



Sri Y.S. Jagan Mohan Reddy

Hon'ble Chief Minister of Andhra Pradesh.



Sri Balineni Srinivas Reddy

Hon'ble Minister of Energy,
Forest & Environment,
Science & Technology, Andhra Pradesh.

EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED

Regd Office:

P&T Colony, Seethammadhara, Visakhapatnam -530013

Phone : 0891 - 2582503, Fax: 0891 - 2737675

website : www.aesternpower.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. D. Chandram, IRAS

Director (Finance & HRD)

DIN 08963107

Sri. Shamsheer Singh Rawat, IAS

Director

DIN 06927486

Sri. B.A.V.P.Kumara Reddy

Director

DIN 08521458

BANKERS

STATE BANK OF INDIA

ANDHRA BANK

AUDITORS

M/s B.V.Rao & Co.LLP.

Chartered Accountants

FF1, 49-28-12

Satya lakshmi vinayaka Towers

Visakhapatnam- 530016.

COMPANY SECRETARY

K.S.V.S.Sastry, F.C.S



Eastern Power
Distribution Company of A.P. Ltd
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 - 530013

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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 an Extra Ordinary General Meeting of the Eastern Power Distribution Company of Andhra Pradesh Limited will be held at shorter notice on Friday, the 05th day of March, 2021 at 04.00 P.M. at the Registered Office of the Company at P&T Colony, Seethammadhara, Visakhapatnam – 530 013.

Special Business:

To take note of the Comments of the Comptroller and Auditor General of India on the Financial Statements of the Company for the Year ended 31st March, 2020.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution with or without modifications:

“RESOLVED THAT the Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of the Company for the Year ended 31st March, 2020 along with the replies of the management on the same were noted, approved and adopted.”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary in this regard.

By Order of the Board

Sd/-xxxx

K.S.V.S. Sastry

Company Secretary

Place: Visakhapatnam

Date: 03.03.2021

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 Financial Statements of the Company for the Year ended 31st March, 2020 is enclosed.
 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.
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At the Annual General Meeting held on 30th December, 2020, the members of the Company approved and adopted the Audited Financial Statements of the Company for the Financial Year 2019-20 together with Statutory Auditor's Report and replies of the Management thereto.

The Company received the Comments of the Comptroller and Auditor General of India on 02nd March, 2021 and convened an Extra Ordinary General Meeting on 05th March, 2021 wherein members of the Company took note of the comments of the Comptroller and Auditor General of India along with the replies of the management.



EXPLANATORY STATEMENT

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

Special Business:

The members of the Company has adopted the Audited Financial Statements of the Company for the F.Y.2019-20 along with the Statutory Auditor's Report and replies of the Management in their 20th Annual General Meeting held on 30.12.2020. Further, the members of the Company directed to convene an Extra Ordinary General Meeting after receipt of final comments from the Comptroller and Audit General of India

The Comments of the Comptroller and Auditor General of India (CAG) on the Financial Statements of the Company for the Year ended 31st March, 2020 is enclosed.

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.

Place: Visakhapatnam

Date: 03.03.2021

By Order of the Board

Sd/-xxxx

K.S.V.S.Sastry

Company Secretary



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 Twentieth Annual General Meeting of the Eastern Power Distribution Company of Andhra Pradesh Limited will be held on Wednesday, 30th December, 2020 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, 2020 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 2020-21 as per the provisions of Section 139 of the Companies Act, 2013 and to fix the remuneration of Statutory Auditors for the Financial year 2020-21 as per the provisions of Section 142 of the Companies Act, 2013.

Special Business:

3. To ratify the action in having fixed remuneration of the Cost Auditors by the Board of Directors for the F.Y. 2020-21 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 121st Board Meeting held on 19.09.2020 to conduct Cost Audit of the Company for the F.Y.2020-2021 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/-xxxx

K.S.V.S. Sastry

Company Secretary

Place: Visakhapatnam

Date: 08.12.2020

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 2019-2020 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 No. 3

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 121st Board Meeting held on 19.09.2020 to conduct Cost Audit of the Company for the F.Y. 2020-2021 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, 2021.

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.

Place: Visakhapatnam
Date: 08.12.2020

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



Board's Report



EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED

Regd. Office: P&T. Colony, Seethammadhara, Visakhapatnam-500013

BOARD'S REPORT

Dear Shareholders,

Your directors take immense pleasure in presenting the Twentieth Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March 2020. During the Twentieth 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 financial performance of the Company for the F.Y 2019-20 compared to APERC Approved figures for the F.Y 2019-20 and previous Financial Year 2018-19 is as follows:

(Rs. in Crores)

	Particulars	APERC Approved for	Actual for 2019-20	Actual for 2018-19
I	Revenue			
	Sale of Power	11263.35	10908.10	10199.28
	Interstate sales and Inter Discom Sales	-	3.74	184.76
	Other Income	531.77	595.93	612.37
	Subsidy	1286.59	1340.92	1115.24
	Total Revenue	13081.71	12848.69	12111.65
II	Expenditure			
	Power Purchase	10702.45	10062.23	13580.16
	Employee Cost	1275.00	1590.11	1430.36
	Administration & General Charges	123.00	85.09	94.78
	Repairs & Maintenance	144.00	160.43	162.54
	Interest & Finance Charges			
	Interest to Consumers on Security Deposit	121.72	95.39	98.49
	Interest on Working Capital and Other Loans	226.00	501.90	344.70
	Depreciation	269.00	447.68	401.75
	Other Expenses	260.44	137.30	332.02
	Special Appropriation - Supply margin, Taxes on Income & Others.	29.10	0.00	0.00
	Less:1. Expenses Capitalized	69.00	79.09	80.17
	Total Expenditure	13081.71	13001.04	16364.63
	Profit/(Loss) before Tax but After Prior period items & Spl. Appropriation	0.00	(152.35)	(4252.98)
	Provision for Income Tax & FBT	-	-	-
	Deferred Tax	-	-	-
III	Profit after Tax/ (Loss)	0.00	(152.35)	(4252.98)
	Other Comprehensive Income Remeasurement of defined benefit liability(net of tax)	0.00	155.62	(391.16)
	Total Comprehensive Income for the year	0.00	3.27	(4644.14)



As per the revised methodology communicated by CEA the AT&C Losses calculation for the F.Y.2019-20 as follows:

Sl	Description	UoM	2019-20
A	Net Input Energy (MkWh)	M Kwh	22255.173
B	Energy Sold (MkWh)	M Kwh	20776.665
C	Revenue from Sale of Energy (Rs Cr)	Rs. in Crores	12095.66
D	Adjusted Revenue from Sale of Energy on Subsidy Received basis (RsCrores)	Rs. in Crores	12514.13
E	Opening Debtors for Sale of Energy	Rs. in Crores	2251.39
F	Closing Debtors for Sale of Energy	Rs. in Crores	2460.68
		Rs. in Crores	0.00
G	Adjusted Closing Debtors for Sale of Energy	Rs. in Crores	2460.68
H	Collection Efficiency (%)		100 %
I	Units Realized (MkWh) =(Energy Sold * Collection efficiency)	M Kwh	20776.665
J	Units Unrealized (MkWh) = Net input Energy -Units Realized)	M Kwh	1478.508
K	AT &C Losses (%) = ((Units Unrealized /Net Input Energy) *100)	%	6.64

Variation in Expenditure in 2019-20 when compared to APERC Approvals:

The actual expenditure during the year 2019-20 is Rs. 12845.42 Crores as against the APERC approved expenditure of Rs. 13081.71 Crores. The details of current year's expenditure in certain key areas compared to the APERC Targets are as follows:

Particulars	APERC Approved Expenditure 2019-20	Actual Expenditure 2019-20	Remarks
Power purchase cost (Incl. Transmission, PGCIL & SLDC)	10702.45	10062.23	1) Reduction of Power purchase cost during F.Y 2019-20 is due to adjustment of APPDCL Differential FC and VC Claims from 2015-16 to 2018-19 for Rs.806.28 Crore. (already considered in True-Up admission for FY 2018-19 by APERC) 2) Reduction in Power Purchase cost due to accounting additional interest on pension bonds for Rs.304.42 Crore as employee cost instead of Power purchase cost from F.Y 2019-20.
Employee Cost	1275.00	1590.11	Increase in employee benefit expenses due to accounting the additional interest on pension bonds for Rs. 304.42 Crore as employee cost instead of Power purchase cost from F.Y 2019-20.
Finance costs	226.00	501.90	Actual Finance cost Includes Rs.430.25 Cr towards interest on Working Capital Loans taken for power purchase payments which was not allowed by Hon'ble APERC in ARR of 2019-20. Hence variation appears to be on high side.
Depreciation	269.00	447.68	Hon'ble APERC has approved depreciation in Distribution ARR of 4 th control period i.e 2019-20 to 2023-24 as per CERC Rates, whereas EPDCL is charging depreciation for F.Y 2019-20 as per MoP Rates consistently since its inception.
Repairs & Maintenance	144.00	160.43	1) 36 Nos New substations charged during the F.Y 2019-20. 2) Salaries of Out sourced employees have increased by 50% w.e.f 01.04.2018.
Other Expenses	260.44	137.30	Amount incurred towards Energy efficient schemes like DELP, EEPs, Solar Roof top, EV Charging stations, Solar Off grid pump sets etc for Rs.102.08 Crs against the approved amount of Rs.214.01 Crore during F.Y 2019-20.

SURPLUS/(LOSS) IN REVENUE ACCOUNT:

During the year 2019-20 company has earned Profit of Rs.3.27 Crores (including other comprehensive income).

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 financial year 2019-20.

SHARE CAPITAL:

The Authorized Share Capital of the Company as on 31/03/2020 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 entire Share Capital is held by the Government of Andhra Pradesh.

PERFORMANCE AND OPERATIONAL HIGHLIGHTS:

During the year, the Sale of Energy was 20776.66 Million Units, an increase of 5.58 % as compared to 19678.14 Million Units for the previous year. The aggregate technical and distribution losses were stood at 6.64% as against 6.68% of previous year.

During the Financial year 2019-20, the DPE wing inspected 71,808 services and assessed an amount of Rs. 3920.45 Lakhs in respect of 16,901 cases booked, relating to Direct Tapping, Pilferage, Malpractice, Back Billing etc and realised an amount of Rs.3390.59 Lakhs.

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: 10Nos. New 33/11KV Substations with estimated cost of Rs.12.5Crs are erected and charged during the F.Y. 2019-20 under 9Hrs Agricultural works with loan assistance from M/s. REC Limited.

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

DDUGJY works are completed by 31.03.2019. Under DDUGJY Scheme 85Nos. 33/11 KV substations, 3262.07Km of 33KV/11KV/LT lines were erected along with strengthening of distribution network in 30Nos SAGY villages. All identified 2,10,623 UE Households were electrified under Rural Electrification component and thus achieved 100% electrification. The expenditure incurred is Rs.312.44Crs. under the scheme and an amount of Rs.149.42Crs is received as Gol grant component.

I) INTEGRATED POWER DEVELOPMENT SCHEME (IPDS):

a) System Strengthening:

IPDS works are completed by 28.02.2019. Under IPDS, 40Nos 33/11 KV substations, 72Nos Additional & Augmentation of PTRs, 3261Nos Additional & Augmentation of DTRs, 908Km of New 33KV/11KV/LT Lines were erected, under metering plan 3,58,958Nos meters were provided and 1236KWp Solar roof top plants were commissioned for all 5 District Collectorates and APEPDCL Offices of Subdivision, Division & Circles.

b) New 33/11KV GIS Sub-stations:

The works have been taken up for implementation of 6Nos (2Nos in each Visakhapatnam, Rajamahendravaram and Eluru Circles) new 33/11 KV GIS Sub-Stations and Up-gradation of existing 10Nos 33/11KV Indoor Substation to GIS Substation in Visakhapatnam Circle. All the works were awarded on 19.12.2019 and the works are under progress.

II) SCADA PART-A SCHEME UNDER R-APDRP:

- The scheme was sanctioned by M/s. PFC Ltd., 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.

IV) EXTENSION OF 9HRS. 3PHASE POWER SUPPLY TO AGRICULTURE SERVICES DURING DAY TIME:

- The Government of Andhra Pradesh introduced the Flagship programme of “Navaratnalalu”. Under this programme, Extension of 9Hrs. 3Phase power supply to agriculture services during day time. APEPDCL is extending 9Hrs 3Phase power supply during day time through 1,008 Nos. feeders to agricultural services in 5 Districts since June 2019 without any need for additional infrastructure out of 1,379 Nos. feeders and the balance 371 feeders are feeding the 9Hrs supply in two spells in a day.
- Further APEPDCL extended 9Hrs 3Phase power supply in day time for the additional 98 feeders as on 03.11.2019 by making load balancing on 11KV feeders, Reactive Power Management at 33/11KV Substations and PTR load management.
- And remaining 273feeders (78 feeders in East Godavari + 195 feeders in West Godavari Districts) additional infrastructure is required for extending 9Hrs supply during day time.
- APEPDCL has prepared 2Nos DPRs for an amount of Rs.35.86Crs for East Godavari District & Rs.94.24Crs for West Godavari District and total Rs.130.10 Crs for providing additional infrastructure for extending 3-Ph 9Hrs power supply during day time to the Agricultural services on balance 273 feeders.
- Rupee Term Loan (RTL) Assistance of Rs.117.10Crs was availed from M/s. REC Limited
- The works were awarded on 03.12.2019.
- As on date 1,374 Nos. 11KV feeders out of 1,405 Nos. are extending 9Hrs 3Phase power supply in day time to agricultural services and achieved 98% progress is as follows.

Particulars	Physical					
	33/11 KV SS (Nos.)	Power Transformers (Nos.)	VCBs (Nos.)	33KV Bays at EHT SS (Nos.)	33 KV lines (Km)	11 KV lines (Km)
Target	17	167	369	19	208.28	75.10
Completed	17	167	357	18	206.17	75.10

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.

- 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.
- 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 REDRESSAL FORUM

- Forum has conducted 63 Consumer Awareness Programmes / Public Hearings at various places in 05 districts of APEPDCL and disposed 405 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:

1) Revamping of APEPDCL website:

The new website is developed internally by the IT-Team of APEPDCL with new features using the latest technologies. The new website is hosted at APEPDCL Data Centre in Visakhapatnam.

Benefits:

- 1) The new website is re-designed and is more informative for the consumers
- 2) The customers can avail all the services available in Meeseva like Online payment of bills, online application for new services and customer services etc.
- 3) Automate Chatbot facility is also made available in the new website.
- 4) 'View Bill' feature has been added in the website which enables the customers to view the bill and collection details for the last 5 years with an option to download e-bill and Payment receipt.
- 5) 'Energy Calculator' feature has been enhanced with the following options:
 - a) View detailed calculation of energy charges of the latest bill
 - b) Assess monthly bill (energy charges) based on present reading, No. of units and usage of appliances.

2) Providing APEPDCL Services through GramaSachivalayam and Ward Sachivalayam:

As per the instructions of the Government of Andhra Pradesh, APEPDCL is providing all its services to its customers through the GSWS portal <https://gramawardsachivalayam.ap.gov.in/GSWS/Home>.

The following services are being rendered from the portal:

New services, Load Changes, Category Changes, Name Changes, Billing-related complaints, Meter-related complaints and Other services viz Pole shifting, Line shifting, DTR Shifting, 24 hours supply etc

Benefits:

- i. Citizens can experience better service standards as all these services are available at the Grama and ward sachivalayams
- ii. The services are rendered within the service levels specified by the Hon'ble Andhra Pradesh Electricity Regulatory Commission (APERC).

3) Development of Portal for Recruitment of Energy Assistants (Junior Lineman Grade-II):

APEPDCL has developed a portal in-house for handling different processes during recruitment Energy Assistants (Junior Lineman Grade-II). The various features developed

- i. Submission and editing of application and payment of application fees
- ii. Details of eligible candidates for appearing for mandatory tests
- iii. Details of qualified candidates for selection

4) GIS Survey:

APEPDCL has taken up GIS survey of all its Civil assets and Electrical assets in the entire company using the mobile app developed internally by the IT team. This task involved the survey of 33/11kV Sub-stations, 33kV feeders, 11kV feeders, Distribution Transformers and LT feeders.

Benefits:

- i. GIS can be used to improve coordination and operational efficiency in field workforce activities.
- ii. Reduce or even replace reliance on paper by ensuring that both field and office workers use the same data to reduce errors, boost productivity, and save money.
- iii. In case of emergencies such as Cyclones, DISCOM can use the GIS data for planning the procurement and deployment of items such as poles, conductor etc., which can be useful in decreasing the power interruptions.

5) Integrated Power Development Scheme (IT Enablement):

A scheme was sanctioned for an amount of Rs. 10.71 Crores for Upgradation of SAP ERP from ECC 6.0 to Suite On HANA under IPDS (IT Enablement). The implementation is completed in January-2020.

A scheme was sanctioned for an amount of Rs. 11.72 Crores for MBC hardware. Under this, implementation database is upgraded from Oracle 11G to 19C and all the applications are deployed with the domain names duly applying the SSL certificates for all the applications.

6) Integrated Power Development Scheme (Phase-2):

A scheme was sanctioned by Govt. Of India for an amount of Rs. 3.82 Crores for the additional 8 Nos. towns under IPDS Phase-2. As part of this, Upgradation of Centralised Call Centre (CCC) with latest IVRS technology and Implementation of GIS & MDAS for the 8 towns are taken up.

Features of Upgraded Centralised Call Centre:

- 1) Complaint Registration Channels: Consumers across all the five Districts can register their complaints (96 types of complaints) through
 - a. IVRS, Online through www.apearternpower.com and "Eastern Power" mobile app
 - b. WhatsApp Number 8500001912
 - c. Through Social media channels like Facebook, Twitter
 - d. Two-Way SMS (Call back request) and HT Consumers Mobile App.
- 2) CCC Mobile app is developed for the Linestaff to close the complaints from their respective mobiles
- 3) Managers/CSC will bring to the notice of field officers from AE up to SE/O to resolve all the complaints within the SLAs
- 4) CCC is obtaining feedback from the new consumers, and the Managers / CSC will bring any reported abnormalities to the notice of the concerned EEs/O.

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 2019-20, the Solar Agricultural Pumpsets installed are 3 HP -26 Nos and 5 HP – 2451 Nos. totalling to 2477 Nos.
- During the FY 2019-20, 576 Nos rooftop services were synchronised to grid with a capacity of 15997 KW.
- During the FY 2019-20, 1 MW capacity floating Type Solar Power Plant of GVSCCL was synchronised and the total capacity installed i.e. 90.25 MW.

ENERGY AUDIT

- APEPDCL distribution losses reduced from 6.68% in FY 2018-19 to 6.64 % in FY 2019-20.
- AT & C Losses reduced to 6.64 % in F.Y. 2019-20.

(A) 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.

(B) 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 (UjwalDiscom 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 Newspapers, Vigilance reports etc.
- Intensive inspections over a specified area were being conducted by pooling up DPE Units of various DPE 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)

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 2019-20 is NIL as the company is not having any average net profits for the last three financial years i.e. 2016-17, 2017-18 and 2018-19. 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.ChakradharaBabu, IAS (DIN:08504821)	Director	11.09.2019	19.09.2020
Sri B.A.V.P.Kumara Reddy (DIN:08521458)	Director	22.07.2019	---
Sri K.Rajabapaiah (DIN:08384715)	Director (Projects)	24.02.2019	---
Sri B.Ramesh Prasad (DIN : 08686701)	Director (Operations)	31.01.2020	---
Sri D.Chandram, IRAS (DIN : 08963107)	Director (Finance &HRD)	16.11.2020	---

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company.

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

Sri D.Chandram, IRAS, Director (Finance & HRD)

Sri K.Rajabapaiah, Director (Projects)

Sri B.Ramesh Prasad, Director (Operations)

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

MEETINGS:

BOARD MEETINGS:

During the Financial Year 2019-20, 5 (Five) Board meetings were held on 16.04.2019, 03.08.2019, 24.10.2019, 31.12.2019 and 25.01.2020.

AUDIT COMMITTEE:

The Audit Committee of the Company consists of the following Directors as on date:

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

During the Financial Year 2019-20, 3 (Three) Audit Committee Meetings were held on 03.08.2019, 24.10.2019 and 31.12.2019.

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 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 RESPONSIBILITY STATEMENT

To the best of knowledge, belief and according to the information received, the Board of Directors confirm as under for the Financial Year 2019-20 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 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, 2019 to 31st March, 2020 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. B.V.RAO & CO LLP (SR0569), Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2019-2020.

The C&AG have re-appointed i.e. M/s. B.V.RAO & CO LLP, Chartered Accountants as Statutory Auditors of the Company for the financial year 2020-2021.

iii) COST AUDIT:

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 2019-20 and has received the cost audit report which will be submitted to the Central Government. Replies of the management to comments of the Cost Auditor is annexed hereto and forms part of this Report.

The Board also re-appointed M/s. Narasimha Murthy & Co., as Cost Auditor for the Financial Year 2020-21. 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.2019-20 and he has submitted his report along with his adverse remark on the non compliance of Section 203 (4) of the Companies Act, 2013 i.e. Mr. Chandrasekhar VenkataSubrahmanya Tallur (DIN 05252424), the then Director (Finance) and Chief Financial Officer (CFO) of the Company was ceased to be a Director and consequently as CFO of the Company with effect from 25.06.2019. No other person was appointed as Chief Financial Officer (CFO) of the Company during the period under review.

With regard to non compliance of Section 203 (4) of the Companies Act, 2013, it is to bring to the notice of the members of the Company that the Government of Andhra Pradesh has issued G.O. Rt. No.29, dated 20.03.2020 in connection with the appointment of Director (Finance) of the Company and he has assumed charge on 16.11.2020 and further he was designated as Chief Financial Officer of the Company by the Board in its meeting held on 08.12.2020 to meet the requirements of Companies Act, 2013.

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

Replies of the management to comments of the Statutory Auditors are annexed hereto and forms part of this Report. The Comments of the Comptroller and Auditor General of India (CAG) on the Audited Financial Statements for the Financial Year 2019-20 and replies of the management are placed before the members at the time of the meeting.

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 2019-20, 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 2019-20.
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 and APCPDCL. We welcome Sri B. Ramesh Prasad and Sri D.Chandram, IRAS 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 K.V.N.ChakradharaBabu, IAS during his tenure as Director on the Board. We take this opportunity to thank the Secretary to Energy Department, Government of Andhra Pradesh, the Secretary, APERC and other officials of the Government of Andhra Pradesh, 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.

Date: 30.12.2020
Place: Visakhapatnam

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

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)

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 2019-20 is NIL as the Company recorded losses/profit to the extent of (-) Rs. 394.16, (+) 2.89 Crores and (-) 4252.98 Crores during the Financial Years 2016-17, 2017-18 and 2018-19 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	Budget ed outlay (Rs. lakhs)	Actual expenditure (Rs. lakhs)	Cumulative expenditure up to 31-Mar-20 (Rs. lakhs)	Direct/Implementing agency
The Company has not undertaken any CSR activities during the Financial Year 2019-20 as the Company does not have average net profits during the preceding Three Financial Years i.e. 2016-17, 2017-18 and 2018-19.							

- 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/-xxxx

Nagalakshmi.S, IAS

Chairman & Managing Director

(DIN: 07741194)

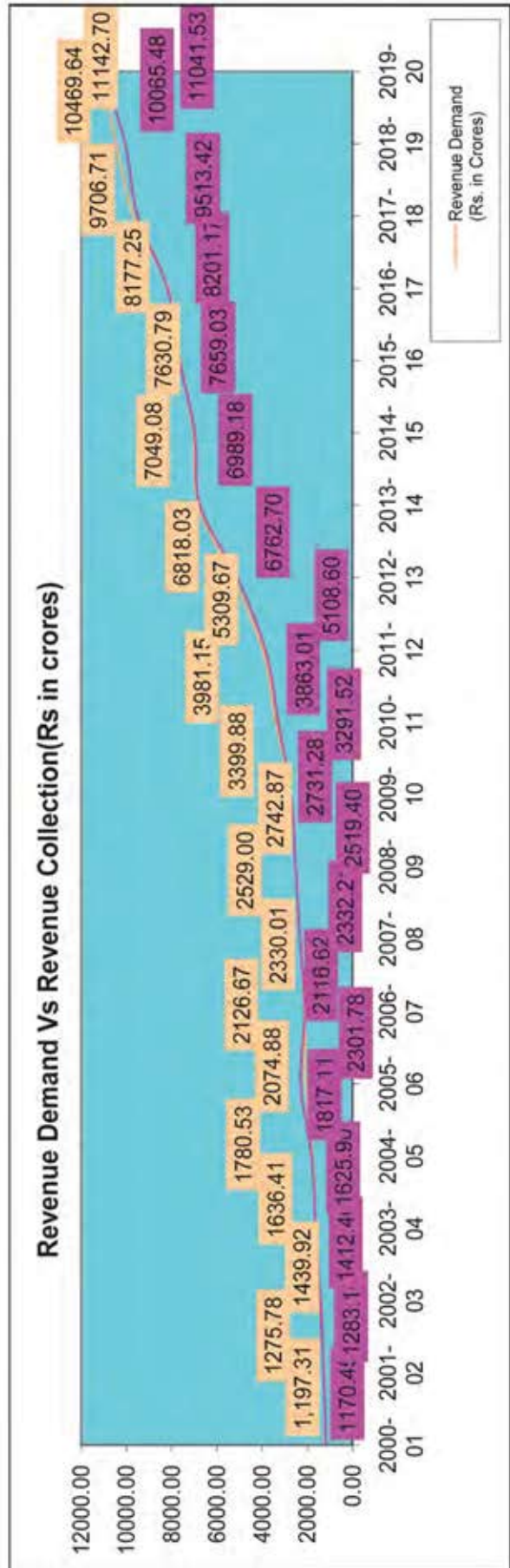
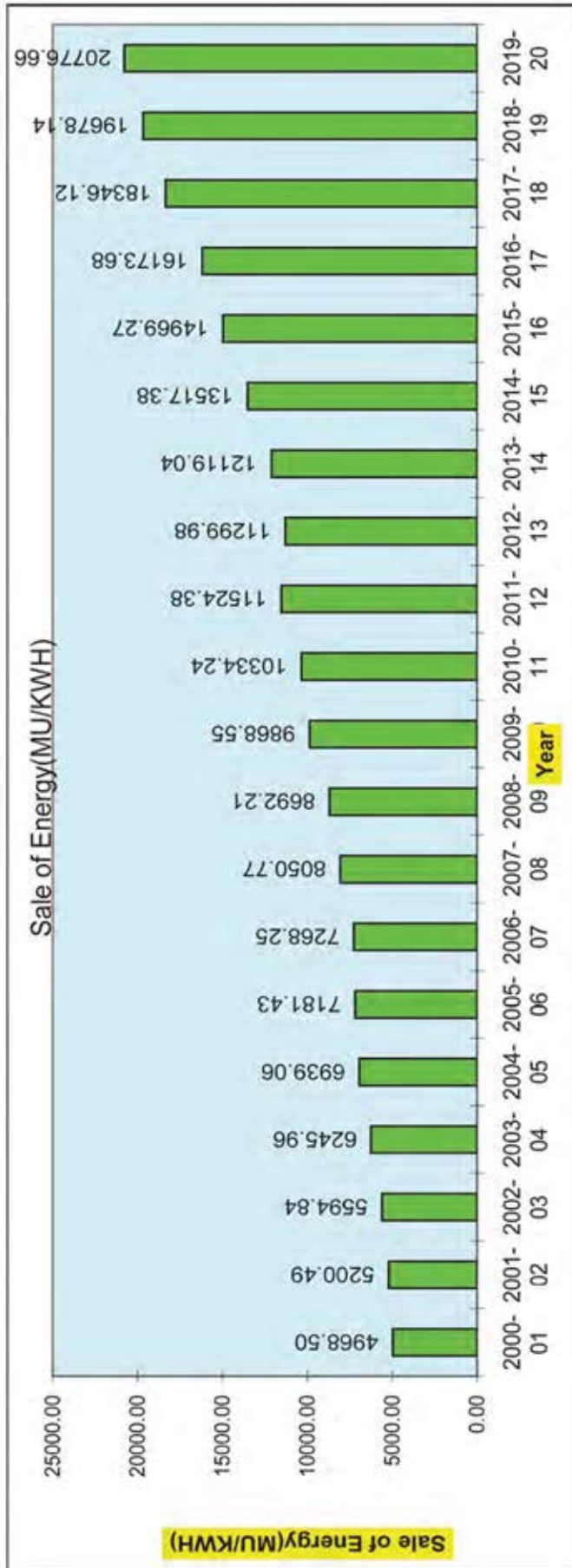
STAYING AHEAD CONSISTENTLY



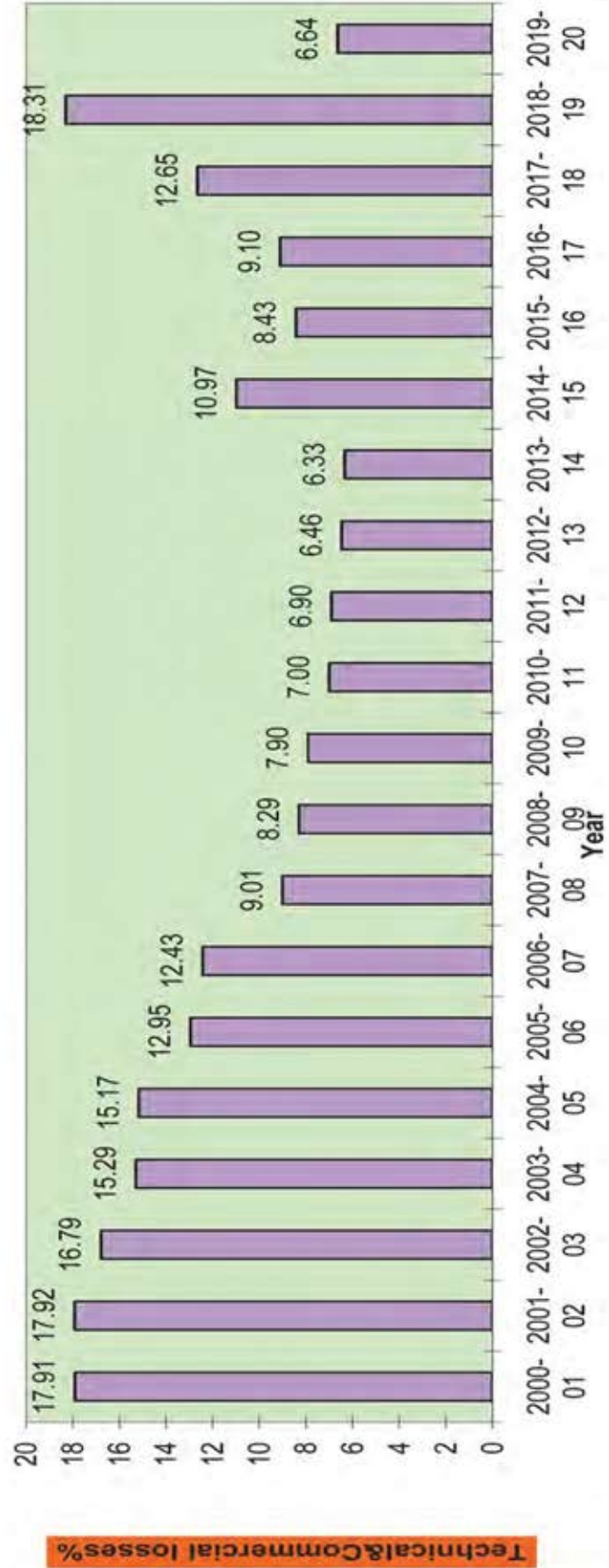


	YEAR	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PER FOR MAN CE HIG HLI GHT S	Sale of Energy (MU)	4968.50	5200.49	5594.84	6245.96	6939.06	7181.43	7768.25	8050.77	8692.21	9468.55	10334.24	11524.30	11299.08	12119.04	13517.38	14969.27	16173.68	18346.12	19678.14	20776.66
	Revenue Demand (Rs. in Crores)	1197.31	1275.70	1439.92	1636.41	1780.53	2074.08	2126.67	2330.01	2529.00	2742.87	3199.88	3981.15	5309.67	6818.03	7049.08	7638.79	8177.25	9706.71	10469.64	11142.70
	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	7658.03	8201.17	9513.42	10065.48	11041.53
OPE RAT ION AL HIG HLI GHT S	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	6.40	6.33	10.97	0.43	9.10	12.65	18.31	6.64
FIN ANC IAL HIG HLI GHT S	Total Revenue (Rs. in Crores)	1198.11	1540.67	1663.98	1821.52	2013.25	2138.02	2322.68	2731.32	3534.14	3981.83	4470.83	5508.29	5091.41	6358.67	7960.71	8796.41	8779.24	10632.89	12111.65	13848.69
	Total Expenditure (including GDC) (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	6486.52	8682.95	9268.27	9170.55	10622.44	16755.79	12845.42
	Profit after Tax (including GDC) (Rs. in Crores)	0.00	(14.94)	5.19	2.54	12.09	18.89	13.78	35.12	13.59	18.33	12.82	25.24	(1688.55)	(135.85)	(722.24)	(471.86)	(441.31)	10.15	(4644.14)	3.27

Note: AT&C Losses from the F.Y 2014-15 are arrived as per the Revised methodology circulated by CEA vide Lr no.CEA-GO-17(11)/2018/DP&R Div/408-530 Dt.08.08.2018.



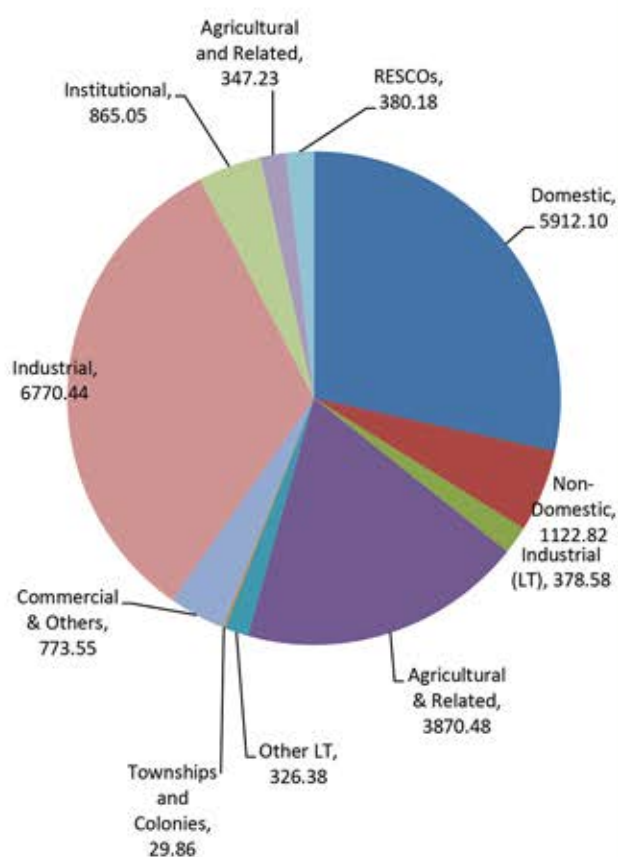
Technical & Commercial losses %



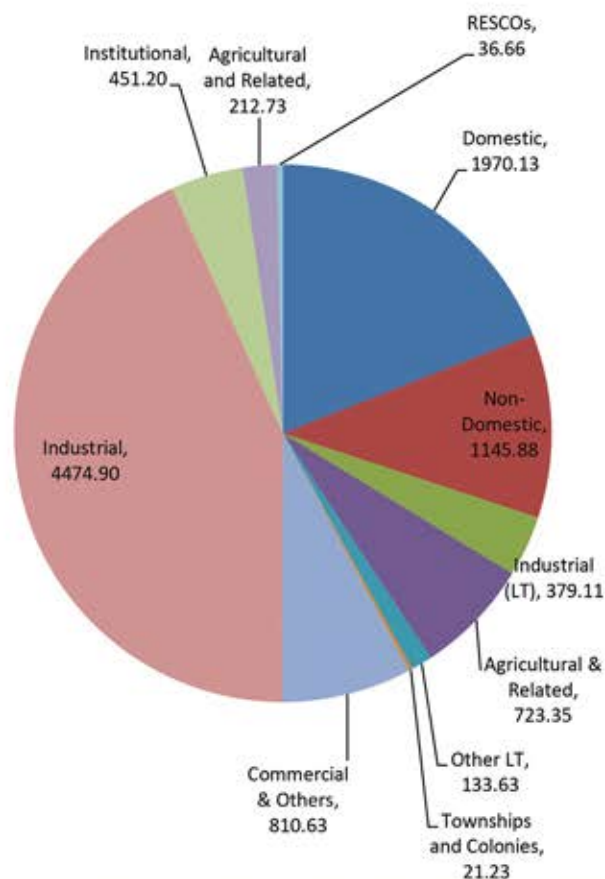
SALES AND REVENUE - CATEGORY WISE 2019-20

Particulars	SALES		REVENUE	
	MU	%	Rs. Crores	%
Domestic	5912.10	28.46	1970.13	19.02
Non-Domestic	1122.82	5.40	1145.88	11.06
Industrial (LT)	378.58	1.82	379.11	3.66
Agricultural & Related	3870.48	18.63	723.35	6.98
Other LT	326.38	1.57	133.63	1.29
Townships and Colonies	29.86	0.14	21.23	0.20
Commercial & Others	773.55	3.72	810.63	7.83
Industrial	6770.44	32.59	4474.90	43.20
Institutional	865.05	4.16	451.20	4.36
Agricultural and Related	347.23	1.67	212.73	2.05
RESCOs	380.18	1.83	36.66	0.35
TOTAL	20776.67	100.00	10359.45	100.00

Category wise sales (in M.U)



Category wise Revenue (Rs. In Crore)





FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020

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

SN	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 Share holders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Dem at	Physical	Total	% of Total Shares	Dem at	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	12,12,25,329	12,12,25,329	100.00%	0	12,12,25,329	12,12,25,329	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)	-	12,12,25,329	12,12,25,329	100.00%	-	12,12,25,329	12,12,25,329	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)	-	12,12,25,329	12,12,25,329	100.00%	-	12,12,25,329	12,12,25,329	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%
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%
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)	-	12,12,25,329	12,12,25,329	100.00%	-	12,12,25,329	12,12,25,329	100.00%	0.00%

(ii) Shareholding of Promoter

S N	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	12,12,25,320	99.99993%	0	12,12,25,320	99.999993%	0	0.00%
2	Individuals / Government Nominees	9	0.00007%	0	9	0.000007%	0	0.00%
3		12,12,25,329	100.00%	0	12,12,25,329	100.00%	0	0.00%

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

S N	Particulars	D a t e	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 01.04.2019 to 31.03.2020 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	01.04.2019	NIL				
	At the end of the year	31.03.2020					

(v) Shareholding of Directors and Key Managerial Personnel:

S N	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	Ms.Nagalakshmi.S, IAS	01.04.2019	At the beginning of the Year	-	0.00000000%	-	0.00000000%
		31.03.2020	At the end of the Year	-	0.00000000%	1	0.00000082%
2	Sri B.Seshu Kumar	01.04.2019	At the beginning of the Year	1	0.00000082%	1	0.00000082%
		31.03.2020	At the end of the Year	1	0.00000082%	1	0.00000082%
3	Sri T.V.S.ChandraSekhar	01.04.2019	At the beginning of the Year	1	0.00000082%	1	0.00000082%
		31.03.2020	At the end of the Year	1	0.00000082%	1	0.00000082%

4	Sri K.Rajabapaiah	01.04.2019	At the beginning of the Year	-	0.00000000%	-	0.00000000%
		31.03.2020	At the end of the Year	-	0.00000000%	1	0.00000082%
5	Sri B.Ramesh Prasad	01.04.2019	At the beginning of the Year	-	0.00000000%	-	0.00000000%
		31.03.2020	At the end of the Year	-	0.00000000%	-	0.00000000%
6	Sri I.Mohan Rao	01.04.2019	At the beginning of the Year	1	0.00000082%	1	0.00000082%
		31.03.2020	At the end of the Year	-	0.00000000%	-	0.00000000%
7	Sri B.A.V.P.Kumara Reddy	01.04.2019	At the beginning of the Year	-	0.00000000%	-	0.00000000%
		31.03.2020	At the end of the Year	-	0.00000000%	1	0.00000082%
8	Sri K.V.N.Chakradhara Babu, IAS	01.04.2019	At the beginning of the Year	-	0.00000000%	-	0.00000000%
		31.03.2020	At the end of the Year	-	0.00000000%	1	0.00000082%
9	Sri Shamsher Singh Rawat, IAS	01.04.2019	At the beginning of the Year	-	0.00000000%	-	0.00000000%
		31.03.2020	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.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	46,41,74,59,037	-	-	46,41,74,59,037.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	46,41,74,59,037	-	-	46,41,74,59,037.21

Change in Indebtedness during the financial year				
* Addition	52,59,03,94,495	-	-	52,59,03,94,495.00
* Reduction	35,26,29,93,030			35,26,29,93,030.00
Net Change	17,32,74,01,465	-	-	17,32,74,01,465.00
Indebtedness at the end of the financial year				
i) Principal Amount	63,74,48,60,502	-	-	63,74,48,60,502.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	63,74,48,60,502	-	-	63,74,48,60,502.21

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director

SN.	Particulars of Remuneration	Name of Managing Director		Total Amount
	Name	Ms.Nagalakshmi.S, IAS	Sri K.Rajabapaiah	(Rs)
	Designation	Chairman& Managing Director	Director (Projects)	
1	Gross salary	20,28,314.00	65,84,819.00	86,13,133.00
	(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)	20,28,314.00	65,84,819.00	86,13,133.00
	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.Ramesh Prasad	Sri B.Seshu Kumar	(Rs.)
	Designation	Director (Operations)	Director (Operations)	
1	Gross salary	5,77,878.00	12,12,323.00	17,90,201.00
	(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)	5,77,878.00	12,12,323.00	17,90,201.00
	Ceiling as per the Act	-	-	-

SN.	Particulars of Remuneration	Name of Whole Time Director		Total Amount
	Name	Sri T.V.S.ChandraSekhar		(Rs.)
	Designation	Director (Finance & HRD)		
1	Gross salary	15,46,624.00	-	15,46,624.00
	(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)	15,46,624.00	-	15,46,624.00
	Ceiling as per the Act	-	-	-

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors						Total Amount
								(Rs.)
1	Independent Directors	Sri M.Ravi Chandra, IAS	Sri I.Mohan Rao	Sri Shamsheer singhRawat, IAS	Sri B.A.V.P. Kumara Reddy	Sri K.V.V. Satyanarayana, IRAS	Sri K.V.N. Chakradhra Babu, IAS	-
	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	-	-	-	-	-	-	1,19,49,958.00
	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	14,25,467.00
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 Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity		-
	Commission	-	-
4	- as % of profit		-
	- others, specify	-	-
5	Others, please specify		-
	Total	-	14,25,467.00

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, 2020.				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.				
Punishment					
Compounding					



Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[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
CIN U40109AP2000SGC034117
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 (CIN U40109AP2000SGC034117) (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 31.03.2020, 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 31.03.2020 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. Mr. Chandrasekhar Venkata Subrahmanya Tallur (DIN 05252424), the existing Director (Finance) and Chief Financial officer (CFO) of the Company ceased to be a Director and consequently, as CFO of the Company with effect from 25.06.2019. No other person was appointed as Chief Financial officer (CFO) of the Company during the period under review. Accordingly, the Company has not complied with the provisions of Section 203(4) of the Companies Act, 2013.

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.

Place: Visakhapatnam
Date: 05.12.2020

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

UDIN A014440B001410274

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
CIN U40109AP2000SGC034117
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.

Place: Visakhapatnam
Date: 05.12.2020

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



**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
ANDHRA PRADESH**

No.AG (Audit0/AP/AMG-PSUs(Power)/AEPDCL/AA2019-20/202 Date 02.03.2021

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

Sir,

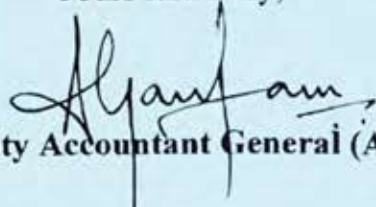
Sub: Comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the companies act, 2013 on the Financial Statements of Eastern Power Distribution Company of AP Limited for the year ended 31 March 2020.

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 2020 for necessary action. You are requested to communicate/furnish the following.

1. The date of placing Annual Report for the year 2019-20 together with the Financial Statements, comments of the C&AG and Independent Auditor's Report before the shareholders of the company along with a copy of the proceedings of AGM.
2. The date of forwarding the Annual Report and Financial Statements of the company for the year 2019-20 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.
3. Ten copies of the printed Annual Report for the year 2019-20 as well as a copy in PDF format. Receipt of this letter along with the enclosure may please be acknowledged.

Encl: As stated

Yours faithfully,


Deputy Accountant General (AMG)



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED, VISAKHAPATNAM FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of financial statements of Eastern Power Distribution company of Andhra Pradesh Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 an 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 18 December 2020.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Eastern Power Distribution Company of Andhra Pradesh Limited for the year ended 31 March 2020 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 personal and a selective examination of some of the accounting records.

Based on my supplementary audit, 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 better understanding of the financial statements and the related Audit Report.

Comment on Financial Position

BALANCE SHEET

Equity and Liabilities

Current Liabilities

Trade Payable (Note21): Rs. 5744.02 crore

The above does not include Rs.100.69 crore due to non-recognition of liabilities towards the compensation payable by the Company due to change in Law. The Central Electricity Regulatory Commission (CERC) passed orders (September 2019 and August 2020) for payment of claims of the two power developers as per Article 10 (Change in law) of Power Purchase Agreements. This information was disclosed in Note 30(x)(q) of the Financial Statements as Contingent Liability. Instead, liability should have been recognized in the absence of any appeal by the Company against CERC's orders. This resulted in understatement of Expenses and Trade Payables each by Rs.100.69 crore with consequent understatement of Loss for the year by Rs.100.69 crore.

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

(CHANDA M. PANDIT)
Accountant General (Audit)

Place: Hyderabad
Date:02.03.2021



EASTERN POWER DISTRIBUTION COMPANY OF A.P.LIMITED

Corporate Office::Visakhapatnam

Replies of the Company to the Comments of the AG Auditors.

Comments of the Comptroller and Auditor General of India	Reply of the Company
<p>Comment on Financial Position</p> <p>BALANCE SHEET</p> <p>Equity and Liabilities</p> <p>Current Liabilities</p> <p>Trade Payables (Note 21): Rs. 5744.02 crore</p> <p>The above does not include Rs. 100.36 crore due to non - recognition of liabilities towards the compensation payable by the Company due to change in Law. The Central Electricity Regulatory Commission (CERC) passed orders (September 2019 and August 2020) for payment of claims of the two power developers as per Article 10 (Change in law) of Power Purchase Agreements. This information was disclosed in Note 30(x) (q) of the Financial Statements as Contingent Liability. Instead, liability should have been recognized in the absence of any appeal by the Company against CERC's orders. This resulted in understatement of Expenses and Trade payables each by Rs. 100.63 crore with consequent understatement of Loss for the year by Rs. 100.63 crore.</p>	<p>The compensation claims for an amount of Rs 100.69 Crore arising out of change in law are made by the following two Generators.</p> <ol style="list-style-type: none"> 1. M/S SembCorp Energy India Ltd., for an amount of Rs86.29 Crore <p>M/S SembCorp Energy India Ltd., has filed petition number 217/MP/2016 in Hon'ble CERC seeking compensation on account of Change in Law under section 79 of the Electricity Act 2003 and Article 10(Change in Law) of the Power Purchase Agreement. The same has been taken up by the Hon'ble CERC and has passed order on 21.08.2020. The above said amount of Rs86.29 Crore claim pertaining to the period April 2015 to March 2020 is under scrutiny and verification .Hence the same was disclosed as contingent liability .The same will be considered in the books of accounts of APEPDCL during the FY 2020-21.</p> <ol style="list-style-type: none"> 2. M/S KSK Mahanadi Power Company Ltd., for an amount of Rs 14.40 Crore <p>M/S KSK Mahanadi Power Company Ltd., has filed petition number 169/MP/2016 in Hon'ble CERC seeking compensation on account of Change in Law under the provisions of the Electricity Act 2003 and also under the provisions of the Power Purchase Agreement. The Hon'ble CERC has taken up the petition and has passed order dated 16.09.2019. The claim period covers from FY 2013-14 to 2016-17. Thus includes pre bifurcation of State.</p> <p>The TS Discoms have filed an appeal before APTEL on the above CERC Order. The APDISCOMS have also taken decision in line with the TS Discoms to support the appeal by filing supporting counter.</p> <p>In view of the above decision of supporting the appeal by filing supporting counter in APTEL the above compensation claim of M/S KSK Mahanadi Power Company Ltd., is not considered in books of accounts of APEPDCL till such time the outcome of the appeal filed before APTEL is received. Hence the same was disclosed as contingent liability.</p>



INDEPENDENT AUDITOR'S REPORT

To

The Members of M/S Eastern Power Distribution Company of Andhra Pradesh Limited,
Visakhapatnam

Report on the Audit of Financial Statements

Adverse Opinion

We have audited the accompanying standalone Financial statements of Eastern Power Distribution Company of Andhra Pradesh Limited("the Company"), which comprises the Balance sheet as at 31st March 2020, and 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 matters discussed in the Basis for *Adverse Opinion* section of this Report, the aforesaid standalone Financial Statements do not give information required by the Companies Act 2013 ("the Act") in the manner so required and do not give a true and fair view in conformity with the accounting principles generally accepted in India, including "Ind AS" specified under Section133 of the Act read with Companies (Accounts)rules2014,of the state of affairs (financial position)of the Company as at March 31, 2020, of its loss (financial performance), changes in equity and the cash flows for the year then ended.

Basis of Adverse Opinion

1. Material Uncertainty relating to going Concern.

A material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern because of the negative net worth (Total Equity) of Rs.7,74,225.91lakhs as on 31.03.2020 and the adverse impact of the matters, mentioned in the succeeding paragraphs, on the Financial Statements and the Management is required to disclose their plans to deal with these events or conditions. The Financial Statements do not disclose these matters.

2. Provision for Pension and Gratuity Liability:

- a) The Company was formed in 2000 consequent to unbundling of Andhra Pradesh State Electricity Board ("the Board") in 1999 and is primarily responsible to pay pension to some former pensioners ("APSEB Pensioners") of the Board, who opted to receive pension from the Company and to this extent the Company is entitled for reimbursement from APGENCO as per the provisions of G.O.MS.No.9, Energy(Power-III), 29th January 1999, G.O.MS.No.35, Energy(Power-III), 31st March 2000,and Inter Trust Agreement among the Power Companies formed consequent to unbundling of the Board and their respective Pension & Gratuity Trusts dated 24th May 2002. Similarly the Company is primarily responsible to pay gratuity and pension to the employees and retired employees of the Company, who were on the rolls of the Board ("Board Employees") as on 31.01.1999, in respect of services rendered by them to the Board up to 31.01.1999 and to APTRANSCO during 01.02.1999 to 31.03.2000 in addition to the services rendered to the Company and the Company is entitled for reimbursement as per actuarial valuation in respect of the period up to 31.03.2000 from APGENCO and APTRANSCO on prorata basis.

- b) The claim of the Company (Vide note no.17 (iv)) in respect of Pension & Gratuity Liability ("P&G Liability") of the Board Employees, that the Company is entitled to reimbursement to the extent of 74% of P & G Liability, is on the basis of the letter bearing reference No.Lr.No.CMT/D.No.28/2003 – dt. 26.05.2003 and issued by the Convener of Andhra Pradesh State Electricity Employees Master Pension & Gratuity Trust ("Master P & G Trust") and in this letter, it is clearly mentioned that reimbursement of 74% is tentative and subject to actuarial valuation. The Convener of the Master P & G Trust in his letter dt.13.05.2019, mentioned that the ratio of 74:26 is not permanent and needs to be reassessed and informed that the Trust's liability (available fund) towards the Company is Rs.283.03 crores as on 31.03.2018. Hence the claim of the Company regarding 74% reimbursement has no legal basis and is only probable i.e there is no reasonable certainty that the Company gets reimbursement to the extent of 74%. In our opinion, the Company's reimbursement claims are certain only to the extent of prorata basis i.e based on actuarial report and service period of Board Employees prior to 01.04.2000 and not 74% as per Company's claims.
- c) As the Company is primarily liable to pay pension and gratuity to APSEB Pensioners and Board Employees, in view of the provisions of Ind AS 19 & 37, the P & G liability shall be recognized for the gross amount as per actuarial report and the reimbursement claims, to the extent they are certain, shall be recognized. As the Company has not been recognizing the liabilities, assets and employee cost in compliance with the applicable regulatory provisions, the short provisions, if any, shall be treated as prior period expenses. Further to the tune of Rs. 2129.36 lakhs there is a short fall in the calculation of P & G Liability in the earlier years.
- d) Consequently the P & G Liability as on 31.03.2020 is under stated by Rs.5,75,962.98 lakhs (being the sum of liability of Rs.1,93,691.74lakhs admitted but not recognized, liability Rs.3,80,141.88 lakhs not admitted and but considered it as the liability of APGENCO/ Master Trust (vide note No. 17 (v)) and the short provision of Rs. 2129.36 lakhs of earlier years), Other Non-Current assets are under stated by Rs.88,557.84 (being eligible reimbursement from APGENCO towards the P & G Liability of APSEB Pensioners) and the Other Equity, which is negative, is under stated by Rs.4,87,405.14 lakhs .
- e) The Non – provision of the admitted liability of Rs.1,93,691.74 lakhs is contrary to the basis of measurement (Vide note no. 2(c) to the Financial Statements) and the principles of accrual basis of accounting, which are mandatory as per the provisions of sub section 1 of section 128 of the Companies Act and provisions of IND AS 1.

3. Property, Plant, and Equipment- IND AS 16and Impairment of Assets IND AS 36 :

- a) As on 31st March 2020, the value of Capital work in progress ("CWIP") of Rs.46,970.58lakhs includes an amount of Rs.3,120lakhs, which is outstanding for more than one year due to pending analysis of status, value and also obtaining commissioning certificates etc. In some cases capitalization is not done though the relevant assets were put to use and the applicable depreciation is not provided and in some cases there are negative balances. In the absence of the required information, we are unable to state the impact of these matters on the Financial Statements.
- b) The Company is capitalizing overheads and employees cost at fixed rates of 1.65% & 9.35%respectivelyofthe CWIP as per the Company's accounting policy, which is in contravention of the provisions of paragraph 16 of INDAS16, which permits capitalization of only such expenses attributable to the specific sets. During the year the Company capitalized a sum of Rs.7,909.07 lakhs of such expenditure (Vide Note no. 4). In the absence of the required information we are unable to state the impact of this departure on the Financial Statements.

- c) As per the accounting policy of the Company, depreciation is provided as per the rates prescribed by Ministry of Power (MOP) (Vide note no .. 30(ii)). These rates are changed w.e.f. from 01.04.2019 (vide CERC Notification No L-1/236/2018/CERC dated 07th March 2019) but the Company did not adopt the new rates. In the absence of required information, we are unable to state the impact of this deviation on the Financial Statements.
- d) The Company, along with SPDC of AP Ltd., took over the power plant-I from GVK Industries in April 2016 in terms of PPA and paid a sum of Rs. 11057 lakhs (Vide note no. 9(i)) and considered the same as a capital advance and grouped this amount under Other Non- Current Assets (Note no.9) . The company along with SPDC took over the possession of the Power Plant. But pending legal formalities for transfer of the title, in June 2017 the two Companies decided to transfer the plant to APGENCO. However the agreement for transfer and reasons for non-transfer till date are not furnished to us. This plant is being operated by APGENCO and the power generated is shared by both the Companies and the expenses are reimbursed to APGENCO. But no depreciation is provided on these assets though the assets are being used. Due to non-availability of terms of transfer to APGENCO, we are unable to state the impact of the short fall if any, in realization of this capital advance from APGENCO, non-provision of depreciation and noncompliance with the provisions Ind AS 11-Joint Arrangements, on the Financial Statements.
- e) On transfer of fixed assets, which were in active use and temporarily removed from use, to stores, the same are valued at weighted average cost and reduced from CWIP and considered as Inventory and these assets, when issued for active use, the issues are valued at weighted average cost. This accounting procedure is contrary to the historical cost concept and resulted in under capitalization in some cases and over capitalization in some cases and consequently excess / short charging of depreciation. The value of such assets in the Inventory as on 31.03.2020 is Rs. 981 lakhs. In respect of the fixed assets sold, dismantled etc, the accounting entries are passed on estimate basis in the absence of the details of original cost and accumulated depreciation of the relevant assets. In the absence of the required information, we are unable to state the impact of these matters on the Financial Statements.
- f) In the absence of a) required information in fixed assets' records, b) proper system to identify assets discarded, lost, etc. and their book values and c) physical verification of fixed assets and review of status of the projects grouped under CWIP, the Management's assessment regarding impairment of assets is inadequate and we are unable to state whether there are any material impairment and other losses related to the fixed assets, and the consequential impact of these losses , if any, on the Financial Statements.
- g) The Written Down Value ("WDV") of Fixed Assets of Rs. 4, 17,872.9lakhs as per the Financial Statements is not reconciled with WDV of Fixed Assets of Rs.4,17,919.10 lakhs as per Asset Module. We are unable to state the impact of this difference on the Financial Statements due to non-reconciliation of the same.
- h) Normal (Revenue stores) and Capital stores are grouped under Inventory. As per the provisions of Ind AS 2 and Ind AS 16, the Capital stores shall be grouped under CWIP. In the absence of required information, we are unable to state the impact of this departure on the Financial Statements.

4. Valuation of Investments:

Contrary to the accounting policy of valuing Investments at fair value, the Investments as at 31st March,2020 are valued at the carrying cost of Rs14,674.92lakhs. In the absence of the fair values, we are unable to state the impact of this departure on the Financial Statements.

5. Deferred Tax Assets and Liabilities IND AS 12 and MAT Tax Credit:

- a) The Company has to recognize deferred tax assets and liabilities as per the Company's accounting policy (vide note no. 21.11) but the same are not recognized in the Financial Statements. In the absence of required information, we are unable to state the impact of this departure on the Financial Statements.
- b) Credit for Minimum Alternate Tax is not taken to the tune of Rs.684.43 lakhs. Consequently, Other Current assets are under stated and Other Equity which is negative is overstated to the extent of Rs.684.43 lakhs.

6. Presentation of Financial Statements& Disclosures – IND AS :

- a) The Inter Dis com recoverable amounts of Rs.2,85,495.40 lakhs and Rs.1,00,640.29 lakhs, which are due from SPDC of AP Ltd., and SPDC of Telangana Ltd., respectively, are netted off with the amount of Rs.12,216.91 lakhs payable to NPDC of Telangana Ltd., and grouped under Other Assets – Non Current (vide Note N.9 A). The balances recoverable being financial assets shall be grouped under Other Financial Assets-Current and the balance payable being a financial liability shall be grouped under Other Financial Liabilities- Current. Consequently Other Assets- Non-Current are over stated by Rs.3,73,918.78 lakhs and Other Financial Assets – Current are under stated by Rs.3,86,135.69 lakhs and Other Financial Liabilities – Current are under stated by Rs.12,216.91 lakhs.
- b) The Power Purchase cost includes supplementary claims and is net off rebates relating to power purchases, which were accounted on provisional basis in earlier years. The amounts of the supplementary claims and rebates are not disclosed.
- c) Surcharge for delayed payments towards power purchases is included in Power Purchase cost instead of other expenses. Consequently Power Purchase cost is overstated and other expenses are under stated.
- d) A sum of Rs.30,442.04 lakhs was paid/payable to APGECNO as part of power purchase Cost but included in Employee Cost under the head 'Addl. Contribution to Pension Trust' (Vide Note No.26). As this amount shall be included in Power Purchase Cost, to this extent Power Purchase cost of the year is under stated and Emp. Cost is overstated.
- e) The Company has not identified the prior period expenses and income during year.
- f) The Company has not disclosed the details of capital government grants recognized in the financial statements and unfulfilled conditions and other contingencies, if any, attached to these grants.
- g) The threshold limit of 0.5% of the turnover, which is considered in the accounting policy, for recognition of Prior period items needs to be reviewed.

7. Balance Confirmations and Reconciliations :

- a. As the Company has no adequate system in place for obtaining periodical balance confirmations and reconciliation of balance relating to Loans given including Inter Corporate Deposits, Various receivables grouped under "Other Financial Assets", Capital Advances and Inter Dis com Balances, borrowings, Other Liabilities, Trade Payables, Other Financial Liabilities and Bank Balances, we are unable to state the impact of required consequential adjustments on the Financial Statements.
- b. Power Purchase related accounts are monitored on the basis of data maintained by APPCC. However there are differences between the opening and closing balances as per APPCC records and corresponding balances as per the Company's records. We are unable to state the impact of required consequential adjustments, if any, relating to these differences on the Financial Statements.

8. Non- Recognition of Revenue Grants and other incomes:

- a) As the GOAP accorded administrative sanction for a sum of Rs.1, 06,324.60 lakhs (vide G.O.RT. No .14 dated 12-02-2020) towards the losses of the earlier years, the Company should have recognized this amount as income of the current year in accordance with paragraph 20 of IND AS 20. But the Company recognized the actual receipt of Rs.15, 335.33 lakhs as income as permit's accounting policy. This accounting policy is a deviation from the provisions of IND AS 20. Consequently to the extent of Rs.90, 989.27 lakhs, revenue of the year and Other Financial Assets (Current) are understated and Loss of the year and Other Equity, which is negative, are overstated.
- b) Burnt Meter Deposits amount of Rs 318.49 lakhs as on 31.03.2020, which represents net of the receipts and the expenses incurred towards repair of burnt meters, is grouped under current liabilities instead of recognizing the same as income. Consequently, to the extent of Rs.318.49 lakhs, revenue is understated and Loss for the year, the Other Equity which is negative and Current Liabilities are overstated.
- c) Inter Dis com balances include the amount due from SPDC of AP Ltd., towards Inter Corporate Deposits and no interest is recognized on these deposits. As the details of the inter corporate deposits are not produced for our verification, we are unable to state the impact of the unrecognized interest on the Financial Statements.
- d) The Company has not accounted the amount of Rs.90 lakhs recoverable from SPDC of AP Limited towards their share of Advt., expenses incurred. Consequently, the Loss for the year and Other Equity, which is negative, are over stated to the tune of Rs.90 lakhs and Other Income and other Financial Assets (Current) are under stated to this extent.

9. Non Provision of Interest due on Loans taken:

- a) No provision is made for the interest liability of Rs.2,852.87 lakhs as on 31.03.2020 in respect of the borrowing of Rs.1,70,000 lakhs made from Andhra Pradesh Power Purchase Finance Corporation . Consequently, Finance Cost, Loss for the year, Other Equity , which is negative, and Other Financial Liabilities(Current) are understated by Rs.2,852.87 lakhs
- b) No provision is made for the interest payable on long term loans of Rs.2,460.52 lakhs and Rs.1,614.39 lakhs borrowed from Government of Andhra Pradesh and Government of Telangana respectively. Interest rate details for these loans are not provided. Accordingly, we are unable to state the impact of the non-provision of interest on the Financial Statements.
- c) No provision is made for the surcharge payable for delayed purchase payments to the tune of Rs.13,979 lakhs on accrual basis but the same is considered as a contingent liability. Consequently Other Expenses, Loss for the year, Other Equity which is negative and Trade Payables are understated to the tune of Rs.13,979 lakhs and Contingent Liabilities are over stated to this extent.
- d) Necessary details for a sum of Rs.14,232.14 lakhs included in Finance Cost are not provided for our verification. In the absence of the necessary details, we are unable to state the impact of the required adjustments, if any, on the Financial Statements.

We conducted our audit in accordance with the 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 Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under and provisions of the Companies Act, 2013 and we



have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics that are relevant to our audit of the financial statements in India under the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.

Information Other than the Financial Statements and Auditor's Report thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information included in the Directors' Report, (but does not include the Standalone Financial Statements and our auditors' report thereon), which are expected to be made available to us after the date of this auditors' report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

RESPONSIBILITY OF THE MANAGEMENT:

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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial statements, Board of Directors 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 the Board Of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITORS 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:

- a) 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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.
- e) 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 statement 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 and sub directions issued by Comptroller and Auditor General of India, the action taken there on and its impact on the Financial Statements of 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 and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters described in the Basis for Adverse Opinion section of this report.
 - b. 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 except for the matters described in the Basis for Adverse Opinion section of this report.
 - c. The Balance Sheet, the Statement of Profit And Loss, The Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - d. In our opinion the a fore said financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, except for the matters described in the Basis for Adverse Opinion section of this report.
 - e. The matters described in the Basis for Adverse Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f. Being a government company, pursuant to the notification no.GSR463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, the Provisions of sub section 2 of Section 164 and sub section 16 of 197 of the Companies Act 2013 are not applicable to the company.
 - g. 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**".
 - h. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion section of this report.
 - i. 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:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Visakhapatnam
Date: 18.12.2020

For M/s. B.V. Rao & Co LLP
Chartered Accountants
FRN.No. 0031185/5200049

Sd/- XXX
(CA. B.Vinay Kumar)
Partner
MNo. 223723
UDIN: 20223723AAAAGW2582

ANNEXURE-A to the Auditor's Report

Annexure referred to in paragraph 1 under 'Report on other Legal and Regulatory requirements' section of our report of the Independent Auditor's report of even date of APEPDCL, on the stand alone Ind AS Financial statements for the year ended March 31,2020.

In terms of 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's fixed asset registers do not contain required particulars such as date of acquisition, original cost, situation of fixed assets , quantitative details , asset identification number, year of purchase , useful life , residual value , component -wise breakup , adjustment for revaluation or for any increase or decrease in cost, date of revaluation, if any
 - b. Physical verification of fixed assets was not carried out during the year under review. Accordingly, we are unable to comment regarding any material discrepancies between the fixed assets registers and the assets physically available.
 - c. The Company, in respect of the immovable properties owned by it, is not maintaining any record containing details such as description, location, identification particulars, extent, date of acquisition, mode of acquisition, title deed particulars, cost of acquisition, , conditions of the transfer, if any. In the absence of the records relating to the immovable properties with required particulars we are unable to report whether appropriate legal documents evidencing the title of the company in respect of all the immovable properties owned by the company are available with the company.
- (ii) Physical verification of inventory has been conducted during the year by the management at reasonable intervals. The discrepancies noticed on such verification between the physical stocks and the book records were not material.
- (iii) 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. Consequently, provisions of clauses 3 (iii) (a), (b) and (c) of the Order are not applicable.
- (iv) The company has neither given any loan to the directors or any other persons in whom the director is interested nor given/provided any guarantee/security in connection with any loan taken by directors or such other persons as per the provisions of section 185 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public. Consequently, provisions of the clause 3(v) of the order is not applicable to the Company.
- (vi) The cost records maintained under sub-section (1) of Section 148 of the Companies Act, 2013 are not produced for verification, hence, the contents of these accounts and record shave 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 2020 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)
Andhra Pradesh Electricity duty (Amendment) Act, 2003	Electricity Duty	2019-20, 2018-19, 2017-18	2019-20-10,539.97 Lakhs 2018-19 – 9924.20 lakhs 2017-18-16,502.85 lakhs
Employee Provident Fund Act, 1952	EPF Employee Benefits	Oct-2019 to March -2020	Employee Share-Rs.138.49Lakhs Employers Share-Rs.157.31 Lakhs

b) As at 31st March 2020, 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	1999-2006	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 onSale of Electrical Scrap	204.21	From 01.04.2013 to 31.03.2016	Commercial Tax officer
8	APVAT Act, 2005	VAT onSale of Electrical Scrap	204.21	From 01.04.2013 to 31.03.2016	Commercial Tax officer
9	GST Act, 2017	GSTClaims	1542	2019	APTEL

- (viii) Details of the repayment schedules of the term loans borrowed from the Financial Institutions are not provided and hence we are unable to express our opinion whether the company has defaulted in repayment of loans or borrowings due to any financial institution, bank, or Government 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. The company has availed term loans during the year but the sanction letters, details of utilization are not submitted to us. Hence we are unable to state whether. Term loans availed during their reporting period were applied for the purposes for which they were availed.
- (x) No fraud by the company or on the Company by its officers or employees has been noticed or reported during the reporting period.
- (xi) The Company being a Government Company, provisions Section 197 of the Act are not applicable to it. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.
- (xii) In our opinion, the company is not a Nidhi Company. Consequently, provisions of the clause 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us and on overall examination of the records of the Company, we report that all transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Companies Act, 2013 and the related party disclosures as required by relevant Accounting Standards are disclosed in the financial statements.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully/ partly convertible debentures during the year under review. Consequently, provisions of the clause 3(xiv) of the order is not applicable.
- (xv) The Company has not entered into any non-cash transactions with the directors or persons connected with them during the year under report. Consequently, the provisions of clause 3(xv) of the order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Consequently, provisions of the clause 3(xvi) of the order is not applicable.

Place: Visakhapatnam
Date: 18.12.2020

For M/s. B.V. Rao&Co LLP
Chartered Accountants
FRN.No. 0031185/5200049

Sd/- XXX
(CA. B.Vinay Kumar)
Partner
MNo. 223723
UDIN: 20223723AAAAGW2582

ANNEXURE-B to the Auditor's Report

Annexure referred to in paragraph 2 under 'Report on other Legal and Regulatory requirements' section of our report of the Independent Auditor's report of even date of APEPDCL, on the stand alone Ind AS Financial statements for the year ended March 31,2020

	Direction	Reply
1.	Whether the company has system in place to process all the accounting transaction through IT System? If yes, the implication of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implication, If any, may be stated.	<p>Yes, the company has a system in place to process all the accounting transaction through SAP IT System. During the FY 2019-20, 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:</p> <ol style="list-style-type: none"> 1. Reclassification entries required for presentation of INDAS financial statements are not passed through SAP 2. Power Purchase entries are passed by APPCC in production server and APEPDCL is uploading the current year transactions sent by APPCC in live server of SAP. However there are differences between the opening and closing balances as per APPCC records and corresponding balances as per the Company's records. 3. Difference in the LT and HT consumer receivable as per the SAP and EPCC billing software are not reconciled as on 31st March, 2020. 4. Differences in the LT and HT consumer deposits as per SAP and EPCC billing software are not reconciled as on 31st March, 2020. <p>The above observations may have impact on the Financial Statements.</p>
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.	According to the Information and explanations provided to us, there are no restructuring of the existing loans and waiver /write off of debts /loans/interest etc. for the company.
3.	Whether funds received /receivable for specific schemes from central /state agencies were properly accounted for/utilized as per its terms and conditions? List the cases of Deviation	<ol style="list-style-type: none"> 1. Under UDAY Scheme, Company received Rs.15,335.33 lakhs out of administrative sanction of Rs.1,06,324.5 lakhs for write off losses for the FY 2018-19. Company has accounted under revenue from operation, the grants of Rs. 15,335.33 Lakhs actually received as per the accounting policy. The Company is not recognizing the grants receivable which is a departure from the Ind AS 20. 2. Capital Grants received /receivable from the Central and State Government under various projects /schemes are accounted on receipt basis In the absence of required information we are unable to state whether grants are used for required purpose.

S.No	Sub Direction	Reply
1.	Whether the company has made adequate provision towards pension and gratuity liability of APSEB Employees (retires prior to unbundling of APSEB and serving employees as on the same date) may be examined. It may also be examined whether the financial statements reflect true and fair picture without providing for huge pension and gratuity liability of APSEB Origin Employees.	The Company has not made provision for Pension & Gratuity Liability to the tune of Rs.5,75,962.98 lakhs as reported in paragraph no.2 of the Basis of Adverse Opinion section of this report. As the short provision is a substantial amount and net worth is negative, the Financial Statements do not reflect true and fair view and accordingly we gave an adverse opinion.
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 31.03.2020	The company has accounted for the power purchases as per the rates approved by the APERC except for from RTTP (Stage -IV) and APGENCO 400 MW Solar which are accounted on provisional rates and made provision for unpaid power purchases and costs. No provision is made for surcharge for delayed payments but the same was discloses as a contingent liability.
3.	Whether system is in place for identifying the assets sold, dismantled, replaced, etc. and whether the company has removed the cost of the assets not in existence (assets sold, dismantled, replaced and cost of replaced asset capitalized, etc.) from the books of accounts	There is no proper system for identifying assets sold, dismantled, replaced etc. The entries for the assets sold, dismantled etc. are done on estimate basis.
4.	Whether Physical verification of assets/inventory was carried out (not merely obtaining certificate that the assets/ inventory have been physically verified) at the end of the financial year or at specified intervals	Physical verification of inventory was carried out during the year and reports of physical verification were provided for our audit.
5.	Statement indicating the provisional comments on the financial statements for the year 2018-19 dropped based on the assurance of the management that suitable action will be taken in the next financial statements is enclosed. Compliance to the assurances may be examined.	<p>1. Company, made a provision of Rs. 5.62 crores towards the refundable to LANCO.</p> <p>2. The Company neither recovered the amount of Rs.90 lakhs nor passed any entry for the amount recoverable from SPDC of AP Limited.</p> <p>3. As the agreement, if any, with APGECNO, is not produced for verification, we are unable to comment on the correctness of the treatment of this advance in the Financial Statements.</p>

Place: Visakhapatnam
Date: 18.12.2020

For M/s. B.V. Rao&Co LLP
Chartered Accountants
FRN.No. 0031185/5200049

Sd/- XXX
(CA. B.Vinay Kumar)
Partner
MNo. 223723
UDIN: 20223723AAAAGW2582



ANNEXURE-C to the Auditor's Report

Annexure referred to in paragraph 3.g under 'Report on other Legal and Regulatory requirements' section of our report of the Independent Auditor's report of even date of APEPDCL, on the stand alone Ind AS Financial statements for the year ended March 31,2020.

We have audited the internal financial controls over financial reporting of Eastern Power Distribution Company of Andhra Pradesh Limited, as on March31, 2020 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 and the Standard 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 adverse 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

Because of 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, and based on our audit the following material weakness have been identified as at March, 31st 2020.

- (a) 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 is available. In absence of the above said evidences we are unable to conclude whether ITGCs are operating effectively throughout the year. Independent System audit on SAP implementation is not carried out since Go-Live of the Project.
- (b) Documentation and risk control matrix for the internal financial controls followed by the entity are not maintained.
- (c) There is no system for periodical review of long pending payables, receivables and inoperative accounts.
- (d) Register for Contingent liabilities and assets is not being updated until the closure of financials.
- (e) Reconciliation of Revenue, dues and consumption deposits from consumers as per Billing software and corresponding data as per SAP accounting application is not done.
- (f) There is no adequate system in place for obtaining periodical balance confirmations and reconciliation of balances relating to Loans given including Inter Corporate Deposits, Various receivables grouped under "Other Financial Assets", Capital Advances and Inter

Discom Balances, Borrowings, Other Liabilities, Trade Payables, Other Financial Liabilities and Bank Balances.

- (g) There is no system in existence to identify Employee wise fund contribution towards Medical Benefit fund, Family benefit fund and GIS saving scheme.
- (h) No periodical physical verification of fixed assets
- (i) As there is no system in existence to identify the original cost and accumulated depreciation when an item of plant is removed from service /use or destroyed; the required information to pass necessary entries in the books of account is not available.
- (j) In respect of land holdings as the Company is not maintaining records with necessary information, consequently the management's control over Company's landed property is inadequate.
- (k) There is no review mechanism for Capital work in progress.
- (l) Reconciliation of various modules information including APPCC data with finance module of SAP is not done.
- (m) The procedures relating to accounting of provisional power purchases need to be reviewed to ensure that duplicate payments are not done and recoveries, if any, are promptly made.
- (n) As the power purchases and the relevant payments are done by APPCC jointly for the Company and SPDC of AP Limited and the surcharge for the delayed payments is shared without considering the availability of company wise funds. Consequently the Company is paying higher penal interest.

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 31.03.2020, 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 31.03.2020 weaknesses have affected our opinion on the standalone Financial Statements of the Company and we have issued an adverse opinion on the Standalone Financial Statements.

Place: Visakhapatnam

Date: 18.12.2020

**For M/s. B.V. Rao&Co LLP
Chartered Accountants
FRN.No. 0031185/5200049**

**Sd/- XXX
(CA. B.Vinay Kumar)
Partner
MNo. 223723
UDIN: 20223723AAAAGW2582**

S. No	Audit Comment	EPDCL Reply
1.	A material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern because of the negative net worth (Total Equity) of Rs.7,74,225.91 lakhs as on 31.03.2020 and the adverse impact of the matters, mentioned in the succeeding paragraphs, on the Financial Statements and the Management is required to disclose their plans to deal with these events or conditions. The Financial Statements do not disclose these matters.	<p>APEPDCL is a Govt. of Andhra Pradesh 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.</p> <p>Govt. Of AP has extended the financial support of Rs.2575.38 Crs to APEPDCL in F.Y 2019-20 regarding Lift irrigations, SC&ST dues & Govt. dues pending as follows:</p> <p>a) Arrears of Tariff subsidy & Addl. Agl subsidy of Rs.600.31 Crs received in 4/2019.</p> <p>b) Tariff subsidy of Rs.1181.15 Crs received against the APERC approved tariff subsidy of Rs.1286.59 Crs.</p> <p>c) Aqua subsidy received from Govt. of AP Rs.168.23 Crore.</p> <p>d) Amount received from Govt. towards SC&ST subsidy Rs.82.22 Crs.</p> <p>e) Govt. of AP has cleared long pending CC Charge arrears of Govt. lift irrigation schemes to the extent of Rs. 390.12 Crs.</p> <p>f) Govt. of AP accorded permission to take over 25% losses of F.Y 2018-19 for Rs.1063 Crs and taken over Rs.153.35 Crs to end of 31.03.2020</p>
		APEPDCL has filed True up petitions for the F.Y 2014-15 & 2016-17 to F.Y 2018-19 with APERC for approval of addl. Cost incurred over and above APERC approval as per regulation 4 of 2005 sub clause 10 in O.P No.50/2019, I A.No.14 of 2019 in O.P. Nos. 1 & 2 of 2016, I.A.No.15 of 2019 in O.P. Nos. 28 & 29 of 2016 & I.A.No.26 of 2019 in O.P. Nos. 60 & 61 of 2017. Hon'ble APERC has disposed of the said True up petitions as per order Dt.26.11.2020 & allowed the True up claims of Rs.1645 Crs
		The EPDCL is having Capital Reserves & Consumer contributions of Rs.5167.68 Crores as on 31.03.2020 which includes the UDAY support received from Govt. of AP Rs.2998.99 Crs.
		APEPDCL is a public sector entity owned by the Govt. Of Andhra Pradesh & Govt. Of AP has not reduced or withdrawn its support and events or conditions that may cast significant doubt on an Dis com's ability to continue as a going concern. As per the Tariff Order of F.Y 2020-21 Govt. Of Andhra Pradesh agreed to support Rs.2813.42 Crs as Tariff subsidy. Thus company has resources that needed to continue operations are available.
		<p>The following events or conditions that had not taken place to cast significant doubt on the Dis com's ability to continue as a going concern.</p> <p>a) Indications of withdrawal of financial support by creditors. All power developers are</p>

		<p>supplying power as per PPAs entered and EPDCL is also arranging payment accordingly.</p> <p>b) Substantial operating losses or significant deterioration in the value of assets used to generate cash flows.</p> <p>c) Inability to pay creditors on due dates.</p> <p>d) Inability to comply with the terms of loan agreements. There are no defaults in repayment of loans.</p> <p>e) There are no denial of credit from suppliers.</p> <p>f) Management intentions to liquidate the entity or to cease operations.</p> <p>g) Loss of a major market, key customer(s), franchise, license, or principal supplier(s).</p> <p>h) Labour difficulties, Shortage of availability of Power.</p> <p>i) Non-compliance with capital or other statutory or regulatory requirements, such as solvency or liquidity requirements for financial institutions.</p> <p>j) Pending legal or regulatory proceedings against the entity that may, if successful, result in claims that the entity is unlikely to be able to satisfy.</p> <p>k) Changes in law or regulation or government policy expected to adversely affect the entity.</p>
		<p>In view of the above management has not identified events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern. EPDCL is financially stable to meet its obligation and continue business in foreseeable future.</p>
2.	<p>a) The Company was formed in 2000 consequent to unbundling of Andhra Pradesh State Electricity Board ("the Board") in 1999 and is primarily responsible to pay pension to some former pensioners ("APSEB Pensioners") of the Board, who opted to receive pension from the Company and to this extent the Company is entitled for reimbursement from APGENCO as per the provisions of G.O.MS.No.9, Energy(Power-III), 29th January 1999, G.O.MS.No.35, Energy(Power-III), 31st March 2000, and Inter Trust Agreement among the Power Companies formed consequent to unbundling of the Board and their respective Pension & Gratuity Trusts dated 24th May 2002. Similarly the Company is primarily responsible to pay gratuity and pension to the employees and retired employees of the Company, who were on the rolls of the Board ("Board Employees") as on 31.01.1999, in respect of services rendered by them to the Board up to 31.01.1999 and to APTRANSCO during 01.02.1999 to 31.03.2000 in addition to the services rendered to the Company and the Company is entitled for reimbursement as per actuarial valuation in respect of the period up to 31.03.2000 from APGENCO and APTRANSCO on prorata basis.</p>	<p>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.</p> <p>Further the liability in respect of employees on rolls as on 1-2-1999 and retired subsequently is concerned, the liability to be shared between Master Trust and the P&G Trust of DISCOM in the ratio of 74:26 (APGENCO 74% and EPDCL 26%), has been approved tentatively.</p> <p>In this regard, the APGENCO had issued 2 bonds worth Rs.4386.95 Crs in favor of the Master Trust.</p> <p>1) Bond 1 for Rs 1320.43 Cr. towards pensioners / family pensioners of the erstwhile APSEB as on 31/01/1999 expires in 2033.</p> <p>2) Bond 2 for Rs 3066.52 Cr. Towards the employees of the erstwhile APSEB as on 31/01/1999 allocated to APGENCO, APTRANSCO and the DISCOMs as per transfer scheme expires in 2029.</p> <p>This ratio is common among all power utilities in AP State i.e APGENCO/APTRANSCO /APDISCOMs. APGENCO is claiming additional interest on pension bonds as a tariff component from DISCOMs to meet its pension commitment arise over and</p>

		<p>above the amount payable in Bond1 & Bond 2 every year.</p> <p>Subsequent to the AP Reorganization Act, 2014, by a transfer scheme notified by the State Government in G.O.Ms.29 dated 31.05.2014 under the provisions of the A.P. Electricity Reform Act, 1998, 58.32% of the outstanding pension liability (i.e. bonds issued to the Master Trust) as on 31.03.2014 was vested in the APGENCO.</p> <p>In view of the above APGENCO is required to make the following annual payments as per the bond schedule –</p> <p>(a) An amount towards repayment of the principal as per the bonds schedule.</p> <p>(b) Interest on the outstanding liability as per the bonds schedule</p> <p>(c) Additional interest, being the actual amount of pension payment in a year in excess of the aggregate for that year of the scheduled repayment and interest aforesaid as per the bonds schedule.</p> <p>Accordingly APGENCO is claiming the Additional interest on pension bonds to meet the pension & gratuity liability as per the obligation entrusted to Master Trust to pay 100% of the pension commitments of pensioners as on 31/01/1999 and 74% of the pension commitment of employees on rolls as on 31.1.1999. The Hon'ble Commission provisionally approved the amounts based on actuals provided by APGENCO Master trust towards additional interest on pension bonds for the fourth control period i.e. FY2019-20 to FY 2023-24.</p>
2.	<p>b) The claim of the Company (Vide note no.17 (iv)) in respect of Pension & Gratuity Liability ("P&G Liability") of the Board Employees, that the Company is entitled to reimbursement to the extent of 74% of P & G Liability, is on the basis of the letter bearing reference No.Lr.No.CMT/D.No.28/2003 – dt. 26.05.2003 and issued by the Convener of Andhra Pradesh State Electricity Employees Master Pension & Gratuity Trust ("Master P & G Trust") and in this letter, it is clearly mentioned that reimbursement of 74% is tentative and subject to actuarial valuation. The Convener of the Master P & G Trust in his letter dt.13.05.2019, mentioned that the ratio of 74:26 is not permanent and needs to be reassessed and informed that the Trust's liability (available fund) towards the Company is Rs.283.03 crores as on 31.03.2018. Hence the claim of the Company regarding 74% reimbursement has no legal basis and is only probable i.e. there is no reasonable certainty that the Company gets reimbursement to the extent of 74%. In our opinion, the Company's reimbursement claims are certain only to the extent of prorata basis i.e. based on actuarial report</p>	<p>In the event APGENCO fails and/or neglects to pay the amounts due from it under this Agreement, the Master Trust would be entitled to and would have the right to recover the said amount from any of the power payment dues payable to APGENCO by APTRANSCO and/or the DISCOMS. Till now there is no default in pension payments by APGENCO.</p> <p>EPDCL has recognized Pension and Gratuity liability towards 26% EPDCL trust liability as per actuarial valuation report.</p> <p>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.</p> <p>Accordingly Actuarial valuation report has been obtained to end of 31.03.2020 in respect of employees on rolls as on 01.02.1999 towards 26% liability and liability to be borne by APEPDCL</p>

	and service period of Board Employees prior to 01.04.2000 and not 74% as per Company's claims.	towards 74% pension & Gratuity after December, 2029. EPDCL has provided 26% of Pension and Gratuity liability as well as part of 74% pension liability (12 instalments) that will arise after 2029. Current & Noncurrent segregation given in Actuarial Valuation report is from the point of view of Trust. As far as EPDCL is concerned total liability is current and needs to pay to EPDCL trust to build up plan assets as per actuarial liability.
2.	c) As the Company is primarily liable to pay pension and gratuity to APSEB Pensioners and Board Employees, in view of the provisions of Ind AS 19 & 37, the P & G liability shall be recognized for the gross amount as per actuarial report and the reimbursement claims, to the extent they are certain, shall be recognized. As the Company has not been recognizing the liabilities, assets and employee cost in compliance with the applicable regulatory provisions, the short provisions, if any, shall be treated as prior period expenses. Further to the tune of Rs. 2129.36 lakhs there is a short fall in the calculation of P & G Liability in the earlier years.	
2.	d) Consequently the P & G Liability as on 31.03.2020 is under stated by Rs.5,75,962.98 lakhs (being the sum of liability of Rs.1,93,691.74 lakhs admitted but not recognized, liability Rs.3,80,141.88 lakhs not admitted and but considered it as the liability of APGENCO/ Master Trust (vide note No. 17 (v)) and the short provision of Rs. 2129.36 lakhs of earlier years), Other Non-Current assets are under stated by Rs.88,557.84 (being eligible reimbursement from APGENCO towards the P & G Liability of APSEB Pensioners) and the Other Equity, which is negative, is under stated by Rs.4,87,405.14 lakhs e) The Non - provision of the admitted liability of Rs.1,93,691.74 lakhs is contrary to the basis of measurement (Vide note no. 2(c) to the Financial Statements) and the principles of accrual basis of accounting, which are mandatory as per the provisions of sub section 1 of section 128 of the Companies Act and provisions of IND AS 1.	
3.	Property, Plant, and Equipment- IND AS 16 and Impairment of Assets IND AS 36 :	
	(a) As on 31 st March 2020, the value of Capital work in progress ("CWIP") of Rs.46,970.58 Lakhs includes an amount of Rs.3,120 lakhs which is outstanding for more than one year due to pending analysis of status, value and also obtaining commission certificates etc. and in some cases capitalization is not done though the relevant assets were put to use and the applicable depreciation is not provided. In the absence of the necessary information, we are unable to state the relevant impact on CWIP, Fixed Assets, Depreciation	In respect of Long pending work orders, partial capitalization will be done to the extent of work completed and depreciation also calculated to the extent capitalized. Audit comment is noted and every care will be taken to avoid negative balances in CWIP.

	<p>Provided, Net loss for the period and the other Equity (Negative). Further there are some negative balances in CWIP and in the absence of necessary clarifications and information, we are unable to state the impact of these negative balances on the Financial Statements.</p>	
	<p>(b) The Company is capitalizing over heads and employees cost at fixed rates of 8.5% and 1.5% respectively of the CWIP as per the Company's accounting policy, which is in contravention of the provisions of paragraph 16 of INDAS 16, which permits capitalization of only such expenses attributable to the specific assets. During the year the Company capitalized a sum of Rs. 7,909.07 lakhs of such expenditure (vide Note no. 4). In the absence of the required information we are unable to state the impact of this departure on the Financial Statements.</p>	<p>Capitalization of Administrative overheads @11% of the direct cost of asset is done since a policy decision taken by the management.</p>
	<p>c) As per the accounting policy of the Company, depreciation is provided as per the rates prescribed by Central Electricity Regulatory Commission (Vide note no. 30(ii)). These rates are changed w.e.f. from 01.04.2019 (vide CERC Notification No L-1/236/2018/CERC dated 07th March 2019) but the Company did not adopt the new rates. In the absence of required information, we are unable to state the impact of this deviation on the Financial Statements.</p>	<p>As per accounting policy no 2.1.3 and Other Disclosure 30 (ii), It is disclosed that Depreciation 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</p>
	<p>d) The Company, along with SPDC of AP Ltd., took over the power plant-I from GVK Industries in April 2016 in terms of PPA and paid a sum of Rs. 11057 lakhs (vide note no. 9(i)) and considered the same as a capital advance and grouped this amount under Other Non-Current Assets (Note no.9) . The company along with SPDC took over the possession of the Power Plant. But pending legal formalities for transfer of the title, in June 2017 the two Companies decided to transfer the plant to APGENCO. However the agreement for transfer and reasons for non-transfer till date are not furnished to us. This plant is being operated by APGENCO and the power generated is shared by both the Companies and the expenses are reimbursed to APGENCO. But no depreciation is provided on these assets though the assets are being used. Due to non-availability of terms of transfer to APGENCO, we are unable to state the impact of the short fall if any, in realization of this capital advance from APGENCO, non-provision of depreciation and noncompliance with the provisions Ind AS 11-Joint Arrangements, on the Financial Statements.</p>	<p>Amount paid for acquiring of GVK plant is continued under Capital Advances since the asset is to be transferred to APGENCO as directed by Go AP. Negotiations on the subject are going on and after finalization of the same, the asset will be transferred to APGENCO.</p> <p>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.</p> <p>If the Capital Advances transferred to asset, it may lead to other complications as the asset is to be handed over to APGENCO.</p>
	<p>e) On transfer of fixed assets, which were in active use and temporarily removed from use, to stores, the same are valued at weighted average cost and reduced from CWIP and considered as Inventory and these assets, when issued for active use, the issues are valued at weighted average cost. This accounting procedure is contrary to the historical cost concept and resulted in</p>	<p>For Accounting of Receipts & Issues of Devoluted materials separate material codes are maintained in SAP exclusively for devalued stock. Devoluted materials are valued at weighted average cost and credited to work order in which such assets devaluated. While issuing the devalued materials to other works, at the same weighted average price</p>

	under capitalization in some cases and over capitalization in some cases and consequently excess / short charging of depreciation. The value of such assets in the Inventory as on 31.03.2020 is Rs. 981 lakhs. In respect of the fixed assets sold, dismantled etc, the accounting entries are passed on estimate basis in the absence of the details of original cost and accumulated depreciation of the relevant assets. In the absence of the required information, we are unable to state the impact of these matters on the Financial Statements.	materials will be issued to other work orders
	f) In the absence of a) required information in fixed assets' records, b) proper system to identify assets discarded, lost, etc and their book values and c) physical verification of fixed assets and review of status of the projects grouped under CWIP, the Management's assessment regarding impairment of assets is inadequate and we are unable to state whether there are any material impairment and other losses related to the fixed assets, and the consequential impact of these losses, if any, on the Financial Statements.	Details of Fixed assets can be viewed in SAP with reference to Profit centre/Cost centre, Network order number/WBS number in SAP.
	g) The Written Down Value ("WDV") of Fixed Assets of Rs. 4,17,872.9 lakhs as per the Financial Statements is not reconciled with WDV of Fixed Assets of Rs.4,17,919.10 lakhs as per Asset Module. We are unable to state the impact of this difference on the Financial Statements due to non-reconciliation of the same.	Audit comment is noted and will be reconciled.
	h) Normal (Revenue stores) and Capital stores are grouped under Inventory. As per the provisions of Ind AS 2 and Ind AS 16, the Capital stores shall be grouped under CWIP. In the absence of required information, we are unable to state the impact of this departure on the Financial Statements.	The inventory items will be used for Capital Works and O&M works. At the time of purchase of Materials intended use of materials i.e for capital works or for R&M works cannot be ascertained. As and when materials drawn for works it will be charged to CWIP or R&M cost based on the purpose they are drawn from stores.
4.	Valuation of Investments: Contrary to the accounting policy of valuing Investments at fair value, the Investments as at 31st March, 2020 are valued at the carrying cost of Rs14,674.92 lakhs. In the absence of the fair values, we are unable to state the impact of this departure on the Financial Statements	All investments are Unlisted and unquote, hence valued at cost.
5.	Deferred Tax Assets and Liabilities IND AS 12 and MAT Tax Credit: a) The Company has to recognize deferred tax assets and liabilities as per the Company's accounting policy (vide note no. 21.11) but the same are not recognized in the Financial Statements. In the absence of required information, we are unable to state the impact of this departure on the Financial Statements.	In view of unabsorbed depreciation & business losses, deferred tax asset were not recognized in the books.
	b) Credit for Minimum Alternate Tax is not taken to the tune of Rs.684.43 lakhs. Consequently, Other Current assets are under stated and Other Equity which is negative is overstated to the extent of Rs.684.43 lakhs.	In the years 2011-12 and 2012-13 Rs.6,97,33,548/- has been paid, but as per the practice as and when the credits in MAT availed then only the entries are passed to take the same in the books of accounts

6.	(a) The Inter Dis com recoverable amounts of Rs.2,85,495.40 lakhs and Rs.1,00,640.29 lakhs, which are due from SPDC of AP Ltd., and SPDC of Telangana Ltd., respectively, are netted off with the amount of Rs.12,216.91 lakhs payable to NPDC of Telangana Ltd., and grouped under Other Assets – Non Current (vide Note N.9 A). The balances recoverable being financial assets shall be grouped under Other Financial Assets- Current and the balance payable being a financial liability shall be grouped under Other Financial Liabilities- Current. Consequently Other Assets- Non-Current are over stated by Rs.3,73,918.78 lakhs and Other Financial Assets – Current are under stated by Rs. Rs.3,86,135.69 lakhs and Other Financial Liabilities – Current are under stated by Rs.12,216.91 lakhs	This amount payable to TSNPDCL arises on account of Inter Discom power purchase adjustments which is disclosed separately in Note no.9 A Non-Current Other Assets. Inter Discom balances will be settled through adjustment only. Hence shown in other noncurrent assets.
	b) The Power Purchase cost includes supplementary claims and is net off rebates relating to power purchases, which were accounted on provisional basis in earlier years. The amounts of the supplementary claims and rebates are not disclosed.	Supplementary claims in Power purchase cost disclosed vide note no .25
	c) Surcharge for delayed payments towards power purchases is included in Power Purchase cost instead of other expenses. Consequently Power Purchase cost is overstated and other expenses are under stated.	Cost incurred for power purchase is grouped in power purchase cost to claim differential true up cost with Hon'ble APERC.
	d) A sum of Rs.30,442.04 lakhs was paid/payable to APGECNO as part of power purchase Cost but included in Employee Cost under the head 'Addl. Contribution to Pension Trust' (Vide Note No.26). As this amount shall be included in Power Purchase Cost, to this extent Power Purchase cost of the year is under stated and Emp. Cost is overstated.	Additional interest, is the actual amount of pension payment in a year in excess of the aggregate for that year of the scheduled repayment of interest made by the APGENCO. As per decision taken at APPCC for treating this expenditure as part of DISCOMs employee cost instead of Power Purchase cost uniformly among all DISCOMs, this cost is accounted in Employee cost.
	e) The Company has not identified the prior period expenses and income during year.	In view of adoption of accounting policy no 2.1.18, there are no significant prior period Incomes and expenses identified during the F.Y 2019-20.
	f) The Company has not disclosed the details of capital government grants recognized in the financial statements and unfulfilled conditions and other contingencies, if any, attached to these grants.	Audit comment is noted for future guidance
	g) The threshold limit of 0.5% of the turnover, which is considered in the accounting policy, for recognition of Prior period items needs to be reviewed.	Keeping in view of the volume of the Business Operations and settlement period for Power purchase supplementary claims like FSA bills of Central Generation Stations & State Generation Stations, It is considered more appropriate to adopt threshold limit of 0.5% of turnover for accounting the prior period.

7.	<p>Balance Confirmations and Reconciliations :</p> <p>a) As the Company has no adequate system in place for obtaining periodical balance confirmations and reconciliation of balance relating to Loans given including Inter Corporate Deposits, Various receivables grouped under "Other Financial Assets", Capital Advances and Inter Discom Balances, borrowings, Other Liabilities, Trade Payables, Other Financial Liabilities and Bank Balances, we are unable to state the impact of required consequential adjustments on the Financial Statements.</p>	<p>Balance confirmation from Banks in respect of Receipt account and Drawing accounts are obtained, reconciled and produced to audit. Loan balance confirmations from Financial Institutions and Banks are obtained and produced to audit. However reconciliation of balances will be done as suggested by Audit.</p> <p>For balance confirmation from Vendor/Customer balances letters are being addressed to respective Vendor/Customers for confirmation of Balances.</p>
	<p>b) Power Purchase related accounts are monitored on the basis of data maintained by APPCC. However there are differences between the opening and closing balances as per APPCC records and corresponding balances as per the Company's records. We are unable to state the impact of required consequential adjustments, if any, relating to these differences on the Financial Statements.</p>	<p>All transactions taken place at APPCC during the financial year are available at APPCC and the same will be uploaded to APEPDCL server on closing of the period. The relevant Opening Balances and Closing Balances will be maintained in APEPDCL only.</p>
8.	<p>Non- Recognition of Revenue Grants and other incomes:</p> <p>a) As the GOAP accorded administrative sanction for a sum of Rs.1,06,324.60 lakhs (vide G.O.RT. No .14 dated 12-02-2020) towards the losses of the earlier years, the Company should have recognized this amount as income of the current year in accordance with paragraph 20 of IND AS 20. But the Company recognized the actual receipt of Rs.15,335.33 lakhs as income as per accounting policy. This accounting policy is a deviation from the provisions of IND AS 20. Consequently to the extent of Rs.90,989.27 lakhs, revenue of the year and Other Financial Assets (Current) are understated and Loss of the year and Other Equity, which is negative, are overstated.</p>	<p>As per Accounting Policy no.2.1.10 Any Grants received from Government towards loss funding is recognized on Receipt basis. As per IND AS 20 para 5 Govt. assistance is significant for preparation of Financial statements for two reasons,1) If resources are transferred,2) It is desirable to give indication to what extent entity has benefitted from such assistance.</p> <p>In view of the above loss taken over under UDAY scheme is accounted to the extent of Rs.153.35 Crores on receipt basis.</p> <p>However audit comment is noted for future guidance.</p>
	<p>b) Burnt Meter Deposits amount of Rs 318.49 lakhs as on 31.03.2020, which represents net of the receipts and the expenses incurred towards repair of burnt meters, is grouped under current liabilities instead of recognizing the same as income. Consequently, to the extent of Rs.318.49 lakhs, revenue is understated and Loss for the year, the Other Equity which is negative and Current Liabilities are overstated.</p>	<p>Income on burnt meter deposit is being recognized on completion of work and closing of work order. The pending amount relates to pending work orders. However the audit comment is noted for future guidance.</p>
	<p>c) Inter Discom balances include the amount due from SPDC of AP Ltd., towards Inter Corporate Deposits and no interest is recognized on these deposits. As the details of the inter corporate deposits are not produced for our verification, we are unable to state the impact of the unrecognized interest on the Financial Statements..</p>	<p>Inter Discom Balances have resulted for the limited purpose of meeting operation and maintenance cost among the power utilities and reduce the interest cost besides ensuring optimum utilization of cash flows in the power sector as a whole. The process of power purchase is done at APPCC level and payment settlement is also handled by them. At present, no interest on inter Discom balances is being considered.</p>
	<p>d) The Company has not accounted the amount of Rs.90 lakhs recoverable from SPDC of AP Limited towards their share of Advt, expenses incurred. Consequently,</p>	<p>Amount recovered from APSPDCL during 02/2020 vide SAP Doc No 2200757107 dt.29.02.2020</p>

	the Loss for the year and Other Equity, which is negative, are over stated to the tune of Rs.90 lakhs and Other Income and other Financial Assets (Current) are under stated to this extent.	
9.	Non Provision of Interest due on Loans taken: a) No provision is made for the interest liability of Rs.2,852.87 lakhs as on 31.03.2020 in respect of the borrowing of Rs.1,70,000 lakhs made from Andhra Pradesh Power Purchase Finance Corporation. Consequently, Finance Cost, Loss for the year, Other Equity, which is negative, and Other Financial Liabilities (Current) are understated by Rs.2,852.87 lakhs	Debt servicing on APPFCL loans is being done on receipt of amount from Govt. of Andhra Pradesh. Hence provision for Interest is not made in EPDCL Books.
	b) No provision is made for the interest payable on long term loans of Rs.2,460.52 lakhs and Rs.1,614.39 lakhs borrowed from Government of Andhra Pradesh and Government of Telangana respectively. Interest rate details for these loans are not provided. Accordingly, we are unable to state the impact of the non-provision of interest on the Financial Statements.	Govt. of Andhra Pradesh loan of Rs.2460.52 is interest free loan and Loan from TSNPDCL for Rs.1614.39 Lakhs is loan allocation by TSNPDCL under Demerger scheme. Hence provision for interest has not been made in F.Y 2019-20.
	c) No provision is made for the surcharge payable for delayed purchase payments to the tune of Rs.13,979 lakhs on accrual basis but the same is considered as a contingent liability. Consequently Other Expenses, Loss for the year, Other Equity which is negative and Trade Payables are understated to the tune of Rs.13,979 lakhs and Contingent Liabilities are over stated to this extent.	Provision is not recognized for liabilities whose future outcome cannot be ascertained with reasonable certainties and such contingent liabilities are disclosed vide note no 30 (xi) (q). Hence no provision is made for surcharge.
	d) Necessary details for a sum of Rs.14,232.14 lakhs included in Finance Cost are not provided for our verification. In the absence of the necessary details, we are unable to state the impact of the required adjustments, if any, on the Financial Statements.	Interest payment to IOB, BOI, Syndicate Bank, Andhra Bank, SBI, PTC, IREDA and APTRANSCO are made as per Demand notice from Lendor or as per bank statement or on outstanding balance. Details of Calculation of interest payment is made available for verification by audit. However audit is noted.



FINANCIAL STATEMENTS



Eastern Power Distribution Company of A.P. Limited

Balance Sheet as at 31 March 2020

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

	Notes	31 March 2020	31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	3	4,17,780.91	3,78,337.91
Capital work-in-progress	4	46,970.58	48,762.75
Intangible assets	5	507.49	1.66
Financial assets			
Investments	6	14,674.92	14,674.92
Loans	7	7,971.93	9,248.36
Other financial assets	8	2,271.36	1,822.61
Other non-current assets	9	4,05,604.29	4,28,811.12
Total non-current assets		8,95,781.48	8,81,659.33
Current assets			
Inventories	10	16,815.23	18,700.73
Financial assets			
Trade receivables	11	2,36,916.08	2,19,338.24
Cash and cash equivalents	12	14,415.21	14,992.23
Other financial assets	8	2,27,389.17	2,47,253.37
Other tax assets	13	1,613.82	1,592.74
Other current assets	9	2,395.41	5,933.65
Total current assets		4,99,544.92	5,07,810.96
Total assets		13,95,326.40	13,89,470.29
Equity and liabilities			
Equity			
Equity share capital	14	12,122.53	12,122.53
Other equity	15	(7,86,348.44)	(7,86,675.08)
Total equity		(7,74,225.91)	(7,74,552.55)
Grants & Consumer contributions	18	5,16,768.51	5,08,868.37
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	4,32,352.64	2,60,184.76
Provisions	17	68,417.20	68,152.42
Deferred tax liabilities (Net)	19	220.03	220.03
Other non-current liabilities	20	2,00,319.08	1,77,223.08
Total non-current liabilities		7,01,308.95	5,05,780.29



Current liabilities			
Financial liabilities			
Borrowings	16	2,05,095.97	2,03,989.83
Trade payables	21		
Micro Enterprises and Small Enterprise			
Other than Micro Enterprise and Small Enterprise		5,74,402.54	7,93,361.70
Other financial liabilities	22	19,268.75	17,881.93
Provisions	17	54,204.84	53,476.00
Other current liabilities	20	98,502.75	80,664.72
Total current liabilities		9,51,474.85	11,49,374.18
Total liabilities		16,52,783.80	16,55,154.47
Total equity and liabilities		13,95,326.40	13,89,470.29

See accompanying notes forming part of the financial statements.
This is the Balance sheet referred in our report dated 18.12.2020.

For M/s. B.V.Rao & Co. LLP.
Chartered Accountants
FRN: 003118S / S200049

Sd/- xx dt. 18/12/2020
B.Vinay Kumar
Partner
Membership no.: 223723
UDIN NO:20223723AAAAGW2582

Place: Visakhapatnam

Date: 08.12.2020

Sd/- XXXX
D. Chandram , IRAS
Director (Finance & HRD)
Din : 08963107

Sd/- XXXX
A. Venkateswara Rao
Chief General Manager(Expr.)

For and on behalf of the Board

Sd/- XXXX
Nagalakshmi .S, IAS
Chairman & Managing Director
Din : 07741194

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



Eastern Power Distribution Company of A.P. Limited

Statement of Profit & Loss

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

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenues			
Revenue from operations	23	12,25,275.89	11,49,928.32
Other income	24	59,593.00	61,236.63
Total income		12,84,868.89	12,11,164.95
Expenses			
Purchase of Power	25	10,06,223.09	13,58,015.87
Employee benefits expense	26	1,52,288.47	1,36,222.00
Finance costs	27	59,729.36	44,319.08
Depreciation and amortization expense	28	44,767.49	40,174.64
Operating and other expenses	29	37,096.07	57,731.75
Total expenses		13,00,104.48	16,36,463.34
Profit/(Loss) before tax		(15,235.59)	(4,25,298.39)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Income tax expense		-	-
Profit/(Loss) after tax (PAT)		(15,235.59)	(4,25,298.39)
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Remeasurements of defined employee benefit plans		15,562.23	(39,115.92)
Income tax on items that will not be reclassified subsequently to profit or loss		-	-
Total comprehensive income for the year (TCI)		326.64	(4,64,414.31)
Earnings per equity share (refer note 34 for further details)			
Basic & Diluted (Face value of INR 10 per share) on PAT		(12.57)	(350.83)
Basic & Diluted (Face value of INR 10 per share) on TCI		0.27	(383.10)

See accompanying notes forming part of the financial statements.

This is the statement of Profit & Loss referred in our report dated 18.12.2020.

For M/s. B.V.Rao & Co. LLP.
Chartered Accountants
FRN: 003118S / S200049

Sd/- xx dt. 18/12/2020
B.Vinay Kumar
Partner
Membership no.: 223723
UDIN
NO:20223723AAAAGW2582

Place: Visakhapatnam

Date: 08.12.2020

Sd/- XXXX
D. Chandram , IRAS
Director (Finance & HRD)
Din : 08963107

Sd/- XXXX
A. Venkateswara Rao
Chief General Manager(Expr.)

For and on behalf of the Board

Sd/- XXXX
Nagalakshmi .S, IAS
Chairman & Managing Director
Din : 07741194

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



Eastern Power Distribution Company of A.P. Limited

Statement of cash flows

For the year ended 31 March 2020

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

	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities		
Profit/(loss) after tax	(15,235.59)	(4,25,298.39)
Adjustments for		
Depreciation on property, plant and equipment	44,767.49	40,174.64
Amortization of consumer contributions, subsidies, grants towards cost of capital assets	(23,957.92)	(21,296.94)
Income from Investments	(198.78)	(803.02)
Interest on Loans from FI's/Banks	50,190.15	34,469.78
Loss on sale of Investments	-	158.16
Change in operating assets and liabilities		
Decrease/(Increase) in trade receivables	(17,577.84)	(50,964.86)
(Decrease)/Increase in inventories	1,885.50	1,830.53
(Decrease)/Increase in other noncurrent and current assets	26,745.07	(84,500.40)
(Decrease)/Increase in other financial (current and non-current) assets	19,415.45	(1,05,102.45)
(Decrease)/Increase in other loans	1,276.43	(1,945.45)
(Decrease)/Increase in grants	(2,035.13)	3,874.06
Decrease/(Increase) in other non-current and current financial liabilities	1,386.82	1,198.50
Decrease/(Increase) in other non-current and current liabilities	40,934.03	36,059.30
Decrease/(Increase) in provisions	16,555.85	19,277.81
(Decrease)/Increase/ in deferred tax liabilities	-	-
(Decrease)/Increase in Trade payables	(2,18,959.16)	5,07,341.36
Cash generated from operations	(74,807.63)	(45,527.37)
Income taxes paid (net of CY payments)	21.08	103.78
Net cash inflow from operating activities	(74,828.71)	(45,631.15)
Cash flows from investing activities		
Purchase of property, plant and equipment	(82,924.16)	(89,340.04)
Proceeds from sale of investments	-	1,744.76
Purchase of New Investments	-	-
Interest income from investments	198.78	803.02
Net cash used in investing activities	(82,725.38)	(86,792.26)



Cash flows from financing activities		
Repayment of borrowings	(3,52,629.93)	(36,311.69)
Proceeds from Long Term Borrowings	5,25,903.94	1,47,512.83
Proceeds towards others	9,935.27	20,832.92
Proceeds towards Capital Reserve/ Contingency reserve fund	-	-
Interest paid on borrowings	(50,190.15)	(34,469.78)
Amortisation of consumer contributions, subsidies, grants towards cost of capital assets(Current year)	23,957.92	21,296.94
Net cash used in financing activities	1,56,977.06	1,18,861.22
Net decrease in cash and cash equivalents		
	(577.03)	(13,562.18)
Cash and cash equivalents at the beginning of the financial year	14,992.23	28,554.42
Cash and cash equivalents at end of the year	14,415.21	14,992.23

This is the statement of Cash flow referred in our report dated 18.12.2020

For M/s. B.V.Rao & Co. LLP.
Chartered Accountants
FRN: 003118S / S200049

Sd/- xx dt. 18/12/2020
B.Vinay Kumar
Partner
Membership no.: 223723
UDIN
NO:20223723AAAAGW2582

Place: Visakhapatnam

Date: 08.12.2020

Sd/- XXXX
D. Chandram , IRAS
Director (Finance & HRD)
Din : 08963107

Sd/- XXXX
A. Venkateswara Rao
Chief General Manager(Expr.)

For and on behalf of the Board

Sd/- XXXX
Nagalakshmi .S, IAS
Chairman & Managing Director
Din : 07741194

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



Eastern Power Distribution Company Of A.P. Limited

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 2018	12,122.53
Changes in equity share capital	-
As at 31 March 2019	12,122.53
Changes in equity share capital	-
As at 31 March 2020	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 2018	(3,28,901.00)	10,724.42	(4,084.19)	(3,22,260.77)
Profit/(loss) for the year	(4,25,298.39)	-	-	(4,25,298.39)
Other comprehensive income	-	-	(39,115.92)	(39,115.92)
Total comprehensive income for the year	(4,25,298.39)	-	(39,115.92)	(4,64,414.31)
Adjustment of losses in retained earnings	-	-	-	-
Amount added/(deducted) to contingency reserve	-	-	-	-
Addition/(deduction) to other reserve	-	-	-	-
Balance at 31 March 2019	(7,54,199.39)	10,724.42	(43,200.11)	(7,86,675.08)
Balance as at 1 April 2019	(7,54,199.39)	10,724.42	(43,200.11)	(7,86,675.08)
Profit/(loss) for the year	(15,235.59)	-	-	(15,235.59)
Other comprehensive income	-	-	15,562.23	15,562.23
Total comprehensive income for the year	(15,235.59)	-	15,562.23	326.64
Adjustment of losses in retained earnings	-	-	-	-
Amount added/(deducted) to contingency reserve	-	-	-	-
Amount added/(deducted) to other reserves	-	-	-	-
Balance at 31 March 2020	(7,69,434.98)	10,724.42	(27,637.88)	(7,86,348.44)



Eastern Power Distribution Company of Andhra Pradesh Limited
Notes to the financial statements for the year ended 31 March 2020

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 is a government company as defined under section 2(45) of the Companies Act, 2013 and the Company is not listed under in any stock exchange. 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 on going concern basis following accrual system of accounting 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, 2003 to the extent possible and the rules made there under.

(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. Nominal Processing/Documentation charges paid are charged to P&L Account in the same year.

(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 116 - Leases

In March 2019, the Ministry of Corporate Affairs ("MCA") has notified Ind AS 116, Leases, which is effective for accounting periods beginning on or after 1 April 2019. This comprehensive new standard supersedes Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. The Company intends to use low value exemption in accordance with Ind AS 116.

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 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.

De-recognition

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 de-recognition 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 asset's 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

- 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 view of the Provisions of Part B of Schedule II of the Companies Act 2013.
- Depreciation is calculated from the date of capitalization or procurement of the asset.
- 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.
- An asset is capitalized when it is first put to use for commercial purposes.
- 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.
- 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.

Scrap is valued at estimated realizable value. All costs incurred on retirement, scrapping and sale of assets are charged to Revenue Account in the year in which the cost are incurred like Building / Civil Works demolition costs, Plant decommissioning costs, Site restoration etc.

In case of scrapped asset for which no scrap / salvage value is realized, the written down value of such assets are charged in the Revenue Account for the year in which the scrapped assets are found unrealizable.

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

- 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/5 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 commencement of the lease, the Corporation recognizes right-of-use asset and lease liability, with an exception of short-term leases or lease of low-value underlying assets. The right-of-use asset is measured at cost, made up of the initial measurement of the lease liability, initial direct costs payments on or before commencement of the lease. The lease liability is measured at Present Value of the lease payments to be made during the course of the lease by using effective borrowing rate that prevail at the beginning of lease period. On re-measurement of lease liability, the right-of-use asset is suitably readjusted unless such readjustment lead to a restatement of carrying value below zero, in which case, the resultant amount is directly routed through Statement of Profit & Loss Account.

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 Energy..

(a) Sale of Energy

- Accounting policies relating to revenue for the periods after 31 March 2020 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.
- The tariff rates for sale of power are regulated by APERC ('the Regulator') under the Electricity Act 2003. Before the commencement of the accounting period, the tariff is set by the Regulator based on the estimated cost of power, operating & maintenance expenses, depreciation, interest and return on equity submitted by the Company to the Regulator. The regulatory mechanism provides for a rate review or 'truing up / truing down' exercise at periodic intervals to adjust the rates, upward or downward, to ensure recovery of costs and a reasonable return on investment. For 'truing up /down' of the initially determined rates, the Company provides the APERC with details of actual costs based on audited accounts and other supporting evidence. The details provided by the Company are reviewed by the Regulator and may also provide opportunity to other stakeholders to submit their comments on the Company's application for rate review. Upon such review, the Regulator determines the additional costs

which can be recovered by the Company or amounts which need to be refunded to the customers. Following the truing up exercise, the Regulator usually adjusts the rates to be charged from customers in the following periods so as to ensure recovery of additional costs or refund of amounts, as the case may be. The Regulator may also decide not to immediately adjust the rates due to various considerations and require the Company to defer the recovery or refund of the difference between the expected and actual amount of those costs. This results in a portion of the costs (or cost savings) of one period being included or adjusted in the revenue of another period and such amounts are considered as regulated asset / liability and as the Company elected to not follow IND As 114 – Regulatory Deferral Accounts, the same are disclosed in the notes to accounts under Provisions, Contingent Liabilities & Contingent Asset.

- Unbilled revenue is recognized in the books of accounts on 'actual bases, 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 Energy 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.
- **Revenue from Malpractices/ Theft cases are recognized as per Final Assessment of Competent authority.**

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.

Any Grants received from Government towards loss funding is recognised on Receipt basis.

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 is 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.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management but they are not recognised as assets in the balance sheet. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

The Company elected to not apply the provisions of Ind AS 114 – Regulatory Deferral Accounts but disclosed the regulatory deferral amounts as a contingent Asset in the notes.



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 a 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.

2.1.18 Adjustments pertains to earlier years.

Income /expenditure relating to earlier years which does not exceed 0.5 % of turnover in each transaction are treated as income /expenditure of current year.

For M/s. B.V.Rao & Co. LLP.
Chartered Accountants
FRN: 003118S / S200049

Sd/- xx dt. 18/12/2020
B.Vinay Kumar
Partner
Membership no.: 223723
UDIN NO:20223723AAAAGW2582

Place: Visakhapatnam

Date: 08.12.2020

Sd/- XXXX
D. Chandram , IRAS
Director (Finance & HRD)
Din : 08963107

Sd/- XXXX
A. Venkateswara Rao
Chief General Manager (Expr.)

For and on behalf of the Board

Sd/- XXXX
Nagalakshmi .S, IAS
Chairman & Managing Director
Din : 07741194

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

Notes to the financial statements (continued)

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	Right of Use Lease Asset(Electric Cars)	Total
Gross Carrying Cost												
Balance as at 1st April,2018	8,257.45	17,264.37	4,129.66	1,60,433.22	1,66,905.36	39,782.30	95.25	1,245.06	1,151.33	6,181.86	-	4,05,445.86
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	1,92,306.52	2,00,886.21	48,431.35	95.25	1,366.62	1,310.74	6,413.54	-	4,83,997.58
Accumulated Depreciation												
Balance as at 1st April,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
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	-	1,05,659.67
Net carrying amount as at 31st March,2019	8,257.45	18,845.06	4,342.16	1,49,781.15	1,60,211.58	31,018.40	49.10	829.76	875.76	4,127.49	-	3,78,337.91
Gross Carrying Cost												
Balance as at 1st April,2019	8,257.45	20,246.62	4,683.28	1,92,306.52	2,00,886.21	48,431.35	95.25	1,366.62	1,310.74	6,413.54	-	4,83,997.58
Additions	-	2,485.27	1,148.07	29,699.05	38,324.19	10,446.46	-	87.44	515.04	1,065.53	499.37	84,270.42
Deletions	-	-	-	(139.13)	-	(1,018.69)	-	-	-	-	-	(1,157.82)
Balance as at 31st March,2020	8,257.45	22,731.89	5,831.35	2,21,866.44	2,39,210.40	57,859.12	95.25	1,454.06	1,825.78	7,479.07	499.37	5,67,110.18
Accumulated Depreciation												
Balance as at 1st April,2019	-	1,401.56	341.12	42,525.37	40,674.63	17,412.95	46.15	536.86	434.98	2,286.05	-	1,05,659.67
Depreciation for the year	-	689.79	160.45	17,377.85	16,802.94	8,185.54	21.47	199.77	199.44	923.84	83.88	44,644.97
Accumulated depreciation on deletions	-	-	-	(123.15)	-	(852.22)	-	-	-	-	-	(975.37)
Balance as at 31st March,2020	-	2,091.35	501.57	59,780.07	57,477.57	24,746.27	67.62	736.63	634.42	3,209.89	83.88	1,49,329.27
Net carrying amount as at 31st March,2020	8,257.45	20,640.54	5,329.78	1,62,086.37	1,81,732.83	33,112.85	27.63	717.43	1,191.36	4,269.18	415.49	4,17,780.91

4.Capital work-in-progress

Description	Capital Work in Progress
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
Gross Carrying Cost	
Balance as at 1st April,2019	48,762.75
Additions	84,276.11
Capitalized	(84,270.43)
Amount receivable from WB under UG Cable scheme towards cent age charges	(1,797.85)
Balance as at 31st March,2020	46,970.58
Net carrying amount as at 31st March,2020	46,970.58

5.Intangible assets

Description	Computer Software
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	7.59
Amortization for the year	-
Accumulated amortization on deletions	-
Balance as at 31st March,2019	7.59
Net carrying amount as at 31st March,2019	1.66
Gross Carrying Cost	
Balance as at 1st April,2019	9.25
Additions	628.35
Deletions	-
Balance as at 31st March,2020	637.60
Accumulated Amortization	
Balance as at 1st April,2019	7.59
Amortization for the year	122.52
Accumulated amortization on deletions	-
Balance as at 31st March,2020	130.11
Net carrying amount as at 31st March,2020	507.49

Eastern Power Distribution Company of A.P. Limited

Notes to the financial statements (continued)

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

6. Investments

	31 March 2020	31 March 2019
Non-current investments		
Investments in Government securities		
Contingency Reserve Investments		
Contingency Reserve Investments allocated by TSNPDCL Under Demerger Scheme (i)	3.37	3.37
Investments in bonds		
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 (i)	24.44	24.44
Investment in APSEEDCO - 200000 no. of shares @ Rs.10/- fully paid up	20.00	20.00
Investment in RESCOs Cheepurupalli - 9 shares @ Rs.100000/- each fully paid up	9.07	9.07
Investments in RESCO allocated by TSNPDCL Under Demerger Scheme (i)	0.04	0.04
	14,674.92	14,674.92
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	14,674.92	14,674.92
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.

(i) Investments are allocated by TSNPDCL in Demerger Scheme are yet to be transferred to APEPDCL.

7. Loans

	31 March 2020	31 March 2019
Secured considered good		
Loans to employees	7,875.37	9,128.49
Unsecured considered good		
Loans to employees	96.56	119.87
(Loans and advances given for marriage & Education)		
	7,971.93	9,248.36

Loans given to the employees are secured and considered good except for the loans related to marriage & education advance are unsecured but considered good.

8. Other financial assets

	31 March 2020	31 March 2019
A. Non-current		
Unsecured considered good		
Interest receivable from employees	2,271.36	1,822.61
	2,271.36	1,822.61

B. Current	31 March 2020	31 March 2019
Unsecured considered good		
Loans to employees (i)	448.08	472.33

Unbilled revenue	71,869.04	72,635.65
Interest accrued on bank deposits	28.99	41.16
Interest accrued on investments	20.53	20.83
Receivable from others	190.37	2.79
Receivables from AP Online E-Seva & Internet	1,130.52	1,236.84
Receivables from Government/FSA	1,67,185.09	1,92,585.99
Provision for Government Receivables	(25,382.99)	(25,382.99)
Recb subsidy Ferro	0.21	0.21
Sundry Debtor for Sale of Scrap	456.67	442.88
Receivable from P&G/GPF trust	9,075.36	4,407.85
Receivable from Govt/APDRP/UGC	569.45	789.83
Receivable from Govt/APDRP/UGC- Cent age charges	1,797.85	
	2,27,389.17	2,47,253.37

(i) Loans given to the employees are interest free and recoverable in one year.

9. Other assets

	31 March 2020	31 March 2019
A. Non-current		
Capital advances - Others	15,320.21	1,328.31
Capital advances - AP Genco (i)	11,057.00	11,057.00
Security deposit (Deposit with local Agencies)	3,696.92	3,666.40
Prepaid employee cost	1,611.38	1,423.02
Inter discom balances (ii)	3,73,918.78	4,11,336.39
	4,05,604.29	4,28,811.12

	31 March 2020	31 March 2019
B. Current		
Amount recoverable from Employees / Ex-employees	851.36	791.75
Prepaid expenses	1,381.27	4,810.98
Prepaid employee cost	117.62	330.14
Other misc receivables	45.16	0.78
	2,395.41	5,933.65

(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 2017-18 and continued till now.

(ii) Inter Discom balances

Name of the Discom	Amount
TSSPDCL	1,00,640.29
TSNPDCL	(12,216.91)
APSPDCL	2,85,495.40
Total	3,73,918.78

10. Inventories

	31 March 2020	31 March 2019
Stores and spares	16,815.23	18,700.73
	16,815.23	18,700.73

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.

Inventories includes assets devoluted from works due to enhancement of lines & DTRs etc of worth Rs.981.50 Lakhs. These devoluted stock values at weighted average price of already existing materials.

11. Trade receivables

	31 March 2020	31 March 2019
(i) Trade receivables		
Secured considered good	48,496.80	21,620.81
Unsecured considered good	187052.41	195221.41
Unsecured considered doubtful	10,519.06	8,296.49
Others *	1,366.87	2,496.02
	2,47,435.14	2,27,634.73
(ii) Provision for doubtful receivables / advances		
Provision for doubtful receivables	(10,519.06)	(8,296.49)
	(10,519.06)	(8,296.49)
Net trade receivables	2,36,916.08	2,19,338.24

* Others include unconnected minimum charges from customers etc.

Details of Consumer balances as per Financial Accounts and Consumer Ledger (EPCCB)

Details	LT Customers	HT Customers	Total
As per Financial Accounts	1,21,483.93	1,24,669.43	2,46,153.36
As per Consumer Ledger (EPCCB)	1,20,636.94	1,31,360.46	2,51,997.41
Differences	846.99	-6,691.04	-5,844.05

The difference between financial accounts and Consumer ledger arise due to adoption of 2nd transfer scheme balances in financial accounts, whereas Consumer accounts are maintained on actual basis.

12. Cash and cash equivalents

	31 March 2020	31 March 2019
Balance with banks		
- in current accounts	5,990.06	12,299.38
- in deposit accounts (i)	8,355.88	2,282.01
Cash on hand	69.27	400.98
Cash / Remittances in transit	-	9.86
Cash and cash equivalents	14,415.21	14,992.23
(i) Deposit accounts with more than 3 months but less than 12 months maturity	-	5.02

A Bank Account in the name of AP Power Distribution Companies Pool Account is opened by both the Discoms jointly and is operated by the nominees of APPCC. Discom wise balance confirmation is not available and the balance in Bank A/C relating to power purchases transaction on the basis of communication from APPCC.

13. Other tax assets

	31 March 2020	31 March 2019
Advance Income Tax & TDS	577.98	556.90
MAT credit Entitlement	1,035.84	1,035.84
	1,613.82	1,592.74

14. Share Capital

	Number of shares 31 March 2020	Number of shares 31 March 2019
Authorized equity share capital 12,20,00,000 (31.03.2020 : 12,20,00,000) Equity shares of Rs 10 each	1,220.00	1,220.00
Issued share capital 12,12,25,329 (31.03.2020 : 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 (31.03.2020 : 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	Amount
As at 1 April 2018	1,212.25	12,122.53
Issue of shares during the year	-	-
As at 31 March 2019	1,212.25	12,122.53
Issue of shares during the year	-	-
As at 31 March 2020	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 2020	31 March 2019
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 2020		31 March 2019	
Name of the shareholder	No. of shares	% Holding	No. of shares	% Holding
His Excellency the Honourable Governor of Andhra Pradesh (Government of Andhra Pradesh)	12,12,25,320	99.999993	12,12,25,320	99.999993
Government Nominees	9	0.000007	9	0.000007
Total	12,12,25,329	100	12,12,25,329	100

15. Other equity

	31 March 2020	31 March 2019
Retained earnings (i)	(7,69,434.98)	(7,54,199.39)
Contingency reserve (ii)	10,724.42	10,724.42
Other comprehensive income (iii)	(27,637.88)	(43,200.11)
Total other equity	(7,86,348.44)	(7,86,675.08)

i) Retained earnings

	31 March 2020	31 March 2019
Opening balance	(7,54,199.39)	(3,28,901.00)
Add: Profit/(Loss) for the year	(15,235.59)	(4,25,298.39)
Closing balance	(7,69,434.98)	(7,54,199.39)

ii) Contingency reserve

	31 March 2020	31 March 2019
Opening balance	10,724.42	10,724.42
Add: Additions during the year		
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 2020	31 March 2019
Opening balance	(43,200.11)	(4,084.19)
Add:		
Remeasurement of defined benefit obligations (liability net of tax)	15,562.23	(39,115.92)
Closing balance	(27,637.88)	(43,200.11)

16. Borrowings

	31 March 2020	31 March 2019
Non-current borrowings		
Term loans		
Secured		
From Financial Institutions - Refer note (a) below	4,32,352.64	2,38,185.56
Unsecured		
From Financial Institutions	-	-
	4,32,352.64	2,38,185.56
Current borrowings		
Secured		
Loans repayable on demand from Financial institutions - Refer note (a) below	38,530.57	55,181.28
Securities on long term borrowings - Refer note (b) below	1,66,565.40	1,48,808.55
Unsecured		
Loans repayable on demand from Financial institutions	-	-
Current maturities on long term borrowings	-	-
	2,05,095.97	2,03,989.83

The working capital loans obtained from SBI, Andhra Bank (UBI) & 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 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	First pari passu charge on company's present and future receivables.	100333053	13-03-2020	12-04-2020	1200	M/s Andhra Pradesh Power Finance Corporation Limited, Vijayawada
2	First Charge to the Corporation as security for and be charged with repayment to the Corporation of principal amount of the Loan and interest, premia on prepayment or on redemption, costs, charges and expenses and all other moneys due to the corporation under the memorandum of agreement	100331934	12-03-2020	24-03-2020	500	M/s Power Finance Corporation Limited Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi - 11000
3	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. 13011.32 Lakhs (Rupees Thirteen Thousand Eleven Lakhs and Thirty-Two Thousand only) (hereinafter referred to "Stacks") created, installed and procured out of the Loans as security to adequately cover of the amount of Loans, interest, penal interest and other costs and charges to the satisfaction of REC.	100322128	06/02/2020	14-02-2020	117.1019	M/s REC Limited, Core 4Scope, Complex - 7, Lodi Road, New Delhi. - 110003
4	First charge by way of hypothecation, of all the movable assets of the project created/ to be created under implementation of ERP under IPDS in APEPDCL in the state of Andhra Pradesh, as fully described and hereunder written including movable machinery, machinery spares, tools and accessories, spares and material at all the project site, present and future.	100313781	30-12-2019	10-01-2020	3.21	M/s Power Finance Corporation Limited Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi - 11000
5	First charge by way of hypothecation, of all the movable assets of the project created/ to be created under implementation of ERP under IPDS in APEPDCL in the state of Andhra Pradesh, as fully described and hereunder written including movable machinery, machinery spares, tools and accessories, spares and material at all the project site, present and future.	100313784	30-12-2019	10-01-2020	1.44	M/s Power Finance Corporation Limited Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi - 11000

6	As per the Deed of Hypothecation Dated :30.12.2019	100311046	30-12-2019	31-12-2019	300	M/s Power Finance Corporation Limited Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi -11000
7	First charge by way of hypothecation, of all the movable assets of the project created/ to be created under implementation of GIS Projects under IPDS in APEPDCL in the state of Andhra Pradesh, as fully described and hereunder written including movable machinery, machinery spares, tools and accessories, spares and material at all the project site, present and future.	100313772	30-12-2019	10-01-2020	17.19	M/s Power Finance Corporation Limited Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi -11000
8	First charge by way of hypothecation, of all the movable assets of the project created/ to be created under implementation of GIS Projects under IPDS in APEPDCL in the state of Andhra Pradesh, as fully described and hereunder written including movable machinery, machinery spares, tools and accessories, spares and material at all the project site, present and future.	100313776	30-12-2019	10-01-2020	4.66	M/s Power Finance Corporation Limited Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi -11000
9	The Borrower is required to secure due repayment of the Loans, together with interest, penal interest and other costs and charges thereon, by way of exclusive first charge by hypothecation of all the future movable properties of the respective Scheme under the Project including movable machinery, equipment's, 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, totaling to the project cost of Rs.1934.00 Lakhs(Rupees Nineteen Hundred Thirty Four Lakhs only) (herein after referred to "Stocks") created, installed and procured out of the Loans as security to adequately cover of the amount of Loans, interest, penal interest and other costs and charges.	100300479	02-11-2019	16-11-2019	5.8	M/s REC Limited, Core 4Scope, Complex - 7, Lodi Road, New Delhi. - 110003
10	The whole of the 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, LTAB 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 of APEPDCL now valued at Rs. 330.00 Crores (Rupees Three Hundred and Thirty Crore only) based on fair market value (details as per Schedule-I(a) hereunder) are now secured to REC under exclusive first charge by way of hypothecation to the Corporation as security.	100263305	15-05-2019	25-05-2019	274	M/s REC Limited, Core 4Scope, Complex - 7, Lodi Road, New Delhi. - 110003

11	Hypothecate all the future Movable 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
12	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	14-12-2018	06-02-2019	500	M/S Indian Renewable Energy Development Agency Limited / New Delhi
13	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
14	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 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.	100207568	11-09-2018	10-10-2018	70	M/s REC Limited / New Delhi
15	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
16	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

17	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
18	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
19	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.	100132385	03-11-2017	08-11-2017	500	M/s Power Finance Corporation Limited / New Delhi
20	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
21	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	95.4	M/s Power Finance Corporation Limited / New Delhi
22	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

23	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	24-06-2016	01-07-2016	100	M/s PTC Limited / New Delhi
24	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/ Items 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
25	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
26	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 and 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
27	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
28	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
29	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

30	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 Dondaparthi 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
31	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 Loan No.31637001 Amadalavalasa) 31637005(Bhimavaram), 31637007(Eluru), 31637008 (Ichapuram), 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
32	The whole of the movable properties / assets of the borrower created / to be created out of the counterpart loan for R-APDRP (part-B) Amalapuram 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
33	Primary security as per FRP of Discoms first charge on current assets on pari-passu basis.	10518699	16-07-2014	10-09-2014	150	M/s Indian Overseas Bank / Hyderabad
34	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	141.52755	M/s REC Limited / New Delhi
35	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
36	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 Amadalavalasa, Bhimavaram, Eluru, Ichapuram, Mandapeta, Palasa, Pithapuram & RC Puram Towns 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



37	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
38	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	08-02-2012	2.48	M/s Power Finance Corporation Limited / New Delhi
39	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	24-03-2011	08-04-2011	0.83	M/s Power Finance Corporation Limited / New Delhi
40	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
41	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
42	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
43	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

a. Details of borrowing based on its nature

Particulars	Account Code	31 March 2020	31 March 2019
Secured Term Loans			
From Banks		-	-
From Others		-	-
Acquisition of Fixed assets			
Loan from REC(i)	5303100	54,892.43	47,736.02
Loan from REC-RGGVY.....(ii)	5303530	832.83	1,003.96
Loan from PFC.....(iii)	5303200	18,924.62	19,410.30
LT Loans-PFC GEL (Solar Pump sets)	5303210	1,566.21	1,652.19
Loan from Govt. of Andhra Pradesh	5303300	1,927.52	1,927.52
Power for All- REC Loan	5303510	6,049.92	1,942.79
Power for All- Govt. of AP- IBRD Loan	5303510	3,797.11	782.00
Power for All- Govt of AP-AIIB Loan	5303510	2,529.83	316.00
Working Capital Requirements:			
Loan from PFC	5303200	29,841.47	44,791.67
Loan from REC	5303100	66,764.19	64,523.81
Loan from PTC FSLtd	5303600	10,161.98	12,499.98
Loan Bifurcation from TSNPDCL		1,614.39	1,614.39
Loan Bifurcation from APPFC	5303900	1,70,000.00	-
Loan from IREDA	5303800	21,324.00	-
STL Frm APTRANSCO	4603051	9,499.20	21,999.20
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	2,477.94	9,835.93
Loans Repayable on Demand from Banks			
CC Limits from SBI, Syndicate bank & Andhra Bank	5000102	38,530.57	55,181.28
Current maturities of long term borrowings -(v)		1,66,565.40	1,48,808.55
Total borrowings		6,37,448.61	4,64,174.59
Current		2,05,095.97	2,03,989.83
Non current		4,32,352.64	2,60,184.76
		6,37,448.61	4,64,174.59

Secured loans and assets pledged as security

Secured Term Loan from M/s REC amounting to Rs.2577.40 (P.Y. Rs.2656.18) 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.588.00 (P.Y. Rs.691.55) 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 2020	31 March 2019
JBIC- Monthly	1,193.73	1,505.13
JBIC- Quarterly	2,168.02	2,710.02
Indiramma	500.64	560.72
LED	1,161.99	1,251.37
HVDS	7,873.88	8,008.13
AGL Solar Pump sets	8,173.14	8,603.30
EEPS	6,648.32	6,648.32
DDUGJY	8,356.91	8,356.91
Solar Off Grid pump sets	10,969.57	10,092.13
DDG (Electrification of 229 Habitations)	504.03	-
Agl 9 Hrs supply	7,342.21	-
	54,892.44	47,736.03

(II) Loan from REC-RGGVY

Particulars	31 March 2020	31 March 2019
Non-current		
RGGY	450.95	642.36
DDG	381.88	361.60
	832.83	1,003.96

(III) Loan from PFC

Particulars	31 March 2020	31 March 2019
Non-current		
RAPDRP Part-A (GOI)	5,116.23	5,116.23
RAPDRP Part-B (75%)	3,873.37	4,057.22
RAPDRP Part-B (GOI)	1,204.80	1,204.80
RAPDRP SCADA Part-A (GOI)	747.00	747.00
RAPDRP SCADA Part-B (GOI)	321.00	321.00
IPDS	7,310.28	7,964.05
IPDS- IT	351.94	-
	18,924.62	19,410.30

(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		2,477.94
Bank of India		-
	30,149.00	2,477.94

(v) Current maturities of long term borrowings

Particulars	31 March 2020	31 March 2019
Secured Term Loans		
From Banks		-
From Others		
Acquisition of Fixed assets		
Loan from REC.....(i)	2,342.56	2,391.84
Loan from REC-RGGVY.....(i)	234.84	264.34
Loan from PFC.....(ii)	503.34	523.55
LT Loans-PFC GEL (Solar Pump sets)....(ii)	84.66	168.00
Loan from Govt. of Andhra Pradesh	533.00	533.00
Working Capital Requirements:		
Loan from PFC	1,12,875.00	55,000.00
Loan from REC	25,487.00	34,500.00
Loan from PTC FSLtd	2,338.00	4,000.00
Loan from IREDA	16,176.00	49,998.82
Financial Restructuring Plan		
FRP- Conversion of STL to Term Loans...(iii)	5,991.00	1,429.00
Total current maturities of long term borrowings	1,66,565.40	1,48,808.55

Secured Term Loan from M/s REC amounting to Rs.2577.40 (P.Y. Rs.2656.18) 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.588.00 (P.Y. Rs.691.55) is secured by the specific assets for which the loan is availed.

The repayment is in equated quarterly installments 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	363.31
JBIC- Quarterly	542.00
Indiramma	70.09
LED	104.28
HVDS	619.29
AGL Solar Pump sets	430.16
Solar Off Grid pump sets	213.43
Sub total	2,342.56
RGGY	191.40
DDG	43.44
Sub total	234.84
Grand total	2,577.40

(ii) Details of PFC Term Loans

Particulars	INR
RAPDRP Part-B (75%)	172.85
IPDS	325.63
IPDS- IT	4.86
Total	503.34
LT Loans-PFC GEL (Solar Pump sets)	84.66

(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	Conversion of STL To Term Loans
Particulars	INR
IOB	4,228.00
Bank of India	1,763.00
Total	5,991.00

17. Provisions

	Non-current	
	31 March 2020	31 March 2019
Provisions for employee benefits		
Provision for EL Encashment	68,417.20	68,152.42
	68,417.20	68,152.42
		Current
	31 March 2020	31 March 2019
Provisions for employee benefits		
Provision for EL Encashment	2,807.34	2,644.60
Provision for Pension & Gratuity for Employee < 1-2-99	2,67,201.21	2,32,127.95
Provision for Gratuity for Employees > 1-2-99	(2,15,803.71)	(1,81,296.55)
	54,204.84	53,476.00

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. Financial Assumptions		
Particulars	31 March 2020	31 March 2019
Discount Rate	6.60%	7.65%
Salary Growth Rate	8.50%	8.50%
Expected rate of return	0.00%	0.00%

b. Demographic Assumptions: Withdrawal Rates per annum

Age Band	31 March 2020	31 March 2019
25 & Below	1.00%	1.00%
26 to 35	1.00%	1.00%
36 to 45	1.00%	1.00%
46 to 55	1.00%	1.00%
56 & above	1.00%	1.00%

c. Mortality Rates -- Indian Assured Lives mortality (2006-08) Table
Sample Rates per annum of Indian Assured Lives mortality

Particulars (Age in years)	31 March 2020	31 March 2019
20	0.089%	0.089%
30	0.106%	0.106%
40	0.180%	0.180%
50	0.495%	0.495%
60	1.153%	1.153%

d. Reconciliation of defined benefit obligation

Particulars	31 March 2020	31 March 2019
Opening Defined Benefit Obligation	70797.02	47032.42
Service Cost	0.00	0.00
a. Current service cost	3539.85	23764.60
b. Past service cost	0.00	0.00
c. (Gain) / loss on settlements	0.00	0.00
d. Loss (gain) on curtailments	0.00	0.00
Interest Cost	5415.97	3640.31
Benefit Payments from Plan Assets	0.00	0.00
Benefit Payments directly by Employer	(6277.17)	0.00
Contributions by Employees / Participants	0.00	0.00
Effects of Acquisition / Merger	0.00	0.00
Settlements	0.00	0.00
Transfer In/Out	0.00	0.00
Actuarial Loss/Gain- Demographics	0.00	0.00
Actuarial Loss/Gain- Experience	(10446.09)	0.00
Actuarial Loss / Gain- Financial	8194.96	1184.64
Total Actuarial Loss (Gain)	(2251.13)	1184.64
Exchange differences on foreign plans	0.00	0.00
Closing Defined Benefit Obligation	71224.54	70797.02

e. Profit and loss account for current period

Particulars	31 March 2020	31 March 2019
Current service cost	3,539.85	23,764.60
Recognised Past Service Cost-Vested	0.00	0.00
Loss/(gain) on curtailments and settlement	0.00	0.00
Total Service Cost	3,539.85	23,764.60
interest on obligation	5,415.97	-
Expected return on plan assets	0.00	0.00
Net Interest Cost	5,415.97	3,640.31
Total Included In 'Employee Benefit Expense'	8,955.82	27,404.91

f. Effects Recognized In Other Comprehensive Income		
Particulars	31 March 2020	31 March 2019
Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO		
Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	8,194.96	
Actuarial (Gain) / Loss due to Experience on DBO	-10,446.09	1,184.64
Return on Plan Assets (Greater) / Less than the Expected Return	0.00	0.00
Changes in Asset Ceiling	0.00	0.00
Any other Effect	0.00	0.00
Net actuarial loss/ (gain) for the year	-2,251.13	1,184.64

g. Total Cost Recognized in Comprehensive Income		
Particulars	31 March 2020	31 March 2019
Cost Recognized In P&L	8955.82	27404.91
Remeasurement Effects Recognized in OCI	(2251.13)	1184.64
Total Cost Recognized In Comprehensive Income	6704.69	28589.54

h. Sensitivity to key assumptions

Particulars	31 March 2020	31 March 2019
Discount rate sensitivity		
Increase by 1%	63387.78	64463.88
(% change)	-11.00%	-8.95%
Decrease by 1%	80541.25	78187.75
(% change)	13.08%	10.44%
Salary growth rate sensitivity		
Increase by 1%	79539.56	80340.91
(% change)	11.67%	13.48%
Decrease by 1%	64038.27	62668.90
(% change)	-10.09%	-11.48%
Withdrawal rate (W. R.) sensitivity		
Increase by 1%	70108.12	77340.32
(% change)	-1.57%	9.24%
Decrease by 1%	72493.31	63530.56
(% change)	1.78%	-10.26%

Balance sheet amounts – Pension

Pension & Gratuity

(ii) (a) 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.

(ii) (b) 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 liability will be discharged at 74% by APGENCO Master Trust and 26% by APEPDCL Pension and Gratuity Trust as per the tripartite agreement. The amount of gratuity payable on retirement / termination is based upon Andhra Pradesh Revised Pension Rules, 1980.

a. Financial Assumptions		
Particulars	31 March 2020	31 March 2019
Discount Rate for Active Employees	6.40%	7.65%
Discount Rate for Pensioners	6.50%	7.65%
Salary Growth Rate	8.50%	8.50%
Expected rate of return	7.50%	7.50%

d. Demographic Assumptions: Withdrawal Rates per annum

Age Band	31 March 2020	31 March 2019
25 & Below	1.00%	1.00%
26 to 35	1.00%	1.00%
36 to 45	1.00%	1.00%
46 to 55	1.00%	1.00%
56 & above	1.00%	1.00%

c. Mortality Rates -- Indian Assured Lives mortality (2006-08) Table

Table 5: Sample Rates per annum of Indian Assured Lives mortality		
Age (in Years)	31 March 2020	31 March 2019
20	0.089%	0.089%
30	0.106%	0.106%
40	0.18%	0.180%
50	0.495%	0.495%
60	1.153%	1.153%

d. Reconciliation of defined benefit obligation

Particulars	31 March 2020	31 March 2019
Opening Defined Benefit Obligation	1,82,269.22	1,36,218.36
Service Cost	-	-
a. Current service cost	52.86	4,186.51
b. Past service cost	-	-
c. (Gain) / loss on settlements	-	-
d. Loss (gain) on curtailments	-	-
Interest Cost	13,943.60	0.00
Benefit Payments from Plan Assets	-6,918.47	-6,801.66
Benefit Payments directly by Employer	-	-
Contributions by Employees / Participants	-	-
Effects of Acquisition / Merger	-	-
Settlements	-	-

Transfer in/Out	-	-
Actuarial Loss (Gain) – Demographics	-	-
Actuarial Loss (Gain) – Experience	-27,774.40	-
Actuarial Loss (Gain) -Financial	22,213.22	38,449.64
Total Actuarial Loss (Gain)	-5,561.18	38,449.64
Exchange differences on foreign plans	-	-
Closing Defined Benefit Obligation	1,83,786.02	1,82,269.22

e. Profit and loss account for current period		
Particulars	31 March 2020	31 March 2019
Current service cost	53	4,187
Recognised Past Service Cost-Vested	0	0
Loss/(gain) on curtailments and settlement	0	0
Total Service Cost	53	4,187
Interest on obligation	13,944	0
Expected return on plan assets	-11,233	0
Net Interest Cost	2,711	1,228
Total Included In 'Employee Benefit Expense'	2763.75	5414.36

f.Effects Recognized In Other Comprehensive Income		
Particulars	31 March 2020	31 March 2019
Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO		
Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	22,213.22	38,449.64
Actuarial (Gain) / Loss due to Experience on DBO	-27,774.40	0.00
Return on Plan Assets (Greater) / Less than the Expected Return	-7,083.21	-2,617.48
Changes in Asset Ceiling	0.00	0.00
Any other Effect	0.00	0.00
Net actuarial loss/ (gain) for the year	-12,644.39	35,832.16

g.Total Cost Recognized in Comprehensive Income		
Particulars	31 March 2020	31 March 2019
Cost Recognized In P&L	2,763.75	5,414.36
Remeasurement Effects Recognized in OCI	-12,644.39	35,832.16
Total Cost Recognized in Comprehensive Income	-9,880.64	41,246.52

h.Sensitivity to Key Assumptions		
Particulars	31 March 2020	31 March 2019
Discount rate sensitivity		
Increase by 1%	164703.13	161712.00
(% change)	-10.38%	-11.28%
Decrease by 1%	206801.50	207494.00
	12.52%	13.84%
Salary growth rate sensitivity		
Increase by 1%	185994.15	203388.00
(% change)	1.20%	11.59%
Decrease by 1%	181805.97	164781.00

(% change)	-1.08%	-9.59%
Withdrawal rate (W. R.) sensitivity		
Increase by 1%	183874.25	178983.00
(% change)	0.05%	-1.80%
Decrease by 1%	1,83,697.24	
(% change)	-0.05%	

(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.

Gratuity for Employees appointed after 01-02-1999

The employees appointed after 01-02-1999 are eligible for Gratuity as per the provisions of Gratuity 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. Financial Assumptions		
Particulars	31 March 2020	31 March 2019
Discount Rate	6.60%	7.65%
Salary Growth Rate	8.50%	8.50%
Expected rate of return	7.50%	7.74%

b. Demographic Assumptions: Withdrawal Rates per annum

Age Band	31 March 2020	31 March 2019
25 & Below	1.00%	1.00%
26 to 35	1.00%	1.00%
36 to 45	1.00%	1.00%
46 to 55	1.00%	1.00%
56 & above	1.00%	1.00%

c. Mortality Rates-- Indian Assured Lives mortality (2006-08) Table

Sample Rates per annum of Indian Assured Lives mortality		
Age (in Years)	31 March 2020	31 March 2019
20	0.09%	0.09%
30	0.11%	0.11%
40	0.18%	0.18%
50	0.50%	0.50%
60	1.15%	1.15%

d. Reconciliation of defined benefit obligation

Particulars	31 March 2020	31 March 2019
Opening Defined Benefit Obligation	25910.69	20276.35
Service Cost	0.00	0.00
a. Current service cost	1036.43	2233.49
b. Past service cost	0.00	0.00
c. (Gain) / loss on settlements	0.00	0.00
d. Loss (gain) on curtailments	0.00	0.00
Interest Cost	1982.17	1569.39
Benefit Payments from Plan Assets	(772.53)	(624.00)

Benefit Payments directly by Employer	0.00	0.00
Contributions by Employees / Participants	0.00	0.00
Effects of Acquisition / Merger	0.00	0.00
Settlements	0.00	0.00
Transfer in/Out	0.00	0.00
Actuarial Loss (Gain) - Demographics	0.00	0.00
Actuarial Loss (Gain) - Demographics- Experience	(10080.95)	0.00
Actuarial Loss (Gain) - Financial	3020.53	2455.46
Total Actuarial Loss (Gain)	(7060.42)	2455.46
Exchange difference on foreign plans	0.00	0.00
	0.00	0.00
Closing Defined Benefit Obligation	21096.33	25910.69
e. Profit and loss account for current period		
Particulars	31.March.2020	31.March.2019
Current service cost	1036.43	2233.49
Recognised Past Service Cost-Vested	0.00	0.00
Loss/(gain) on curtailments and settlement	0.00	0.00
Total Service Cost	1036.43	2233.49
Interest on obligation	1982.17	148.73
Expected return on plan assets	(1807.66)	0.00
Net Interest Cost	174.51	148.73
Total Included In 'Employee Benefit Expense'	1210.93	2382.22

f. Effects Recognized In Other Comprehensive Income		
Particulars	31 March 2020	31 March 2019
Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO		
Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	3020.53	2455.46
Actuarial (Gain) / Loss due to Experience on DBO	(10080.95)	0.00
Return on Plan Assets (Greater) / Less than the Expected Return	6393.71	(356.34)
Changes in Asset Ceiling	0.00	0.00
Any other Effect	0.00	0.00
Net actuarial loss/ (gain) for the year	(666.71)	2099.13

g.Total Cost Recognized in Comprehensive Income

Particulars	31 March 2020	31 March 2019
Cost Recognized In P&L	1210.93	2382.22
Remeasurement Effects Recognized in OCI	(666.71)	2099.13
Total Cost Recognized In Comprehensive Income	544.22	4481.35

h. Sensitivity to key assumptions	31 March 2020	31 March 2019
Particulars		
Discount rate sensitivity		
Increase by 1%	18206.57	23197.72
(% change)	-13.70%	-10.47%
Decrease by 1%	24584.26	29123.74
	16.53%	12.40%
Salary growth rate sensitivity		
Increase by 1%	22535.16	27688.55
Decrease by 1%	6.82%	6.86%

(% change)	19529.00	23971.08
	-7.43%	7.49%
Withdrawal rate (W. R.) sensitivity		
Increase by 1%	21250.27	29110.84
(% change)	0.73%	12.35%
Decrease by 1%	20900.75	22343.17
(% change)	-0.93%	13.77%

(iv) GRATUITY & PENSION Actuarial LIABILITY of the MASTER TRUST as on 31.03.2020 Shown separately pertaining to the years 2020-2029 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 December,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.

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 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%. In F.Y 2019-20 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.2130.61 Crs (Excluding liability which was already recognized in F.Y 2018-19 of Rs.184.38 Crs) .

The part of above liability for the period beyond 2029 recognized in Profit & loss account of F.Y 2019-20 is Rs.193.69 Crs (Rs.2130.60*1/11) along with regular liability of 26% of Rs. (-) 93.36 Crs. The company has carried out for the Master Trusts liability as at 31 March, 2020 in respect of Pension/Gratuity benefits payable to its Post Feb 99 employees showing the same liability separately for the period 31.3.2020 - 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

Accrued Liability in respect of	Unit Trust	Master Trust
Gratuity for employees who continued on rolls beyond 31st January 1999	26% till 31 Dec 2029.	74% till 31 Dec 2029
	100% after Dec 2029	
Pension for employees who continued on rolls beyond 31st January 1999 (excluding those retired from 1st Feb 1999 till date of valuation)	26% till 31 Dec 2029.	74% till 31 Dec 2029
	100% after Dec 2029	
Pension for employees who joined with the units on or after 1st February, 1999	Not eligible	Not eligible
Pension to the Pensioners (including family pensioners) who retired from employment on or before 31st January 1999	0% till 31 Dec 2033.	100% till 31 Dec 2033
	100% after 2033	
Pensioners (Including family pensioners) who retired from employment after 1st February 1999 till date of valuation	26% till 31 Dec 2029.	74% till 31 Dec 2029
	100% after Dec 2029	

Accrued Liability Item	Unit (Rs. In Crs)	Master (Rs. In Crs)
Gratuity for Active Employees	69.25	94.97
Pension for Active Employees	639.79	737.99
Pension for Employees who retired on or after 01/02/1999	2452.09	1744.77
Pension for Employees who retired before 01/02/1999	19.30	249.78
Family Pension for Employees who retired on or after 01-02-1999	833.29	496.54
Family Pension for Employees who retired before 01.02.1999	139.13	477.36
Total Accrued Liability as at 31st March 2020	4152.85	3801.42
Less: Accrued Liability (26% already recognised as on 31.03.2020)	1837.86	
Accrued liability after 2029 as on 31.03.2020	2314.99	
Less: P&G liability already recognized & Provision created in F.Y 2018-19	184.38	
Balance Accrued P&G Liability to be recognized from 2019-20 to 2029-30(i.e 11 years)	2130.61	
Less: P&G Liability already recognised and provision created in F.Y 2019-20	193.69	
Balance Accrued P&G Liability to be recognized from 2020-21 to 2029-30(i.e 10 years)	1936.92	

18. Grants & Consumer contributions

	Non-current	
	31 March 2020	31 March 2019
Capital grant(i)	2,99,899.00	2,99,899.00
Grant towards cost of capital(ii)	44,636.66	46,671.55
Subsidies towards cost of Capital Assets.....(iii)	2.84	3.08
Consumer Contribution for Service Connections.....(iv)	1,72,230.01	1,62,294.74
	5,16,768.51	5,08,868.37

(i) Capital grant under UDAY Scheme (a)

	Non-current	
	31 March 2020	31 March 2019
Opening balance	2,99,899.00	2,99,899.00
Add: Received during the year		
Less: Amortised during the year	-	-
Closing balance	2,99,899.00	2,99,899.00

(ii) Grant towards cost of capital

	Non-current	
	31 March 2020	31 March 2019
Opening balance	46,671.55	42,797.23
Add: Received during the year (i)	1,678.87	7,456.19
Less: Amortised during the year	(3,713.76)	(3,581.87)
Closing balance	44,636.66	46,671.55

Grants and Consumer contributions are nonrefundable in nature and shown as a separate item in Balance sheet of F.Y 2019-20, previously it was grouped in Noncurrent liabilities.

(i) The details of Govt. grants received during the F.Y 2019-20

Details	Amount
Grant received from REC for 194DDG	582.21
Grant received from PFC for IPDS	1002.30
Grant received from PFC for IPDS-IT(ERP)	108.00
Less. Adjustment of previous year's entries	13.64
Total	1678.87

(iii) Subsidies towards cost of Capital Assets

	Non-current	
	31 March 2020	31 March 2019
Opening balance	3.08	3.34
Add: Received during the year	-	-
Less: Amortised during the year	(0.24)	(0.26)
Closing balance	2.84	3.08

(iv) Consumer Contribution for Service Connections

	Non-current	
	31 March 2020	31 March 2019
Opening balance	1,62,294.74	1,41,461.82
Add: Received during the year	30,179.19	38,547.73
Less: Amortised during the year	(20,243.92)	(17,714.81)
Closing balance	1,72,230.01	1,62,294.74

(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% of Working 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)

	Non-current	
	31 March 2020	31 March 2019
<i>Deferred tax liability</i>		
On employee benefits	220.03	220.03
Depreciation	220.03	220.03

20. Other liabilities

	Non-current	
	31 March 2020	31 March 2019
Security Deposits from Consumers	1,90,275.20	1,68,257.22
Other Reserves & Reserve Funds(GIS,FBF,& GPF etc)...(i)	1,140.11	935.09
Deposits for Electrification, Service Connection Etc.	8,903.77	8,030.77
	2,00,319.08	1,77,223.08
	Current	
	31 March 2020	31 March 2019
Other Liabilities	24,734.97	21,904.50
Staff Related Liabilities	14,486.48	12,119.04
Deposits and retentions from suppliers and contractors	17,897.38	15,855.32
Statutory dues payable	1,334.47	1,431.57
Advance receipts from consumers	1,158.55	1,175.95
Temporary Supply & TEMP Deposits	1,888.39	1,713.26
Security deposit-st	35.48	38.02
Elecy Duty payable	36,967.03	26,427.06
	98,502.75	80,664.72
i) Other Reserves & Reserve Funds(GIS,FBF, & GPF etc)		
	31 March 2020	31 March 2019
Opening balance	935.09	934.23
Add: Additions during the year	6,418.49	4,790.75
Less: Amortised during the year	(6,213.47)	(4,789.89)
Closing balance	1,140.11	935.09

21. Trade payables

	31 March 2020	31 March 2019
AP Transco & Power Purchase Liability	5,36,504.68	7,64,963.88
Liability-Materials, Works-Capital and O&M	32,460.13	24,182.75
Creditors Other Discoms on Power Purchase	1,143.27	1,146.29
Liability for Expenses	4,294.46	3,068.78
	5,74,402.54	7,93,361.70

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 31.03.2020
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 2020	31 March 2019
Debt Service Clg Acc	8,265.71	6,487.34
Interest Payable on Security Deposit	9,396.27	9,685.48
Retention money	1,605.62	1,709.11
Cash / Remittances in transit	1.15	-
	19,268.75	17,881.93

This is Notes to Balance sheet referred in our report dated 18.12.2020.

For M/s. B.V.Rao & Co. LLP.
Chartered Accountants
FRN: 003118S / S200049

For and on behalf of the Board

Sd/- xx dt. 18/12/2020
B.Vinay Kumar
Partner
Membership no.: 223723
UDIN NO:20223723AAAAGW2582

Sd/- XXXX
D. Chandram , IRAS
Director (Finance & HRD)
Din : 08963107

Sd/- XXXX
Nagalakshmi .S, IAS
Chairman & Managing Director
Din : 07741194

Place: Visakhapatnam

Sd/- XXXX
A. Venkateswara Rao
Chief General Manager (Expr.)

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

Date: 08.12.2020



Eastern Power Distribution Company Of A.P. Limited

Notes to the financial statements (continued)

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

23. Revenue from operations

	31 March 2020	31 March 2019
Sale of Power		
LT- Category-I	1,97,013.45	1,68,819.54
LT - Category-II	1,14,588.05	1,05,164.11
LT- Category-III	37,911.20	85,097.32
LT - Category-IV	13,362.57	18,385.64
LT- Category-V	72,334.80	455.35
HT- Category-I	2,123.66	1,924.90
HT- Category-II	81,063.26	73,590.19
HT- Category-III	4,47,490.39	4,58,824.58
HT- Category-IV	45,119.67	34,190.59
HT- Category-V	21,273.10	34,812.36
RESCO	3,665.74	3,099.57
	10,35,945.89	9,84,364.15

Disaggregate revenue information

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

Revenues by geography

Category	Eluru	Rajamahendravaram	Srikakulam	Visakhapatnam	Vizianagaram	Grand Total
LT- Category-I	49,352.96	61,398.86	15,111.44	56,880.61	14,269.58	1,97,013.45
LT - Category-II	25,510.92	33,174.79	9,832.97	37,207.42	8,861.95	1,14,588.05
LT- Category-III	10,400.99	11,786.87	5,480.55	6,899.06	3,343.73	37,911.20
LT - Category-IV	5,367.35	3,865.16	1,034.91	2,211.95	883.20	13,362.57
LT- Category-V	47,102.84	22,937.13	787.63	1,237.75	269.45	72,334.80
HT- Category-I	-	89.11	24.15	1,782.10	228.30	2,123.66
HT- Category-II	7,538.17	16,017.90	2,433.43	52,134.88	2,938.88	81,063.26
HT- Category-III	55,605.22	53,982.32	23,500.96	2,41,884.08	72,517.81	4,47,490.39
HT- Category-IV	6,100.49	6,938.26	8,500.26	17,676.23	5,904.43	45,119.67
HT- Category-V	13,598.22	5,461.11	533.95	982.19	697.63	21,273.10
RESCO	-	-	-	2,957.60	708.14	3,665.74
Grand Total	2,20,577.16	2,15,651.51	67,240.25	4,21,853.87	1,10,623.10	10,35,945.89

Other operating income		
Interstate sales & DD sales	374.40	18,475.77
Miscellaneous charges from consumers	38,279.94	34,294.17
Recoveries for theft of power / Malpractices	1,248.33	1,270.23
Loss taken over Under UDAY scheme	15,335.33	-
Subsidies and grants from Government	1,34,092.00	1,11,524.00
	1,89,330.00	1,65,564.17
	12,25,275.89	11,49,928.32

24. Other income

	31 March 2020	31 March 2019
UI & other charges*	1,775.67	1,933.50
Interest from Banks & Investments	198.78	803.02
Rebate on PP Bills & Incentive	1,110.21	4,988.29
Delayed payment charges from consumers	29,754.35	25,242.67
Miscellaneous receipts	1,005.88	5,321.91
Income from trading (Profit on sale of scrap etc.)	588.96	565.28
Interest on staff loans and advances	564.96	588.91
Amortization of grants & consumer contributions (i)	23,957.92	21,296.94
Interest income-unwinding of employee advances	336.67	236.69
Interest on ED	299.60	257.08
Other interest income	-	2.34
Electricity Duty recovery	10,546.18	9,924.21
Less:		
Electricity Duty payable	(10,546.18)	(9,924.21)
	59,593.00	61,236.63

* *Unscheduled Interchange charges*

(i) *Amortization of grants & consumer contributions*

Particulars	31 March 2020	31 March 2019
Amortisation of Government grants	3,714.00	3,582.13
Amortisation of Consumer contributions	20,243.92	17,714.81
	23,957.92	21,296.94

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

Sl No	Particulars	March 2020 Current Year	March 2019 Previous Year
1	Input Energy (MUs)	22,255.17	21,086.77
2	Total Units Sold (MUs) (a+b)	20,776.66	19,678.14
	a) Agl Sales (MUs)	2,422.77	2,179.77
	b) Other than Agl sales (MUs)	18,353.90	17,498.37
3	Losses (MUs) (3-4-5)	1,478.51	1,408.63
4	T & D Loss % (6/3*100)	6.64	6.68



Eastern Power Distribution Company Of A.P. Limited

Notes to the financial statements (continued)

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

25. Purchase of Power

Particulars	31 March 2020	31 March 2019
Purchase of Power (**)	10,06,223.09	13,58,015.87
	10,06,223.09	13,58,015.87

(**) Developer wise Power purchase cost booked during the F.Y 2019-20 is furnished in ANNEXURE-I

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. Power purchase cost includes supplementary claims to the tune of Rs.112005.35 Lakhs

a. The Government of Andhra Pradesh constituted one APEX Committee (Power Coordination Committee (PCC)) and two sub committees (Power Trading Committee (PTC) and Balancing and Settlement Committees (BSC) to work under guidance of PCC) in order to put in place an institutional arrangement and to ensure optimal utilisation of the resources for the benefit of the State in a coordinated manner (Vide G.O.No. Ms.no.21 dated 12.05.2014 – Energy (Power –III) Department). These committees are operational for the two DISCOMS in the State (i.e APEPDCL & APSPDCL).

b. Composition of the Committees: CMD, APTRNSCO is the Chairperson and Convener and Director (Finance) and Director (Commercial) of APTRANSCO and CMDs of the two DISCOMs are the members of PCC, SE (Commercial) of the two DISCOMs are members of PTC and CE –SLDC of APTRANSCO is special invitee of PTC meetings and CGM (Commercial) of the two DISCOMs are members of BSC and CE-SLDC and SE- EBC of APTRANSCO are special invitees for the meetings of BSC.

c. The three committees are collectively called as APPCC and responsible for the matters related to power procurement from all generators, scheduling load relief, SRLDC at regional level, and inter regional sales, review of energy accounting and billing inter – utility trading of power and imbalance settlement , compliance of regulation for market operation by the two DISCOMs, resolution of disputes between the two DISCOMs and reconciliation of energy exchanges and settlement of imbalances among the two DISCOMs

d. As per the above mechanism the transactions relating to the power purchase, Inter-state sales and Inter-DISCOM sale of power and related payments of both the DISCOMs are accounted by APPCC and communicated to the DISCOMs on the basis of certification / authentication by a firm of Chartered Accountants, Internal Auditors of APPCC.

e. The details of power purchase agreements are furnished in ANNEXURE-II

f. Supplementary claims received after the end of the year and before the cutoff date ,i.e. 31.10.2020 and relating to the period prior to 31.03.2020, are considered and accounted in these financial statements.

g. Power purchase cost is accounted net off inter discom purchases of Rs.195166.07 Lakhs valued at weighted average power purchase cost.

26. Employee benefits expense

	31 March 2020	31 March 2019
Salaries	72,701.80	69,689.07
Dearness Allowance	5,232.90	1,771.85
Other Allowances	10,909.25	10,908.20
Medical expenses(Monthly& Reimbursement)	2,475.78	2,559.01
Leave Travel Assistance	7.99	3.55
Earned Leave Encashment	8,955.82	27,404.91
Miscellaneous Employee Cost	48.65	295.53
Other welfare expenses	184.22	163.94
Social Security cum PF Booster scheme	4.28	0.80
Managerial Remuneration & Allowances to Directors	92.61	96.97
Terminal Benefits - PF Employer Cont. Joined <1.2.99	23,343.86	26,234.91
Employer Contribution to EPF	4,611.98	3,907.46
Addl. Contribution to Pension Trust	30,442.04	-
Employee Cost Capitalised	(6,722.71)	(6,814.20)
	1,52,288.47	1,36,222.00

Related Party disclosures:

(a) Parent entity

Name of related party	Place of incorporation	Ownership interest	
		31 March 2020	31 March 2019
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 B. Ramesh Prasad, Director Operation w.e.f 31.01.2020
- 4) Sri H.Y Dora Chairman & Managing Director (Upto 18.02.2019)
- 5) Sri B.Seshu Kumar, Director (Operation & Projects) from 19.06.2015 to 18.06.2019
- 6) Sri T.V.S.Chandra Sekhar, Director (Finance) from 26.06.2015 to 25.06.2019

Key management personnel compensation				(Rs. In Lakhs)	
SI No.	Name	Relation ship	Nature of Transaction	31 March 2020	31 March 2019
1	Ms. Nagalakshmi .S	Chairman & Managing Director	Remuneration	20.28	-
2	Sri K. Raja Bapaiah	Director(Project)	Remuneration	65.85	5.64
3	Sri B. Ramesh Prasad	Director(Operation)	Remuneration	5.78	-
4	Sri H.Y Dora	Chairman & Managing Director	Remuneration	-	27.33
5	Sri B.Seshu Kumar	Director	Remuneration	12.12	26.31
6	Sri T.V.S.Chandra Sekhar	Director	Remuneration	15.47	37.68

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 2020	31 March 2019
R.E.C	16,765.48	12,996.08
P.F.C	11,488.05	11,104.58
Interest on Overdraft	13,956.21	6,432.41
Interest to Consumers	9,539.21	9,849.30
Interest on Employee Funds (GIS,GPF&FBF)	70.00	45.97
Other interest Charges	11.91	0.22
Bank charges	551.20	244.71
Interest on Working Capital	7,241.20	3,645.81
Interest on Capex loans- AIIB, IBRD	77.65	-
Interest on Lease Payments	28.45	-
	59,729.36	44,319.08

28. Depreciation expense

	31 March 2020	31 March 2019
Depreciation	44,644.97	40,172.16
Amortisation	122.52	2.48
	44,767.49	40,174.64

29. Other expenses

	31 March 2020	31 March 2019
Other expenses :		
PP Cost Save DELP	1,145.98	2,657.56
Miscellaneous Losses and write offs	2,638.54	4,868.00
Compensations	685.58	666.44
Materials /Scrap/Assets Loss etc	5.08	16.41
Cost of Solar Agl Pump Sets	8,734.80	14,066.42
Extra Ordinary debits (Loss on account of Flood, Cyclone, Fire etc.)	520.18	10,769.18
Loss on sale of Investments	-	158.16
	13,730.16	33,202.17
Repairs and maintenance expenses :		
Buildings & Civil Works	1,205.40	1,251.47
Substation maintenance by Pvt. agencies	7,051.97	5,966.10
Transformers	2,180.62	2,106.59
Plant and Machinery	507.88	938.97
Lines, Cable net work etc.	5,094.48	5,989.04
Vehicles - Expenses	2.97	1.85
	16,043.32	16,254.02
Administration and general expenses :		
Rent, Rates and Taxes	104.07	160.25
Licence Fee - APERC	241.54	215.25
Other professional charges	3,221.48	3,189.64

Communication and related expenses	493.48	633.21
Legal charges	183.85	85.60
Consultancy/Professional charges	191.08	855.40
Other Expenses	81.88	121.14
Vehicle running exp.(Cars,Jeeps,Etc.)	91.44	76.14
Vehicle hire charges	1,313.50	1,294.73
Audit fees	15.04	9.59
Printing & Stationary	82.23	79.32
Advertisement	71.67	318.93
Electricity charges	749.84	677.78
Miscellaneous Expenses	323.86	452.17
Training & Participation	11.27	13.30
Insurance	6.18	5.57
Stores related Expenses	231.48	36.76
Travelling expenses & Conveyance	1,095.06	1,253.29
Less :		
Adm & General Charges Capitalised	(1,186.36)	(1,202.51)
	7,322.59	8,275.56
	37,096.07	57,731.75

(i) Payments to auditors

	31 March 2020	31 March 2019
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	1.50	1.50
	9.32	9.32

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.6722.71 Lakhs (P.Y Rs.6814.20 Lakhs) , Adm & Gen. cost capitalised during the year amounts to Rs.1186.36 Lakhs (P.Y Rs.1202.51 Lakhs.)

(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 10000 lakhs for the Cash in transit and INR.69 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 Software for 500 Users	227.05
2) Vmware Vsphere Enterprise version	52.50
3) Red Hat Enterprise Linux 6.0	11.09
4) RMDAS one time cost of Software License	25.00
5) 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 2019-20 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 31.03.2020 include the balances transferred to the company 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) 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.

(ix) **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.

(x) **Ind AS 37: Provisions, contingent liabilities & contingent assets**

a) The receivables for sale of power as on 31-03-2020 includes Rs.44337.45 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 reimbursement of the amount already paid to service tax department. The Hon'ble High court upon hearing 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 Manager/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 petitioner 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 Hon'ble 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 waiver 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 & Director/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 dependents 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 suit 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	33.44
Tadepalligudem	28.22	16.94
Bhimavaram	19.94	11.96
Nidadavole	47.21	27.74
Total	342.14	184.35

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
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	39.23	117.70
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
Srikakulam Division	2.75
Tekkali Division	44.98
Palakonda Division	2.50
Vizianagaram Division	32.70
Bobbili Division	73.54
Parvathipuram Division	11.14
Zone-II	22.18
Zone-III	5.00
Rajamahendravaram Division	3.70
Kakinada Division	0.25
R.C.Puram Division	1.05
Jaggampeta Division	3.00
T.P Gudem	4.45
Nidadavolu	6.61
Total	213.85

o) Cross subsidy surcharge for captive consumption from captive consumers pending in courts.

Name of the Circle/Division	Amount
Srikakulam	112.03
Visakhapatnam	2,005.20
Rajamahendravaram	68.50
Eluru	872.10
Total	3,057.83

p) Case file in I.A.840/17 & I.A. 841/17 O.S. No. 29/2013 on damage occurred to the sugar cane fields due to short circuit of Electricity Supply. Sri S.Bhaskara Rao of Koyyalagudem has approached Principal Senior Civil Judge Court to pass decree for Rs.235130/-with interest towards damages for loss of sugarcane in the fields due to short circuit of electrical supply and for the costs of the suit. Further the Petitioner filed EP 43/2017 in the Principal Senior Civil Judge Court Kovvuru and the Hon'ble Court directed to Bank authorities to withhold the amount of Rs.3,33,483.65.

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 judgement of the management or independent expert. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(Rs. in Crores)

S.No	Particulars	No.of cases	EPDCL
1	NCE_Wind & solar Differential Energy Charges.(CUF Limitation for 2016-17 to 2019-20)	78	215.5
2	NCE Wind generators (Generation based incentive (GBI) Charges for 2016-17 to 2018-19)	90	142.25
3	Surcharge	93	139.79
4	change in law	2	100.69
5	court cases-Liquidated damages	1	36.19
6	GST claims	1	15.42
7	MTOA/STOA and Energy charges	2	14.39
8	Legnite price recovery(LPR)	2	6.64
10	Water and Security charges	2	3.92
11	Others	4	3.33
12	Unutilized energy charges	1	1.93
13	Rebate	1	0.22
14	MAT reimbursement	2	0.18
	Total	275	680.45

1)As per management decision vide note ref no:1240/Power.II.2/2016 dated 14/03/2017, energy generated from NCEs are restricted to 23.5 % of Capacity Utilization Factor(CUF) though the actual energy generated and billed are more than 23.50%. The energy of 1331.57 MU (EPDCL Share 456.33 M.U) which is over and above 23.50% CUF, cost of Rs.628.83 Crores (EPDCL Share Rs.215.50 Crore) 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 deduction 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.

"3) Change in Law:

- Supplementary bills were received from M/s. KSK Mahanadi Power Ltd., due to change in law and as per CERC order dt. 16.09.20 and also request to release the payment as per Article 10 of Power purchase agreement (PPA) dt. 31.03.2012 and agreement dt. 19.12.14 and for the period of 13.08.2013 to 31.03.14 as per Hon'ble CERC order Dt. 16.09.19. "
- The generator SEIL has filed Petition No. 217/MP/2016 in Hon'ble CERC seeking compensation on account of Change in Law under Section 79 of the Electricity Act, 2003 and Article 10 (change in law) of the Power Purchase Agreement. The Hon'ble CERC has taken up the Petition 217/MP/2016 and order was passed on 21-08-2020.

r) Letter of credits (LC) Outstanding as on 31.03.2020

Sl No	Name of the Bank	LC/BG No	Name of Beneficiary	Amount (Rs. In Crs)
1	State Bank of India	20LC - 030 & 20LC-031	M/s.NTPC Ltd (SR)	25.15
2	State Bank of India	20 LC - 032	M/s Gail (India) Ltd	46.36
3	Andhra Bank	119219ILCO R0006	M/s.NTPC Ltd NSM-PSM (Solar)	27.16
4	Andhra Bank	119219ILCO R0007	M/s NTPC NVVNL Bundled power (solar)	0.96
5	Andhra Bank	119219ILCO R0008	M/s.Solar Energy Corporation of India (SECI)	5.64
				105.27

s) APEPDCL has filed True up petitions for the F.Y 2014-15 & 2016-17 to F.Y 2018-19 with APERC for approval of addl. Cost incurred over and above APERC approval as per regulation 4 of 2005 sub clause 10 in O.P No.50/2019, I A.No.14 of 2019 in O.P. Nos. 1 & 2 of 2016, I.A.No.15 of 2019 in O.P. Nos. 28 & 29 of 2016 & I.A.No.26 of 2019 in O.P. Nos. 60 & 61 of 2017. Hon'ble APERC has disposed off the said True up petitions as per order Dt.26.11.2020 & allowed the following True up claims.

Sl No	Year	Net True up allowed
1	2016-17	161.00
2	2017-18	599.00
3	2018-19	885.00
	Total	1645.00

t) The following are the cases pending at Tribunal/Court/cases pertains to Power Purchase

Sl No	Project	Remarks	Amount (Rs. In Lakhs)
1	M/s.Spectrum gas power Ltd.,	O.P.No.06 of 2020 filed before APERC for refund of the rebate from 04/16 to 10/19.	822.82
2	M/s.ITC Ltd	O.P.No.11 of 2018 towards late payment surcharge. The case is pending for filing at APTEL.	34.12
3	M/s.ITC Ltd	O.P.No.12 of 2018 towards late payment surcharge. The case is pending for filing at APTEL.	22.70

u) 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 .

(xi) 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.

(xii) Pending submission and approval of True up claim for the F.Y 2019-20. No contingent Asset is disclosed.

(xiii) "Regulatory deferral accounts:

IND AS – 114 "Regulatory Deferral Accounts" permits the Company to apply the requirements of this standard in its first IND AS financial statements if and only if it conducts rate -regulated activities and recognised amounts that qualify as regulatory deferral account balances in its financial statements in accordance with its previous GAAP. As the company had consistently elected not to recognize the regulatory deferral balances in its previous GAAP, the requirement of IND AS 114 does not apply to the Company.

(xiv) Previous years figures are regrouped and rearranged where ever necessary.
This is Notes to statement of Profit & Loss referred in our report dated 18.12.2020.

For M/s. B.V.Rao & Co. LLP.
Chartered Accountants
FRN: 003118S / S200049

Sd/- xx dt. 18/12/2020
B.Vinay Kumar
Partner
Membership no.: 223723
UDIN NO:20223723AAAAGW2582

Place: Visakhapatnam

Date: 08.12.2020

Sd/- XXXX
D. Chandram , IRAS
Director (Finance & HRD)
Din : 08963107

Sd/- XXXX
A. Venkateswara Rao
Chief General Manager (Expr.)

For and on behalf of the Board

Sd/- XXXX
Nagalakshmi .S, IAS
Chairman & Managing Director
Din : 07741194

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



Eastern Power Distribution Company Of A.P. Limited

Notes to the financial statements (continued)

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

31. Financial instruments

The carrying value and fair value of financial instruments as at 31 March 2020 and 31 March 2019 were as follows:

	31 March 2020		31 March 2019	
	FVTOCI	Amortized Cost	FVTOCI	Amortized Cost
<i>Financial assets</i>				
Investments	14,627.07	47.86	14,627.07	47.86
Trade receivables		2,36,916.08		2,19,325.97
Loans and advances to staff		7,971.93		9,248.36
Cash and cash equivalents		14,415.21		15,004.50
Other financial assets		4,05,604.29		4,28,811.12
Total financial assets	14,627.07	6,64,955.37	14,627.07	6,72,437.81
<i>Financial liabilities</i>				
Borrowings		6,37,448.61		4,42,175.39
Other financial liabilities		19,268.75		17,881.93
Total financial liabilities		6,56,717.36		4,60,057.32

Note 1: For the purpose of above abbreviations, FVTOCI - Fair value through other comprehensive income; amortized 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 presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis

At 31 March 2020	Level 1	Level 2	Level 3	Total
FVTOCI - Financial asset - Investment in equity securities	-	-	14,627	14,627
At 31 March 2019	Level 1	Level 2	Level 3	Total
FVTOCI - Financial asset - Investment in equity securities	-	-	14,627.07	14,627.07

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 INR 246068.27 (2019- INR 225138.71; 2018 - INR 171111.99) out of which Government department arrears are INR 154897.11 lakhs (2019- INR. 143787.87 Lakhs 2018- INR 97,700.36 Lakhs) and Pending in court cases are INR.44337.45 lakhs (2019- INR 43789.82 Lakhs 2018- INR 43,531.97) & HT Other arrears INR 25656.85 lakhs has not been considered for Expected credit loss.

Year ended 31 March 2020

(a) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	>1 Month to 5 Months	> 5 Months to 1 Year	>1Year to 1.5 Years	>1.5 Years to 2 Years	Above 2 years	Total
Gross carrying amount	9749.75	829.33	2870.09	777.53	2865.86	4084.30	21,176.86
Expected loss rate	8%	12%	17%	94%	97%	1	
Expected credit losses (loss allowance provision)	820.64	95.43	492.70	729.69	2,776.30	4,084.30	8,999.06
Carrying amount of trade receivables (net of impairment)	8,929.11	733.90	2,377.39	47.84	89.56	-	12,177.79

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 forward 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 2020 and 31 March 2019, the Company had Rs.686309.84 lakhs, and Rs.442175.39 lakhs respectively loans carrying a fixed interest rate of 2 to 12.25 . 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 March2020	31 March2019
Interest rates - increases by 50 basis point*	2,129.18	2,027.80
Interest rates - decreases by 50 basis point*	2,129.18	2,027.80

*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 2020 and 31 March 2019 was - 2.12% and -2.12% respectively.

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

	31 March 2020	31 March 2019
Total liabilities	16,52,783.80	16,55,154.47
Less : cash and cash equivalents	14,415.21	14,992.23
Adjusted net debt (A)	16,38,368.59	16,40,162.24
Total equity (B)	(7,74,225.91)	(7,74,552.55)
Adjusted net debt to adjusted equity ratio (A/B)	(2.12)	(2.12)

34. Earnings per share (EPS)

		31 March 2020	31 March 2019
Computation of earnings per share			
Profit after tax attributable to owners of the equity (INR in lakhs)	(A)	(15,235.59)	(4,25,298.39)
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)		(12.57)	(350.83)
Total Comprehensive income (INR in lakhs)	(A)	326.64	(4,64,414.31)
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)		0.27	(383.10)

Developer wise Power Purchase Cost for the Year (2019-20) Annexure-I

Generating Station	ENERGY(MU)	FIXED COST(Rs. In Lakhs)	VARIABLE COST(Rs. In Lakhs)	TOTAL COST(Rs.in Lakhs)
Appenco-Thermal				
Dr. NTPPS	2411.09	22732.32	80117.64	102849.96
Dr. NTPPS-IV	1024.17	11270.03	31931.56	43201.59
RTPP Stage-I	417.51	8736.11	15889.09	24625.20
RTPP Stage-II	623.85	8480.80	23808.48	32289.27
RTPP Stage-III	192.05	8673.39	7306.64	15980.03
RTPP Stage-IV	754.36	18427.24	32029.23	50456.47
APPDCL Stage-I	2278.35	33093.75	69841.30	102935.05
Genco-Thermal Total	7701.38	111413.64	260923.93	372337.57
Srisailam RCPH	448.32	7419.46	0.00	7419.46
NSRCPH	34.68	849.55	0.00	849.55
NSTPDC PH	25.86	1786.50	0.00	1786.50
Upper Sileru	214.30	2555.13	0.00	2555.13
Lower Sileru	286.73	4897.34	0.00	4897.34
Donkarayi	24.03	266.16	0.00	266.16
PABM	0.32	441.05	0.00	441.05
Minihydel(Chettipet)	0.75	56.55	0.00	56.55
Machkund AP Share	116.58	1431.44	0.00	1431.44
TB Dam AP Share	54.15	957.01	0.00	957.01
Genco Hydel Total	1205.72	20660.19	0.00	20660.19
APGENCO-TOTAL	8907.10	132073.83	260923.93	392997.76
APGPCL Stage-I	9.39	97.53	318.88	416.41
APGPCL Stage-II	42.18	337.11	1460.54	1797.65
Godavari Gas Power Plant	215.08	889.47	6346.33	7235.79
Spectrum Power	185.61	1707.61	4920.03	6627.63
LANCO Kondapalli	259.87	1411.83	7362.12	8773.95
GAS-TOTAL	712.13	4443.55	20407.89	24851.44
NTPC(SR) Ramagundam I & II	654.51	4729.79	17056.54	21786.33
NTPC(SR) Simhadri Stage-I	998.83	14198.16	34410.60	48608.76
NTPC(SR) Simhadri Stage-II	398.27	7373.52	13374.58	20748.10
NTPC(SR) Talcher Stage-II	387.70	3147.85	7801.01	10948.86
NTPC(SR) Ramagundam III	172.86	1338.07	4447.09	5785.16
NTPC Kudgi Stage-I	251.25	11079.93	9457.90	20537.83
NTECL Valluru	128.89	5812.39	4957.39	10769.78
NLC Stage-I	112.97	856.09	3061.00	3917.09
NLC Stage-II	195.40	1678.59	5300.83	6979.42
NPC(MAPS)	20.56	0.00	-24.35	-24.35

NPC(KAIGA unit I,II,III,IV)	297.09	0.00	8126.11	8126.11
NTPL(NLC TamilNadu)	222.08	4648.99	6574.54	11223.53
NLC NNTPS	9.51	171.50	218.39	389.88
JNN SM Ph-1 Thermal	61.80	0.00	2967.30	2967.30
JNN SM Ph-2 Thermal	1013.20	0.00	43838.24	43838.24
NTPC WR&NR(Sept 2019)	109.30	2408.99	4101.38	6510.37
CGS TOTAL	5034.23	57443.88	165668.53	223112.41
KSK Mahanadi	731.95	11265.12	20130.95	31396.06
Thermal Powertech Corporation	635.09	10108.42	14757.44	24865.86
Hinduja National Power corp	942.03	0.00	35985.36	35985.36
SRIVATHSA	9.87	47.15	289.10	336.25
IPP TOTAL	2318.93	21420.69	71162.85	92583.53
NCE- Others	80.26	0.00	3126.55	3126.55
NCE Wind	0.00	0.00	0.00	0.00
NCE Solar	763.88	0.00	32180.44	32180.44
JNN SM Ph-1 Solar	15.86	0.00	1986.61	1986.61
JNN SM Ph-2 Solar	0.00	0.00	0.00	0.00
NCE TOTAL	860.00	0.00	37293.61	37293.61
SHORT TERM PURCHASE	1287.67	0.00	50488.45	50488.45
SWAP RETURN	-1129.29	0.00	-42246.74	-42246.74
SHORTTERM TOTAL	158.38	0.00	8241.71	8241.71
D<--->D TRANSACTION	4854.88	0.00	195166.07	195166.07
GRAND TOTAL (PP Cost)	22845.64	215381.95	758864.59	974246.54

Adjustments -less: APPDCL Differential FC and VC Claims from 2015-16 to 2018-19 (already considered in True-Up admission for FY 2018-19 by APERC)	0	-72067.92	-8560.57	-80628.49
Net PP Cost	22845.64	143314.03	750304.02	893618.04
TRANSMISSION AND UI CHARGES	8.63	109618.50	1698.27	111316.78
Solar Power purchase cost accounted in LT/HT Customers through Net metering			204.13	204.13
Power Purchase Cost including Transmission Charges (**)	22854.27	252932.53	752206.42	1005138.95

(**) Power Purchase cost after offsetting of Reactive Revenue & UI Revenue of Rs.1087.04 Lakhs

ANNEXURE-II

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	APEPDC 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 X 200 MW) & Stage II (3 X 500 MW), Karimnagar Dist., Telangana	2100	273.11	93.59	Thermal	Coal	22.03.1985		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
9	NPC (Kaiga) Unit I&II, Karwar, Karnataka	440	56.25	19.28	Atomic	Nuclear/Uranium	24.12.2011		3.22	Unit 1 : 16.11.2000, Unit 2 : 20.01.2011



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	APEPDC 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
10	NPC (Kaiga) Unit III & IV,Karwar, Karnataka	440	59.95	20.54	Atomic	Nuclear/Uraniu	24.12.2011	Unit-3 06.05.2007 &Unit 4 : 20.01.2011	3.22	
11	NTECL VALLURU Thermal Power Project, Vellivoyal chavadi, Kuruvimedu, Tamilnadu	1500	87.93	30.13	Thermal	Coal	20.02.2008 and 14.03.2012	Unit 1 :29.11.2012 Unit-2 25.08.2013 & Unit-3 28.02.2014	3.99	
12	Neyveli New Thermal Power Station (NNTPS), Kolliruppu, Tamilnadu. (2x500)	1000	52	17.82	Thermal	Coal	30.11.2010	Till the life of Project	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	Units 1 -18.06.2015 and Unit-II - 29-08-2015	3.97	
14	M/s NTPC Kudgi Stage-I,Bijapur Dist, Karnataka (3 X800 MW)	2400	215.04	73.69	Thermal	Coal	03.12.2010	Units -1 - Sep'2016 and Unit-2 - March'2017	7.39	
	Total	15290	1915.92	656.59						



Details of power purchase Agreements under long term with State Generating Stations (SGS)

Sl No	Name of the Developer	Total Station Capacity in MW	Andhra Pradesh Capacity in MW	APEPD CL Capacity in MW	Fuel Type	Average Cost (Rs/Unit) as per Tariff order 2019-20	PPA Signed and amended up to	COD	PPA Period
1	APGPCL Stage - I (100 MW), Near Godavari River, Vijjeswaram, Andhra Pradesh	100	9.33	3.2	Gas	3.05	31.10.1988	1990	15 Years from the date of Commercial Operation of Vijjeswaram Unit-II
2	APGPCL Stage - II (172 MW), Near Godavari River, Vijjeswaram, Andhra Pradesh	172	24.9572	8.55	Gas	2.64	29.09.2014	1997	
3	Sri Damodaran Sanjeevayya TPS (Unit-I & II) APPDCL (2*800) , Krishnapatnam, Nelluru (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
4	Godavari Gas Power Plant (Now own source previously GVK-I), GGPP, Jegurupadu East Godavari (Dist).	216.82	216.82	74.30	Gas	2.99	Buyout on 22.04.2016	20-06-1997	Till the life of Project
	Total	2089	1851	634					

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 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, Ibrahahimpatnam, Vijayawada, Krishna Dist	500	500	171.35	Coal	20.03.2019	3.47	01.04.19 to 31.03.2024	06-04-2009
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	22.12.2009	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	22.12.2009	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 28.01.2019	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	APEP DCL 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, Bhadradi 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 06.10.1976, 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 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
	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 -I - 24-02-1983 , Unit-II- 14-09-1983, Unit -III- 10-09-1990
8	Mini Hydel 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 -I :- 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	Unit-I 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	APEPDC 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, Ibrahimpattam, 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., Sivakodu (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
5	M/s. Sembcorp Energy India Ltd (Thermal Power Tech Corporation India Ltd.,) (2x660 MW), Nelloor 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					

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	Remarks
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 (Interstate 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					
Bagasse based power plants																	
1	M/s. Etikoppaka Cooperative AGL & Industrial Society Ltd., Darlapud(v), S.Rayavaram (M), Visakhapatnam	12.03.2003	1.3.2001	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(GMR Technologies & Industries Ltd.), Sankili(V), R.Amadalavalasa, Srikakulam.	14.08.2001	15.8.2001	14.08.2021	20 Years	16	1	1	5	1	6	14.1	132	1.55	3.07	4.62	
3	M/s. Navbharat 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 22.11.2005	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., Chagall (V&M), W.G. Dist	01.10.2003	11.12.2003	10.12.2023	20 Years	17	1	1	2	1.5	9	13.5	132	1.43	3.07	4.5	
5	Chodavaram Cooperative Sugars Ltd., Govada, Chodavaram (M), Visakhapatnam	29.03.2003	06.4.2003	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						

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	19.4.2021	20 Years	4	0.2	0.2	0.16	0.16	0.16	3.64	3.64	33 KV
							1.8	4.81	6.61	No generation				
7	M/s.Varam Power ProjectsPvt 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	Project closed on 28.02.2019
							1.71	4.81	6.52	No generation				
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	No generation
							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	No generation
							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	No generation
							1.64	4.81	6.45	No generation				
11	Vishnu Vidyut India Ltd, Narsingbilla (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		



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), Anaparthi (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					

Mini-Hydel based power plants

15	Manihansa Power Projects Ltd., Yelleswaram, 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	7.13	7.128					

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		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.
3	Dr. NTTPS Unit-VIII	4 Discoms of combined AP*	22.01.2013	25	Thermal	800	APERC	TBC	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.



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 unit as per PPA (Rs/Kwh)	COD
<u>Solar power plants</u>							
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



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 :EASTERNPOWER DISTRIBUTION COMPANY OF
ANDHRA PRADESH 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 Extra Ordinary General Meeting of the Company to be held on Friday, the 05th day of March, 2021 at 04.00 P.M. 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.	Resolution
Special Business	
1.	To take note of the Comments of the Comptroller and Auditor General of India on the Financial Statements of the Company for the Year ended 31 st March, 2020.

Signed this..... day of March, 2021

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



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 :EASTERNPOWER DISTRIBUTION COMPANY OF
 ANDHRA PRADESH 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 20th Annual General meeting of the Company to be held on Wednesday, 30th December, 2020 at 04.30 P.M 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 of the Company for the Financial Year ended 31 st March, 2020 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 2020-21 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 ratify the action in having fixed remuneration of the Cost Auditors by the Board of Directors for the Financial Year 2020-21



Signed this..... day of December, 2020

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