions, subsidies, grants towards cost of capital assets	(21,296.94)	(18,202.05)
Income from Investments	(803.02)	(695.71)
Interest on Loans from FI's/Banks	34,469.78	26,904.14
Accumulated losses of NPDCL adjusted in retained earnings	-	(627.63)
Loss on sale of Investments	158.16	-
Change in operating assets and liabilities		
(Decrease)/Increase in trade receivables	(50,952.59)	(38,030.95)
(Decrease)/Increase in inventories	1,830.53	(3,712.72)
(Decrease)/Increase in other non current and current assets	(84,500.40)	(49,942.07)
(Decrease)/Increase in other financial (current and non-current) assets	(105,102.45)	(20,465.88)
(Decrease)/Increase in other loans	(1,945.45)	21,771.21
(Decrease)/Increase in grants	3,874.06	19,974.58
(Decrease)/Increase in other non-current and current financial liabilities	1,198.50	(3,052.11)
(Decrease)/Increase in other non-current and current liabilities	53,559.30	32,389.43
(Decrease)/Increase in provisions	19,277.81	(11,795.20)
(Decrease)/Increase/ in deferred tax liabilities	-	220.03
(Decrease)/Increase in Trade payables	507,341.36	81,864.87
Cash generated from operations	(28,015.10)	73,379.42
Income taxes paid (net of CY payments)	103.78	(663.31)
Net cash inflow from operating activities	**(28,118.88)**	**74,042.73**
Cash flows from investing activities		
Purchase of property, plant and equipment	(89,340.04)	(95,648.89)
Proceeds from sale of investments	1,744.76	-
Purchase of New Investments	-	(37.62)
Interest income from investments	803.02	695.71
Net cash used in investing activities	**(86,792.26)**	**(94,990.80)**
Cash flows from financing activities		
Repayment of borrowings	(36,311.69)	
Proceeds from Long Term Borrowings	130,012.83	17,930.51
Proceeds towards others	20,832.92	10,978.87
Proceeds towards Capital Reserve/ Contingency reserve fund	-	3.80
Interest paid on borrowings	(34,469.78)	(26,904.15)
Amortisation of consumer contributions, subsidies, grants towards cost of capital assets(Current year)	21,296.94	18,202.05
Net cash used in financing activities	**101,361.22**	**20,211.08**
Net decrease in cash and cash equivalents	(13,549.91)	(736.99)
Cash and cash equivalents at the beginning of the financial year	28,554.42	29,291.41
Cash and cash equivalents at end of the year	**15,004.50**	**28,554.42**

See accompanying notes forming part of the financial statements.
In terms of our report attached

For M/s. Grandhy & Co
Chartered Accountants
Firm Regn No.001007S

Sd/-xxxxx
Sudheendra Rao Sidlagatta
Partner
Membership No:226611
Station : Velagapudi
Date : 24.10.2019

Sd/-xxxxx
G.Srinivasa Reddy
Chief General Manager (Expr)

For and on behalf of Board

Sd/-xxxxx
Nagalakshmi. S IAS
Director(Finance & HRD)
Chairman & Managing Director
DIN 07741194

Sd/-xxxxx
K.S.V.S. Sastry
Company Secretary

Eastern Power Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ

Statement of changes in equity

(All amounts in Indian rupees in lakhs, except share data and otherwise stated)

A. Equity share capital

	Amount
As at 1 April 2017	12,122.53
Changes in equity share capital	-
As at 31 March 2018	12,122.53
Changes in equity share capital	-
As at 31 March 2019	**12,122.53**

B. Other equity

	Reserves and surplus		Other comprehensive income	Total
	Retained earnings	Contingency reserve	Remeasurement of defined benefit obligations	
Balance as at 1 April 2017	(328,562.58)	10,720.62	(4,839.78)	(322,681.74)
Profit/(loss) for the year	289.21	-	-	289.21
Other comprehensive income	-	-	755.59	755.59
Total comprehensive income for the year	**289.21**	**-**	**755.59**	**1,044.80**
Adjustment of losses in retained earnings	(627.63)	-	-	(627.63)
Amount added/(deducted) to contingency reserve	-	3.80	-	3.80
Addition/(deduction) to other reserve	-	-	-	-
Balance at 31 March 2018	**(328,901.00)**	**10,724.42**	**(4,084.19)**	**(322,260.77)**
Balance as at 1 April 2018	(328,901.00)	10,724.42	(4,084.19)	(322,260.77)
Profit /(loss) for the year	(425,298.39)	-	-	(425,298.39)
Other comprehensive income	-	-	(39,115.92)	(39,115.92)
Total comprehensive income for the year	**(425,298.39)**	**-**	**(39,115.92)**	**(464,414.31)**
Adjustment of losses in retained earnings	-	-	-	-
Amount added/(deducted) to contingency reserve	-	-	-	-
Amount added/(deducted) to other reserves	-	-	-	-
Balance at 31 March 2019	**(754,199.39)**	**10,724.42**	**(43,200.11)**	**(786,675.08)**

Notes to the financial statements for the year ended 31st March 2019

1. Corporate Information:

Eastern Power Distribution Company of Andhra Pradesh Limited('the Company') has been formed as a successor entity of the erstwhile APSEB through the second statutory transfer scheme, which was notified in the official gazette of the Government of Andhra Pradesh on March 31,2000 (the second transfer scheme) to, inter-alia, separate the then existing Transmission and Bulk Supply undertaking and business of AP Transco from the then existing Distribution and Retail Supply undertaking and business of AP Transco. The Company's Registered Office is located at Corporate Office, P&T Colony, Seethammadhara, Visakhapatnam, Andhra Pradesh - 530013

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the Act) and other relevant provisions of the Act and the provisions of the Electricity (Supply) Act, 1948 and the rules made there under.

As stated in the statement 4 of the statement of accounting policies under the rules, the Company is required to prepare and compile its Statement of Accounts in accordance with the related provisions of the Electricity (Supply) Act, 1948 and the rules made there under in consonance with Section 129(1) and (1)(d) of the Companies Act, 2013. Further, Section 185(2) (d) of the Electricity Act, 2003 specifies that the ESAAR were not repealed.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

(c) Basis of measurement

These financial statements have been prepared on the historical cost convention and going concern basis and accrual method of accounting, except for the following material items in the balance sheet:

- financial assets are measured either at fair value or at amortised cost depending on the classification;
- employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, adjusted for actuarial gains/ (losses) and the present value of the defined benefit obligation; and
- long-term borrowings are measured at amortised cost using the effective interest rate method

(d) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (Unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(e) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Recognition of deferred tax liabilities and evaluation of recoverability of deferred tax assets
- Measurement of defined benefit obligations; key actuarial assumptions
- Impairment of trade receivables
- Impairment of non-financial assets
- Impairment of investments
- Provisions and other accruals
- Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources; and
- Useful life of property, plant and equipment.

Critical judgements

In the process of applying company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Discount rates used to determine the carrying amounts of the Company's defined benefit obligations:

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in Indian currency for estimation of post-employment benefit obligation.

(f) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, Presentation of Financial Statements.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within twelve months after the reporting date; or

d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the reporting date; or

d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities include the current portion of non-current assets and liabilities respectively. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are always disclosed as non-current.

2.1 Significant accounting policies

2.1.1 New Standards adopted by the Company

Ind AS 115, Revenue from Contracts with Customers:

In March 2018, the Ministry of Corporate Aff airs ("MCA") has notified Ind AS 115, Revenue from Contracts with Customers, which is effective for accounting periods beginning on or after 1 April 2018. This comprehensive new standard supersedes Ind AS 18, Revenue, Ind AS 11, Construction contracts and related interpretations. The new standard amends revenue recognition requirements and establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Company's revenue is derived from sale of power and service income, each as more particularly described below. Most of such revenue is generated from the sale of power.

The Company applied the modified retrospective method upon adoption of Ind AS 115 on 1 April 2018. This method requires the recognition of the cumulative effect of initially applying Ind AS 115 to retained earnings and not to restate prior years. Overall, the application of this standard did not have a material impact on the Company's financial statements.

2.1.2 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets:

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company's trade receivables do not contain any significant financing component and hence are measured at the transaction price measured under Ind AS 115.

Subsequent measurement

For purpose of subsequent measurement, financial assets are classified into:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through profit or loss (FVTPL); and
- Financial assets measured at fair value through other comprehensive income (FVOCI).

The Company classifies its financial assets in the above mentioned categories based on:

- The Company's business model for managing the financial assets, and
- The contractual cash flows characteristics of the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Amortised cost of a financial asset means the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and
- The asset's contractual cash flows represents SPPI.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a

financial asset, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within other equity. Equity investments designated as FVTOCI are not subject to impairment assessment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired; or

Both (1) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and (2) either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of trade receivables and other financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset.

For this purpose, the Company follows a 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of this simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within other equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification

is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

2.1.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured initially at cost, subsequently cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in the statement of profit and loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Subsequent expenditure

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

Depreciation

a. Depreciation on property, plant and equipment is provided under the 'Straight Line Method' up to 90% of the original cost of assets, at the rates notified by the Ministry of Power (MoP), Government of India vide Notification No. S.O.265 (E) dated 27th March, 1994. In the opinion of the Management, Schedule II to the Companies Act,2013 is not considered to be mandatorily applicable to the Company.

b. Depreciation is calculated from the date of capitalization or procurement of the asset.

c. Full cost of all small and low value assets each costing Rs.5000 or less is fully charged to revenue in the year in which the assets are put to use.

d. An asset is capitalized when it is first put to use for commercial purposes.

e. In respect of leasehold assets, depreciation is charged every year on such amount as is required to write off entire cost of leasehold asset, on a straight-line method, for the estimated useful life of the asset; or over the period of the lease whichever is shorter.

f. With respect to the following Assets the rates applied during the previous reporting period, as per MoP are different from rates prescribed under Schedule II of Companies Act, 2013.

Asset category	**Useful life as per MoP**	**Depreciation as per MoP**
Buildings and Other Civil Works	50	3.02%
Plant & Machinery	25	7.84%
Lines and Cable Network	25	7.84%
Meters and Metering Equipments	15	12.77%
Vehicle	5	33.40%
Furniture & Fixtures	15	12.77%
Office Equipments	15	12.77%
Computers and IT Equipments (*)	7	12.77%

(*) The useful life of computers is determined based on technical evaluation and depreciation is accordingly provided under straight line method. Management has not carried out any assessment of effective rates as per Schedule-II to the Companies Act, 2013 and thus such information is not furnished.

De-recognition

Property, plant and equipment assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the statement of profit and loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective assets as at the date of de-recognition.

Capital work in progress

Property, plant and equipment under construction, advance paid towards acquisition and cost of asset not put to use before the year end, are disclosed as capital work in progress, which further includes

a) Eleven percent of the cost of capital works incurred is added to capital work in progress as employee cost and administration &general expenses as the operation circles are involved in the execution of both capital works and operation & maintenance works and it is not practicable to maintain records to identify the man hours spent by the staff on capital works which is in line with the practice in the industry.

b) Interest relating to construction period is calculated based on the average interest rate of loans drawn under a Scheme and capitalized. The interest is calculated from the date of expenditure incurred on respective Work Orders of the Scheme.

2.1.4 Intangible Assets

Recognition and measurement

Other intangible assets that are acquired by the Company and that have finite useful lives are measured initially at cost, subsequently cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally generated goodwill and brands, is recognised in the statement of profit and loss as incurred.

Amortisation

Amortisation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets that are not available for use are amortised from the date they are available for use.

The estimated useful lives are as follows:

Asset category	Useful life
Software	3 Years

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date. Intangible assets relating to products in development, other intangible assets not available for use and intangible assets having indefinite useful life are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognised immediately in the statement of profit and loss.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the statement of profit and loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as at the date of de-recognition.

2.1.5 Leases

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Other leases are operating leases, and the leased assets are not recognised on the Company's balance sheet. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease.

Operating lease incentives received from the landlord (if any) are recognised as a reduction of rental expense on a straight line basis over the lease term.

2.1.6 Inventories

Inventories of stores and fuel are valued at lower of cost and net realizable value. Cost is calculated on weighted average basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition. Spares (not meeting the definition of property, plant and equipment) are accounted as inventory and expensed to the statement of profit and loss when issued for consumption.

The factors that the Company considers in determining the provision for slow moving and obsolete inventory include planned product discontinuances, price changes and ageing of inventory, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

2.1.7 Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

2.1.8 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g, under short-

term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2.1.9 Revenue recognition

The Company's revenue is derived from sale of power and service income, each as more particularly described below. Most of such revenue is generated from the sale of power.

(a) Sale of Power

· Accounting policies relating to revenue for the periods after 31 March 2019 are as follows: Revenue is recognized when the control of the goods has been transferred to a third party. This is usually when the title passes to the customer, upon consumption of electricity by the customer. At that point, there are no unfulfilled obligations that could affect the customer's acceptance.

- Revenue from sale of power is accounted for based on demand raised on consumers. Tariff rates for sale of power are as per tariff order issued by The Andhra Pradesh Electricity Regulatory Commission (APERC) for the reporting period.
- Unbilled revenue is recognized in the books of accounts on 'actual basis', considering the events occurring after balance sheet date.
- Bills raised for theft of energy, whether on a consumer or an outsider are not recognized in full until the final assessment order is received from the competent authority of the Company. The amount received against initial assessment is treated as "TE/MP Deposits".
- Sale of Power under open access on short term basis will be entered by APPCC on behalf of DISCOMS with the traders and also through Indian Energy Exchange (IEX) for developers.
- The Swap arrangements on short term basis will be entered by APPCC on behalf of DISCOMS with the surplus utilities/states through the traders. The terms of SWAP transactions are to get back / return the power @ 100% to 105% (approximately) of the power availed. These transactions are entered purely on energy to energy basis.
- Electricity duty recovered from consumers and paid to the Government is neither a cost nor an income to the company. It is thus kept out of the revenue account altogether.

Service Income

Service income, which primarily relates to revenue from rendering supervision services for turnkey projects, is recognized as and when the underlying services are performed. There was no change in the point of recognition of revenue upon adoption of Ind AS 115. Upfront non-refundable payments received under these arrangements continue to be deferred and are recognized over the expected period that related services are to be performed.

Other income

Interest on bank deposits is recognised on the effective interest rate (EIR method) using the underlying interest rates. Miscellaneous receipts are accounted on accrual basis. Recoveries whether from employees or outsiders are accounted on collection basis. Interest accrued on long term investment during the reporting period is credited to 'Interest accrued on investments'. Charges recovered from consumers for delayed payment are not clubbed with the revenue from sale of power but shown separately since these are more in the nature of a financial charge.

2.1.10 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating revenue on a systematic basis. Grants related to depreciable assets are recognised in profit or loss over the period and in the proportion in which depreciation expense on those assets is recognised. Grants and subsidies received from Government towards expensive power purchase and other government sponsored schemes are recognized in the profit or loss on accrual basis.

Consumer contributions related to depreciable fixed assets are treated as deferred income which is recognized in the profit and loss statement on a systematic and rational basis over the useful life of the asset, i.e., such

amounts are allocated to income over the periods and in the same proportion in which depreciation on those assets is charged. Consumer Contribution, Capital Subsidies and Grants related to non-depreciable assets are treated as capital reserve.

2.1.11 Income-tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are off set if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that the future taxable profits will allow the deferred tax assets to be recovered.

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

In respect of unabsorbed depreciation &business losses, deferred tax asset were not recognised in the books as it is viewed that it is no longer probable that sufficient taxable profits would be available within the near future.

2.1.12 Segment reporting

The Company is primarily engaged in distribution of electricity which is only the reportable business segment in line with the segment wise information which is being presented to the Chief Operational Decision Maker (CODM). Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. There are no reportable geographical segments, since all business with in India.

2.1.13 Earnings per share

The basic earnings per share ("EPS") for the year is computed by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares, as the company is a Government of Andhra Pradesh undertaking with 100% equity shareholding.

2.1.14 Provisions

The company recognizes a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of such obligation. Such provisions are not discounted to their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date and adjusted to reflect management's current estimates.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognized when it is probable that a liability has been incurred and the amount can be estimated reliably.

As per APERC Regulation the company has created a reserve fund for payment of compensation to victims of electrical accidents.

2.1.15 Borrowing cost

Borrowing costs are interest and other costs (including guarantee charges, commitment charges, legal charges / stamp duty for loan agreements / bonds /debentures, advertisement costs in a public issue of bonds, commission on issue of bonds / debentures, exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2.1.16 Cash and Cash Equivalents

Cash and cash equivalents comprise cash and deposits with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.1.17 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For and on behalf of Board

Sd/-xxxxx
Nagalakshmi. S IAS
Director(Finance & HRD)
Chairman & Managing Director
DIN 07741194

Sd/-xxxxx
K.S.V.S. Sastry
Company Secretary

For M/s. Grandhy & Co
Chartered Accountants
Firm Regn No.001007S

Sd/-xxxxx
Sudheendra Rao Sidlagatta
Partner
Membership No:226611

Sd/-xxxxx
G.Srinivasa Reddy
Chief General Manager (Expr)

Station : Velagapudi
Date : 24.10.2019

3. Property, Plant and Equipment

Description	Land and Land rights	Buildings	Other civil works	Plant and Machinery	Lines and Cable Network	Meters & Metering Equipment	Vehicles	Furniture and Fixtures	Office Equipment	Computers	TOTAL
Gross Carrying Cost											
Balance as at 1st April,2017	8,257.27	11,327.20	2,955.65	121,364.83	130,103.81	26,029.43	39.64	991.49	645.92	5,026.08	306,741.32
Additions	0.18	5,937.17	1,174.01	39,082.95	36,801.55	14,183.59	55.61	253.57	505.41	1,155.78	99,149.82
Deletions	-	-	-	(14.56)	-	(430.72)	-	-	-	-	(445.28)
Balance as at 31st March,2018	8,257.45	17,264.37	4,129.66	160,433.22	166,905.36	39,782.30	95.25	1,245.06	1,151.33	6,181.86	405,445.86
Accumulated Depreciation											
Balance as at 1st April,2017	-	321.54	87.43	12,256.43	11,734.40	5,243.78	5.72	175.88	121.41	630.59	30,577.18
Depreciation for the year	-	476.91	111.34	14,417.17	14,170.25	6,526.96	15.34	170.82	129.87	800.66	36,819.32
Accumulated depreciation on deletions											-
Balance as at 31st March,2018	-	798.45	198.77	26,673.60	25,904.65	11,770.74	21.06	346.70	251.28	1,431.25	67,396.50
Net carrying amount as at 31st March,2018	**8,257.45**	**16,465.92**	**3,930.89**	**133,759.62**	**141,000.71**	**28,011.56**	**74.19**	**898.36**	**900.05**	**4,750.61**	**338,049.36**
Gross Carrying Cost											
Balance as at 1st April,2018	8,257.45	17,264.37	4,129.66	160,433.22	166,905.36	39,782.30	95.25	1,245.06	1,151.33	6,181.86	405,445.86
Additions	-	2,982.25	553.62	31,948.89	33,980.85	10,705.67	-	121.56	159.41	231.68	80,683.93
Deletions	-	-	-	(75.59)	-	(2,056.62)	-	-	-	-	(2,132.21)
Balance as at 31st March,2019	8,257.45	20,246.62	4,683.28	192,306.52	200,886.21	48,431.35	95.25	1,366.62	1,310.74	6,413.54	483,997.58
Accumulated Depreciation											
Balance as at 1st April,2018	-	798.45	198.77	26,673.60	25,904.65	1,770.74	21.06	346.70	251.28	1,431.25	67,396.50
Depreciation for the year	-	603.11	142.35	15,915.30	14,769.98	7,487.67	25.09	190.16	183.70	854.80	40,172.16
Accumulated depreciation on deletions	-	-	-	(63.53)	-	(1,845.46)	-	-	-	-	(1,908.99)
Balance as at 31st March,2019	-	1,401.56	341.12	42,525.37	40,674.63	17,412.95	46.15	536.86	434.98	2,286.05	105,659.67
Net carrying amount as at 31st March,2019	**8,257.45**	**18,845.06**	**4,342.16**	**149,781.15**	**160,211.58**	**31,018.40**	**49.10**	**829.76**	**875.76**	**4,127.49**	**378,337.91**

4. Capital work-in-progress

Description	Capital Work in Progress
Gross Carrying Cost	
Balance as at 1st April,2017	41,851.94
Additions	93,400.19
Capitalized	(95,368.71)
Balance as at 31st March,2018	**39,883.42**
Net carrying amount as at 31st March,2018	**39,883.42**
Gross Carrying Cost	
Balance as at 1st April,2018	39,883.42
Additions	89,563.26
Capitalized	(80,683.93)
Balance as at 31st March,2019	48,762.75
Net carrying amount as at 31st March,2019	**48,762.75**

5. Intangible assets

Description	Computer Software
Gross Carrying Cost	
Balance as at 1st April,2017	7.46
Additions	1.79
Deletions	-
Balance as at 31st March,2018	9.25
Accumulated Amortization	
Balance as at 1st April,2017	0.83
Amortization for the year	4.28
Accumulated amortization on deletions	-
Balance as at 31st March,2018	5.11
Net carrying amount as at 31st March,2018	**4.14**
Gross Carrying Cost	
Balance as at 1st April,2018	9.25
Additions	-
Deletions	-
Balance as at 31st March,2019	9.25
Accumulated Amortization	
Balance as at 1st April,2018	5.11
Amortization for the year	2.48
Accumulated amortization on deletions	-
Balance as at 31st March,2019	7.59
Net carrying amount as at 31st March,2019	**1.66**

6. Investments

	31 March 2019	31 March 2018
Non-current investments ***Investments in Government securities*** Contingency Reserve Investments 10.45% GOI 2018 355000 Bonds with face value @ Rs.100/- each (105000 bonds purchased @Rs.149/- each Bond & 250000 Bonds purchased @ Rs.120/- each Bond)	-	456.45
11.05% IOB 2023 39 No. of Bonds with face value @ Rs.1000000/- each (Bonds purchased @ Rs.1144800/- each)	-	446.47
Contingency Reserve Investments allocated by TSNPDCL Under Demerger Scheme	3.37	3.37
Investments in bonds		
AP TRANSCO Vidyut Bonds - 100 nos bonds each Rs.10 Laksh @ 8.55%	-	1,000.00
Investments in Equity (Unquoted) Investment in APPDC LTD - 146180000 no. of shares @ Rs.10/- each fully paid up #	14,618.00	14,618.00
Investments in APPDCL allocated by TSNPDCL Under Demerger Scheme	24.44	24.44
Investment in APSEEDCO - 200000 no.of shares @ Rs.10/- fully paid up	20.00	20.00
Investment in RESCOs Cheepuripalli - 9 shares @ Rs.100000/- each fully paid up	9.07	9.07
Investments in RESCO allocated by TSNPDCL Under Demerger Scheme	0.04	0.04
	14,674.92	**16,577.84**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	14,674.92	16,577.84
Aggregate amount of impairment in value of investments	-	-

Equity Participation in 1600MW Power Project at Krishna Patnam in Sri Potti Sriramulu Nellore District. As per the Resolution passed in 61st Board Meeting held on 29-10-2009.
APEPDCL Share is 6.76% (out of 49%). Equity Payment made so far to the end of 31-03-2019 is Rs. 146,18,00,000.

7. Loans

	31 March 2019	31 March 2018
Secured considered good Loans to employees	9,128.49	7,244.98
Unsecured considered good Loans to employees	119.87	57.93
(Loans and advances given for marriage & Education)	**9,248.36**	**7,302.91**

Loans given to the employees are secured and considered good. For the loans related to marriage advance are not secured but considered good.

8. Other financial assets

	31 March 2019	31 March 2018
A. Non-current		
Unsecured considered good		
Interest receivable from employees	1,822.61	1,360.66
	1,822.61	**1,360.66**

	31 March 2019	31 March 2018
B. Current		
Unsecured considered good		
Loans to employees	472.33	462.76
Unbilled revenue	72,635.65	69,877.78
Interest accrued on bank deposits	41.16	220.86
Interest accrued on investments	20.83	95.12
Receivable from others	2.79	3.37
Receivables from AP Online E-Seva & Internet	1,236.84	1,112.47
Receivables from Government/FSA	192,585.99	94,517.16
Provision for Government Receivables	(25,382.99)	(25,382.99)
Recb subsidy Ferro	0.21	108.18
Sundry Debtor for Sale of Scrap	442.88	815.39
Receivable from P&G/GPF trust	4,407.85	374.79
Receivable from Govt/APDRP/UGC	789.83	407.98
	247,253.37	**142,612.87**

9. Other Assets

	31 March 2019	31 March 2018
A. Non-current		
Capital advances - Others	1,328.31	1,571.90
Capital advances - AP Genco (i)	11,057.00	11,057.00
Security deposit (Deposit with local Agencies)	3,666.40	2,333.26
Prepaid employee cost	1,423.02	1,638.95
Inter discom balances (ii)	411,336.39	332,828.28
	428,811.12	**349,429.39**

	31 March 2019	31 March 2018
B. Current		
Amount recoverable from Employees / Ex-employees	791.75	330.78
Prepaid expenses	4,810.98	106.17
Prepaid employee cost	330.14	367.79
Other misc receivables	0.78	10.24
	5,933.65	**814.98**

(i) Godavari Gas Power Plant (GGPP) handing over to APGENCO

APDISCOMS have taken over M/s GVK Industries Limited plant -1 on 22.04.2016 in terms of the PPA entered into with GVK Industries Limited for an amount of Rs.332.15 Crores on proportionate sharing basis with APSPDCL Tirupathi.

For hold on operations APGENCO employees were deputed to APEPDCL to work at the plant of GVK Industries Limited at Jegurupadu. However certain difficulties were encountered in continuing the operations due to lack of technical capabilities to run the plant besides others thereby giving rise to the option of handing over the plant to APGENCO since they are engaged in generation and well experienced in running generating units as their core business. Accordingly it has been decided to hand over the unit of Godavari Gas Power Plant to APGENCO during the meeting of APPCC held on 19th June 2017.

As per LR. No 2374/Power-1/2014 Dt.04.05.2018 of Principal Secretary/Energy Infrastructure & Investment/ Govt. of Andhra pradesh agreed to transfer the assets in the name of APGENCO directly from M/S GVK Industries. Our Board has also approved the proposal at the meeting dated 11.07.2018. APGENCO board has taken note of the Government direction and authorized for execution and transfer of the subject project in favour of APGENCO and directed to take necessary action accordingly vide minutes of 164th APGENCO Board meeting dt 15.03.2019. Accordingly the handing over & registration of the project in favour of APGENCO is under process.

Advance amount paid to M/s GVK Industries Limited is disclosed as Capital advances to APGENCO for the F.Y 2018-19.

(ii) Inter Discom balances

Name of the Discom	Amount
TSSPDCL	100,640.29
TSNPDCL	(12,216.91)
APSPDCL	322913.01
Total	**411,336.39**

10. Inventories

	31 March 2019	31 March 2018
Stores and spares	18,700.73	20,531.26
	18,700.73	**20,531.26**

Inventories of stores and spares are valued at lower of cost and net realizable value. Cost is calculated on weighted average basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition

11. Trade receivables

	31 March 2019	31 March 2018
(i) Trade receivables		
Secured considered good	21,620.81	37,980.03
Unsecured considered good	195221.41	129612.67
Unsecured considered doubtful	8,296.49	3,519.29
Others *	2,483.75	780.68
	227,622.46	**171,892.67**
(ii) Provision for doubtful receivables / advances		
Provision for doubtful receivables	(8,296.49)	(3,519.29)
	(8,296.49)	(3,519.29)
Net trade receivables	**219,325.97**	**168,373.38**

* Others include Unconnected minium charges from customers etc.

12. Cash and cash equivalents

	31 March 2019	31 March 2018
Balance with banks		
- in current accounts	12,299.38	16,618.33
- in deposit accounts (i)	2,282.01	11,646.06
Cash on hand	413.25	207.19
Cash / Remittances in transit	9.86	82.84
Cash and cash equivalents	**15,004.50**	**28,554.42**
(i) Deposit accounts with more than 3 months but less than 12 months maturity	**5.02**	**4.74**

13. Other tax assets

	31 March 2019	31 March 2018
Advance Income Tax & TDS	556.90	453.12
MAT credit Entitlement	1,035.84	1,035.84
	1,592.74	**1,488.96**

14. Share capital

	31 March 2019	31 March 2018
Authorized equity share capital 12,20,00,000 (31.03.2018 : 12,20,00,000) Equity shares of Rs 10 each	1,220.00	1,220.00
Issued share capital 12,12,25,329 (31.03.2018 : 12,12,25,329) Equity shares of Rs 10 each	1,212.25	1,212.25
Subscribed and paid up capital 12,12,25,329 (31.03.2018 : 12,12,25,329) Equity shares of Rs 10 each	1,212.25	1,212.25
(i) Reconciliation of the shares outstanding at the beginning and at the end of the year	**Number of shares As at 1 April 2017**	**Amount**
	1,212.25	**12,122.53**
Issue of shares during the year	-	-
As at 31 March 2018	**1,212.25**	**12,122.53**
Issue of shares during the year	-	-
As at 31 March 2019	**1,212.25**	**12,122.53**

Terms and rights attached to equity shares
The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share.

(ii) Shares of the Company held by holding company

	31 March 2019	31 March 2018
State Government of Andhra Pradesh	**12,122.53**	**12,122.53**

(iii) Details of shareholders holding more than 5% shares in the Company

	31 March 2019		31 March 2018	
Name of the shareholder	**No. of shares**	**% Holding**	**No. of shares**	**% Holding**
His Excellency the Honourable Governor of Andhra Pradesh(Government of Andhra Pradesh)	1,212	99.999993	1,212	99.999993
Government Nominees	0	0.000007	0	0.000007
Total	**1,212**	**100**	**1,212**	**100**

15. Other equity

	31 March 2019	31 March 2018
Retained earnings (i)	(754,199.39)	(328,901.00)
Contingency reserve (ii)	10,724.42	10,724.42
Other comprehensive income (iii)	(43,200.11)	(4,084.19)
Total other equity	**(786,675.08)**	**(322,260.77)**
i) Retained earnings	**31 March 2019**	**31 March 2018**
Opening balance	(328,901.00)	(328,562.58)
Add: Loss apportionment from NPDCL	-	(627.63)
Add: Profit for the year	(425,298.39)	289.21
Closing balance	**(754,199.39)**	**(328,901.00)**
ii) Contingency reserve	**31 March 2019**	**31 March2018**
Opening balance	10,724.42	10,720.62
Add: Additions during the year		3.80
Less: Deductions during the year	-	-
Closing balance	**10,724.42**	**10,724.42**

Contingency reserve is required to be created mandatorily out of appropriation account as per Andhra Pradesh Electricity Regulatory Commission (APERC rules). The amount so transferred will be invested in various securities and bonds from time to time.

iii) Other comprehensive income
Other items of OCI

	31 March 2019	31 March 2018
Opening balance	(4,084.19)	(4,839.78)
Add: Remeasurement of defined benefit obligations (liability net of tax)	(39,115.92)	755.59
Closing balance	**(43,200.11)**	**(4,084.19)**

16. Borrowings

	31 March 2019	31 March 2018
Non-current borrowings		
Term loans		
Secured		
From Financial Institutions - Refer note (a) below	238,185.56	256,221.63
Unsecured		
From Financial Institutions	-	-
	238,185.56	**256,221.63**
Current borrowings		
Secured		
Loans repayable on demand from Financial institutions - Refer note (a) below	55,181.28	54,427.55
Current maturities on long term borrowings - Refer note (b) below	148,808.55	37,825.07
Unsecured		
Loans repayable on demand from Financial institutions	-	-
Current maturities on long term borrowings	-	-
	203,989.83	**92,252.62**

The working capital loans obtained from SBI, Andhra Bank& Syndicate Bank secured against hypothecation of receivables and inventories.

Charge created on secured loans:

S. No.	Short description of the property charged	Charge ID	Date of creation of charge or date of acquisition of property subject to charge	Date of registration of creation of charge	Period and amount secured by the charge (Rs. in Crs)	Names and addresses of the charge holder
1	Hypothecate all the future Movables and Stocks to be created under the Project including those procured out of the loans sanctioned by REC, totalling to the project cost Rs. 103200.00 Lakhs (Rupees One Lakh Three Thousand and Two Hundred Lakhs only) (hereinafter collectively referred to as "Hypothecated Goods") subject to the maximum value of being 110% of the loan amount sanctioned i.e. Rs.30650.40 Lakhs (Rupees Thirty Thousand six hundred fifty Lakh and Forty thousand only)	100232085	28/12/2018	25/01/2019	278.64	M/s REC Limited, / New Delhi
2	Escrow Cover for the entire loan of Rs. 300 Crores at applicable coverage factor as per PFC's Norm and charge on the assets upto a loan amount of Rs.50 Crores with applicable coverage ratio as per policy.	100222049	14/12/2018	15/12/2018	300	M/s Power Finance Corporation Limited / New Delhi
3	100% by way of the Current Assets of the Borrower, on pari-passu charge basis, wherever lying or held including in Trust and Retention Account/Escrow Account opened /to be opened with a Scheduled Bank for the purpose of receivables of the Borrower, including any other monies credited therein (Project No. 0020ST) , and elsewhere both present and future & also Exclusive charge on receivables of power from said Project and other monies credited/to be credited in TRA of the Borrower and also lying or held wherever else.	100234904	12/14/2018	2/6/2019	500	M/S Indian Renewable Energy Develop-ment Agency Limited / New Delhi
4	First charge by way of hypothecation of Existing movable assets in the jurisdiction of APEPDCL in the state of Andhra Pradesh, having a net book value of Rs 146.00 crores (Rupees One Hundred and Forty Six Crores only) as on 31-03-2018.	100224896	06/12/2018	28/12/2018	111.8393	M/s REC Limited, / New Delhi
5	Existing movable assets in the form of 33/11 KV Sub Stations, Power Transformers (PTR) of various capacities, 33 KV Lines, 11/6.3 KV Lines, VCBs of various specifications, Conductors of various specifications. LT Lines, LT AB cables, Distribution Transformers (DTR) of various capacities, 11 kV 2 MVAR Capacitor Banks and VHF Equipment created under various loans sanctioned by REC under various categories at various districts in the jurisdiction area	100207568	11/09/2018	10/10/2018	70	M/s REC Limited, / New Delhi

S. No.	Short description of the property charged	Charge ID	Date of creation of charge or date of acquisition of property subject to charge	Date of registration of creation of charge	Period and amount secured by the charge (Rs. in Crs)	Names and addresses of the charge holder
	of APEPDCL now valued at Rs. 84.99 Crores (Rupees Eighty Four Crore and Ninety Nine Lakhs only) based on fair market value are now secured to REC under exclusive first charge by way of hypothecation to the Corporation as security.					
6	First charge by way of hypothecation of Existing movable assets in the jurisdiction of APEPDCL in the state of Andhra Pradesh, having a net book value of Rs 127.19 crores(Rupees One Hundred Twenty Seven Crores and Nineteen Lakhs only) as on 31-12-2017.	100163988	13/03/2018	28/03/2018	86.033	M/s REC Limited / New Delhi
7	First charge by way of (i) Hypothecation of unencumbered Existing Assets equivalent to 120% of the loan amount sanctioned and (ii) Hypothecation of Receivables of tariff subsidy from Govt. of Andhra Pradesh, adequate to cover the amount of loan" and interest "thereon	100163998	09/03/2018	28/03/2018	450	M/s REC Limited / New Delhi
8	First charge by hypothecation of all the future movable properties of the respective Scheme under the Project including movable machinery equipments, machinery, machinery spares, tools, implements and accessories installed (hereinafter referred to as "Movables") and its stock of materials and equipment created under the respective Scheme of the Project and procured out of loan sanctioned by REC, totalling to the project cost of Rs. 281.45 Crores (Rupees Two Hundred Eighty One Crores and Forty Five Lakhs only).	100149041	10/01/2018	24/01/2018	112.58	M/s REC Limited, / New Delhi
9	First charge by hypothecation of existing movable assets in the jurisdiction of APEPDCL in the State of Andhra Pradesh. List of Assets enclosed as per Bulk hypothecation of Assets dt.18.11.2017	100138416	18/11/2017	08/12/2017	157.1954	M/s REC Limited, / New Delhi
10	A first charge by way of hypothecation in favour of the Corporation on the whole of the movable assets (save and except book debts) of the Borrower's assets comprising of Meters, conductors, cables, LT Lines etc located at Srikakularn, Vizianagaram, Visakhapatnam, Rajahmundry and Eluru etc operation Circles of Eastern Power Distribution Company of Andhra Pradesh Limited in respective District(s) of Andhra Pradesh including its movable machinery, machinery spares, tools and accessories, spares and material at project site, both present and future.	100132385	03/11/2017	08/11/2017	500	M/s Power Finance Corporation Limited / New Delhi

S. No.	Short description of the property charged	Charge ID	Date of creation of charge or date of acquisition of property subject to charge	Date of registration of creation of charge	Period and amount secured by the charge (Rs. in Crs)	Names and addresses of the charge holder
11	A first charge by way of hypothecation in favour of the Corporation on the whole of the movable assets (save and except book debts)of the Borrower's assets comprising of Meters, conductors, cables, LT Lines etc located at Srikakulam, Vizianagaram, Visakhapatnam, Rajahmundry and Eluru etc operation Circles of Eastern Power Distribution Company of Andhra Pradesh Limited in respective District(s) of Andhra Pradesh including its movable machinery, machinery spares, tools and accessories, spares and material at project site, both present and future.	100131840	03/11/2017	10/11/2017	500	M/s Power Finance Corporation Limited / New Delhi
12	The whole of the movable properties of the Borrower's created/ to be created under implementation of distribution strengthening projects under IPDS in 5 circles/ projects covering 29 towns of APEPDCL in the state Andhra Pradesh.	100099086	18/05/2017	24/05/2017	90	M/s Power Finance Corporation Limited / New Delhi
13	OCC- Hypothecation of all current assets of the Company on Priority 1st pari -passu basis with other working capital lenders (syndicate Bank & Lakshmi Vilas Bank) to the extent of 200% exposure under multiple banking arrangement. ILC / BG - Counter Guarantee of the Company for BG limit in addition to hypothecation of all current assets of the Company on priority 1st pari-passu basis with other working capital lenders (Syndicate Bank & Lakshmi Vilas Bank) to the extent of 200% of our exposure under multiple banking arrangement.	100095845	03/05/2017	10/05/2017	400	Andhra Bank, Sultan Bazar Branch, Koti Hyderabad - 500095
14	First Pari passu charge on all Current Assets (both present and future) with minimum coverage of 1.2 times of loan amount, as per Memorandum of Hypothecation dated 24th June, 2016	100035554	6/24/2016	7/1/2016	100	M/s PTC Limited / New Delhi
15	The whole of the movable properties/assets of movable plants & machineries, movable machinery, machinery spares, tools and accessories, fuel stock, spares and material and other various equipments etc. at the said Project Town including associated balance of plant equipments/ Iterns located at each Project Town, both present and future as well as the existing movables assets - 33/11 KV Substation located at Visakhapatnam (Keys Indoor substation) in the State of Andhra Pradesh.	100022983	28/04/2016	02/05/2016	16.07	M/s Power Finance Corporation Limited / New Delhi

S. No.	Short description of the property charged	Charge ID	Date of creation of charge or date of acquisition of property subject to charge	Date of registration of creation of charge	Period and amount secured by the charge (Rs. in Crs)	Names and addresses of the charge holder
16	First Pari Passu Charge On All Current Assets (Both Present And Future) With Coverage Of Min.1.2 Times Of Loan Amount. Exclusive Charge On Escrow Account, As Per Memorandum Of Hypothecation Dated 04th March, 2016	10624636	04/03/2016	10/03/2016	100	M/s PTC Limited/ New Delhi
17	First Pari Passu Charge On All Current Assets (Both Present And Future) With Coverage Of Min.1.2 Times Of Loan Amount. Exclusive Charge On Escrow Account, As Per Memorandum Of Hypothecation Dated 04th March, 2016 commission charges costs (between Attorney and Client) and expenses payable to or by the Corporation in relation thereto.	10594441	30/09/2015	07/10/2015	500	M/s REC Limited / New Delhi
18	The Borrower hereby hypothecated and creates a first charge in favor of PFC GEL over its specific movable assets including movable machineries, machinery spares, tools and accessories, spares and materials and other various equipments etc.,	10583040	29/07/2015	03/08/2015	25.5	M/s PFC Green Energy Limited / New Delhi
19	The whole of the movable properties / assets of the borrower created/ to be created out the loan under the R-APDRP, part - B project towns for Amalapuram (Loan No.31634002) comprising of movable plants & machinery, machinery spares, materials, fuel stocks tools and accessories plant turbine and other various equipments etc. both present and future as well as the existing movable assets - 33/11 KV sub station located at kamangaruva, Amalapuram to the extent of Rs.1.40 Crs in the state of AP.	10555859	06/01/2015	22/03/2015	1.87	M/s Power Finance Corporation Limited / New Delhi
20	The whole of the movable properties / assets of the borrower created / to be created out of the loan under R-APDRP, Part - A (SCADA DMS) project town for VSP (Loan No.31638027) comprising of movable plant & machineries, machinery spares, materials, fuel stocks, tools and accessories, plant turbine and other various equipments etc., both present and future 33/ 11 KV Indoor sub station located at Nakkavani Palem, Visakhapatnam Town of APEPDCL in the state of Andhra Pradesh.	10556045	06/01/2015	23/03/2015	9.75	M/s Power Finance Corporation Limited / New Delhi

S. No.	Short description of the property charged	Charge ID	Date of creation of charge or date of acquisition of property subject to charge	Date of registration of creation of charge	Period and amount secured by the charge (Rs. in Crs)	Names and addresses of the charge holder
21	The whole of the movable properties / assets of the borrower created / to be created out of the loan under R-APDRP, Part - B (SCADA DMS) project town for VSP (Loan No.31634027), comprising of movable plant & machineries, machinery spares, materials, fuel stocks, tools and accessories, plant turbine and other various equipments etc., both present and future 33/ 11 KV Indoor sub station located at Dondaparthy and 33/11 KV out door SS at venkateswara metta, VSP town in the state of Andhra Pradesh.	10555861	06/01/2015	22/03/2015	5.35	M/s Power Finance Corporation Limited / New Delhi
22	The whole of the movable properties / assets of the borrower created / to be created out of the counterpart loans for R-APDRP (Part-B) project towns under LoanNo.31637001 Amadalavalasa) 31637005 (Bhimavaram), 31637007 (Eluru), 31637008 (Itchapuram), 31637011(mandapeta), 31637016 (Palasa), 31637019 (Pithapuram),31637029 RC Puram) comprising of movable properties and etc., both present and future assets -33/11KV Sub Stations at Pithapuram, Ashok Nagar, and Amadalavalasa to the extent of Rs.4.20 Crs (being more than 10% of the loan amount to APEPDCL)in the state of AP	10556101	06/01/2015	23/03/2015	38.28	M/s Power Finance Corporation Limited / New Delhi
23	The whole of the movable properties / assets of the borrower created / to be created out of the counterpart loan for R-APDRP (part-B) Amalapruam project Town under Loan No.31637002 comprising of movable plant & machineries, machinery spares, materials, fuel stocks, tools and accessories, plant turbine and other various equipments etc., both present and future movable assets - 33/11KV Substation located in Peruru, Amalapuram Mandal, EG Dist in the state of A.P.	10556077	06/01/2015	23/03/2015	5.61	M/s Power Finance Corporation Limited / New Delhi
24	Primary security as per FRP of Discoms first charge on current assets on pari-pasu basis.	10518699	16/07/2014	10/09/2014	150	M/s Indian Overseas Bank / Hyderabad
25	Exclusive first charge on future assets to be created under the schemes as mentioned in schedule - I, schedule -II, schedule -III and schedule - IV annexed hitherto totalling to project cost of Rs.15725.29 lakhs	10447111	12/08/2013	11/09/2013	1415.2755	M/s REC Limited / / New Delhi
26	Charge on current assets to the extent of 300 Crores. Default escrow mechanism to the extent of 5% of loan amount i.e. Rs.10 Crores.	10442274	15/07/2013	14/08/2013	200	M/s Bank of India, Hyderabad - 500004

S. No.	Short description of the property charged	Charge ID	Date of creation of charge or date of acquisition of property subject to charge	Date of registration of creation of charge	Period and amount secured by the charge (Rs. in Crs)	Names and addresses of the charge holder
27	A first charge by way of hypothecation in favour of the corporation of all the Borrower's movable assets to be created out of these eight (08) loans of Part-B of R-APDRP Project present and future (save and except book debts) along with newly financed movable assets including movable machinery, machinery spares, tools and accessories, fuel stock, spares and material at project site in Amaladavalsa, Bhimavaram, Eluru, Ichapuram, Mandapeta, Palasa, Pithapuram & RC Puram Tows of Andhra Pradesh and also on the additional existing movable assets of the borrower including transformers, Sub-stations, Capacitors etc., as per the approved DPRs sanctioned under Part-B, Loans of R-APDRP created in 33/11 kV Stadium Sub-station at Borubadra, Tekkali Mandal, Sriakulam District, Andhra Pradesh valuing 1.37 Crores.	10437020	26/06/2013	19/07/2013	12.75	M/s Power Finance Corporation Limited / New Delhi
28	1st charge in favour of the Bank by way of hypothecation of all current assets of the company present and future. (the charge to be shared along with the working capital sanctioned to the company).	10381822	29/03/2014	07/06/2014	50	State Bank of Hyderabad /Hyderabad
29	A First charge will extend to and operate on the whole of the newly financed assets created under the loan as well as on the existing movable assets created in area store MPPKVVCL Indore.	10334118	03/02/2012	2/8/2012	2.48	M/s Power Finance Corporation Limited / New Delhi
30	First charge by way of hypothecation in favour of the corporation on all the movable assets comprising of all newly financed assets under the project including movable machinery, machinery spares, tools and accessories, fuel stock, spares and material at project site etc, present and future as well as on the existing movable assets of 33/11 KV S/ss at Chuchukonda in Visakhapatnam town in the State of A.P.	10277579	3/24/2011	08/04/2011	0.83	M/s Power Finance Corporation Limited / New Delhi
31	Exclusive First Charge By Hypothecation Of All The Future Movable Properties Of The Respective Schemes Under The Project Including Machinery, Equipments, Machinery Spares, Tools, Implements And Accessories Installed And Stock Of Materials And Equipment Created Under This Schemes Of The Project And Procured Out Of Loan Sanctioned By REC.	10189613	27/11/2009	17/12/2009	70.9597	M/s REC Limited / / New Delhi

S. No.	Short description of the property charged	Charge ID	Date of creation of charge or date of acquisition of property subject to charge	Date of registration of creation of charge	Period and amount secured by the charge (Rs. in Crs)	Names and addresses of the charge holder
32	The Charge operates is securing for due payment by the company to the lender of its Rupee Term loan of Rs 60.66 Crs together with interest with interest tax and other payments due as per terms and conditions of Memorandum of Agreement dated 24.03.2009	10167592	24/02/2011	08/04/2011	61.44	M/s Power Finance Corporation Limited / New Delhi
33	Exclusive First Charge By Hypothecation Of All The Future Movable And Immovable Properties Of The Respective Schemes Under The Project Including Machinery, Equipments, Machinery Spares, Tools, Implements And Accessories Installed And Stock Of Materials And Equipment Created Under This Schemes Of The Project And Procured Out Of Loan Sanctioned By REC.	10117130	28/07/2008	22/08/2008	45.3105	M/s REC Limited / New Delhi
34	Exclusive First Charge By Hypothecation Of All The Future Movable Properties Of The Respective Schemes Under The Project Including Movable Machinery, Equipments, Machinery Spares, Tools, Implements And Accessories Installed And Stock Of Materials And Equipment created Under The Respective Schemes Of The Project And Procured Out Of Loan Sanctioned By REC.	10052754	05/03/2007	14/03/2007	110.3788	M/s REC Limited / New Delhi

The following loans were cleared, however the company is yet to receive the NOC from Banks/PFC/REC to file satisfaction of charge.

Sl. No	Charge Holder Name	Charge ID.No	Sanc-tioned Amount Rs	Hypotheca-tion Deed Date
1	STATE BANK OF HYDERABAD, GUNFOUNDRY BRANCH HYDERABAD TG 500177.	10618383	5000	12.01.2016
2	SYNDICATE BANK,CORPORATE FINANCE BRANCH, LUMBINI TOWERS, SOMAGIGUDA HYDERABAD -500082.	10548149	10000	29.12.2014
3	CANARA BANK ,PRIME CORPORATE BRANCH, TSR COMPLEX, S.P ROAD, SECUNDERABAD 500003.	10426749	20000	24.04.2013
4	DENA BANK ,BANK STREET, KOTI, HYDERABAD 500195	10399760	15000	07.01.2013
5	UNION BANK OF INDIA ,PAVANI PLAZA, COMMERCIAL COMPLEX, KHAIRATABAD, HYDERABAD 500004	10396290	10000	29.12.2012
6	STATE BANK HYDERABAD, GUNFOUNDRY HYDERABAD 500001	10042813	6720	26.03.2007
7	STATE BANK HYDERABAD,C&I DIVISION, GUNFOUNDRY BRANCH HYDERABAD 500001	10017960	30000	31.08.2006
8	M/s PFC Limited,'URJANIDHI', 1, BARAKHAMBA LANE, CONNAUGHT PLACE,NEW DELHI - 110001	10041867	5640	13.03.2007
9	M/s PFC Limited,'URJANIDHI', 1, BARAKHAMBA LANE, CONNAUGHT PLACE,NEW DELHI - 110001	90130311	11119	24.07.2003
10	M/s PFC Limited,'URJANIDHI', 1, BARAKHAMBA LANE, CONNAUGHT PLACE,NEW DELHI - 110001	100049001	35000	16.08.2016
11	M/s REC Limited,CORE 4 , SCOPE COMPLEX,7, LODI ROAD, NEW DELHI - 110003	10034745	2458	13.04.2006
12	M/s REC Limited,CORE 4 , SCOPE COMPLEX,7, LODI ROAD,NEW DELHI - 110003	90130422	9124.8	05.03.2004

a. Details of borrowing based on its nature

Particulars	Account Code	31 March 2019	31 March 2018
Secured Term Loans From Banks		-	-
From Others			-
Acquisition of Fixed assets Loan from REC ……...(i)	5303100	47,736.02	17,838.04
Loan from REC-RGGVY…….(ii)	5303530	1,003.96	1,227.85
Loan from PFC……(iii)	5303200	19,410.30	13,205.49
LT Loans-PFC GEL (Solar Pump sets)	5303210	1,652.19	1,820.20
Loan from Govt. of Andhra Pradesh	5303300	1,927.52	1,927.52
Power for All- REC Loan	5303510	1,942.79	-
Power for All- Govt. of AP- IBRD Loan		782.00	-
Power for All- Govt of AP-AIIB Loan		316.00	-
Working Capital Requirements: Loan from PFC	5303200	44,791.67	69,791.67
Loan from REC	5303100	64,523.81	91,428.57
Loan from PTC FSLtd	5303600	12,499.98	17,000.00
Loan Bifurcation from TSNPDCL		1,614.39	1,614.39
Financial Restructuring Plan FRP-9.95% Unsecured Bonds - I……(iv)	5303540	30,149.00	30,149.00
FRP-10% Unsecured Bonds - II	5303550	-	-
FRP- Conversion of STL to Term Loans…(iv)	5303560	9,835.93	10,218.90
			-
Loans Repayable on Demand from Banks			-
CC Limits from SBI, Syndicate bank & Andhra Bank	5000102	55,181.28	54,427.55
Working Capital Loan	5101010 to 5101123	-	-
			-
Current maturities of long term borrowings -(v)		148,808.55	37,825.07
Total borrowings		**442,175.39**	**348,474.25**
Current		203,989.83	92,252.62
Non current		238,185.56	256,221.63
		442,175.39	**348,474.25**

Secured loans and assets pledged as security

The government loans are secured by
Secured Term Loan from M/s REC amounting to Rs.48739.98 (P.Y. Rs.19065.89) outstanding as on 31.03.2019 is secured by specific assets for which the loan is availed. The repayment is in equated monthly/ quarterly instalments spread for a period of 10 years. The rate of interest is ranging from 8.5% to 12.75%

Secured Term Loan from M/s Power Finance Corporation amounting to Rs.21062.49 (P.Y. Rs.15025.69) outstanding as on 31.03.2019 is secured by the specific assets for which the loan is availed. The repayment is in equated quarterly instalments spread for a period of 5 years. The rate of interest is ranging from 11% to 11.5%

(i) Loan from REC

Particulars	31 March 2019	31 March 2018
JBIC- Monthly	1,505.13	2,127.94
JBIC- Quarterly	2,710.02	3,252.02
Indiramma	560.72	680.87
LED	1,251.37	1,430.14
HVDS	8,008.13	7,350.75
AGL Solar Pump sets	8,603.30	2,996.32
EEPS	6,648.32	-
DDUGJY	8,356.91	-
Solar Off Grid pump sets	10,092.13	-
	47,736.03	**17,838.04**

(ii) Loan from REC-RGGVY

Particulars	31 March 2019	31 March 2018
Non-current		
RGGY	642.36	893.20
DDG	361.60	334.65
	1,003.96	**1,227.85**

(iii) Loan from PFC

Particulars	31 March 2019	31 March 2018
Non-current		
RAPDRP Part-A (GOI)	5116.23	5116.23
RAPDRP Part-B (75%)	4057.22	4403.79
RAPDRP Part-B (GOI)	1204.80	1204.80
RAPDRP SCADA Part-A (GOI)	747.00	293.00
RAPDRP SCADA Part-B (GOI)	321.00	321.00
IPDS	7,964.05	1,866.67
	19,410.30	**13,205.49**

(iv)Financial Restructuring Plan

Details of Bonds issued & Re-structured STL under Financial Restructuring Plan retained with APEPDCL after UDAY Scheme

Particulars of Restructured Loans under FRP SCHEME	9.95% Unsecured Bonds - I	Conversion of STL to Term Loans
Non-current		
A.P.Genco	30,149.00	
Indian Overseas Bank		5,489.46
Bank of India		4,346.47
	30,149.00	**9,835.93**

(v) Current maturities of long term borrowings

Particulars	Account Code	31 March 2019	31 March 2018
Secured Term Loans			
From Banks			-
From Others **Acquisition of Fixed assets** Loan from REC……(i)	5303100	2,391.84	2,288.12
Loan from REC-RGGVY……(i)	5303530	264.34	250.84
Loan from PFC……..(ii)	5303200	523.55	479.90
LT Loans-PFC GEL (Solar Pump sets)….(ii)	5303210	168.00	169.32
Loan from Govt. of Andhra Pradesh	5303300	533.00	533.00
			-
Working Capital Requirements:			-
Loan from PFC	5303200	55,000.00	25,000.00
Loan from REC	5303100	34,500.00	3,571.43
Loan from PTC FSLtd	5303600	4,000.00	3,000.00
Loan from IREDA	5303800	49,998.82	-
			-
Financial Restructuring Plan			-
FRP- Conversion of STL to Term Loans…(iii)	5303560	1,429.00	2,532.46
Total current maturities of long term borrowings		**148,808.55**	**37,825.07**

Secured Term Loan from M/s REC amounting to Rs.2656.18 (P.Y. Rs.2538.96) is secured by specific assets for which the loan is availed. The repayment is in equated monthly/ quarterly instalments spread for a period of 10 years. The rate of Interest is ranging from 8.5% to 12.75%

Secured Term Loan from M/s Power Finance Corporation amounting to Rs.691.55 (P.Y. Rs.649.23) is secured by the specific assets for which the loan is availed.

The repayment is in equated quarterly instalments spread for a period of 5 years. The rate of Interest is ranging from 11% to 11.5%.

(i) Details of REC Term Loans

Particulars	INR
JBIC- Monthly	622.81
JBIC- Quarterly	542.00
Indiramma	120.15
LED	178.77
HVDS	928.11
Sub total	**2,391.84**
RGGY	250.84
DDG	13.50
Sub total	**264.34**
Grand total	**2,656.18**

(ii) Details of PFC Term Loans

Particulars	**INR**
RAPDRP Part-B (75%)	346.57
IPDS	176.98
Total	**523.55**
LT Loans-PFC GEL (Solar Pump sets)	168.00

(iii)Details of Bonds issued & Re-structured STL under Financial Restructuring Plan retained with APEPDCL after UDAY Scheme

Particulars of Restructured Loans under FRP SCHEME **Particulars**	**Conversion of STL to Term Loans INR**
Bank of India	1,429.00
Total	**1,429.00**

17. Provisions

	Non-current	
	31 March 2019	**31 March 2018**
Provisions for employee benefits Provision for EL Encashment	68,152.42	46,029.12
	68,152.42	**46,029.12**
	Current	
	31 March 2019	**31 March 2018**
Provisions for employee benefits Provision for EL Encashment	2,644.60	1,003.30
Provision for Pension & Gratuity for Employee < 1-2-99	232,127.95	166,546.92
Provision for Gratuity for Employees > 1-2-99	(181,296.55)	(150,344.65)
	53,476.00	**17,205.57**

Post employment benefit obligations

The Company operates the following post-employment defined benefit plans.

(i) Leave encashment

The leave obligations cover the Company's liability for the sick and the earned leave for all employees. Based on the past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The level of benefits provided depends on the employees length of service and salary at retirement age. All regular employees are eligible for encashment of Earned Leave for 15 days per year and maximum of 300 days (including HPL if Earned leave accumulated below 300 days) at the time of retirement. The 100% liability will be discharged by the APEPDCL.

(a) Changes in the Present Value of Obligation

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
Present Value of Obligation as at beginning	47,032.42	37,156.30
Current Service Cost	23,764.60	8,953.92
Interest Expense or Cost	3,640.31	2,727.27
Re-measurement (or Actuarial) (gain) / loss arising from:	-	
- change in demographic assumptions	-	
- change in financial assumptions	1,184.63	518.00
- experience variance (Actual V assumptions)	-	
Past Service Cost	-	
Effect of change in foreign exchange rates	-	
Benefits Paid	(4,824.94)	(2,323.07)
Acquisition Adjustment	-	
Effect of business combinations or disposals	-	
Present Value of Obligation as at the end	**70,797.02**	**47,032.42**
Bifurcation of net liability		
Current Liability (Short term)	70,797.02	47,032.42
Non-Current Liability (Long term)	-	-
Total Liability	**70,797.02**	**47,032.42**

(b) Expenses Recognised in the Income Statement

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
Current Service Cost	23,764.60	8,953.92
Past Service Cost/Interest Cost	-	-
Interest on Assets	-	-
Loss / (Gain) on settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	3,640.31	2,727.27
Actuarial Gain/Loss		
Expenses Recognized in the Income Statement	**27,404.91**	**11,681.19**

(c) Other Comprehensive income

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
Actuarial (gains) / losses	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	-	-
- experience variance (i.e. Actual experience vs assumptions)	1,184.63	518.00
Return on plan assets, excluding amount recognized in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	1,184.63	518.00

(d) Actuarial Assumptions:

The principal financial assumptions used in the valuation are shown in the table below :

Particulars	As on	
	31 March 2019	**31 March 2018**
Discount rate (per annum)	7.65%	7.74%
Salary growth rate (per annum)	8.50%	8.50%

(e) Demographic Assumptions:

The principal financial assumptions used in the valuation are shown in the table below :

Particulars	As on	
	31 March 2019	**31 March 2018**
Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal rate (per annum)	1%	1%

(f) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	31 March 2019 (Amount in lakhs)		31 March 2018 (Amount in lakhs)	
Defined Benefit Obligation (Base)	70791.02		47032.42	
	Decrease%	Increase%	Decrease%	Increase%
Discount Rate (- / + 1%)	78,187.75	64,463.88	51,803.45	42,930.45
(% change compared to base due to sensitivity)	10..44	8.95	10.14	(8.72)
Salary Growth Rate (- / + 1%)	62,668.90	80,340.91	41,786.63	53,171.61
(% change compared to base due to sensitivity)	(11.48)	13.48	-11.15	13
Attrition Rate (- / + 1%)	63,530.56	77,340.32	42,388.02	51,219.53
(% change compared to base due to sensitivity)	(10.26)	9.24	(9.87)	8.90
Mortality Rate (- / + 10%)	70,569.63	71,023.47	46,884.84	47,179.40
(% change compared to base due to sensitivity)	(0.32)	0.32	(0.31)	0.31

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the method of valuation for the prior period. For change in assumptions where assumptions, if applicable, are given.

(g) Expenses Recognized during the period

Particulars	As on	
	31 March 2019	**31 March 2018**
In Income Statement	27404.91	11681.19
In Other Comprehensive Income	1184.63	518.00

(ii) Pension

The employees appointed before 01.02.1999 are eligible for Pension, commutation and Gratuity after retirement. The 100% liability will be discharged by APGENCO Master Trust in case of employees retired before 01.02.1999. In case of employees retired after 01.02.1999 the liability will be discharged at 74% by APGENCO Master Trust and 26% by APEPDCL Pension and Gratuity Trust as per the tripartite agreement.

Balance sheet amounts - Pension

The defined contribution plan and the defined benefit plan details are as follows as per the Actuarial valuation

(a) Changes in the Present Value of Obligation

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
Present Value of Obligation as at beginning	136,218.36	128,977.95
Current Service Cost	4,186.50	2,461.50
Interest Expense or Cost	10,216.38	9,092.94
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	38,449.64	1,073.82
- experience variance (Actual v assumptions)	-	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(6,801.66)	(5,387.85)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	**182,269.22**	**136,218.36**
Current Liability (Short term)	7,552.46	5,267.20
Non-Current Liability (Long term)	174,716.76	130,951.16
Total Liability	**182,269.22**	**136,218.36**

(b) Changes in the Fair Value of Plan Assets

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
Fair Value of Plan Assets as at the beginning	119,846.99	93,270.18
OB difference	-	(3,709.29)
Investment Income	8,988.52	6,314.04
Employer's Contribution	25,118.00	28,255.22
Employee's Contribution	-	-
Benefits Paid	(6,801.66)	(5,387.85)
Return on plan assets, excluding amount recognised in net interest expense	2,617.48	1,104.69
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	**149769.33**	**119846.99**
Income statement	**-**	**-**
Current Service Cost	4,186.51	2,461.50
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	1,227.85	2,778.90
Expenses Recognized in the Income Statement	**5,414.36**	**5,240.40**
Other comprehensive income		
Actuarial (gains) / losses		
- change in financial assumptions	38,449.64	1,073.82
- others	-	3,709.29
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	(2,617.48)	(1,104.68)
Components of defined benefit costs recognised in other comprehensive income	**35,832.16**	**3,678.43**

(c) Assets and Liability (Balance Sheet Position)

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
Present Value of Obligation	182,269.22	136,218.36
Fair Value of Plan Assets	149,769.33	119,846.99
Surplus / (Deficit)	(32,499.89)	(16,371.37)
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	**(32,499.89)**	**(16,371.37)**

(d) Expenses Recognised during the period

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
In Income Statement	5,414.36	5,240.40
In Other Comprehensive Income	35,832.16	3,678.43

(e) Actuarial Assumptions:

The principal financial assumptions used in the valuation are shown in the table below :

Particulars	As on	
	31 March 2019	**31 March 2018**
Discount rate (per annum)	7.65%	7.50%
Salary growth rate (per annum)	8.50%	8.50%

(f) Demographic Assumptions:

Particulars	As on	
	31 March 2019	**31 March 2018**
Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal rate (per annum)	0%	1%

(g) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The result of sensitivity analysis is given below:

Particulars	31 March 2019		31 March 2018	
Defined Benefit Obligation (Base)	1822.69		1362.18	
	Decrease%	Increase%	Decrease%	Increase%
Discount Rate (- / + 1%)	2,074.94	1,617.12	1,559.00	1,202.76
(% change compared to base due to sensitivity)	13.84	(11.28)	14.45	(11.70)
Salary Growth Rate (- / + 1%)	1,647.81	2,033.88	1,226.35	1,527.18
(% change compared to base due to sensitivity)	(9.59)	11.59	(9.97)	12.11
Attrition Rate (- / + 1%)	-	1,789.83	-	1,336.20
(% change compared to base due to sensitivity)	-	(1.80)	-	(1.91)
Mortality Rate (- / + 10%)	1,904.00	1,751.40	1,422.61	1,309.48
(% change compared to base due to sensitivity)	4.48	(3.91)	4.44	(3.87)

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period. For change in assumptions please refer to section 5 above, where assumptions for prior period, if applicable, are given.

(h) Expenses Recognized during the period

Particulars	As on	
	31 March 2019	**31 March 2018**
In Income Statement	5414.36	5240.40
In Other Comprehensive Income	35832.16	3678.43

(iii) Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Under the act, employees who are in continuous service of five years are entitled to specific benefit. The level of benefits provided depends on the employees length of service and salary at retirement age. The amount of gratuity payable on retirement / termination is based upon Andhra Pradesh Revised Pension Rules,1980.

Gratuity for Employees appointed before 01-02-1999

The 100% liability will be discharged by APGENCO Master Trust in case of employees retired before 01.02.1999. In case of employees retired after 01.02.1999 the liabilitywill be discharged at 74% by APGENCO Master Trust and 26% by APEPDCL Pension and Gratuity Trust as per the tripartite agreement.

Gratuity for Employees appointed after 01-02-1999

The employees appointed after 01-02-1999 are eligible for Gratuity as per the provisions ofGratuity Act and liability will be discharged by EPDCL Pension & Gratuity Trust.

Balance sheet amounts - Gratuity

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

(a) Changes in the Present Value of Obligation

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
Present Value of Obligation as at beginning	20,276.35	14,821.92
Current Service Cost	2,233.49	5,251.67
Interest Expense or Cost	1,569.39	1,087.93
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	2,455.46	(598.83)
- experience variance (Actual v assumptions)	-	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(624.00)	(286.34)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	**25,910.69**	**20,276.35**

Bifurcation of Net Liability

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
Current Liability (Short term)	929.88	491.28
Non-Current Liability (Long term)	24,980.81	19,785.06
Total Liability	**25,910.69**	**20,276.35**

(b) Changes in the Fair Value of Plan Assets

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
Fair Value of Plan Assets as at the beginning	18,354.82	9,621.70
OB difference	-	3,709.41
Investment Income	1,420.66	978.50
Employer's Contribution	3,847.00	4,205.78
Employee's Contribution	-	-
Benefits Paid	(624.00)	(286.34)
Return on plan assets , excluding amount recognised in net interest expense	356.34	125.77
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	**23,354.82**	**18,354.82**

(c) Expenses Recognised in the Income Statement

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
Current Service Cost	2,233.49	5,251.67
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	148.73	109.43
Expenses Recognized in the Income Statement	**2,382.22**	**5,361.10**

(d) Other comprehensive income

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
Actuarial (gains) / losses		
- change in financial assumptions	2,455.46	(598.83)
- others/ob difference	-	(3,709.41)
Return on plan assets, excluding amount recognized in net interest expense	(356.34)	(125.77)
Components of defined benefit costs recognised in other comprehensive income	**2,099.13**	**(4,434.01)**

(e) Assets and Liability (Balance Sheet Position)

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
Present Value of Obligation	25,910.69	20,276.35
Fair Value of Plan Assets	23,354.82	18,354.82
Surplus / (Deficit)	(2,555.87)	(1,921.53)
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	**(2,555.87)**	**(1,921.53)**

(f) Expenses Recognised during the period

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
In Income Statement	2,382.22	5,361.10
In Other Comprehensive Income	2,099.13	(4,434.01)

(g)Actuarial assumptions

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
Discount rate (per annum)	7.65%	7.74%
Salary growth rate (per annum)	8.50%	8.50%

(h) Demographic assumptions

Particulars	For the period ending	
	31 March 2019	**31 March 2018**
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Withdrawal rate (per annum)	1.00%	1.00%

(i) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The result of sensitivity analysis is given below:

Particulars	31 March 2019		31 March 2018	
Defined Benefit Obligation (Base)	25,190.69 lakhs		20,276.35 lakhs	
	Decrease%	Increase%	Decrease%	Increase%
Discount Rate (- / + 1%)	29,123.74	23,197.72	22,774.35	18,170.17
(% change compared to base due to sensitivity)	12.40	(10.47)	12.32	(10.39)
Salary Growth Rate (- / + 1%)	23,971.08	27,688.55	18,422.05	22,067.99
(% change compared to base due to sensitivity)	(7.49)	6.86	(9.15)	8.84
Attrition Rate (- / + 1%)	22,343.17	29,110.84	17,409.22	22,847.22
(% change compared to base due to sensitivity)	(13.77)	12.35	(14.14)	12.68
Mortality Rate (- / + 10%)	25,806.93	26,014.02	20,194.33	20,358.02
(% change compared to base due to sensitivity)	(0.40)	0.40	(0.40)	0.40

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be carried out.

(h) Expenses Recognized during the period

Particulars	As on	
	31 March 2019	**31 March 2018**
In Income Statement	2382.22	5361.10
In Other Comprehensive Income	2099.13	(4,434.01)

(iv) GRATUITY & PENSION Actuarial LIABILITY of the MASTER TRUST as on 31.03.2019 Shown separately pertaining to the years 2019-2029 and after the year 2029 :

The employees appointed before 01.02.1999 are eligible for Pension, commutation and Gratuity after retirement. The 100% liability will be discharged by APGENCO Master Trust in case of employees retired before 01.02.1999. In case of employees retired after 01.02.1999 the liability will be discharged at 74% by APGENCO Master Trust and 26% by APEPDCL Pension and Gratuity Trust as per the tripartite agreement.

However based on the audit comment of the C&AG of India regarding short provision of liability towards Pension & Gratuity of APSEB origin employees during the audit of Annual Accounts for the FY 2017-18 , the matter is being referred to APPCC since a uniform decision is to be taken at APPCC for making provision pertaining to 74% Pension and Gratuity liability after 2029 as the liability of Master Trust ceased after Decmber,2029.

As per minutes of APPCC Meeting dt.23.09.2019 it was resolved that DISCOMs have to get the actuarial valuations done for providing the pension liability towards erstwhile APSEB employees from 2029 onwards, in place of Master Trust, by factoring the liability in a phased manner, bringing it into books of accounts under employee cost.

Accordingly Actuarial valuation report has been obtained and as per the report liability to be borne by APEPDCL towards 100% pension & Gratuity after December,2029 has been arrived at Rs.2212.60 Crs . Since it is not possible to recognize the huge liability at a time through Profit & loss account in the present year and as such APEPDCL board decided to recognize the liability of Rs.2212.60 Crs in a phased manner i.e year on year from 2018-19 to 2029-30(i.e in 12 years) through Profit & loss account along with regular liability of 26%.

The part of above liability for the period beyond 2029 recognized in Profit & loss account of F.Y 2018-19 is Rs.184.383 Crs along with regular liability of 26% of Rs.457.28 Crs.

The company has carried out for the Master Trusts liability as at 31 March, 2019 in respect of Pension/Gratuity benefits payable to its Post Feb 99 employees showing the same liability separately for the period 31.3.2019-31.3.2029 and after 31.03.2029 & provide for in respect of Pension/Gratuity benefits payable to its Post Feb 99 employees after 31.03.2029

Economic Assumptions

Particulars	**31March,2019**
Discount Rate Pension	**7.65%**
salary increases	**8.50%**
Expected rate of return on assets	**-**

Demography assumptions

Particulars	31March,2019
Mortality	IALM2006-08
Disability	None
Employee Turnover	1.00%
Normal retirement Age	60years

Results, Comments and Certification:

Results: We give below the results of the valuation as at 31 March, 2019

Particulars	31March,2019
Accrued Gratuity Liability of the Master Trust	127.28 Crs
Accrued Pension Liability of the Master Trust	1308.68 Crs
Liability for Post Feb99 Pensioners(Service/Family)	3878.98 Crs
Total	5314.94 Cr

The above liability of 5314.94 crs is shown in the Table below for the period before 2029 and for the period after 2029 **(Rs. in Crs)**

Particulars	Master Trust liability as on 31.03.2019	Liability for the period before 2029		Liability for the period after 2029	
		Unit Trust liability	Master Trust liability (100%)	Unit Trust liability (100%)	Master Trust liability
Gratuity pre 2/1999	127.28	Nil	101.14	26.14	Nil
Ret/Dth Provision pre 2/1999 in service	1308.68	Nil	1085.36	223.32	Nil
Pensions post 2/1999	3878.98	Nil	1915.84	1963.14	Nil
	5314.94		**3102.34**	**2212.60**	

18. Grants & Consumer contributions

	Non-current	
	31 March 2019	**31 March 2018**
Capital grant …….***(i)***	299,899.00	299,899.00
Grant towards cost of capital ……..*(ii)*	46,671.55	42,797.23
Subsidies towards cost of Capital Assets……..*(iii)*	3.08	3.34
Consumer Contribution for Service Connections……..*(iv)*	162,294.74	141,461.82
	508,868.37	**484,161.39**

(i) Capital grant under UDAY Scheme (a)

	Non-current	
	31 March 2019	**31 March 2018**
Opening balance	299,899.00	299,899.00
Add: Received during the year		
Less: Amortised during the year	-	-
Closing balance	**299,899.00**	**299,899.00**

(ii) Grant towards cost of capital

	Non-current	
	31 March 2019	**31 March 2018**
Opening balance	42,797.23	31,818.07
Add: Received during the year	7,456.19	13,884.24
Less: Amortised during the year	(3,581.87)	(2,905.08)
Closing balance	**46,671.55**	**42,797.23**

(iii) Subsidies towards cost of Capital Assets

	Non-current	
	31 March 2019	**31 March 2018**
Opening balance	3.34	3.62
Add: Received during the year	-	-
Less: Amortised during the year	(0.26)	(0.28)
Closing balance	**3.08**	**3.34**

(iv) Consumer Contribution for Service Connections

	Non-current	
	31 March 2019	**31 March 2018**
Opening balance	141,461.82	121,487.25
Add: Received during the year	38,547.73	35,271.26
Less: Amortised during the year	(17,714.81)	(15,296.69)
Closing balance	**162,294.74**	**141,461.82**

(a) UDAY Scheme

GOI/ Ministry of Power has notified UDAY(Ujwal Discom Assurance Yojana) Scheme for the financial turnaround of Power Distribution Companies(DISCOMS). Tripartite MOU was entered with GOI, GOAP and APDISCOMs on 24.06.2016. Govt. of AP has issued G.O.Ms. No.27 Dt 26.07.2016 for implementation of UDAY Scheme.

The following loans are covered under UDAY scheme:

1) 100 % of FRP Bonds: Rs. 1,205.95 Crores

2) 75%ofWorking Capital Loans: Rs. 2,094.53 Crores (Total outstanding loan Rs. 2,792.70 Crores)

As per G.O Ms. No. 243 Dt.19.12.2016 Govt. of India has given their consent under article 293 (3) of the

Constitution of India for taking over the liabilities 75% of outstanding DISCOM debt, including FRP 2012 bonds of State DISCOMs to issue non-SLR bonds under UDAY Scheme for discharging the debt of State Power DISCOMs.

Accordingly the GOAP has taken over the following outstanding Loans as on 30.09.2015 from APEPDCL during October 2016 by issuing non-SLR bonds and the proceeds realised from issue of bonds have been disbursed directly to the respective Banks/ Financial Institutions to discharge the DISCOM Loans/Debts.

(i) 75% of FRP Bonds	Rs. 904.46 Crores
(ii) 75 % of Working Capital Loans	Rs.2,094.53 Crores
Total	**Rs.2,998.99 crores**

Loans discharged amount of Rs.2,998.99 crores under UDAY scheme with support of Government of Andhra Pradesh is treated as Capital Grant

Govt. of Andhra Pradesh agreed vide Letter no. 367/Power-III/2017-2 Dt.16.11.2017 for taking over the balance 25% of FRP bonds of the DISCOMs to the tune of Rs.301.49 Crores to issue Non-SLR bonds under UDAY Scheme for discharging the debt of the DISCOM.

Govt. of Andhra Pradesh has given its consent vide G.O 36 Dt.06.12.2017 for arranging Government guarantee for swapping of loans with the banks for balance 25% remained with the DISCOMs. Swapping of loans with banks is under process.

19. Deferred tax liabilities (Net)

	31 March 2019	31 March 2018
Deferred tax liability		
On employee benefits	220.03	220.03
Depreciation		
	220.03	**220.03**

20. Other liabilities

	31 March 2019	31 March 2018
Non-current		
Security Deposits from Consumers	168,257.22	147,258.38
Other Reserves & Reserve Funds(GIS,FBF,& GPF etc)…(*i*)	935.09	934.23
Deposits for Electrification, Service Connection Etc.	8,030.77	7,438.17
	177,223.08	**155,630.78**

	31 March 2019	31 March 2018
Current		
Other Liabilities	21,904.50	22,389.77
Staff Related Liabilities	12,119.04	8,150.87
Deposits and retentions from suppliers and contractors	37,854.52	20,002.85
Statutory dues payable	1,431.57	936.97
Advance receipts from consumers	1,175.95	1,150.18
Temporary Supply & TEMP Deposits	1,713.26	1,496.39
Security deposit-st	38.02	67.03
Elecy Duty payable	26,427.06	16,502.86
	102,663.92	**70,696.92**

i) Other Reserves & Reserve Funds(GIS,FBF, & GPF etc)

	31 March 2019	31 March 2018
Opening balance	934.23	935.68
Add: Additions during the year	4,790.75	3,837.49
Less: Amortised during the year	(4,789.89)	(3,838.94)
Closing balance	**935.09**	**934.23**

21. Trade payables

	31 March 2019	31 March 2018
AP Transco & Power Purchase Liability	764,963.88	268,653.32
Liability-Materials, Works-Capital and O&M	24,182.75	13,955.59
Creditors Other Discoms on Power Purchase	1,146.29	1,139.00
Liability for Expenses	3,068.78	2,272.43
	793,361.70	**286,020.34**

21.1 Information relating to Suppliers as required under the provisions of Micro, Small and Medium Enterprises Act, 2006 (based on the information available with the company):

Sl.. No	Particulars	As at 31.03.2019
1	The amounts due there on remaining un paid to any supplier as at the end of the year	
	a) Principal	NIL
	b) Interest	NIL
2	Payments made beyond the appointed day and interest there on during the year	NIL
3	The amount of interest due and payable for the period of delay in making payments but without adding the interest specified in the Act.	NIL
4	The amount of further interest remaining unpaid at the end of the year.	NIL
5	The amount of further interest remaining due and payable in the succeeding year until the date such interest is actually paid.	Nil

22. Other financial liabilities

	31 March 2019	31 March 2018
Debt Service Clg Acc	6,487.34	6,206.13
Interest Payable on Security Deposit	9,685.48	8,370.20
Retention money	1,709.11	2,107.10
Receivable from P&G/GPF trust	-	-
	17,881.93	**16,683.43**

In terms of our report attached

For M/s. Grandhy & Co
Chartered Accountants
Firm Regn No.001007S

Sd/-xxxxx
Sudheendra Rao Sidlagatta
Partner
Membership No:226611
Station : Velagapudi
Date : 24.10.2019

Sd/-xxxxx
G.Srinivasa Reddy
Chief General Manager (Expr)

For and on behalf of Board
Sd/-xxxxx
Nagalakshmi. S IAS
Director(Finance & HRD)
Chairman & Managing Director
DIN 07741194

Sd/-xxxxx
K.S.V.S. Sastry
Company Secretary

23. Revenue from operations

	31 March 2019	31 March 2018
Sale of Power		
LT-Domestic supply - Category-I	168,819.54	159,449.37
LT-Non-Domestic Supply - Category-II	104,985.22	97,789.53
LT-Industrial supply-Category-III	84,988.70	73,292.47
LT-Cottage Industries - Category-IV	108.63	92.96
LT-Irrigation and Agriculture Category-V	455.35	765.00
LT-Public Lighting - Category-VI	14,211.44	14,264.38
LT-General Purpose - Cateory-VII	4,174.20	3,935.52
LT-Temporary - Category-VIII	178.89	171.47
HT-Industrial segregated - Category-I	464,372.98	436,072.19
HT-Industrial non-segregated-Category-II	70,093.38	61,169.34
HT-Industrial non-segregated-Category-III	3,676.77	3,765.86
HT-Industrial non-segregated-Category-IV	29,263.96	24,723.37
HT-Railway Traction-Category-V	34,010.62	32,134.20
HT-Colony Consumption	1,924.90	2,060.76
HT-Electricity Co-op. Societies	3,099.57	2,189.38
	984,364.15	**911,875.80**

Disaggregate revenue information

The table below represents diaggregated revenues from contract with customers by geography wise in which company has its operations.

Revenues by geography

	Eluru	Rajamahen-dravaram	Srikakulam	Visakhapatnam	Vizianagaram	Grand Total
LT-Domestic supply - Category-I	41,849.79	51,947.50	13,010.37	49,935.18	12,076.70	168,819.54
LT-Non-Domestic Supply - Category-II	23,559.64	30,540.47	8,658.05	34,140.74	8,086.32	104,985.22
LT-Industrial supply-Category-III	44,707.77	26,755.26	4,568.30	5,820.48	3,136.89	84,988.70
LT-Cottage Industries - Category-IV	14.26	73.28	4.51	14.15	2.43	108.63
LT-Irrigation and Agriculture Category-V	140.04	143.17	25.89	100.53	45.72	455.35
LT-Public Lighting - Category-VI	5,172.24	4,292.96	1,029.68	2,813.44	903.12	14,211.44
LT-General Purpose - Cateory-VII	915.68	1,411.17	507.57	913.41	426.37	4,174.20
LT-Temporary - Category-VIII	30.76	41.89	18.72	84.97	2.55	178.89
HT-Industrial segregated - Category-I	62,709.18	56,146.31	25,331.70	235,989.77	84,196.02	464,372.98
HT-Industrial non-segregated-Category-II	7,787.01	13,490.27	1,801.62	44,422.73	2,591.75	70,093.38
HT-Industrial non-segregated-Category-III	145.87	943.69	161.48	2,372.93	52.80	3,676.77
HT-Industrial non-segregated-Category-IV	19,228.65	9,264.98	563.76	25.31	181.26	29,263.96
HT-Railway Traction-Category-V	5,076.22	5,004.66	7,114.84	13,395.60	3,419.30	34,010.62
HT-Colony Consumption	-	96.37	22.85	1,679.30	126.38	1,924.90
HT-Electricity Co-op. Societies	-	-	-	2,562.71	536.86	3,099.57
Grand Total	**211,337.11**	**200,151.98**	**62,819.34**	**394,271.25**	**115,784.47**	**984,364.15**

Other operating income		
Interstate sales & DD sales	18,475.77	5,033.34
Miscellaneous charges from consumers	34,294.17	42,685.33
Recoveries for theft of power / Malpractices	1,270.23	1,298.78
Subsidies and grants from Government	111,524.00	51,242.00
	165,564.17	**100,259.45**
	1,149,928.32	**1,012,135.25**

24. Other income

	31 March 2019	31 March 2018
UI & other charges*	1,933.50	2,497.15
Interest from Banks & Investments	803.02	695.71
Rebate on PP Bills & Incentive	4,988.29	3,103.90
Delayed payment charges from consumers	25,242.67	20,710.70
Miscellaneous receipts	5,321.91	3,838.02
Income from trading (Profit on sale of scrap etc.)	565.28	1,145.62
Interest on staff loans and advances	588.91	528.91
Amortization of grants & consumer contributions (i)	21,296.94	18,202.05
Interest income-unwinding of employee advances	236.69	213.92
Interest on ED	257.08	183.07
Other interest income	2.34	34.68
Electricity Duty recovery	9,924.21	9,152.30
Less:		
Electricity Duty paid	(9,924.21)	(9,152.30)
	61,236.63	**51,153.73**

(i) Amortization of grants & consumer contributions

Particulars	31 March 2019	31 March 2018
Amortisation of Government grants	3,582.13	2,905.37
Amortisation of Consumer contributions	17,714.81	15,296.68
	21,296.94	**18,202.05**

Quantitative Details of Purchase, Sale of Power, Losses are as stated below :(as per revised methodology of CEA)

Sl No	Particulars	March 2019 Current Year	March 2018 Previous Year
1	Input Energy (MUs)	21,086.77	19,664.07
2	Total Units Sold (Mus) (a+b)	19,678.14	18,346.12
	a) Agl Sales (M.Us)	2,179.77	2,188.30
	b) Other than Agl sales (M.U)	17,498.37	16,157.82
3	Losses (MUs) (3-4-5)	1,408.63	1,317.95
4	T & D Loss % (6/3*100)	6.68	6.70

25. Purchase of Power

	31 March 2019	31 March 2018
Purchase of Power	1,358,015.87	879,363.61
	1,358,015.87	**879,363.61**

The power purchase bills, debit/credit notes raised by the generators are subject to revision at a later date the results of which are to be shared by DISCOMs in the ratio specified in the Gazette Notification.

Developer wise details of Power purchase agreements such as Installed capacity, Date of COD,Period of Agreement, Unit cost are disclosed in Annexure-I

APERC has been issued in O.P No 47 of 2017 Dt.02.03.2019 which required EPDCL to record Power purchase cost related to previous years in F.Y 2018-19 & as per the APPCC minutes dated 19.06.2019 it is decided to file entire true-up upto F.Y 2018-19 before APERC for its approval

SNo	Name of the Station	2014-15	2015-16	2016-17	2017-18	2018-19	Total
1	KSK Mahanadi Energy Charges	0.00	0.00	0.00	1833.10	0.00	1833.10
2	KSK Mahanadi Transmission Charges (MTOA)	0.00	0.00	0.00	5677.46	0.00	5677.46
3	Thermal Powertech POC Charges	0.00	0.00	0.00	3394.41	0.00	3394.41
4	TS GENCO FCA (2017-18)	0.00	0.00	0.00	3246.26	0.00	3246.26
5	TS GENCO FCA (2016-17)	0.00	0.00	9398.83	0.00	0.00	9398.83
6	TS GENCO Differential Fixed cost & Interest on Pension Bonds for the 2014-15 to 2017-18 (Upto 10.06.17)	9521.86	8438.55	7185.39	1207.67	0.00	26353.47
7	TS GENCO Thermal Incentive	0.00	0.00	0.00	20.00	0.00	20.00
8	TS Genco FCA for 2014-15 to 2017-18	3580.30	3819.50	3401.84	623.99	0.00	11425.63
9	APPDCL Differential Fixed Cost 2014-15 to 18-19	0.00	21288.05	39271.28	32442.18	26580.69	119582.20
10	APPDCL Diff. Variable Cost 2014-15 to 18-19	0.00	4943.88	13220.20	5340.75	9231.46	32736.29
11	AP TRANSCO SLDC Operating Charges & Annual Fees & Surcharge 2014-15 to 2018-19	122.43	55.54	253.12	293.55	381.59	1106.23
12	AP GENCO Differential interest on pension bonds for the FY 2014-15 to 2018-19	2083.96	3684.03	4598.35	-6622.98	1936.56	5679.92
13	Differncial APGENCO Fixed Cost Recovery (2017-18)	0.00	0.00	0.00	281.28	0.00	281.28
14	AP GENCO FCA Q1 to Q4 of 14-15 & 15-16	541.59	458.94	0.00	0.00	0.00	1000.53
	Total	**15850.14**	**42688.49**	**77329.01**	**47737.67**	**38130.30**	**221735.61**

26. Employee benefits expense

	31 March 2019	31 March 2018
Salaries	69,689.07	43,393.21
Dearness Allowance	1,771.85	7,907.15
Other Allowances	10,908.20	8,025.28
Medical expenses (Monthly & Reimbursement)	2,559.01	2,279.57
Leave Travel Assistance	3.55	3.39
Earned Leave Encashment	27,404.91	12,193.42
Miscellaneous Employee Cost	295.53	408.25
Other welfare expenses	163.94	148.36
Social Security cum PF Booster scheme	0.80	0.60
Managerial Remuneration & Allowances to Directors	96.97	77.46
Terminal Benefits - PF Employer Cont. Joined <1.2.99	26,234.91	10,615.47
Employer Contribution to EPF	3,907.46	2,837.67
Employee Cost Capitalised	(6,814.20)	(7,603.83)
	136,222.00	**80,286.00**

Related Party disclosures:

(a) Parent entity

Name of related party	Place of incorporation	Ownership interest	
		31 March 2019	31 March 2018
State Government of Andhra Pradesh	India	99.9999930%	99.9999930%
Government Nominees		0.000007%	0.000007%

(b) Key managerial personnel and their relationship with the APEPDCL:

The APEPDCL has identified the following persons to be the Key Management Personnel as per the Accounting Standard

1) Ms.Naga Lakshmi.S IAS, Chairman & Managing Director w.e.f 27.06.2019
2) Sri K. Raja Bapaiah, Director Projects w.e.f 24.02.2019
3) Sri H.Y Dora Chairman & Managing Director (Upto 18.02.2019)
4) Sri B.Seshu Kumar, Director (Operation & Projects) from 19.06.2015 to 18.06.2019
5) Sri T.V.S.Chandra Sekhar, Director(Finance) from 26.06.2015 to 25.06.2019

Key management personnel compensation

Sl No.	Name	Relation ship	Nature of Transaction	31 March 2019	31 March 2018
1	Sri K. Raja Bapaiah	Director(Project & Chairman & Managing Director (FAC)	Remuneration	5.64	-
2	Sri H.Y Dora	Chairman & Managing Director	Remuneration	27.33	13.66
3	Sri B.Seshu Kumar	Director	Remuneration	26.31	22.71
4	Sri T.V.S.Chandra Sekhar	Director	Remuneration	37.68	28.97

Compensation of the Company's' key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan.

27. Finance costs

	31 March 2019	31 March 2018
R.E.C	12,996.08	1,600.03
P.F.C	11,104.58	558.77
Interest on Overdraft	6,432.41	23,149.07
Interest to Consumers	9,849.30	8,347.95
Interest on Employee Funds (GIS,GPF&FBF)	45.97	51.12
Other interest Charges	0.22	19.05
Bank charges	244.71	122.20
Interest on Working Capital	3,645.81	1,403.92
	44,319.08	**35,252.11**

28. Depreciation Expense

	31 March 2019	31 March 2018
Depreciation	40,172.16	35,732.19
Amortisation	2.48	2.49
	40,174.64	**35,734.68**

29. Other expenses

	31 March 2019	31 March 2018
Other expenses :		
PP Cost Save DELP	2,657.56	4,115.90
Miscellaneous Losses and write offs	4,868.00	1,025.22
Compensations	666.44	349.13
Materials /Scrap/Assets Loss etc	16.41	22.38
Cost of Solar Agl Pump Sets	14,066.42	7,220.59
Extra Ordinary debits (Loss on account of Flood, Cyclone, Fire etc.)	10,769.18	53.11
Loss on sale of Investments	158.16	
	33,202.17	**12,786.33**
Repairs and maintenance expenses :		
Buildings & Civil Works	1,251.47	1,396.21
Substation maintenance by Pvt.agencies	5,966.10	4,298.89
Transformers	2,106.59	1,782.61
Plant and Machinery	938.97	978.61
Lines, Cable net work etc.	5,989.04	4,036.57
Vehicles - Expenses	1.85	0.62
	16,254.02	**12,493.51**
Administration and general expenses :		
Rent, Rates and Taxes	160.25	151.69
Licence Fee - APERC	215.25	195.06
Other professional charges	3,189.64	3,036.67
Communication and related expenses	633.21	596.68
Legal charges	85.60	58.96

	31 March 2019	31 March 2018
Consultancy/Professional charges	855.40	350.54
Other Expenses	121.14	99.24
Vehcile running exp.(Cars,Jeeps,Etc.)	76.14	66.91
Vehcile hire charges	1,294.73	1,112.19
Audit fees	9.59	9.54
Printing & Stationary	79.32	78.41
Advertisement	318.93	240.83
Electricity charges	677.78	673.34
Miscellaneous Expenses	452.17	162.34
Training & Participation	13.30	14.34
Insurance	5.57	7.31
Stores related Expenses	36.76	55.23
Travelling expenses & Conveyance	1,253.29	1,296.06
Less : Adm & General Charges Capitalised	(1,202.51)	(1,341.85)
	8,275.56	**6,863.49**
	57,731.75	**32,143.34**

(i) Payments to auditors

	31 March 2019	31 March 2018
As auditor		
Statutory audit	6.49	6.49
-Tax audit	1.33	1.33
In other capacity	-	-
-Taxation matters	-	-
-Company law matters	-	-
Reimbursement of expenses	1.77	1.77
	9.59	**9.59**

30. Other disclosures

(i) **Capitalisation of expenses:**

The percentage of capitalization of expenses is fixed at 11% on base capital expenditure. The Employee cost capitalised during the year amounts to Rs.6814.20 (P.Y Rs7603.83) , Adm & Gen. cost capitalised during the year amounts to Rs.1202.51 (P.Y Rs.1341.85)

(ii) **Fixed Assets/Depreciation::**

(a) Depreciation on fixed assets other than computers is provided under 'Straight line method' at the rates prescribed by the Central Government vide Notification No.S.O.265 (E) dated 27th March, 1994. The Useful life of computers is determined based on technical evaluation and depreciation is accordingly provided under straight line method.

(b) The Company's Vehicles have been insured fully and other Assets wherever considered essential in view of nature of assets. The Company has taken a fidelity insurance coverage for INR 10,000 lakhs for the Cash in transit and INR.98 lakhs for cash on hand.

(c) The following softwares procured are an integral part of the computer hardware and inseparable from the Hardware and hence treated as part of Fixed asset and depreciation provided accordingly as stated above.

Name of software	Amount
1) SAP Application Sofware for 327 Users	103.51
2) SAP Application Sofware for 200 Users	70.00
3) SAP Application Sofware for 500 Users	227.05
4) Vmware Vsphere Enterprise version	52.50
5) Red Hat Enterprise Linux 6.0	11.09
6) RMDAS one time cost of Software License	25.00
7) EPCCB Software License	351.00

(iii) **Ind AS Accounting standard 36 Impairment of Assets:**

The Indications listed in paragraph 8 to 10 of Accounting Standard 28 'Impairment of Assets' have been examined and on such examination, it has been found that none of the indications are present in the case of APEPDCL. A formal estimate of the recoverable amount has not been made, as there is no indication of a potential impairment loss.

(iv) **Income Tax**

Appeals in respect of the following assessment years are pending in connection with the income tax assessment of the Company

Asst year	Authority before which the appeal/ Tribunal(ITAT) / High court is pending	Amount in dispute
2003-04	High Court	137.46
2004-05	High Court	177.28
2013-14	High Court	72.20
2014-15	High Court	128.60

(v) Second Transfer Scheme Balances

The Opening balances as on 1st April 2010 of all Assets and Liabilities includes balances adopted from the 2nd Transfer Scheme Vide G.O.Ms.No.109, dated 29-09-2001 as per the notification of the Government of Andhra Pradesh. The said opening balances are allocated among the circles. The Head wise Opening Balances of the Company as a whole has been tallied and certified by the internal auditors of the company and the same was incorporated in the SAP system. The annual accounts for the year 2017-18 along with relevant notes have been derived from SAP system.

(vi) Third Transfer Scheme with effect from 9th June 2005

The Government of Andhra Pradesh (GOAP) vide G.O.Ms.No.58, Energy (Power-III), Dt.07-06-2005 notified the transfer of Bulk Supply Undertaking and Power Purchase Agreements from Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) to the four Distribution Companies (DISCOMs) in specified ratios, as on 09-06-2005. The share of the Company in generation capacities of all generating stations allocated to our DISCOM is 16.70%. The GOAP has, vide G.O.Ms.No.53, Energy (Power-III), dt 28-04-2008, amended the share of four DISCOMs Generating Stations as per which the revised share of APEPDCL is 15.80%. This G.O shall be deemed to have come into force with retrospective effect from 09.06.2005. The retrospective implementation of the G.O involves many calculations, revisions, etc.The

Andhra Pradesh Power Co-ordination Committee(APPCC) has requested the GoAP to amend the date of implementation from April,2008 onwards.

"After Bifurcation of State of Andhra Pradesh under AP Reorganisation Act 2014,out of 46.11% Power allocation to Residual Andhra Pradesh, APEPDCL Share is 34.27% with effect from 02.06.2014 vide G.O Ms No.21 Dt.12.05.2014.“""

(vii) The Assets and Liabilities of the company as on 31.03.2018 include the balances transferred to the com pany as per the Second Transfer Scheme notified by the GOAP vide G.O.Ms.No.35, Energy (Power-III) and Third Transfer Scheme notified by the GOAP vide G.O.Ms.No.58, Energy (Power-III), dt.07-06-2005.

(viii) Purchase of Power

Consequent to the Andhra Pradesh Gazette Notification No. 396 dated 9.06.2005, for Transfer of Bulk Supply Undertaking and Power Purchase Agreements from AP Transco to Distribution companies, the following is the status.

(a) Govt. of A.P Vide G.O.Ms.No.59 Dt.07-06-2005 has set up an apex committee " AP Power Coordi nation Committee (APPCC)" for the purpose of power procurement, debt servicing, unscheduled interchange charges, and SLDC charges, Inter-State trade and operation of common pool account of four DISCOMs. As per the above mechanism, pool account is being operated by APPCC. On bifurcation of state a separate Power Co-ordination Committee was constituted for APEPDCL and APSPDCL vide G.O.Ms.No. 21, dt. 12.05.2014.

(b) On 09.06.2005 Transmission Corporation of AP Limited (APTRANSCO) transferred, its entire in vestments in equity of the Company in favour of the Government of Andhra Pradesh upon which, the company ceased to be a subsidiary of AP Transco.

(c) Govt. of A.P Vide G.O.Ms.No.59 Dt.07-06-2005 set up an apex committee " AP Power Coordination Committee (APPCC)" for the purpose of power procurement, debt servicing, unscheduled inter change charges, and SLDC charges, Inter-State trade and operation of common pool account of four DISCOMs. On bifurcation of state a separate Power Co-ordination Committee was constituted for APEPDCL and APSPDCL vide G.O.Ms.No. 21, dt. 12.05.2014.

(d) The Cost of Power Purchase, Inter State Sales, inter Discom Sales and its accounting are being carried out by the Andhra Pradesh Power Co-ordination committee, and are being sent to the Distri bution Companies. The amount as certified by M/S Sagar & Associates, Chartered Accountants, the internal auditors of APPCC has been adopted in the books of accounts of the company subject to reconciliation by APPCC.

(e) A Bank account in the name of AP POWER DISTRIBUTION COMPANIES POOL ACCOUNT has been opened by both the Distribution companies jointly which is being operated by the nominees of Andhra Pradesh Power Co-ordination Committee. Since, the power purchases and their payments and the inter-state sale of power and their receipts are affected through the above said Bank account by the Andhra Pradesh Power Co-ordination Committee and this is a single account, Distribution company wise confirmation of balance is not available.

(ix) As per IND AS 108 - Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) i.e Chairman and Managing Director. Power distribution has been considered as the only reportable segment. Hence, no separate financial disclosure

have been provided for the segment reporting.

(x) Frauds

Misappropriation of funds in Operation Division/ Paderu pertaining to remittance of amounts to outside agencies for the period from 01.04.2005 to 30.09.2007 amounting to Rs.8.18 lakhs has been identified and out of that an amount of Rs.3.32 lakhs was realized and balance amount Rs.4.86 lakhs is yet to be realized. The departmental action is in progress.

(xi) Ind AS 37: Provisions, contingent liabilities & contingent assets

a) The receivables for sale of power as on 31-03-2019 includes Rs.43789.82 lakhs which are subject to finalisation of disputes in court cases.

b) Agreements were entered into with M/S Nagarjuna Construction Company Ltd. for executing works in Rajahmundry and Eluru Circles. Later while execution of works the subject matter of contract came under the net of "" service tax"" from 10.09.2004 and the contractor alleged that this was an unforeseen expenditure and hence filed an application in the Hon'ble High Court for claiming reim bursement of the amount already paid to service tax department. The Hon'ble High court upon hear ing both the parties appointed Sri Justice Dasaratha Rama reddy as the sole arbitrator for resolving the said Dispute.“ “Arbitrator appointed by Hon’ble High Court had passed (October 2007) an award directing the EPDCL for payment of Rs.71.25 lakhs with interest at 12% per annum to M/s Nagarjuna Construction Company Limited towards service tax incurred by them in respect of works executed for the EPDCL.The EPDCL had disputed the award and filed Original petitions (Ops) vide OPNM 884,886,887,888/2008 against the award and the same were dismissed by the High court, Hyderabad. Again Set aside Petitions were filed against the arbitration award in OPNos 884,886,887,888 of 2008. “As per Note orders dated:17.10.2016, approval was accorded authorising the Chief General Man ager/Projects /APEPDCL for filing appeal/CMAs against arbitration OP No. 884, 886, 887 & 888/ 2008 before the Hon’ble High court of AP against the orders dated 09.02.2016 passed by the 3rd additional Chief Justice, City Civil Court, Hyderabad in OPs 884,886,887,888 of 2008 before Hon’ble High Court of AP and also approval accorded for handing over the above cases from Advocate Sri. S.Chandra Mohan Reddy to Sri. M. Ravindra, SLA for APEPDCL for filing of appeals/CMAs."

A letter was received from the Branch Manager, SBI, APEPDCL Branch,Visakhapatnam informing that they have received an Attachment Order Dt: 08.06.2017 with regard to M/s. NCC Ltd from the Hon’ble Court of XII Addl. District Judge at Visakhapatnam to attach the bank accounts of APEPDCL, Corporate Office. The CRPs were filed before the Hon’ble High Court of A.P, Hyderabad against the order Dt.08.06.2017. On Dt: 30.06.2017, the Hon’ble High court has issued the following order against the above CRPs. "In view of the undertaking given by the petitioner, which is a Government of Andhra Pradesh undertaking, an interim stay of the impugned order of attachment on condition that the peti tioner deposits 50% of the E.P. amount to the credit of the execution proceedings before the Court below, within a period of four (4) weeks. Accordingly 50% amount against 4 Nos. EPs for an amount of Rs.83.85 lakhs was deposited in the Honble District court, Visakhapatnam on Dt: 22.09.2017.

c) An agreement was entered with M/s Y.S.Rao Engineers Pvt. Ltd, Secunderabad for execution of HVDS works in Srikakulam and Vizianagaram circles on partial turnkey basis for an amount of Rs. 1,113.96/- lakhs. The contractor has failed to complete the work in full shape and completed only 55% work in Srikakulam district and 39% in Vizianagaram district even though time extension was given

three times and agreement was terminated duly forfeiting the performance security Bank Guarantee for Rs. 55.70/-lakhs. On request of the contractor for waival of penalties i.e. liquidated damages of Rs.66.34/- lakhs and Performance Bank Guarantee of Rs. 55.69/- lakhs totalling Rs. 122.04/- lakhs, Discom Board has decided to constitute a committee with Director/Projects, Director/RA & Direc tor/Finance on the finalization of LD and settlement of claims to the firm M/s Y.S.Rao Engineers Pvt. Ltd.

M/S Guru & Co has filed a petition before the IIIrd Addl. Chief Judge, City Civil Court, Hyderabad seeking a direction against garnishee to hold an amount of Rs.22.24/- lakhs which belongs to depen dents and lying with garnishee and the same is still pending. The Board of Directors of the Company on 20.12.2010, resolved to impose 10% Liquidated Damages on the left over unfinished portion of the work which is equivalent to Rs.66.34/- lakhs on M/s Y.S Rao and Co. and to settle the dues to the extent of Rs.10.20/- lakhs and the contractor was informed that balance amount of Rs.10.20/- lakhs available with EPDCL will be released after disposal of the court case filed by M/s Guru & Company in the III Addl. Chief Judge, City Civil Court, Hyderabad.

The suit is dismissed for default on 22-06-2012 , The SLA was requested to address legally M/s. Guru & Co., so as to take further action to release the balance amount of Rs.10.20/-lakhs to M/s. Y.S.Rao & Co., Secunderabad, and again Addressed SLA for taking further action on receipt of intimation from Guru & Company on restoration of suit. The suite was restored on 17.11.2015 and 10.02.2017. Now it is posted for judgement on dt:13.06.2017 and disposed on 13.06.2017. Judgement copy is yet to be received.

d) An amount of Rs. 97.87 & 3.38 lakhs deposited at Hon'ble A.P. High Court under Protest against the SSI penal interest.

e) There is dispute on implementation of Employees Provident Fund Scheme in respect of Contract labour engaged for which notices received from the Provident fund Authorities against that the following amounts were paid under protest and Appeal filed in Tribunal/ High court.
The division wise details are furnished hereunder

Division/Circle	**Amount involved**	**Paid/ Deposited**
Vizianagaram	15.12	7.56
Bobbili	11.39	5.70
Circle Office /Visakhapatnam	2.41	1.21
Zone-I/Visakhapatnam	6.80	-
Circle Office/ Rajamahendravaram	7.99	4.79
Rajamahendravaram	36.99	16.65
Ramachandrapuram	9.56	7.17
Amalapuram	62.14	31.07
Jaggampeta	40.25	20.12
Eluru	54.12	33.53
Tadepalligudem	28.22	16.94
Bhimavaram	19.94	11.96
Nidadavole	47.21	27.74
Total	**342.14**	**184.44**

f) Appeal on Entry Tax to the extent of Rs.602.06 lakhs is pending before Value Added Tax Appellate Tribunal. An amount of Rs.301.04 lakhs towards the 50% of the Disputed Entry Tax paid to the Commercial Tax Officer/ Chinawaltair Circle/ Visakhapatnam. The case is filed before Sales Tax Appellate Tribunal. Present status of the case is as follows:

Sno.	T.A No	Assessment year	Amount paid (INR Lakhs)
1	448/2009	2002-03 (Entry Tax)	131.47
2	451/2009	2003-04 (Apr to Jun 2003) Entry Tax	34.46
3	453/2009	2003-04 (Jul to Nov 2003) Entry Tax	38.39
4	393/2011	2003-04 (Dec to Mar 2004) Entry Tax	47.45
5	392/2011	2004-05 (Apr to Nov 2004) Entry Tax	49.28
		Total	**301.04**

g) Assessment Notice has been issued by the CTO/Dwarakhanagar towards purchasing the Electrical Goods from other State dealers for own consumption against C form as per assessment of Tax on Entry of goods into Local areas Act, 2001.Writ petition were filed before Hon'ble high court. The details are as follows:

Sno.	W.P No	Assessment year	Assessment amount	Amount paid	Balance amount
1	7286/2018	2012-13	156.93	-	156.93
2	1246/2019	2013-14	113.85	28.46	85.39
3	1230/2019	2014-15	1,232.46	308.12	924.35
4	1241/2019	2015-16	1,518.35	379.59	1,138.76
5	1242/2019	2016-17	1,563.42	390.85	1,172.56
6	1272/2019	2017-18	445.41	111.35	334.06

h) The Commercial Tax Officer/ Chinawaltair Circle/ Visakhapatnam has issued the Assessment Order dated 31.08.2015 for Rs.1,901.79 lakhs towards the VAT on Deemed sale of Energy Meters for the period April 2007 to December 2011 in the financial year 2015-16 .The Writ Petition No.34320/2015 is filed in the Hon'ble High Court against the above Assessment Order and also APEPDCL obtained stay order against the above assessment vide WPMP 44135 of 2015. Case is pending in High Court of Andhra Pradesh.

i) The Commercial Tax Officer/ Kurupam market / Visakhapatnam has issued the Assessment Order dated 14.08.2015 for Rs.658.35 lakhs towards the VAT on Deemed sale of Energy Meters for the period 01.01.2012 to 31.10.2013 in the financial year 2015-16 .The Writ Petition No.34425/2015 is filed in the Hon'ble High Court against the above Assessment Order . However , APEPDCL obtained stay order against the above assessment vide WPMP 44250 of 2015. Case is pending in High Court of Andhra Pradesh.

j) The commercial Tax Officer/Kurupam market Circle/Visakhapatnam has issued an Order dated 19.09.2016 for Rs.658.35 lakhs towards 100% penalty against the VAT Assessment Order dt.14.08.2015 for the sale of Energy Meters for the period 01.01.2012 to 31.10.2013 in the financial year 2015-16 . The Writ Petition No.38203/2016 is filed in the Hon'ble High Court against the above Order. Stay Order also has been obtained by APEPDCL against the above penalty Order vide WPMP No 47073/ 2016. Case is pending at High Court of Andhra Pradesh.

k) The Commercial Tax Officer/ Dwarakanagar / Visakhapatnam has issued an Assessment Order Dt.12.12.2017 for Rs.204.21 lakhs towards the VAT on Sale of Electrical Scrap, Other Income treated as Meter Rental charges and sale of tender schedules for the period from 01.04.2013 to 31.03.2016 in the financial year 2017-18. An appeal was preferred at Commercial Tax Officer/ Dwarakanagar / Visakhapatnam vide Appeal No.VSP/75/2017-18.As per Proceedings in A.O No128900 dt.31.08.2018 of The Commercial Tax Officer/Dwarakanagar/Visakhapatnam appeal was disposed and refund of amount paid in the above appeal is pending at Commercial Tax Officer/ Dwarakanagar Circle/Visakhapatnam.

l) The Commercial Tax Officer/ Dwarakanagar / Visakhapatnam has issued an Order Dt.09.01.2018 for Rs.204.21 lakhs towards 100% penalty against the VAT Assessment order Dt.12.12.2017 on Sale of Electrical Scrap, Other Income treated as Meter Rental charges and sale of tender schedules for the period from 01.04.2013 to 31.03.2016. An appeal was preferred at Commercial Tax Officer/ Dwarakanagar / Visakhapatnam vide.Appeal No.VSP/09/2018-19.As per Proceedings in A.O No129041 dt.04.09.2018 of The Commercial Tax Officer/Dwarakanagar/Visakhapatnam appeal was disposed and refund of amount paid in the above appeal is pending at Commercial Tax Officer/ Dwarakanagar Circle/Visakhapatnam.

m) M/s LVS Power Ltd has filed a W.P.37518 of 2013 in High Court of AP for fixed charges claim of Rs. 46.14 Crs for the period from Feb'2013 to Nov'2013 and APPCC filed WP in High Court of AP ,WP No.32760 / 2013, Dt.17/09/2013 stating that around Rs.180 Crs is payable to M/s LVS Power for the period from Feb'2013 to till PPA expiry (October'2017) and prayed that APEPDCL is not liable to pay fixed charges. The case was listed on 28.12.2018 and Next date of hearing is yet to be posted.

n) Other Contingent Liabilities: compensations against Non-fatal accidents etc. pending in courts.

Name of the Circle/Division	Amount in INR
Srikakulam Division	5.13
Tekkali Division	51.48
Palkonda Division	2.50
Vizianagaram Division	22.31
Bobbili Division	83.30
Parvathipuram Division	11.14
Zone-III	6.49
Narsipatnam Division	18.83
Rajamahendravaram Division	43.65
Kakinada Division	10.60
R.C.Puram Division	1.05
Jaggampeta Division	3.00
T.P Gudem	4.45
Nidadavolu	6.61
Total	**270.54**

o) Cross subsidy surcharge for captive consumption from captive consumers pending in courts.

Name of the Circle/Division	Amount in INR
Srikakulam	112.03
Visakhapatnam	1,669.98
Rajamahendravaram	68.50
Eluru	872.10
Total	**2,722.61**

p) TS GENCO claim towards differential Fixed cost & Interest on Pension Bonds for the Period 2014-15 to 2017-18 for an amount Rs. 1,048.68 crores was taken as Contingent Liability in the Year 2017-18 as the claimed are not admitted as on balance sheet date. On scrutiny of Generator bills/claims, APPCC has admitted generator bills for an amount of Rs. 768.99 Crores. Thus the difference is for an amount of Rs. 279.69 crores is disallowed and communicated to the Generator. Out of Disallowed amount of Rs.279.69 Crores EPDCLs Share (34.27%) is Rs.95.85 Crores .

q) Provision is not recognized for liabilities whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed on the basis of judgment of the management /independent expert. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

(Rs. in Crores)

Sno	Particulars	No of cases	EPDCL
1	NCE_Wind & solar Generators{Differential Energy Charges. (CUF Limitation for 2016-17 to 2018-19)} **Note-1**	80	166.69
2	NCE-Wind Generators {Generation Based Incentive (GBI) Charges for 2016-17 to 2018-19} **Note-2**	90	142.25
3	Surcharge	86	131.99
4	Rebate	1	0.22
5	Water Charges	2	2.83
5	Court Cases - Liquidated damages	1	36.19
6	MAT reimbursement	2	0.18
7	GST claims	1	15.42
8	Unutilised Energy Charges	1	1.53
9	Others	4	3.33
	Total	**268**	500.63

1) As per management decision vide note ref no:1240/Power.II.2/2016 dated 14/03/2017, energy gener ated from NCEs are restricted to 23.5 % of Capacity Utilization Factor(CUF) though the actual energy generated and billed are more than the 23.50%. The energy of 1035.09 MU (EPDCL Share 34.27 % — 354.73 M.U) which is over and above 23.50% CUF, cost of Rs.486.40 Crores (EPDCL Share 34.27%— 166.69 Crores) are not accounted in books though the generator are billed on APPCC.

2) As per the note approved by CMD/APTRANSCO & APPCC, Dated 24.03.17, para no 33 & 34 GBI Amount of Rs. 0.50/- per unit is deducted from Feb-17 onwards as per APERC Regulation No.1 of 2015. As per the approval of CMD/APTRANSCO & APPCC, DT.06.11.2018 (FLM contd. Note. No.5000960, Dt.31.10.2018) With regard to stoppage of deduction of GBI amounts from the bills of wind developers as per the orders of Hon'ble High Court, Dt.23.08.2018. Accordingly stopped de duction of GBI amount Rs.0.50 per unit and unit Rate @Rs.4.84/- was adopted wef Sep18- bill. Hence the Cost from Feb 16 to Sep 18 of Rs. 415.10 Crores (EPDCL Share 34.27% — Rs.142.25 Crores) was not accounted in books.

(xii) To optimize the energy power purchase costs, DISCOMs are actively implementing swapping mechanism for meeting bulk energy requirements. As there are no tariffs being paid/collected for utilizing/returning the energy. However for financial accounting purpose, a provisional energy pooled cost of Rs.3.74 per KWH was considered for net energy outstanding of 3297.27 M.U (EPDCL Share 34.27% —1129.97

M.U) to be returned to Traders/generators under swapping power arrangement in the financial year 2019-2020.

(xiii) As per Govt orders vide G.O.RT No: 118 dated : 27 July 2017, Non Conventional Energy(NCE) Power purchase cost between APSPDCL and APEPDCL allocated based on power sharing Ratio ie., 65.73% and 34.27% respectively. Further as per Govt Orders vide G.O Rt No. 116 dated 01.10.2019, Government has cancelled the above allocation with retrospective effect and advised to allocate NCEs power based on Geographical location. To implement above decision, monthly Interim Balancing and Settlement System(IBSS) need to be modified with retrospective effect. To give effect DISCOM wise actual energy drawls are t be adjusted against the allocated energy drawls, and converted into Rupee terms and allocated to the Discoms using predetermined methodology and basis. The monthly IBSS need to be reworked by IBSS Committee so that the adjustment entries between APSPDCL and APEPDCL will be incorporated in financial year 2019-20.

(xiv) As per the development of wind power policy 2015, GOAP extended certain incentives to wind power generators. However nothing is specified in the policy that these incentives should borne by respective Discoms. Hence, management will disallow the MRI from the payables to wind generators with retrospective effect and re-direct the generators to approach and claim the MRI from GOAP.

(xv) Power purchase cost transferred by the TSNPDCL for the period 02.06.2014 to 31.03.2015 was Rs.13,74,03,113/-(21810018 Units at Rs.6.30 per unit), but as per the Audited annual reports of TSNPDCL for the F.Y 2014-15 Average Power Purchase cost is Rs.4.67 per unit. Hence Power Purchase cost arrived for 21810018 Units @ 4.67 Average price for Rs.1018.53 Lakhs. The details communicated to TSNPDCL for confirmation. Soon on receipt of confirmation from TSNPDCL differential cost will be accounted.

(xvi) Previous years figures are regrouped and rearranged where ever necessary.

(xvii)Necessary corrections in rounding off previous years figures have been carried out as per the remarks of AG Audit during the audit of Previous year.

Amounts have been rounded off to nearest rupees in lakhs

See accompanying notes forming part of the financial statements.
In terms of our report attached

For M/s. Grandhy & Co
Chartered Accountants
Firm Regn No.001007S

Sd/-xxxxx
Sudheendra Rao Sidlagatta
Partner
Membership No:226611
Station : Velagapudi
Date : 24.10.2019

Sd/-xxxxx
G.Srinivasa Reddy
Chief General Manager (Expr)

For and on behalf of Board

Sd/-xxxxx
Nagalakshmi. S IAS
Director(Finance & HRD)
Chairman & Managing Director
DIN 07741194

Sd/-xxxxx
K.S.V.S. Sastry
Company Secretary

31. Financial instruments

The carrying value and fair value of financial instruments as on 31st March 2019 & 31st March 2018 were as follows :

	31 March 2019		31 March 2018	
	FVTOCI	**Amortized Cost**	**FVTOCI**	**Amortized Cost**
Financial assets				
Investments	14,627.07	47.86	14,651.55	1,950.77
Trade receivables		219,325.97		168,373.38
Loans and advances to staff		9,248.36		7,302.91
Cash and cash equivalents		15,004.50		28,554.42
Other financial assets		428,811.12		143,973.53
Total financial assets	**14,627.07**	**672,437.81**	**14,651.55**	**350,155.01**
Financial Liabilities				
Borrowings	4,42,175.39	-	-	3,48,474.25
Other Financial Liabilities	17,881.93	-	-	16,683.43
Total financial Liabilities	**4,60,057.32**		**-** **-**	**3,65,157.68**

Note 1: For the purpose of above abbreviations, FVTOCI - Fair value through other comprehensive income; amortised cost - fair value through amortized cost

Note 2: Other financial assets and liabilities relate to level 3 financial instruments where the carrying value reasonably approximates to their fair value.

(i) Fair value hierarchy

The following table presence the fair value heirarchy of assest and liablities measured at fair value on recurring basis.

At 31 March 2019	Level 1	Level 2	Level 3	**TOTAL**
FVTOCI - Financial asset - Investment in equity securities	-	-	14,627	14,627

At 31 March 2018	Level 1	Level 2	Level 3	**TOTAL**
FVTOCI - Financial asset - Investment in equity securities	-	-	14,651.55	14,651.55

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(ii) Valuation technique used to determine fair value

The Company has not adopted any fair value technique to measure its financial assets and financial liabilities. All of the resulting fair value estimates are included in level 3, where the fair values have been determined based upon the present values and the discount rate used were adjusted for counterparty or own credit risk.

(iii) Loans and advances to staff

Loans given to employees are carried at cost whereas under Ind AS wherever the loans given at below market rate of interest were taken to the market rate which is considered as 9%.

The difference between the the market rate and the actual interest rate considered as prepaid employee cost. The loans are measured at amortized cost at the rate of prevailing market rate.

32 Financial risk management

Risk management framework

The Company's board of directors have overall responsibility for the Company's risk management framework. The board of directors are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board of directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables	Ageing analysis, credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings ,Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

A. Credit risk

i. Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

ii. Provision for Expected credit loss

The Company has receivables from customers as per previous GAAP INR 225138.71 (2018 - INR 171111.99; 2017 - INR 132971.41) out of which Government department arrears are INR 14 3787.87 lakhs

(2018- INR 97,700.36 Lakhs ,2017 - INR 77,847.16) and Pending in court cases are INR.43789.82 lakhs (2018- INR 43,531.97, 2017-INR 44,730.57) & HT Other arrears INR 19851.46 has not been considered for Expected credit loss.

Year ended 31 March 2019

(a) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	>1 Month to 5 Months	> 5 Months to 1 Year	> 5 Months to 1.5 Years	>1.5 Years to 2 Years	Above 2 years	Total
Gross carrying amount	7147.87	2656.35	2084.79	318.83	2409.61	3092.11	17,709.56
Expected loss rate	7%	9%	14%	93%	96%	1%	
Expected credit losses (loss allowance provision)	523.26	239.93	301.19	296.46	2,323.55	3,092.11	6,776.50
Carrying amount of trade receivables (net of impairment)	**6,624.61**	**2,416.42**	**1,783.60**	**22.37**	**86.06**	**-**	**10,933.06**

Significant estimates and judgments \

Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company used judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as foreword looking estimates at the end of each reporting period.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains the following lines of credit:

C. Market risk

i. Foreign currency risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk

management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company is not exposed to currency risk on purchases, sales and cash balances that are denominated in a currency other than the functional currencies of the Company.

ii. Interest rate risk

As of 31 March 2019 and 31 March 2018, the Company had Rs.5,379.96 lakhs, and Rs.6,544.77 lakhs respectively loans carrying a fixed interest rate of 9 to 12.25 for 10 years, Rs.4,00,179.68 lakhs and Rs.305886.77 lakhs respectively loans carrying a fixed interest rates ranging from 2.34 to 12.75 for three years. These loans expose the Company to risk of changes in interest rates.

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

Impact on Profit after tax

	31 March 2019	31 March 2018
Interest rates - increases by 50 basis point*	2,027.80	1,562.16
Interest rates - decreases by 50 basis point*	2,027.80	1,562.16

* Holding all other variables constant

33 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders. The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt. The capital gearing ratio as on 31 March 2019 and 31 March 2018 was -1% and 9 % respectively.

	31 March 2019	31 March 2018
Total liabilities	2,164,022.84	1,425,121.83
Less : cash and cash equivalents	15,004.50	28,554.42
Adjusted net debt (A)	2,149,018.34	1,396,567.41
Total equity (B)	(774552.55)	(310138.24)
Adjusted net debt to adjusted equity ratio **(A/B)**	(2.77)	(4.50)

34. Earnings per share (EPS)

Computation of earnings per share		31 March 2019	31 March 2018
Profit after tax attributable to owners of the equity (INR in lakhs)	(A)	(425,298.39)	289.21
Weighted average number of shares for Earnings per share	(B)	1,212.25	1,212.25
Basic and Diluted Earnings per share of INR 10 = (A) / (B)		**(350.83)**	**0.24**
Total Comprehensive income (INR in lakhs)	(A)	(464,414.31)	1,044.80
Weighted average number of shares for Earnings per share	(B)	1,212.25	1,212.25
Basic and Diluted Earnings per share of INR 10 = (A) / (B)		**(383.10)**	**0.86**

Eastern Power Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ

Annexure - 1

Details of power purchase Agreements under long term with Central Generating Stations (CGS)

Sl.No	Name of the Developer	Total Station capacity in MW	Andhra Pradesh Capacity in MW	APEPDCL Capacity in MW	Type of Station (Thermal/ Hydel/Gas)	Fuel Type	PPA Signed	PPA valid up to	PP Cost (Rs/Unit) as per Tariff order 2019-20	COD
1	NTPC Ramagundam Stage I (3 X200 MW) & Stage II (3 X500 MW) , Karimnagar Dist, Telangana	2100	273.11	**93.59**	Thermal	Coal	22.03.1985	Till the life of Project	2.95	Total 6 Units (Unit 1 :01.03.84 & Unit 6 : 01.04.91
2	NTPC Ramagundam Stage III,Karimnagar Dist, Telangana	500	68.77	**23.57**	Thermal	Coal	01.02.2001		2.89	25.03.2005
3	NTPC (Simhadri) Stage I, NTPC Road, Visakhapatnam	1000	461.1	**158.02**	Thermal	Coal	04.02.1997		3.76	Unit 1 : 01.09.02 & unit 2 : 01.03.03
4	NTPC(Simhadri) STAGE II, NTPC Road, Visakhapatnam	1000	190.5	**65.28**	Thermal	Coal	03.02.2007		4.42	Unit 1 : 16.09.11 & unit 2 : 01.09.12
5	NTPC SR Talcher Stage II, Kaniha,Angul, Odisha	2000	175.2	**60.04**	Thermal	Coal	01.10.1994		2.1	Total 4 Units (Unit 1 :01.08.03 & Unit 4 : 01.08.05
6	NLC TPS II Stage-I, Neyveli,Tamilnadu	630	47.64	**16.33**	Lignite	Lignite	18.02.1999		3.58	Total 3 Units (Unit 1 :29.09.86 & Unit 6 : 23.04.88
7	NLC TPS II Stage-II,Neyveli,Tamilnadu	840	86.81	**29.75**	Lignite	Lignite	18.02.1999		3.6	Total 4 Units (Unit 1 :25.01.92 & Unit 4 : 09.04.94
8	NPC (MAPS - Madras Atomic Power Station),Kalpakkam, Chennai, India	440	18.4	**6.31**	Atomic	Nuclear/ Uranium	24.12.2011		2.23	Unit 1 : 27.01.84 & unit 2 : 21.03.86

Details of power purchase Agreements under long term with Central Generating Stations(CGS)

Sl. No	Name of the Developer	Total Station capacity in MW	Andhra Pradesh Capacity in MW	APEPDCL Capacity in MW	Type of Station(Thermal / Hydel/Gas)	Fuel Type	PPA Signed	PPA valid up to	PP Cost (Rs/Unit) as per Tariff order 2019-20	COD
9	NPC (Kaiga) Unit I&II, Karwar, Karnataka	440	56.25	**19.28**	Atomic	Nuclear/ Uranium	24.12.2011	Till the life of Project	3.22	Total 4 Units (Unit 1 :16.11.2000 & Unit 4 : 20.01.11
10	NPC (Kaiga) Unit III & IV,Karwar, Karnataka	440	59.95	**20.54**	Atomic	Nuclear/ Uranium	24.12.2011		3.22	Unit-3 06.05.2007 &Unit 4 : 20.01.2011
11	NTECL VALLURU Thermal Power Project, Vellivoyal chavadi, Kuruvimedu,Tamilnadu	1500	87.93	**30.13**	**Thermal**	Coal	20.02.2008 and 14.03.2012		3.99	Unit 1 :29.11.2012 Unit-2 25.08.2013 & Unit-3 28.02.2014
12	Neyveli New Thermal Power Station (NNTPS), Kolliruppu, Tamilnadu. (2x500)	1000	52	**17.82**	**Thermal**	Coal	30.11.2010		4.5	Not yet commissioned
13	Tuticorin (2*500) Thermal Power Station, Harbour Estate, Tuticorin beach Road, Salt pans, Thoothukudi, Tamilnadu	1000	123.22	**42.23**	**Thermal**	Coal	30.11.2010		3.97	Units 1 -18.06.2015 and Unit-II - 29-08-2015
14	M/s NTPC Kudgi Stage-I,Bijapur Dist, Karnataka (3 X800 MW)	2400	215.04	**73.69**	**Thermal**	Coal	03.12.2010		7.39*	Units -1 - Sep'2016 and Unit-2 - March'2017
	Total	15290	**1915.92**	**656.59**						
	* The Coal Linkage Station is far away from Kudgi Project , Hence the Variable Cost is high for Kudgi Project. As the Kudgi Project Power is in available condition, Due to high Variable Cost in Kudgi Project, as per the Merit Order Dispatch, APDISCOMs issued backing down instructions to reduce the Power Purchase Cost .Hence , the total Power Purchase allocation for the year 2019-20 to APEPDCL from Kudgi Project is 285.43 MU only. But, APDISCOMs has to bear the Fixed Cost for the lesser units.									

DETAILS OF POWER PURCHASE AGREEMENTS UNDER LONG TERM WITH STATE GENERATING STATIONS (SGS)

Name of the Developer	Total Station Capacity in MW	Andhra Pradesh Capacity in MW	APEPDCL Capacity in MW	Fuel Type	Average Cost (Rs/Unit) as per Tariff	PPA Signed	COD	PPA Period
APGPCL Stage - I (100 MW), Near Godavari River, Vijjeswaram, Andhra Pradesh	100	9.33	3.2	Gas	3.05	31.10.1988 and amended up to 29.09.2014	1990	15 Years from the date of Commercial Operation of Vijjeswaram Unit-II
APGPCL Stage - II (172 MW), Near Godavari River,Vijjeswaram, Andhra Pradesh	172	24.957	8.55	Gas	2.64		1997	
Sri Damodaran Sanjeevayya TPS (Unit-I & II) APPDCL (2*800) , Krishnapatnam,Nellu uru (Dist),A.P	1600	1600	548.32	Coal	3.63	24.08.2016	Unit-1 - 05-02-2015 and Unit 2- 24.08.2015	25 years from the date of COD
Godavari Gas Power Plant (Now own source previously GVK-I),GGPP,Jegurupadu East Godavari (Dist).	216.82	216.82	74.3	Gas	2.99	Buyout on 22.04.2016	6/20/1997	Till the life of Project
Total	**2089**	**1851**	**634**					

DETAILS OF POWER PURCHASE AGREEMENTS UNDER LONG TERM WITH APGENCO

Sl.No	Nameof the Developer	Total Station capacity in MW	Andhra Pradesh Capacity in MW	APEPDCL Capacity in MW	Fuel Type	PPA Signed	Average Cost (Rs/Unit) as per Tariff order 2019-20	PPA Period	COD
	APGENCO Thermal								
1	Dr. NTTPS -I (2*210), Ibrahahimpatnam, Vijayawada, Krishna Dist	420	420	143.93	Coal	**20.03.2019**	3.67	01.04.19 to 31.03.2024	**Unit-I 30.11.1979** **Unit-II 10.10.1980**
2	Dr. NTTPS -II (2*210) ,Ibrahahimpatnam, Vijayawada, Krishna Dist	420	420	143.93	Coal	**20.03.2019**	3.67	01.04.19 to 31.03.2024	**Unit-III 05.10.1989 & Unit-IV 23.08.1990**
3	Dr. NTTPS -III (2*210),Ibrahahimpatnam, Vijayawada, Krishna Dist	420	420	143.93	Coal	**20.03.2019**	3.67	01.04.19 to 31.03.2024	**Unit-V 31.03.1994 & Unit-VI 24.02.1995**
4	Dr. NTTPS -IV, Ibrahahimpatnan, Vijayawada, Krishna Dist	500	500	171.35	Coal	**20.03.2019**	3.47	01.04.19 to 31.03.2024	**4/6/2009**
5	RTPP Stage- I, Muddanuru , Cuddapah Dist, (2*210)	420	420	143.93	Coal	**20.03.2019**	4.43	01.04.19 to 31.03.2024	**Unit-I 31.03.1994** **Unit-II 25.02.1995**
6	RTPP Stage- II, 2x210 Muddanuru , Cuddapah Dist,	420	420	143.93	Coal	**12.12.2009**	4.65	02.11.07 to 19.11.2032	**Unit-I 12.08.2007** **Unit-II 29.03.2008**
7	RTPP Stage- III, Muddanuru , Cuddapah Dist,	210	210	71.97	Coal	**12.12.2009**	6.41	10.02.11 to 09.02.2036	**10.02.2011**
8	RTPP Stage- IV, Muddanuru , Cuddapah Dist,	600	600	205.62	Coal	**22.11.2010 and 18.01.2019**	4.24	25 Years from the date of COD	**29.03.2018**
	Total Thermal	**3410**	**3410**	**1168.61**					

DETAILS OF POWER PURCHASE AGREEMENTS UNDER LONG TERM WITH APGENCO

Sl.No	Name of the Developer	Total Station capacity in MW	Andhra Pradesh Capacity in MW	APEPDCL Capacity in MW	Fuel Type	PPA Signed	Average Cost (Rs/Unit) as per Tariff order 2019-20	PPA Period	COD
	APGENCO Hydel								
1	Machkund Power HOUSE, Onkudelli, Koraput, Orissa (AP Share (3*17 + 3*23 =120 (State Share 84 MW) - Inter State,	120	84	28.79	Hydel	**20.03.2019**	1.06	01.04.19 to 31.03.2024	**19.08.1955 to 08.08.1959**
2	Tungabhadra Power House, TB Dam, Bellari, Karnataka (AP Share(4*9 =36 ,4*9=36 (State Share 57.6) Inter State	72	57.6	19.74	Hydel	**20.03.2019**	2.35	01.04.19 to 31.03.2024	**26.01.1957 to 19.06.1964, 10.02.1958 to 09.06.1964**
3	Upper Sileru (USR)Power House, Visakhapatnam (4 * 60)	240	240	82.25	Hydel	**20.03.2019**	1.01	01.04.19 to 31.03.2024	**Unit-I 14.10.1967, Unit-II 31.03.1968 ,Unit-III 31.03.1994, Unit -IV 21.03.1995**
4	Lower Sileru (LSR)PH, Motugudem, Bhadradri Dist (4 * 115)	460	460	157.64	Hydel	**20.03.2019**	1.12	01.04.19 to 31.03.2024	**Unit-I 28.03.1976, Unit-II 06.101976 ,Unit-III 08.11.1977, Unit -IV 13.06.1978**
5	Donkarayi , East Godavari Dist (* Small Hydel)	25	25	8.57	Hydel	**20.03.2019**	0.85	01.04.19 to 31.03.2024	**04.10.1983**
6	SSLM Right Bank PH (7* 110), Sunnipenta, Srisailam, Kurnool Dist.	770	770	263.88	Hydel	**20.03.2019**	3.01	01.04.19 to 31.03.2024	**Unit-I 30.08.1982, Unit-II 14.12.1982, Unit -III 19.11.1983, Unit-III 27.08.1984 , Unit-V 31.03.1986, Unit-VI 30.10.1986, Unit-VII 19.03.1987**

Details of power purchase Agreements under long term with APGenco

Sl.No	Name of theDeveloper	Total Station capacity in MW	Andhra Pradesh Capacity in MW	APEPDCL Capacity in MW	Fuel Type	PPA Signed	PP Cost (Rs/Unit) as per Tariff order 2019-20	PPA Period	COD
	APGENCO Hydel								
7	NSRCPH (Nagarjunasagar Right Canal Power House), Vijayapuri South, Guntur Dist. (3 X30 MW)	90	90	30.84	Hydel	**20.03.2019**	1.78	01.04.19 to 31.03.2024	**Unit -1 - 24-02-1983 , Unit-II- 14-09-1983, Unit -III- 10-09-1990**
8	Mini Hydydel Chettipeta, Chettipeta, West Godavari Dist (2 X500 KW)	1	1	0.34	Hydel	**20.03.2019**	3.18	01.04.19 to 31.03.2024	**Unit -1 :- 01-10-1991 and Unit -II :- 04-10-1991**
9	Penna Ahobilam (PABM), HLC Colony, Anantapur Dist (*Small Hydel) (2*10),	20	20	6.85	Hydel	**20.03.2019**	*	01.04.19 to 31.03.2024	**10.01.1994 , Unit-II 23.01.1994**
10	Nagarjuna Sagar Tail Pond 2*25, Sahasrasala Village, Macherla Mandal ,Guntur Dist	50	50	17.14	Hydel	**30.12.2010 and 02.08.2017**	*	35 years from the date of COD	**Unit -I 05.01.2017, Unit-II 28.01.2017**
	* These projects have no variable Cost.APDISCOMs have to pay only Fixed Cost for these projects. As per the approved Fixed Cost by APERC, APDISCOMs will pay the fixed cost monthly in equal amount out of the total fixed cost for the year 2019-20 irrespective of the units generated from these projects. So, Average unit rate should not compared for these projects.								
	Total Hydro	**1848**	**1797.6**	**616.04**					
	Total Genco	**5258**	**5207.6**	**1784.64**					

DETAILS OF POWER PURCHASE AGREEMENTS UNDER LONG TERM WITH IPPS

S.No	Name of the Developer	Total Station Capacity in MW	Andhra Pradesh Capacity in MW	APEPDCL Capacity in MW	Fuel Type	PPA Signed	PP Cost (Rs/Unit) as per Tariff order 2019-20	PPA Period	COD
	IPPs								
1	Spectrum Power Generation Ltd, Beach Road, Uppada, Kakinada , East Godavari Dist	205.187	205.19	**70.32**	Gas/Naphtha	23.01.1997	3.31	18 years from COD i.e 18.04.2016 *	19.04.1998
2	LANCO Kondapalli Power Plant , Ibrahimjatnam, Andhra Pradesh	361.92	361.92	**124.03**	Gas/Naphtha	31.03.1997 and 28.04.2017	3.29	02.01.2016 to 01.01.2026*	02.01.2001
3	SRIVATHSA Power Projects Ltd., Sivakodi (V) Razolu, E.G Dist. (100 % Allocation to EPDCL),	17.202	17.202	17.202	Gas/Naphtha	21.06.2004	3.39	15 years from COD i.e 31.03.2018*	01.04.2003
	* The Hon'ble APERC vide Tariff Order dated 22.02.2019 has approved for Dispatch of Energy to APEPDCL for these projects.								
4	M/s.Hinduja National Power Corporation ltd, Palavalasa Village, Visakhapatnam Dist. (2x520 MW)	1040	1040	**356.41**	Coal	15.04.1998 and 28.04.2016	3.82	30 Years from the COD of the 2nd generating unit	Unit-I 11.01.2016 Unit-II 03.07.2016
					The Government vide GO Rt.163. Dt: 12.12.2018 permitting APPCC/ APDISCOMS to rescind the continuation agreement dated 28.04.2016 together with PPA dated 15.04.1998 entered with HNPCL the samewas communicated to M/s HNPCL from CGM/APSPDCL / Tirupati vide D.No. 75/2019, dt: 01.02.2019 that the agreement stands revoked and seized to exist. This matter was pending in APTEL in Appeal No. 41 of 2018 filed by HNPCL together with IA No. 211 of 2018 challenging the orders of APERC. As per APERC Tariff Order 2019-20 there is no allocation of Power to M/s HNPCL.				
5	M/s. Sembcorp Energy India Ltd (ThermalPower Tech Corporation India Ltd.,) (2x660 MW), Nellore District, Andhra Pradesh	1320	230.55	79.01	Coal	01.04.2013, 10.04.2015 & 03.05.2018	3.77	25 years from the date of signing	Unit-I, 02.03.2015 Unit-II 15.09.2015
	TOTAL	**2944.31**	**1854.86**	**646.97**					

APEPDCL
Eastern Power
Distribution Company of A.P. Limited

Details of power purchase Agreements under long term with IPPS –4 New Gas Based Power Plants (Present No Generation)

Sl. No	Name of the Project	Location of the Plant	Capacity in MW	Unit Rate in Rs/Kwh	Date of signing of PPA	Date of COD	PPA term	Expiry date	Remerks
1	GVK Extns	Jegurupada , East Godavari District	220	Fixed Cost(1.09) + Variable cost with Domestic Gas Supplies (2.56)	18.06.2003	14.04.2009	15 Years	13.04.2024	These Projects are stranded for want of natural gas supplies from 01.03.2013 onwards.
2	GVK Gautami	Peddapuram, East Godavari District	464	Fixed Cost(1.12) + Variable cost with Domestic Gas Supplies (2.56)	18.06.2003	05.06.2009	15 Years	04.06.2024	
3	GMR Vemagiri	Vemagiri (V),Kadiam (M),East Godavari District.	370	Fixed Cost(0.699) + Variable cost with Domestic Gas Supplies (2.56)	18.06.2003 subsequently amended on 02.05.2007	16.09.2006	15 Years	15.09.2029	
4	Konaseema	Devarapalli (V), Ravulapalem (M), East Godavari District.	444.08	Fixed Cost(1.12) + Variable cost with Domestic Gas Supplies (2.56)	26.06.2003 subsequently amended on 12.01.2005	30.06.2010	15 Years	29.06.2025	
Total			**1498.08**						

Long Term/ Medium Term Power Purchase Agreement (Inter state Traders)

Name of the Developer	Total Station CAPACITY in MW	Andhra Pradesh Capacity in MW	APEPDCL Share in MW	Average Cost (Rs/Unit) as per Tariff order 2019-20	PPA Date	Validity of the Agreement
M/s KSK Mahanadi Power Co. Ltd., Chhattisgarh	400	400	137.08	4.2	31.07.2012,19.12.2014 & 23.01.2018	31.03.2021

Total No. of NCE Projects existing in APEPDCL

Sl.No	Name of the Project	Date of Agreement	Date of COD	Agreement Validity upto	Period of Agreement	Installed Capacity in MW	Auxiliary Consumption in MW		Captive Consumption in MW		Sale to Grid in MW		Power Evacuation Voltage Level in KV	Fixed Cost	Variable Cost	Total Unit Cost in Rs.	Remarks
							Season	Off-season	Season	Off-season	Season	Off-season					
Biogasse based power plants																	
1	M/s. Ellkompta Cooperative AGL & Industrial Society Ltd., Jeedipalli(V), S.Rayavaram (M), Visakhapatnam	12.05.2005	1.1.2001	28.02.2021	20 Years	4.5	1	1	2	2	1.5	1.5	33	1.62	3.07	4.69	
2	M/s.E.I.D Parry (India) Ltd(CMR Technologies & Industries ltd.)., Sankili(V), R.Amadalavalasa, Srikakulam.	14.08.2001	15.08.2001	14.08.2021	20 Years	16	1	1	5	1	6	14.1	132	1.55	3.07	4.62	
3	M/s. Navabharat Ventures Ltd (Erst while Navabharat Ferro Alloys Ltd (Deccan Sugars)., Samalkot, E.G.Dist	06.05.06, Amended on 12.02.2007, and amended on 04.01.2017	2 MW COD 07.02.1999, 7MW COD 28.11.2005	05.05.2027	20 Years	9	0.975	0.8	4.4	0.45	3.625	6	33	1.32	3.07	4.39	
4	Jeypore Sugars Company Ltd, Chagalli (V&M), W.G. Dist	01.10.2003	11.12.2005	10.12.2023	20 Years	17	1	1	2	1.5	9	13.5	132	1.49	3.07	4.5	
5	Chodavaram Cooperative Sugars Ltd., Gorvada, Chodavaram (M), Visakhapatnam	29.05.2003	06.04.2005	05.04.2023	20 Years	2*7= 14	1.5	1.5	4.14	4.14	6.25	6.25	132	1.49	3.07	4.56	
						60.5	5.3	17.54	9.09	26.38	41.35						

Total No. of NCE Projects existing in APEPDCL

Sl. No	Name of the Project	Date of Agreement	Date of COD	Agreement Validity upto	Period of Agreement	Installed Capacity in MW	Auxiliary		Captive Consumption		Sale to Grid in MW		Power Evacuation Voltage	Fixed Cost	Variable Cost	Total Unit Cost in Rs.	Remarks
							Season	Off-season	Season	Off-season	Season	Off-season					
Bio-mass based power plants																	
6	M/s.Vamshi Industries Ltd, Vemula palli(V), Dwarapudi Panchayat, Mandapeta(M), East Godavari Dist.	14.11.1998	20.4.2001	19.04.2021	20 Years	4	0.2	0.2	0.16	0.16	3.64	3.64	33 KV	1.8	4.81	6.61	No generation
7	M/s.Varam Power Projects Pvt Ltd., Etcherla(M), Srikakulam	01.11.2001	12.12.2001	11.12.2021	20 Years	6	0.54	0.54	0	0	5.46	5.46	33 KV	1.71	4.81	6.52	Project closed on 28.02.2019
8	M/s.Sri Kalyani Agro products & Industries Ltd., Prathipad(v), Pentapadu (M), W.G.Dist.	28.03.2002	19.12.2002	18.12.2022	20 Years	4	0.4	0.4	0.4	0.4	3.2	3.2	33 KV	1.64	4.81	6.45	No generation
9	M/s.Shree Papers Limited, G.Ragampeta, Peddapuram(M), E.G.Dist.	19.03.2002	10.03.03	09.03.2023	20 Years	4	0.2	0.2	0.4	0.4	3.4	3.4	33 KV	1.64	4.81	6.45	No generation
10	NSL Renewable Power Pvt. Ltd. (Formerly Perpetual Energy Systems Ltd.), Appayyapeta(v), Seethanagaram(M), VZM Dist	16.02.02 and amended on 23.01.2014	23.3.2003	22.03.2023	20 Years	6	0.54	0.54	0	0	5.46	5.46	33 KV	1.64	4.81	6.45	No generation
11	Vishnu Vidyut India Ltd, Narsingibilli (V), Kasimkota(M), Visakhapatnam Dist.	17.01.2017	26.12.2012	25.12.2024	12 Years	7.5	0.72	0.72	0	0	6.78	6.78	33 KV	1.65	4.81	6.46	
						31.5	**2.6**	**2.6**	**0.96**	**0.96**	**27.94**	**27.94**					

APEPDCL Eastern Power Distribution Company of A.P. Limited

Total No. of NCE Projects existing in APEPDCL

Sl.No	Name of the Project	Date of Agreement	Date of COD	Agreement Validity upto	Period of Agreement	Installed Capacity in MW	Auxiliary		Captive Consumption		Sale to Grid in MW		Power Evacuation Voltage	Fixed Cost	Variable Cost	Total Unit Cost in Rs.	Remarks
							Season	Off-season	Season	Off-season	Season	Off-season					
Industrial waste based power plants																	
12	M/s.Sai Renewable power Plant, Kamavarapukota(V& Md) J.R. Gudem, West Godavari Dist	12.09.2001, Amended on 13.01.2004	8.4.2004	07.04.2024	20 Years	4.5	0.45	0.45	0	0	4.05	4.05	33 KV	1.56	4.81	6.37	No generation
13	3 F Industries Ltd (Formerly M/s Food Fats & Fertilisers Ltd.), Tanuku Road, Thadepalli Gudem, West Godavari Dist	14.05.2002, Amended on 24.04.2004	4.5.2006	03.05.2026	20 Years	6	0.6	0.6	1.2	1.2	4.2	4.2	33 KV	1.43	4.81	6.24	
14	M/s Arganic Green Power Limited (formerly RAUS Power Ltd.,) Duppalapudi (V), Anaparthy (M), E.G.Dist-533 342	18.02.2002, Amended on 06.08.2002 and 27.01.2003	27.02.2009	26.02.2029	20 Years	3 x 1.22	0.33	0.33	0	0	3.33	3.33	33 KV	1.25	4.81	6.06	No generation
						14.16	**1.38**	**1.38**	**1.2**	**1.2**	**11.58**	**11.58**					

Eastern Power
Distribution Company of A.P. Limited

Total No. of NCE Projects existing in APEPDCL

Sl.No	Name of the Project	Date of Agreement	Date of COD	Agreement Validity upto	Period of Agreement	Installed Capacity in MW	Auxiliary		Captive Consumption		Sale to Grid in MW		Power Evacuation Voltage	Fixed Cost	Variable Cost	Total Unit Cost in Rs.	Remarks
							Season	Off-season	Season	Off-season	Season	Off-season					
Mini-Hydel based power plants																	
15	Manihamsa Power Projects Ltd., Yeleswaram, Rajahmundry	28.07.2004	17.01.2001	16.01.2021	20 Years	2X1.5 = 3	0.03	0.03	0	0	2.97	2.97	33 KV			3.03	
16	Sardar Power Pvt. Ltd., Naguru (V), Garugubilli(M), Vizianagaram Dist	06.12.2003, Amended on 16.11.2017	17.7.2008	16.07.2028	20 Years	2X1.5 = 3.0	0.03	0.03	0	0	2.97	2.97	33 KV			2.15	
17	APTripco (Vetamamidi) MHPP, Addateegala, Rajahmundry, E.G.Dist	20.02.2007, Amended on 17.10.2007	30.11.2011	29.11.2031	20 Years	1.2	0.012	0.012	0	0	1.188	1.188	33 KV			3.25	
						7.2	**0.072**	**0.072**	**0**	**0**	**7.128**	**7.128**					

APEPDCL Eastern Power Distribution Company of A.P. Limited

Total No. of NCE Projects existing in APEPDCL

Sl. No	Name of the Project	Date of Agreement	Date of COD	Agreement Validity upto	Period of Agreement	Installed Capacity in MW	Auxiliary		Captive Consumption		Sale to Grid in MW		Power Evacuation Voltage Level	Fixed Cost	Variable Cost	Total Unit Cost in Rs.	Remarks
							Season	Off-season	Season	Off-season	Season	Off-season					
MSW power plants																	
18	M/s.Jindal Urban Waste Management (Visakhapatnam) Ltd., Thangudupalli (V), Anandapuram (M), Visakhapatnam Dist	10.01.2016, Amended on 06.10.2017	28 months from the effective date as per PPA	Valid up to 25 years from the COD	25 years	15 MW	1.5	1.5	0	0	13.5	13.5	132 KV				
19	TP Gudem MSW Private Limited (M/s Esses Infra Projecs Pvt. Ltd.), Konduprolu (V), T.P. Gudem (M), W.G. Dist	25.01.2017, Amended on 26.10.2017,12 06.2018 and 28.09.2018	15 months from the date of Financial closure as per PPA	Valid up to 25 years from the COD	25 Years	5 MW	0.5	0.5	0	0	4.5	4.5	33 KV				
						20	**2**	**2**	**0**	**0**	**18**	**18**					
Total NCE Projects						**133.36**	**6.052**	**11.35**	**19.7**	**11.25**	**91.02**	**105.997**					

Eastern Power
Distribution Company of A.P. Limited

Other PPAs information of APEPDCL

Sl. No	Name of the Generator	Name of Discom	PPA date	PPA term (Years from COD)	Type of Energy Thermal, Solar, Wind etc.,	Contracted Demand (MW)	Rate per Units (Rs/Kwh)	COD	Remarks
1	APPDCL / SDSTPS/ Stage-II, UNIT-III (Under Construction)	Original PPA is with 4 nos Discoms of combined AP and the same is to be revised with 2 Nos APDISCOMs, as was done in case of SDSTPS-Stage-1	04.01.2011	25 years from COD	Thermal	800	APERC	Expected by 30.09.2019	
2	Polavaram HES	4 Discoms of combined AP*	30.12.2010	35	Hydel	960 (12x80 MW)	APERC	TBC	* Earlier PPAs were entered with 4 Discoms of Combined AP and after state bifurcation APERC returned the PPAs vide order dated: 11.08.2014. The details furnished are the PPAs entered with 4 Discoms. Now Draft PPAs with 2 Discoms of AP are prepared and submitted to APPCC and are pending with APPCC. After consent from APPCC the PPAs will be entered with the 2 Discoms of AP. Expected annual energy from Dr. NTTPS Unit-VIII (@ 80% PLF) from date of COD will be 5606.4 MU and from Polavaram HES will be as per the Design energy of the project.
3	Dr. NTTPS Unit-VIII		22.01.2013	25	Thermal	800	APERC	TBC	

Name of the Generator	Name of Discom	PPA date	PPA term (Years from COD)	Type of Energy thermal Solar Wind etc.,	Contracted Demand (MW)	Rate per Units (Rs/Kwh)	COD
Solar power plants							
M/s. Eaamaa Estates Pvt Ltd	Sale to APEPDCL	04-12-2014 amended on 06-04-15	25 years	Solar	3	5.94	30.03.2016
M/s.VBC Renewable Energy Pvt Ltd	Sale to APEPDCL	04-12-2014 amended on 06-04-15	25 years	Solar	3	5.99	20.07.2016
Canal top SPV Power Projects on pilot basis at Losari main canal near Bhimavaram	Sale to APEPDCL	10-01-2016	25 years	Solar	1	6.80	10.08.2016
Canal Bund SPV Power Plant by APGenco on polavaram Right main canal	Sale to APEPDCL	24-08-2016	25 years	Solar	5	5.99	19.11.2016

Eastern Power
Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ
(An ISO 9001-2008 & ISO 27001:2005 Certified Company)

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	:	U40109AP2000SGC034117
Name of the company	:	EASTERN POWER DISTRIBUTION COMPANY OF AP LIMITED
Registered office	:	CORPORATE OFFICE, P&T COLONY, SEETHAMMADHARA VISAKHAPATNAM - 530013

Name of the member (s)	:
Registered address	:
E -mail Id	:
Folio No/ Client Id	:
DP ID	:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint
Name: .....
Address:
E-mail Id:
Signature: ....., or failing him
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General meeting of the Company to be held on Friday, 27th December, 2019 at 1.00 PM at the Registered Office of the Company at P&T Colony, Seethammadhara, Visakhapatnam – 530 013 and at any adjournment thereof In respect of such resolutions as are indicated below:

Sl.No.	Resolutions
Ordinary Business:	
1.	To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31.03.2019 of the company together with the Board's Report, the Statutory Auditors' Report and the Comments of the Comptroller and Auditor General of India thereon
2.	To take note of appointment of Statutory Auditors by the Comptroller and Auditor General of India for the Financial Year 2019-20 as per the provisions of Section 139 of the Companies Act, 2013 and to fix the remuneration of Statutory Auditors for the Financial year 2019-20 as per the provisions of Section 142 of the Companies Act, 2013.
Special Business:	
3.	Enhancement of Borrowing Powers of the Company from Rs.6000 Crores to Rs.7500 Crores as per section 180(1) (c) of the Companies Act, 2013
4.	Creation of Charge on the assets of the Company as per section 180(1) (a) of the Companies Act, 2013
5.	To ratify the action in having fixed remuneration of the Cost Auditors by the Board of Directors for the Financial Year 2019-20

Signed this……. day of December, 2019

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Please Affix Revenue Stamp

Eastern Power
Distribution Company of A.P. Limited
ఆంధ్ర ప్రదేశ్ తూర్పు ప్రాంత విద్యుత్ పంపిణీ సంస్థ
(An ISO 9001-2008 & ISO 27001:2005 Certified Company)

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	:	U40109AP2000SGC034117
Name of the company	:	EASTERN POWER DISTRIBUTION COMPANY OF AP LIMITED
Registered office	:	CORPORATE OFFICE, P&T COLONY, SEETHAMMADHARA VISAKHAPATNAM - 530013

Name of the member (s)	:	
Registered address	:	
E -mail Id	:	
Folio No/ Client Id	:	
DP ID	:	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint
Name: .....
Address:
E-mail Id:
Signature: ....., or failing him
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at Adjouned the 19th Annual General meeting of the Company to be held on Tuesday, 31st December, 2019 at 4.30 PM at the Registered Office of the Company at P&T Colony, Seethammadhara, Visakhapatnam – 530 013 and at any adjournment thereof In respect of such resolutions as are indicated below:

Sl.No.	Resolutions
Ordinary Business:	
1.	To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31.03.2019 of the company together with the Board's Report, the Statutory Auditors' Report and the Comments of the Comptroller and Auditor General of India thereon
2.	To take note of appointment of Statutory Auditors by the Comptroller and Auditor General of India for the Financial Year 2019-20 as per the provisions of Section 139 of the Companies Act, 2013 and to fix the remuneration of Statutory Auditors for the Financial year 2019-20 as per the provisions of Section 142 of the Companies Act, 2013.
Special Business:	
3.	Enhancement of Borrowing Powers of the Company from Rs.6000 Crores to Rs.7500 Crores as per section 180(1) (c) of the Companies Act, 2013
4.	Creation of Charge on the assets of the Company as per section 180(1) (a) of the Companies Act, 2013
5.	To ratify the action in having fixed remuneration of the Cost Auditors by the Board of Directors for the Financial Year 2019-20

Signed this……. day of December, 2019

Signature of shareholder

Signature of Proxy holder(s)

Please Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



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