



# SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

BALANCE SHEET AS AT 31st MARCH, 2020

Particulars	Note No	Figures as at the end of Current reporting period 2019-20	Figures as at the end of Previous reporting period 2018-19
		₹ in Crores	₹ in Crores
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	1	358.72	358.72
(b) Reserves and Surplus	2	(12,511.96)	(12,539.46)
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	14,353.97	9,402.68
(b) Other Long term liabilities	4	2,851.92	2,558.81
(c) Long term provisions	5	2,688.10	1,648.79
(3) Current Liabilities			
(a) Short-term borrowings	6	4,353.57	1,774.44
(b) Trade payables	7	18,984.27	23,618.35
(c) Other current liabilities (including current maturities of Long term debt)	8	5,186.70	6,245.04
(d) Short-term provisions	9	144.30	151.54
<b>Total</b>		<b>36,409.59</b>	<b>33,218.91</b>
<b>II. Assets</b>			
(1) Non-current assets			
(a) Fixed assets(Net)			
(i) Tangible assets	10	9,575.85	8,221.17
(ii) Intangible assets	10	11.72	1.94
(iii) Capital work-in-progress	10	2,590.77	3,176.75
(b) Non-current Investments	11	286.93	287.43
(c) Long term loans and advances	12	339.44	304.47
(2) Current assets			
(a) Inventories	13	409.56	346.43
(b) Trade receivables	14	6,773.55	4,586.09
(c) Cash and cash equivalents	15	515.81	407.17
(d) Short-term loans and advances	16	7,692.96	7,685.41
(e) Other current assets	17	8,213.00	8,202.05
<b>Total</b>		<b>36,409.59</b>	<b>33,218.91</b>

As per our report of even date  
For Basha & Narasimhan  
Chartered Accountants  
Firm's Regn. No: 006031S

CA K. NARASIMHA SAH  
Partner  
Membership No: 201777  
Place: Tirupati  
Date: 05-12-2020  
ICAI UDIN: 20201777AAAABI5320



For and on behalf of the Board

H. HARANATHA RAO  
Chairman & Managing Director

T. HANUMATH PRASAD  
Chief General Manager(Rev&IA&C)

V.N. BABU  
Director (Finance)/CFO

B.V.S. PRAKASH  
Company Secretary



# SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

Particulars	Note No	Figures as at the end of Current reporting period 2019-20	Figures as at the end of Previous reporting period 2018-19
		₹ in Crores	₹ in Crores
<b>Revenues:</b>			
I. Revenue from operations	18	17,476.13	17,278.01
II. Other Income	19	1,769.99	1,317.63
III. Revenue Subsidies and Grants (i.e., Govt reimbursement for agricultural sales/consumption)	20	8,359.96	5,078.50
<b>Total Revenue (I + II + III) - (A)</b>		<b>27,606.08</b>	<b>23,674.14</b>
<b>Expenses:</b>			
IV. Cost of Power Purchase	21	21,022.16	25,456.63
V. Employee benefit expenses	22	3,546.68	3,262.87
VI. Financial costs	23	1,307.04	1,129.51
VII. Depreciation and amortization expenses	24	1,034.05	826.77
VIII. Other expenses	25	695.05	679.22
<b>Total Expenses (IV+V+VI+VII+VIII) - (B)</b>		<b>27,604.98</b>	<b>31,355.00</b>
IX. Profit before exceptional and extraordinary items and tax (A - B)		1.10	(7,680.87)
X. Exceptional Items		-	-
XI. Profit before extraordinary items and tax (IX - X)		1.10	(7,680.87)
XII. Extraordinary Items		-	-
XIII. Profit before tax (XI - XII)		1.10	(7,680.87)
XIV. Current Tax		-	-
XV. Deferred Tax		-	-
XVI. Profit(Loss) for the year from continuing operations (XIII-XV)		1.10	(7,680.87)
XVII Less: Transfer to Contingency Reserve		-	-
XVIII. Profit/(Loss) for the year (XVI-XVII)		1.10	(7,680.87)
XIX. Earning per equity share in ₹ :			
(1) Basic		0.03	(214.12)
(2) Diluted		0.03	(214.12)
Other Notes	26		
Statement of Accounting Policies	27		

As per our report of even date

For and on behalf of the Board

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**CA K. NARASIMHA SAH**

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# SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

Particulars	Year ended 31-03-2020		Year ended 31-03-2019	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
<b>A Cash flow from operating activities</b>				
Net Profit / (Loss) before taxation		1.10		(7,680.87)
<b>Adjustments for items in Profit &amp; Loss Account</b>				
Amortization of Capital Contributions	(413.81)		(380.46)	
Depreciation & Amortization	1,034.05		826.77	
Interest Income	(4.54)		(8.53)	
Interest Expense	1,311.58	1,927.27	1,138.04	1,575.83
<b>Operating Profit / (Loss) before working capital changes</b>		<b>1,928.37</b>		<b>(6,105.04)</b>
<b>Adjustments for changes in Current Assets other than Cash and Cash Equivalents</b>				
Inventories	(63.13)		(267.70)	
Trade receivables	(2,187.46)		(764.35)	
Other Current Assets	(10.95)		(4,504.31)	
Loans and Advances	(7.55)		434.71	
<b>Adjustments for changes in Current Liabilities &amp; provisions</b>				
Current Liabilities	(3,113.29)		12,844.47	
Provisions	1,032.06	(4,350.33)	1,036.80	8,779.62
<b>Cash generated from Operations</b>		<b>(2,421.96)</b>		<b>2,674.58</b>
<b>Net cash flow from operating activities (Total of A)</b>		<b>(2,421.96)</b>		<b>2,674.58</b>
<b>B Cash flows from investing activities</b>				
Purchase of fixed assets / CWIP	(1,812.51)		(2,063.44)	
Interest on Investments	4.54		8.53	
(Increase) / Decrease in Investments	(34.47)		15.58	
<b>Net cash flow from investing activities (Total of B)</b>		<b>(1,842.45)</b>		<b>(2,039.33)</b>
<b>C Cash Flows from Financing Activities</b>				
Proceeds from borrowings	4,951.30		(502.34)	
Increase in security and other deposits	293.11		259.97	
Additions to Deferred Capital Contributions	440.22		634.44	
Interest on Borrowings	(1,311.58)		(1,138.04)	
<b>Net Cash flow from Financing Activities (Total of C)</b>		<b>4,373.05</b>		<b>(745.96)</b>
<b>D Net Increase / (Decrease) in cash and cash equivalents (D=A+B+C)</b>		<b>108.64</b>		<b>(110.71)</b>
<b>E Cash and Cash Equivalents</b>				
At the beginning of the period		407.17		517.88
At the end of the period		515.81		407.17
<b>F Net Increase / (Decrease) in cash and cash equivalents</b>		<b>108.64</b>		<b>(110.71)</b>

As per our report of even date

For and on behalf of the Board

For Basha & Narasimhan

Chartered Accountants

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# SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

## Note No. 1 - Share Capital

Share Capital	As at 31st March 2020		As at 31st March 2019	
	Number	₹ in Crores	Number	₹ in Crores
<b>Authorised Share Capital</b>				
Equity Shares of ₹10 each (Rupees Ten Only)	36,00,00,000	360.00	36,00,00,000	360.00
<b>Issued Subscribed &amp; Paid up Share Capital</b>				
Equity Shares of ₹10 each (Rupees Ten Only)	35,87,15,309	358.72	35,87,15,309	358.72
<b>Total</b>	<b>35,87,15,309</b>	<b>358.72</b>	<b>35,87,15,309</b>	<b>358.72</b>

Disclosure pursuant to Note No. 6(A) of Part I of Schedule III to the Companies Act, 2013

### Note No. 1A. Reconciliation of Shares Outstanding at the beginning and at the end of the year

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	₹ in Crores	Number	₹ in Crores
<b>Equity Shares of ₹10 each</b>				
Opening Balance	35,87,15,309	358.72	35,87,15,309	358.72
Additions	--	--	--	--
Bought Back	--	--	--	--
<b>Closing Balance</b>	<b>35,87,15,309</b>	<b>358.72</b>	<b>35,87,15,309</b>	<b>358.72</b>

### Note No. 1B. Details of Share Holders holding more than 5% shares in the company

Name of the Share holder	As at 31st March 2020		As at 31st March 2019	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Equity Shares				
Governor of Andhra Pradesh (vide GO. Ms. No.58 Dt.:09.05.2005)	35,87,15,309	100%	35,87,15,309	100%
<b>Total</b>	<b>35,87,15,309</b>	<b>100%</b>	<b>35,87,15,309</b>	<b>100%</b>

### Note No. 1C. Terms/rights attached to Equity Shares

The Company has only one class of equity shares having par value of ₹10 per share.

Entire equity shares are held by Government of Andhra Pradesh.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.





**Note No. 2 Reserves & Surplus**

Reserves & Surplus	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
<b>2.1 Contingency Reserve</b>		
Opening Balance	43.42	43.42
(+) Current Year Transfer	0.00	0.00
Closing Balance - A	43.42	43.42
<b>2.2 Deferred Capital Contributions (including Govt. Grants)</b>		
Opening Balance	3057.23	2803.24
(+) Current Year Transfer	440.22	634.44
(-) Written Back in Current Year	(413.81)	(380.46)
Closing Balance - B	3083.63	3057.23
<b>2.3 Surplus</b>		
Opening balance	(21,173.01)	(13,492.14)
(+) Net Profit/(Net Loss) For the current year	1.10	(7,680.87)
Closing Balance - C	(21,171.91)	(21,173.01)
2.4 Merger Reserve - D	275.88	275.88
2.5 Grant - UDAY E	5257.02	5257.02
<b>Total (A + B + C+D+E)</b>	<b>(12,511.96)</b>	<b>(12,539.46)</b>

1. Deferred capital contributions (Note No. 2.2) represent unamortized balance of consumer contributions, Subsidies received from NREDCAP, Indiramma subsidies, IPDS and RGGVY subsidies received on capital account.

Contributed Assets:- During the year 2019-20 the company has received Consumer contributions and Grants/subsidies amounting to ₹440.22 Crores ( Previous year is ₹634.44 Crores).

As against the above, an amount of ₹413.81 Crores (Previous year is ₹380.46 Crores) has been charged as withdrawal/amortization of consumer contributions and credited to Profit and Loss Account, which is in proportion to the depreciation on the respective assets charged during the year 2019-20.

2. Merger Reserve represents an amount of ₹275.88 Crores being net deficit of assets & liabilities and deferred tax asset transferred to the company pursuant to demerger of TSSPDCL (erstwhile APCPDCL) Also refer to Note No. 26 Para Nos. 7.2, 7.3 & 7.4

3. GOI Ministry of Power has notified UDAY (Ujwal Discom Assurance Yojana) Scheme for the financial turn around of Power Distribution Companies (DISCOMs). Tripartite MOU was entered with GOI, GOAP and APDISCOMS on 24.06.2016 and Govt. of AP has issued G.O.Ms.No.27 dated.26.07.2016 for implementation of UDAY Scheme. The UDAY Scheme was implemented during the FY 2016-17. Under this scheme, the Government of AP has cleared APSPDCL FRP loans, FRP Bonds and short term loans of ₹5257.02 Crores during the FY 2016-17 as Capital grant.

4. Investments earmarked for Contingency reserve was utilised during the FY 2018-19 to meet cyclone rehabilitation works and will be replenished in future



Note No. 3 Long Term Borrowings		
Long Term Borrowings	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
<b>3.1 Secured</b>		
(a) Term loans from Other Parties	12573.48	8202.29
(b) Term loans from Nationalised Banks (SBI)	1760.60	1865.54
Sub-Total A	14334.08	10067.83
<b>3.2 Unsecured</b>		
(a) Bonds		
Bonds issued to Banks under FRP scheme	335.05	335.05
(b) Term loans from other parties :		
Loan from other Agencies	264.86	264.86
Loans from Govt of Andhra Pradesh	9.48	9.48
Sub-Total B	609.39	609.39
3.3 Long Term Borrowings (on merger) C	1643.33	1643.33
d) Others D	0.24	23.81
Total Long Term Borrowings (A+B+C+D) E	16587.03	12344.37
Less: Current maturities of Long term Borrowings F	2233.06	2941.69
Total (E-F)	14353.97	9402.68

**LOANS POSITION**

Name of the Loan	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
<b>Secured :</b>		
Rural Electrification Corporation (REC)	5210.79	4996.36
Power Finance Corporation (PFC)	2882.92	2380.75
Power Trading Corporation (PTC)	185.00	245.00
Loan from SBI	1760.60	1865.54
IREDA loan	875.00	500.00
Loan from APPFCL	3307.50	0.00
World bank loan	112.26	80.18
<b>Unsecured:</b>		
Loan from JICA	264.86	264.86
Loans from Govt of Andhra Pradesh	9.48	9.48
Bonds issued to AP GENCO (FRP)	335.05	335.05
Long Term Borrowings (on merger)	1643.33	1643.33
Loan clearing	0.24	23.81
Total	16587.03	12344.37

1. All the Loans from Power Finance Corporation (PFC) / Rural Electrification Corporation (REC) and Banks are secured by charge on company's Fixed Assets commissioned out of the loan funds of above funding agencies. The rate of interest on these loans ranges from 8.75% p.a. to 12.50% p.a. except JICA which is at 0.65% p.a.



## SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

2. Interest expense on government loans for various schemes is not recognised during the year. Rate of interest on such loans varies from 1% to 7.85%.

3. Anantapuram & Kurnool Circles are merged into APSPDCL w.e.f 02.06.2014 as per Schedule XII of AP Reorganisation Act, 2014 and G.O. Ms. No. 24 dated 29-05-2014. In the merger/demerger process, an amount of ₹1643.33 Crores is transferred by M/s. TSSPDCL (formerly APCPDCL) as Long Term Borrowings on the basis of Energy and Scheme wise allocation. Hence, the same is adopted into Books of Account. Refer to Note No 26 para Nos.7.2,7.3 & 7.4.

However, repayment schedule and other loan covenants are not given to the company at the time of merger. Hence, in the absence of above details company is unable to pay principal or recognise/pay the interest liability.

4. During the year, term loans have been availed by the company from APPFCL and IREDA for which Interest rates are @ 9% p.a. and @ 10.84% p.a. respectively,





## SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

### Note No. 4 Other Long Term Liabilities

Other Long Term Liabilities	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
Consumption Deposits from Consumers	2851.92	2558.81
<b>Total</b>	<b>2851.92</b>	<b>2558.81</b>
<b>Details of Consumption Deposits from Consumers</b>		
Consumption Deposits from LT Consumers	1354.81	1202.27
Consumption Deposits from HT Consumers	1497.11	1356.54
<b>Total</b>	<b>2851.92</b>	<b>2558.81</b>

### Note No.5 - Long term Provisions

Long Term Provisions	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
<b>5.1 Provisions for employee benefits</b>		
Pension & Gratuity	2657.63	1610.55
GPF	30.09	38.14
EWf	0.38	0.11
<b>Total</b>	<b>2688.10</b>	<b>1648.79</b>

Employee Related benefits:

1.Terminal Benefits: Pension & Gratuity :

For the year 2019-20, the Company has cleared liability of ₹484.40 Crores (Previous year ₹430.97 Crores) to the Pension and Gratuity Trust.

2. The APSPDCL P&G Trust fund position and creating of liability through provision as per the Actuarial Valuation report as on 31.03.2020 are furnished here under.

Particulars	Pension & Gratuity Liability @ 26% share up to Mar 2029 and 100% w.e.f. Mar 2029 onwards	Gratuity Employees who joined on or after 01.2.1999	Leave Encashment liability **	Total Employees future terminal benefits
Fund to be maintained as on 31-03-2020 as per Actuarial valuation report .	7958.87	447.28	62.70	8468.85
Less : Fund as on 31.03.2020	2125.52	0.00	0.00	2125.52
Less : Liability already provided	815.27	311.18	46.89	1173.34
Provision to be made for future commitment	5018.08	136.10	15.81	5169.99
Provision created during 2019-20	1395.08	136.10	15.81	1546.99
Short fall	3623.00 *	0.00	0.00	3623.00 *

Out of the above an amount of ₹1546.99 Crores (Previous year ₹1377.4) has been created as provision during the FY 2019-20.

\* The above shortfall provision has to be made in next 3 financial years @ ₹1207.67 per year;

\*\* Leave encashment current year liability is shown under Note No.8





## SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

3. Anantapuram & Kurnool Circles are merged into APSPDCL w.e.f 02.06.2014 as per Schedule XII of AP Reorganisation Act, 2014 and G.O.Ms. No. 24 dated 29-05-2014. In the merger/demerger process, an amount of ₹167.30 cores is transferred by M/s TSSPDCL (erstwhile APCPDCL) as Long Term provisions for employees by way of Employee basis allocation is adopted. These amounts are transferred to respective accounts during the FY 2015-16. Also, refer to Note No.26 para No. 7.2,7.3 & 7.4.

However, corresponding share in the P & G Trust of APCPDCL are not transferred to P & G Trust of APSPDCL.

### Note No. 6 - Short term Borrowings

Short Term Borrowings	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
(a) Loans repayable on demand		
<u>Secured</u>		
i. From Banks (CCs and ODs limits)	980.90	550.72
<u>Unsecured</u>		
i. From Others (TRANSCO Loan)	299.82	524.82
ii. Short term loan (HDFC bills discount loan)	2387.68	0.00
(b) Security and other Deposits	504.24	517.98
(c) Short term loans: Merger	180.92	180.92
<b>Total</b>	<b>4353.56</b>	<b>1774.44</b>

Note:

1.Security and Other deposits includes Retention money, Bid deposits, Security Deposits, EMD, Contribution work Deposits and Temporary Supply Deposits received from service and material vendor. The value wise details

- a) Bid Deposits: ₹-1.83 Crores ( Previous year ₹-1.80 Crores),
- b) Security Deposits: ₹27.36 Crores ( Previous year ₹30.21 Crores)
- c) Retention Money: ₹50.96 Crores ( Previous year ₹75.71 Crores)
- d) EMD: ₹27.38 Crores ( Previous year ₹23.27 Crores)
- e) Contributory work Deposits: ₹119.89 Crores ( Previous year ₹137.92 Crores)
- f) Temporary Supply Deposits: ₹8.61 Crores ( Previous year ₹4.93 Crores) and
- g) Others: ₹271.88 Crores ( Previous year ₹187.66 Crores).

2. Anantapuram & Kurnool Circles are merged into APSPDCL w.e.f 02.06.2014 as per Schedule XII of AP Reorganisation Act, 2014 and G.O.Ms. No. 24 dated : 29-05-2014. In the merger/demerger process, an amount of ₹180.92 Crores is transferred by M/s TSSPDCL (erstwhile APCPDCL) as Short term borrowings by way of Energy basis allocation is adopted. Also, refer Note No.26 para No. 7.2,7.3 & 7.4.

3.No interest has been considered/ paid in the accounts against the above loans transferred under Merger Scheme due to non availability of details.





# **SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED**

## **Note No. 7- Trade payables**

Other Current Liabilities	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
1. Trade payables - Power Purchase	16528.27	21505.19
2. Payables - Others	1582.78	1239.93
i).Material & Service works creditor	351.34	232.19
ii).Pension	58.83	58.21
iii).Salary Liabilities	106.85	111.45
iv).Recovery & Remittances (including Insurance)	46.40	44.50
v) Year end provisions	301.71	193.37
vi) Others	717.65	600.20
3. Trade Payables - Merger	873.23	873.23
<b>Total ( 1+2+3)</b>	<b>18984.27</b>	<b>23618.35</b>

1. The Power purchase bills, debit/credit notes raised by the Generators are provisional and are subject to revision at a later date, which are accounted between the Distribution companies (APSPDCL & APEPDCL) in the ratio specified in the G.O.Ms.No.20, Energy (Power-III), dated: 08.05.2014, amended the share of four DISCOMs in the Generating Stations as per which the revised share of APSPDCL is 30.31% ( including Anantapuram & Kurnool circles Share 8.04%) out of Four Discoms of Andhra Pradesh and Telangana(.i.e., APSPDCL, APEPDCL, TSSPDCL (erstwhile APCPDCL) and TSNPDCL, till 01.06.2014. Consequent to Anantapuram & Kurnool Circles transfer into APSPDCL w.e.f 02.06.2014 as per Schedule XII of AP Reorganisation Act, 2014 and G.O.Ms No. 24 dated : 29-05-2014, APSPDCL share is increased in the re-organised state of Andhra Pradesh and allocated between two Discoms (i.e., APSPDCL and APEPDCL) as to 65.73% and 34.27 % duly adjusted through IBSS done on monthly basis.

2.Confirmations of balance as on 31.03.2020 from the Generating Companies/Suppliers of power, Material and service creditors, Other payables are yet to be obtained and these balances are subject to reconciliation and adjustments.

3. Trade payables - Merger represents balances transferred to company in pursuant to demerger of TSSPDCL (erstwhile APCPDCL). Please refer Note No. 26 para No. 7.2,7.3 & 7.4

4. Trade payables (Power purchase) have not been adjusted to the extent of ₹7617.22 Crores which has been paid to APGENCO and others. (Disclosure in Note No.16 as Trade Advances).

5.As per the decision of Hon'ble High court A.P. order WP.No.9844 of 2019 dated:24.09.2019, an amount of ₹2106.68 Crores (Previous year ₹639.60 Crores) provision was created in books for outstanding Power Purchase cost as on 31st March 2020 in respect of Solar and Wind energy purchases to an extent of difference between "contracted rate" as per PPA and "interim rate" as mentioned in the above Hon'ble High Court order i.e., ₹2.44 per unit for solar generators and ₹2.43 per unit for wind generators as given below:

Particulars	Amount ₹ in Crores
Wind	1486.67
Solar	620.01
<b>Total</b>	<b>2106.68</b>





# SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

## Note No. 8 - Other Current Liabilities

(Including current maturities of long term debt)

Other Current Liabilities	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
<b>(a) Current maturities of long-term debt</b>		
REC	578.38	848.48
PFC	964.56	1221.94
IREDA	377.44	500.00
SBI	154.70	205.20
Others	157.98	166.07
<b>(b) Interest accrued and due on</b>		
i) Group Insurance Savings Fund	11.34	10.20
ii) Other Liabilities	143.06	142.67
iii) Self Fund medical scheme	24.69	17.27
<b>c).Liability for Leave Encashment</b>	62.70	47.20
<b>d) Inter Corporate Deposits</b>		
(Pool Imbalance account)	2711.85	3086.01
<b>Total</b>	<b>5186.70</b>	<b>6245.04</b>

1. Group Insurance savings fund, Other liabilities and Self Fund Medical scheme includes balances (identified and Unidentified) transferred to company in pursuant to demerger of TSSPDCL (erstwhile APCPDCL). Please refer Note No.26 para No. 7.2,7.3 & 7.4

2.Inter unit account shows a net difference (credit) of ₹39.52 Crores (Previous year (Credit) of ₹39.50 Crores) which is subject to reconciliation which is included in other liabilities.

3. The excess/shortfall in the pool account between the Distribution Companies on account of power purchase and sale of power is accounted as Inter Discom adjustment account (Pool Imbalance Account).

## Note No.9 Short Term Provisions

Short Term Provisions	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
Income Tax	0.88	0.88
Interest on Security Deposits	143.42	150.67
<b>Total</b>	<b>144.30</b>	<b>151.54</b>







# SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

## Note No.-10 : Non- Current Assets

### A) FIXED ASSETS

₹ in Crores

S NO	Asset Group	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
		At the end of the year 31-03-2019	Additions/ Adjustments during the year	Retirement during the year	At the end of the year 31-03-2020	At the end of the year 31-03-2019	Depreciation For the year	Retirement during the year	At the end of the year 31-03-2020	Balance as at 01-04-2019	Balance as at 31-03-2020
	<b>a. Tangible Assets</b>										
1	Land and Land Rights	5.04	0.05	0.00	5.09	0.00	0.00	0.00	0.00	5.04	5.09
2	Buildings	187.80	9.78	0.00	197.58	48.43	5.85	0.00	54.27	139.37	143.31
3	Other Civil Works	98.46	18.50	0.00	116.95	12.22	3.27	0.00	15.49	86.23	101.46
4	Plant and Machinery	8328.22	1576.93	1.27	9903.89	3457.48	606.95	1.15	4063.28	4870.74	5840.61
5	Lines and Cable Net work	6087.27	567.96	0.00	6655.23	3637.14	286.83	0.00	3923.97	2450.13	2731.27
6	Metering Equipment	1217.37	190.44	0.00	1407.82	662.25	115.43	0.00	777.68	555.12	630.13
7	Vehicles	5.07	0.35	0.00	5.42	4.41	0.16	0.00	4.56	0.67	0.86
8	Furniture and Fixtures	9.40	0.44	0.00	9.84	6.83	0.36	0.00	7.18	2.57	2.66
9	Office equipment	68.10	10.99	0.00	79.09	29.08	5.85	0.00	34.93	39.02	44.16
10	Computers & IT Equipment	71.38	10.93	0.00	82.31	28.32	6.90	0.00	35.22	43.06	47.09
11	Low Value Assets	0.51	0.44	0.00	0.95	0.51	0.44	0.00	0.95	0.00	0.00
12	Merger Assets -Balance	39.20	0.00	0.00	39.20	9.98	0.00	0.00	9.98	29.22	29.22
	<b>Total</b>	<b>16117.81</b>	<b>2386.83</b>	<b>1.27</b>	<b>18503.36</b>	<b>7896.64</b>	<b>1032.03</b>	<b>1.15</b>	<b>8927.51</b>	<b>8221.17</b>	<b>9575.85</b>
	<b>B. Intangible Assets</b>										
1	Software	4.46	11.80	0.00	16.26	2.52	2.02		4.54	1.94	11.72
	Goodwill	1.14	0.00	0.00	1.14	1.14			1.14	0.00	0.00
	<b>Total</b>	<b>5.60</b>	<b>11.80</b>		<b>17.40</b>	<b>3.66</b>	<b>2.02</b>		<b>5.68</b>	<b>1.94</b>	<b>11.72</b>
	<b>C. Capital work in Progress</b>									3176.75	2590.77
	<b>Total</b>									3176.75	2590.77
	<b>Grand Total</b>	<b>16123.41</b>	<b>2398.62</b>	<b>1.27</b>	<b>18520.76</b>	<b>7900.29</b>	<b>1034.05</b>	<b>1.15</b>	<b>8933.19</b>	<b>11399.87</b>	<b>12178.34</b>
	<p>1. Work Orders(AUC):</p> <p>a) The total Work orders yet to be closed as on 31.03.2020 is 99072 Nos amounting to ₹2578.33 Crores out of which 3 Nos amounting to ₹0.26 Crores pertaining to FY 2010-11, 2 Nos amounting to ₹0.01 Crores for FY 2011-12, 6 Nos amounting to ₹0.76 Crores for FY 2012-13, 24 Nos amounting to ₹1.69 Crores for FY 2013-14, 107 Nos amounting to ₹3.20 Crores for FY 2014-15, 1746 Nos amounting to ₹106.34 Crores for FY 2015-16, 6218 Nos amounting to ₹194.57 Crores for FY 2016-17, 14353 Nos amounting to ₹497.72 Crores for FY 2017-18, 30481 Nos amounting to ₹787.90 Crores for FY 2018-19 and 46132 Nos amounting to ₹985.90 Crores for the FY 2019-20 and its includes ₹-0.05 Crores assets clearing balance.</p> <p>b). Work order provision to the extent of ₹12.49 Crores created during the year.</p>										





## SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

### 2. Impairment of Assets:

Company has not carried out techno economic evaluation during the year. Hence, provision for impairment of assets is not made during the year as stipulated in Accounting Standard 28.

### 3. Depreciation:

3.1 In accordance with the Part B of Schedule II of the Companies Act 2013, the Company is charging Depreciation at the rates notified under G.O.No.265(SE) dated 27.03.1994 issued under Electricity Supply Act, 1948.

3.2. In the absence of individual break-up details of assets transferred under second transfer scheme, depreciation has been charged on fixed assets under Straight Line Method on the Opening Gross Block of assets as on 1.4.2000.

3.3. In the case of Assets pertaining to Anantapuram & Kurnool circles transferred from TSSPDCL ( erstwhile APCPDCL) on account of AP Reorganisation Act 2014, Depreciation is charged on straight line method on the opening balance of Gross Block of assets as on 01.06.2014, only to the extent of Assets identified out of total transferred assets.

4. As per the Andhra Pradesh Gazette Notification No. 396 dated 09.06.2005, for Assets and Liabilities pertaining to the Bulk Supply Undertaking of APTRANSCO have to be transferred to Discoms on the Effective Date being 09.06.2005 with due accounting adjustments. However only the Power Purchase and Loan Liabilities and the corresponding Receivables from Govt. of A.P. in the books of APTRANSCO pertaining to Southern Power Distribution Company of A.P Limited have been identified for transfer and the same has been adopted in the books of the Company, which is subject to revision based on the valuation to be carried out by an independent Chartered Accountant appointed by APTRANSCO and also subject to approval and amendment to the Gazette Notification, by the Government of Andhra Pradesh.

4.1 The Opening balances of Assets & Liabilities as on 1-04-2000 has been adopted in the books as per the Second Transfer scheme notified by the Government Order Notification dated 29th Sept.2001 amounting to ₹799.58 Crores at Gross value for which break up details are not available.

4.2 Land: The particulars of land transferred during the second transfer, land acquired by the company after incorporation and land allotted by the different sources are yet to be identified.

5. IT Initiations: Implementation of "SAP" ECC 6.0 in 2010-11: During the financial year 2010-11, the company has implemented SAP ECC 6.0 version with effect from 1st May 2010 for better internal control system and effective maintenance of Books of accounts. Unit Wise Opening balances to the extent available i.e. net balances for each account are now reflected in the Trial Balance of the respective Business Area/unit in the financial year 2011-12. Reconciliation of Line items and Business Area/unit opening balances is in progress. GL Balances which are not directly identifiable against any Business Area are kept in the Business Area 9999 - GM/Costing unit including unidentifiable balances taken over in 2nd Transfer Scheme.

6. Anantapuram & Kurnool Circles are merged into APSPDCL w.e.f 02.06.2014 as per Schedule XII of AP Reorganisation Act, 2014 and G.O.Ms No. 24 dated : 29-05-2014. In the merger/demerger process, an amount of ₹1150.07 Crores is transferred by M/s TSSPDCL (erstwhile APCPDCL) as Net assets book values only ( i.e., after deducting depreciation ) by way of Geographical basis allocation is adopted. Also refer to Note No.26 para No. 7.2, 7.3 & 7.4.





## SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

### Note No.11 Non-Current Investments

Non-Current Investments	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
a) Share Capital in Resco- Kuppam, Chittoor	0.29	0.29
b) Investment in Shares *	206.00	206.50
c) Others - Merger	80.64	80.64
Total	286.93	287.43
Aggregate Book Value of Un Quoted Investments	286.93	287.43
Total	286.93	287.43

Investments in Shares includes

1. Investments include Equity participation in 1600MW Power Project at Krishna Patnam in Nellore District. The company share is 10.91% (out of 49%) an amount of ₹205.80 Crores up to 31.03.2017 towards its share capital in Andhra Pradesh Power Development Company Limited.

2. \*An amount of ₹50 Lakhs which was paid in the F.Y. 2018-19 to APSEEDCO LIMITED was grouped under Non-current Investments. Since it was financial assistance for developmental activities, being revenue expenditure in nature, the same has been transferred to prior period expenses during the FY 2019-20.

3. Anantapuram & Kurnool Circles are merged into APSPDCL w.e.f 02.06.2014 as per Schedule XII of AP Reorganisation Act, 2014 and G.O.Ms No.24 dated : 29-05-2014. Accordingly, certain investments are transferred to company pursuant to above merger. However, the ownership instruments are not transferred to the company. Hence, the Company is unable to recognise the income accrued on such investments.

4. Anantapuram & Kurnool Circles (Formerly APCPDCL) share of investment in APPDCL , Coastal Tamil Nadu Power, M/s. Ghogarpalli Integrated Power Co. Ltd., and certain other investments of body corporates and Mutual funds have been allocated on the basis of Energy Ratio, to the extent of ₹80.64 Crores, for which details of no of shares and value of each company is yet to be identified and transferred in the name of APSPDCL. Also, refer to Note No. 26 para No.7.2, 7.3 & 7.4.

### Note No.12 Long Term Loans and Advances

Long Term Loans and Advances	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
Capital advances to suppliers/ contractors	35.58	13.40
Capital Advance - GVK Buy out	212.07	212.07
Loans and advances to employees and others	40.41	37.56
Deposits with Govt Dept& others	74.11	64.17
Loans to employees - Merger	4.46	4.46
Sub total	366.63	331.66
Less: Provision of Doubtful Advances	27.19	27.19
Total	339.44	304.47





## SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

- 1) Loans and Advances to Directors - NIL.
- 2) Loans Guaranteed by Directors During the FY 2019-20 - NIL.
- 3) Loans to employees - Merger represents unidentified balances of employees transferred to company in pursuant to demerger of TSSPDCL (erstwhile APCPDCL). Please refer Note No.26 para No. 7.2,7.3 & 7.4.

### 4.GVK INDUSTRIES LIMITED - STAGE I - ASSETS BUYOUT:

1. As per decision of APPCC meeting dated: 06.04.2015 and Govt Of AP (GOAP) permission to buy out vide its approval ref: 2374/Power I/2014 dated 28th October 2015, agreement for buyout of the project dated: 08 Feb 2016 and continuation agreement dated: 22nd April 2016, advance of ₹289.55 Crores paid by APDISCOMs to GVK Industries Ltd. As per handing over minutes dated: 22nd April 2016, control over plant and its assets were taken over by APDISCOMs with effect from 22nd April 2016 and energy generated was shared between DISCOMs as per Power allocation Ratio decided by Govt vide GO Ms No. 20 dated 08th May 2014.
2. Operating expenses incurred to operate the plant also shared between two APDISCOMs in the ratio of APEPDCL -34.27% and APSPDCL - 65.73%.
3. As per agreement, GVK buy out price is given below:

₹ in Crores			
Particulars	Total	APSPDCL	APEPDCL
Share	100%	65.73%	34.27%
Land	27.81	18.28	9.53
Building, Structures and Roads.	47.15	30.99	16.16
Plant and Machinery	185.15	121.70	63.45
Stores & Spares	67.34	44.26	23.08
Naphtha/Inventory	4.70	3.09	1.61
<b>Total</b>	<b>332.15</b>	<b>218.32</b>	<b>113.83</b>

4. Further, recoverable amount of ₹32.33 Crores, relates to GVK expansion project which was adjusted against purchase consideration/buyout price of GVK Industries Ltd as per agreement dated:22 April 2016. An amount of ₹0.75 Crores remitted as on 12th May 2016 towards TDS U/s.194IA of IT Act 1961.
5. Consideration of ₹322.63 Crores was paid as against total consideration payable of ₹332.15 Crores and the details of payment are given below:

₹ in Crores			
Particulars	Amount	APSPDCL	APEPDCL
	100%	65.73%	34.27%
LOA 3244 advance paid	1.00	0.66	0.34
LOA 230& 231	288.55	189.66	98.89
GVK expansion project adjustment.	32.33	21.25	11.08
TDS paid to the credit of GVK u/s 194 IA	0.75	0.49	0.26
<b>Total</b>	<b>322.63</b>	<b>212.07</b>	<b>110.57</b>

APPCC in its meeting held on 19<sup>th</sup> June 2017, it was decided to handover the GVK assets/plant to APGENCO from APDISCOMs as the APGENCO is in the core business of Generation. The legal formalities are in process, to transfer the assets in favour of APGENCO. In view of the above, amounts paid to GVK towards purchase consideration shown as advance in the books of APDISCOMs.



**Note 13- Inventories**

Inventories	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
Stores and spares	51.46	48.43
Stores and spares - Consumables*	326.45	281.19
Scrap Materials	45.45	28.17
Less: Materials stock excess/shortage pending investigation	0.00	0.00
Less: Provision for non-moving and obsolete stock	-13.80	-11.35
<b>Total</b>	<b>409.57</b>	<b>346.43</b>

1) Inventory includes unidentified balances of ₹0.16 Crores transferred to company in pursuant to demerger of TSSPDCL(erstwhile APCPDCL). Please refer Note No.26 para No. 7.2,7.3 & 7.4.

2) Inventory does not include ₹5.39 Crores (Previous year ₹8.11 Crores) materials received but pending inspection and acceptance.

3) There are no imported raw materials, spare parts and components consumed during the financial year. During the year provision for non-moving, obsolete stock of ₹13.80 Crores (Previous year ₹11.35 Crores).

4) \*During the year Stores and spares - consumables are re grouped under this note, whereas in the previous year the same was grouped under the note No.10 Capital Work-in-Progress.

**Note No.14 Trade Receivables**

Trade Receivables	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
<b>SUNDRY DEBTORS</b>		
Outstanding Six Months or less	2236.69	1712.21
Outstanding More than Six months	4733.76	3070.78
Sub Total	<b>6970.45</b>	<b>4782.99</b>
Considered Good	6773.55	4586.09
Considered Doubtful	196.90	196.90
Total Debtors Outstanding	<b>6970.45</b>	<b>4782.99</b>
Less: Provision for doubtful debts	196.90	196.90
Net Debtors	<b>6773.55</b>	<b>4586.09</b>
<b>Total</b>	<b>6773.55</b>	<b>4586.09</b>

1. Sundry Debtors:

1.1 As per the Financial ledger the Sundry debtors account shows a balance of ₹6970.45 Crores whereas, as per the Consumer ledger the balance shows as ₹7009.87 Crores. Since there are opening balance mismatches and differences in LT and HT, which is under reconciliation.

1.2 The credit balance in the Sundry debtors amounting to ₹153.29 Crores (Previous year ₹502.81 Crores) is netted off from the Sundry debtors.

1.3 No Provision has been made during the year (Previous year Nil) towards bad and doubtful debts for the debtors.







## SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

2. M/s APGPCL is captive generating plant, MOU entered into AP TRANSCO for wheeling of energy to their participating industries.

As per the MOU clause no. 17(a) of M/s APGPCL, it is agreed that if the power generation by the M/s APGPCL could not be utilised by the participating industries (Consumers) either in full or in part, then AP TRANSCO/AP Discoms shall have the first claim to utilise such power.

But M/s APGPCL has allocated Un-utilised/surplus energy to other participating industries over and above their share, APSPDCL is not allowed such surplus energy and limited their fixed share since the APSPDCL is having the first right to claim surplus energy. Against these M/s APGPCL has approached to Hon'ble High court vide WA No.2469/05 and got stay orders and the case is now pending at Hon'ble High court. The consumers are not paying such disputed amounts as per the above stay order and arrears accumulated to ₹539.24 Crores (previous year ₹393.76 Crores) to the end of March 2020.

3. Anantapuram & Kurnool Circles are merged into APSPDCL w.e.f 02.06.2014 as per Schedule XII of AP Reorganisation Act, 2014 and G.O.Ms No. 24 dated : 29-05-2014. In the merger/demerger process, an amount of ₹ 546.59 Crores is transferred by M/s TSSPDCL (formerly APCPDCL) as sundry debtors by way of geographical basis allocation is adopted. Also refer to Note no 26 para 7.3 & 7.4.

### Note No.15 Cash & Cash Equivalents

Cash & Cash Equivalents	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
a) Cash on Hand (including cheques, DD's and Stamps on Hand.	2.83	6.65
b) Balance with Scheduled Banks		
i) Current A/c *	495.30	369.95
ii) Deposit Accounts	3.31	16.19
c) Remittances in Transit	0.00	0.01
d) Other Balance - Merger	14.37	14.37
<b>Total</b>	<b>515.81</b>	<b>407.17</b>

1.1. A Bank account in the name of A.P.POWER DISTRIBUTION COMPANIES POOL ACCOUNT has been opened by all the Distribution companies jointly which is being operated by the nominees of Andhra Pradesh Power Co-ordination Committee. This is a single account, hence Distribution company wise confirmation of balance are not certified by the banker. However the balance at the end of each month is being reconciled with Trial Balance of the individual Distribution Companies, based on information provided by APPCC.

1.2. The payments towards power purchases and receipts of inter-state sale of power are effected through the above said Bank account by the Andhra Pradesh Power Co-ordination Committee.

1.3. Remittance-in-transit includes Cheques and DDs on hand amounting to ₹ 0 Crores as at 31.03.2020 (Previous Year ₹0.1 Crores) in various units

1.4 Other Balance - Merger represents balances transferred pursuant to merger of 2 circles from APCPDCL, includes certain current account balances and deposits with banks for which details are not available.

1.5. Bank Unidentified receipt GLs are re-grouped under this note since these GL's are related to Bank GL's whereas in the previous year the same was grouped under Note No.-14 Trade Receivables

1.6. \* Current account Balance includes an amount of ₹ 32.00 Crores collected through APCPDCL (Andhra Pradesh Central Power Distribution Corporation Limited) Bank accounts, since APCPDCL has collected the CC charges and development charges from consumers on behalf of APSPDCL.



**Note No.16 Short Term Loans and Advances**

Short Term Loans and Advances (Unsecured- Considered Good)	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
1. Trade advances- Power Purchase	7617.22	7613.87
2. Other Advances	8.67	4.47
a) TDS and Prepaid tax	7.58	3.38
b) Advance Fringe Benefit Tax( i-ii)	0.20	0.20
c) Advance to Cheyyuru power project	0.89	0.89
3) Short term loans and advances (on merger)	67.07	67.07
<b>Total (1+2+3)</b>	<b>7692.96</b>	<b>7685.41</b>

1. Anantapuram & Kurnool Circles are merged into APSPDCL w.e.f 02.06.2014 as per Schedule XII of AP Reorganisation Act.2014 and G.O. Ms.No.24 dated 29-05-2014. In the merger/demerger process, an amount of ₹67.23 Crores is transferred by M/s TSSPDCL (formerly APCPDCL) as short term loans and advances by way of energy, geographical and corporate ratio basis allocation is adopted. Also, refer to Note No 26 para No.7.2,7.3 & 7.4.

**Note No.17 Other Current Assets**

Other Current Assets	As at 31st March 2020	As at 31st March 2019
	₹ in Crores	₹ in Crores
i) Receivables from GOAP	7329.95	6392.18
ii) Receivables from others	186.58	286.17
iii) Other current assets incl. Unbilled revenue	674.79	1509.45
iv) Self Fund medical scheme - Investments	21.68	14.25
<b>Total</b>	<b>8213.00</b>	<b>8202.05</b>

1) During the year balance tariff subsidy of ₹1649.65 Crores (₹5777.68 cr - ₹4128.03 cr), additional agricultural subsidy of ₹660.90 Crores and Balance book loss for the FY 2017-18 & 2018-19 taken over by the Govt. of AP under UDAY scheme is ₹1643.86 Crores (₹1920.92 cr - ₹277.06 cr) totalling to an amount of ₹3954.41 Crores (Previous year ₹4055.10 Crores) is to be receivable from the Govt of AP for the FY 2019-20. It has been transferred to Govt Receivables account.

2) An amount of ₹200.53 Crores SC & ST subsidy and ₹322.24 Crores Aqua cultural subsidy is included in Govt receivable account at the end of this year.

3) Others includes total Cash Embezzlement at Thiruvuvur ERO, Vijayawada Circle is ₹84.50 Lakh. The management vide Memo No.CGM/HRD/JS/GM/DGM(DC) /PO(DC) /JPO.4/ F103/VJA/ D.No718/ 16 Dt : 25-04-2016 has issued final orders to recover the entire embezzlement amount from the responsible officers/employees. Out of which an amount of ₹22.05 lakh (previous year ₹20.40 lakh) has been recovered up to the FY 2019-20.

4) Other Current Assets includes Unbilled Revenue ₹825.69 Crores (Prev Year ₹1660.35 Crores), Unbilled Revenue - Merger ₹-123.89 Crores (Prev. Year ₹. -123.89 Crores ) and unidentified balances of Other Current Assets - Merger ₹27.02 Crores (Prev. Year ₹27.02 Crores). Please refer Note No.26 para No.7.2, 7.3 and 7.4

5) The billing for domestic, commercial and general-purpose categories of consumers is carried out on monthly basis in Towns and Mandal head quarters and Bi-monthly basis for other than Mandal head quarters. For other categories of consumers, billing is done on monthly basis. From 01-11-2016 on wards for Bi-monthly billed services are converted to monthly billing. The agricultural free category consumers' customer charges are billed half-yearly where the services are not linked to domestic services.





**NOTE NO - 18 : Revenue From Operations**

REVENUE FROM OPERATIONS	Figures for the Current reporting period 01.04.2019 to 31.03.2020	Figures for the Previous reporting period 01.04.2018 to 31.03.2019
	₹ in Crores	₹ in Crores
1. Revenue from Sale of Power		
a) Between DISCOMS	1951.66	1661.49
b) L.T. Supply	7702.25	7327.50
c) H.T. Supply	7645.67	7623.42
2. Income from Inter State Sale of Power	7.18	589.31
3. Other Receipts	169.37	76.29
4. Electricity Duty	155.44	140.17
Revenue from Sale of Power	17631.57	17418.18
Less: Electricity Duty	155.44	140.17
Net Revenue from sale of power	17476.13	17278.01

Consumption figures for the year 2019-20 given below are based on the actual consumption in respect of categories I to V except in case of Category V - Agriculture which is based on the readings of meters provided on the LV side of the distribution transformers feeding agricultural loads. Further during the year HT consumer categories are changed as Category I to V similar to LT categories.

<u>Low Tension (LT)</u>	Units in MUs	% of total units sold	Avg. Real. ₹ per unit
Domestic supply - Category -I	9668.59	40.27%	3.67
Non-Domestic supply - Category -II	1973.48	8.22%	10.98
Industrial Supply- Category -III	1006.03	4.19%	8.19
Cottage Industries, General and Lighting - Category - IV	868.45	3.62%	8.15
Irrigation and Agriculture Category - V	10493.62	43.70%	0.47
LT. Total	24010.18	100.00%	3.22
<u>High Tension (HT)</u>			
Townships, Colonies, Gated communities & Villas - Category - I	23.24	0.21%	9.23
Commercial - Category-II	978.70	8.78%	10.35
Industrial - Category-III	6939.32		7.96
Institutional, General, Utilities & Railway Traction - Category - IV	963.40	62.24%	4.85
Agricultural related - Category - V	1790.80	16.06%	6.14
Electricity Co-Operative Societies	452.96	4.06%	0.54
Temporary Supply	0.00	0.00%	0.00
HT. TOTAL	11148.42	100.00%	7.31
LT + HT Total (FY 2019-20)	35158.60	100.00%	4.52
LT + HT Total (Previous Year 2018-19))	34888.89	100.00%	4.29





**NOTE NO - 19 : Other Income**

OTHER INCOME	Figures for the Current reporting period 01.04.2019 to 31.03.2020	Figures for the Previous reporting period 01.04.2018 to 31.03.2019
	₹ in Crores	₹ in Crores
1. Interest on Staff Loans & Advances	0.29	0.31
2. Delayed Payment Charges from Consumers	857.19	654.46
3. UI (Unscheduled Inter Change) Income	17.76	34.51
4. Miscellaneous Receipts	25.01	44.98
5. Other receipts	538.69	288.06
6. Amortization of Capital Contributions	413.81	380.46
<b>SUB-TOTAL</b>	<b>1852.75</b>	<b>1402.77</b>
<b>7. Income relating to Prior Years</b>		
a) Prior Period Receipts/Withdrawals	(68.70)	(36.70)
b) Other Excess Provisions	5.01	0.00
<b>SUB-TOTAL</b>	<b>(63.69)</b>	<b>(36.70)</b>
<b>8. Prior Period Expenses / Losses</b>		
a) Operating Expenses	(0.12)	0.15
b) Employee Costs	(0.56)	(49.00)
c) Prior Periods other charges	(18.39)	0.40
<b>SUB-TOTAL</b>	<b>(19.07)</b>	<b>(48.45)</b>
Net prior period credits/(charges) ( 6 + 7 )	(82.76)	(85.15)
<b>OTHER INCOME- TOTAL</b>	<b>1769.99</b>	<b>1317.63</b>
1. Amortization of capital contributions: The amount of amortization of capital contributions relates to the relatable portion of depreciation charged on total assets and created out of Government Grants and contributions from consumers. Hence credited to P&L Account.		

**NOTE NO - 20 : Revenue Subsidies and Grants**

REVENUE SUBSIDIES AND GRANTS	Figures for the Current reporting period 01.04.2019 to 31.03.2020	Figures for the Previous reporting period 01.04.2018 to 31.03.2019
	₹ in Crores	₹ in Crores
1. Tariff Subsidy from Government		
a) Regular subsidy	5777.68	4937.00
b). Additional subsidy	660.9	0.00
c). Revenue grant	1921.38	141.50
<b>Total</b>	<b>8359.96</b>	<b>5078.50</b>
1. a) Regular tariff subsidy : Out of the ₹5777.68 Crores an amount of ₹4128.03 Crores tariff subsidy is received during the FY 2019-20, remaining due amount of ₹1649.65 Crores was transferred to Govt receivable account. b). Additional tariff subsidy : Additional subsidy amount of ₹660.90 Crores was approved by the commission and the same is booked during the year and transferred to the Govt receivables account.		
2. Revenue grants include an amount of ₹1920.92 Crores (10 % losses of FY 2017-18 is ₹0.70 Crores and 25% losses of FY 2018-19 is ₹1920.22 Crores were taken over by the Govt of AP as per the UDAY agreement) is recognised as revenue grant from the Govt. of AP since the Govt of AP has accepted to pay the amount vide GO RT No.17 dated:26.02.2020. Out of the above, an amount of ₹277.06 Crores is received during the year and remaining amount of ₹1643.86 Crores has been transferred to Govt receivables account.		





**NOTE NO.21 : Cost of Power Purchase**

COST OF POWER PURCHASE	Figures for the Current reporting period 01.04.2019 to 31.03.2020	Figures for the Previous reporting period 01.04.2018 to 31.03.2019
	₹ in Crores	₹ in Crores
1. Transmission & SLDC Charges	1855.33	1695.22
2. Power Purchase & Others	18602.43	19551.15
3. Pension Bonds Interest amount to APGENCO	583.88	531.28
<b>Total power purchase cost booked</b>	<b>21041.65</b>	<b>21777.65</b>
Less: Rebate on Power Purchase	19.49	96.60
<b>Total Current year PP cost</b>	<b>21022.16</b>	<b>21681.04</b>
4. Un Paid/Disallowed cost from FY 2014-15 to FY 2017-18	0.00	3775.59
<b>Total power purchase cost</b>	<b>21022.16</b>	<b>25456.63</b>

1. The APPCC was established as an institutional arrangement for smooth transition of power purchase functions and to have co-ordination among the DISCOMs as per the G.O.Ms.No.59,Dated 07-06-2005.

2.The cost of power purchase is finalized at APPCC level. The power purchases and its accounting are being carried out by the Andhra Pradesh Power Coordination Committee (APPCC) , and are sent to the Distribution Companies. The amount as certified by M/s. Sagar & Associates, Chartered Accountants, Hyderabad the Internal Auditors of APPCC has been adopted in the books of accounts of the Company in toto.

3.1.The Government of Andhra Pradesh (GoAP) vide G.O.Ms.No.58, Energy (Power-III), dated: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 GoAP vide G.O.Ms.No.53, Energy (Power-III), dated: 28.04.2008, amended the share of four DISCOMs in the Generating Stations as per above the revised share of APSPDCL is 22.27%. 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 so 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.

3.2.The GoAP vide G.O.Ms.No.20, Energy (Power-III), dated 08.05.2014, amended the share of four DISCOMs in the Generating Stations and the revised share of APSPDCL is 30.31% (including Anantapuram & Kurnool circles Share of 8.04% ) out of Four Discoms of Andhra Pradesh and Telangana ( .i.e., APSPDCL, APEPDCL,TSSPDCL (erstwhile APCPDCL) and TSNDPCL, till 01.06.2014. Consequent to the transfer to Anantapuram & Kurnool Circles into APSPDCL w.e.f 02.06.2014 as per Schedule XII of AP Reorganisation Act.2014 and G.O. Ms. No.24 dated 29-05-2014, APSPDCL share is increased in the re-organised state of Andhra Pradesh and allocated between two Discoms (i.e., APSPDCL and APEPDCL) at 65.73% and 34.27 %. The cost of power purchase is allocated accordingly.

3.3. As per Govt orders vide G.O.RT No: 118 dated : 27 July 2017, Non-Conventional Energy (NCE) Power purchase cost between APSPDCL and APEPDCL allocated based on power sharing Ratio i.e., 65.73% and 34.27% respectively. Further as per Govt Orders vide G.O Rt No. 116 dated 01.10.2019, Government has cancelled the above allocation with retrospective effect and advised to allocate NCEs power based on Geographical location. To implement above decision, monthly Interim Balancing and Settlement System (IBSS) need to be modified with retrospective effect to give effect to DISCOM wise actual energy draws which are adjusted against the allocated energy draws, converted into Rupee terms and allocated to the Discoms using predetermined methodology and basis. A committee was formed to finalise monthly IBSS settlement adjustment entries between APSPDCL and APEPDCL. Based on the outcome of the IBSS Committee Report the impact will be given in the next financial year.

**Quantitative Details of Purchase of energy and cost of power purchase:**

Energy Purchased	Purchases In Mus	Amount ₹ In Crores
FY: 2001-02	8838.00	1729.15
FY: 2002-03	9561.00	1965.19
FY: 2003-04	10026.00	1987.96
FY: 2004-05	11060.00	2050.99
FY: 2005-06	10983.85	2238.98
FY: 2006-07	12329.55	2564.00





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FY: 2007-08	12663.01	3012.16
FY: 2008-09	13805.48	4228.55
FY: 2009-10	15741.05	4592.51
FY: 2010-11	16449.08	5061.12
FY: 2011-12	18474.87	6339.00
FY: 2012-13	18417.74	7902.72
FY: 2013-14	20179.12	8083.16
FY : 2014-15	29398.24	13016.49
FY : 2015-16	33268.56	14976.07
FY : 2016-17	34826.98	15137.22
FY : 2017-18	38639.17	16711.31
FY : 2018-19	41594.61	21777.65
FY : 2019-20	45217.52	21041.65

## NOTE NO - 22 : Employee Benefit Expenses

EMPLOYEE BENEFIT EXPENSES	Figures for the Current reporting period 01.04.2019 to 31.03.2020	Figures for the Previous reporting period 01.04.2018 to 31.03.2019
	₹ in Crores	₹ in Crores
1. Salaries, Wages and Bonus	2108.72	2007.90
2. Pension Contribution & Terminal Benefits	1551.81	1384.49
3. Employees Welfare expenses	3.97	3.27
	<b>3664.50</b>	<b>3395.66</b>
Less: Employees Cost Capitalised	117.82	132.79
<b>Total</b>	<b>3546.68</b>	<b>3262.87</b>
1. Provident Fund :The company has implemented Employees Provident Fund Scheme, 1952 from the financial year 2002-03 for employees who have joined after 1.2.99 or from the date of employment, which ever is later. During the FY 2019-20 an amount of ₹87.49 Crores (Previous Year ₹80.34 Crores) has been contributed.		
2.An amount of ₹1546.99 Crores (previous year is ₹1377.40 Crores ) created a provision during the FY 2019-20 for employees future terminal benefits as per the actuarial report ( details shown under Note No.5)		

## NOTE NO - 23 : Financial Costs

Financial Costs	Figures for the Current reporting period 01.04.2019 to 31.03.2020	Figures for the Previous reporting period 01.04.2018 to 31.03.2019
	₹ in Crores	₹ in Crores
1. Interest on State Government Loans/REC/PFC and Other financial institutions	474.93	645.72
2. Interest on Short term loans including OD s and CC Limits	650.54	491.88
3. Interest on others(Interest on Consumption Deposit etc.)	288.30	161.46
	<b>1413.77</b>	<b>1299.06</b>
Less: Interest and Finance Charges Capitalised	102.19	161.02
Less: Interest on Fixed Deposits/Short term investments	4.54	8.53
<b>Total</b>	<b>1307.04</b>	<b>1129.51</b>

a) Interest Capitalization: Interest capitalized during the year is ₹102.19 Crores (Previous Year ₹161.02 Crores) as per Accounting Standard -16.

b) The interest on short term loans charged to P&L Account is the allocated share from the pool account.

c) No interest has been considered/ paid in the accounts against the Govt loans and loans transferred under Merger Scheme (due to non availability of details for merger loans).





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## NOTE NO - 24 : Depreciation & Amortization Expenses

Depreciation & Amortization expense	Figures for the Current reporting period 01.04.2019 to 31.03.2020	Figures for the Previous reporting period 01.04.2018 to 31.03.2019
	₹ in Crores	₹ in Crores
Depreciation	1034.05	826.71
Amortization	0.00	0.06
<b>Total</b>	<b>1034.05</b>	<b>826.77</b>

## NOTE NO - 25 : Other Expenses

	Other Expenses	Figures for the Current reporting period 01.04.2019 to 31.03.2020		Figures for the Previous reporting period 01.04.2018 to 31.03.2019	
		₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
1	Licence fees		4.16		4.25
2	Repairs and Maintenance to				
	a) Plant and Machinery	424.26		433.46	
	b) Buildings	0.39		1.29	
	c) Others	29.60	454.25	44.92	479.68
3	Rent (including Lease Rentals)		1.24		1.39
4	Rates & Taxes		1.63		11.51
5	Insurance		0.71		0.17
6	Telephone Charges		11.68		14.67
7	Postage & Telegrams		0.22		0.22
8	Legal Charges		3.44		3.06
9	Audit Expenses and Fees:				
	a) Statutory Audit Fees	0.17		0.14	
	b) Tax Audit Fees	0.02		0.01	
	c) Cost Audit Fees	0.02		0.02	
	d) Secretarial Audit Fees	0.01		0.01	
	e) Audit Expenses	0.04		0.04	
	f) Cost & Secretarial Audit Expenses	0.01		0.01	
	g) Others	0.03	0.28	0.05	0.27
10	Other Professional Charges		88.72		73.43
11	Printing & Stationery		5.03		5.20
12	Advertisement		2.07		2.62
13	Electricity Charges		16.14		15.72
14	Conveyance and Travelling Expenses		27.86		25.59
15	Other Expenses		47.32		40.05
16	Miscellaneous provisions/losses/write-offs		51.09		24.81
			<b>715.84</b>		<b>702.65</b>
17	Less: Administration & General Expenses Capitalised		20.79		23.43
	<b>Total</b>		<b>695.05</b>		<b>679.22</b>

1.Repairs and maintenance-Others includes an amount of ₹10.38 Crores (Prev.Year ₹47.54 Crores) incurred for the FY 2019-20 towards DELP scheme.







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### NOTE NO. 26 : Other Notes

1. Balances in sundry debtors, sundry creditors, other claims and receivables, Deposits & retention money of suppliers and contractors, Deposits for electrification service connections, liability for capital supplies, O&M supplies and loans and advances as on 31.03.2020 are subject to reconciliation and confirmation and adjustments.

**2. COVID-19 pandemic lockdown in India :**

On 24 March 2020, the Government of India under Prime Minister Shri. Narendra Modi ordered a nationwide lockdown for 21 days, limiting movement of the entire 1.3 billion population of India as a preventive measure against the COVID-19 pandemic in India. Due to COVID -19, demand for the month of March 2020 (Billed in April 2020) decreased by 30% compared to previous year. Being a Government Company and a company supplying essential services (electricity supply), our Company's ability to continue as a Going Concern is not affected due to Covid-19 Pandemic.

3. Segment Reporting as per AS-17, since distribution and retail supply of power comprises primary and reportable segment, hence not applicable

4. Previous year figures have been regrouped/re-classified wherever necessary.

5. Amounts presented are in Rupees Crores except otherwise stated and have been rounded off to nearest Crores.

6. There are no dues pending as at 31st March 2020 to suppliers/ contractors/ service providers who are registered as Micro, Small or Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

**7. Merger of Anantapur and Kurnool Circles :**

7.1 Consequent to the promulgation of AP Reorganization Bill 2014 (The Act), the Assets and Liabilities of operation circles of Anantapur and Kurnool of TSSPDCL (formerly APCPDCL) were required to be merged with APSPDCL.

7.2 M/s TSSPDCL have furnished financial statements as at 01.06.2014 duly audited by M/s Sharad & Associates, Chartered Accountants, Hyderabad vide Lr No. Dir(fin)/CGM(fin)/GM(accts)/AO(A&B)/ D.No.50/15 Dt:30.04.2015. The audit certificate has stated that the allocation of assets and liabilities as at 01.06.2014 and income and expenditure from 01.04.2014 to 01.06.2014 has been carried out as per the Act except apportionment of employee related liabilities / receivables such as Liability on account of GIS Insurance, Savings fund and Self-funding Medical Scheme, Employee Liabilities towards Gratuity and Leave encashment, Liabilities towards APCPDCL Pension & Gratuity Trust and APCPDCL GPF Trust, Long Term / Short Term Loans & Advances of employees and Receivable towards APSEE Master P & G Trust which are not in conformity with Annexure 2 referred to in Clause XVIII of the G.O.Ms No 24.

7.3 The company reviewed the said financial statements with the books of accounts and adopted the same during the FY 2014-15 subject to certain unidentified items out of which some of the items were identified up to FY 2019-20 and balance items are yet to be identified.

SL No	Note No	Details	Un-identified items up to FY 2019-20	Un-identified items up to FY 2018-19
			₹ in Crores	₹ in Crores
1	2	RESERVE & SURPLUS	275.88	275.88
2	3	LONG TERM BORROWINGS	1643.33	1643.33
3	4	OTHER LONG TERM LIABILITIES	0.05	0.04
4	5	LONG TERM PROVISIONS	0.00	0.00
5	6	SHORT TERM LOANS	180.92	180.92
6	7	TRADE PAYABLES	873.23	873.23
7	8	OTHER CURRENT LIABILITIES	100.74	100.74
8	9	SHORT TERM PROVISIONS	0.00	0.00
		<b>Total Liabilities</b>	<b>3074.15</b>	<b>3074.15</b>
9	10	FIXED ASSETS ( Including accumulated depreceation)	29.22	29.22
10	11	NON CURRENT INVESTMENTS	80.64	80.64
11	12	LONG TERM LOANS & ADVANCES	4.46	4.46
12	13	INVENTORIES	0.16	0.16
13	14	TRADE RECEIVABLES	-123.89	-123.89
14	15	CASH & CASH EQUIVALENTS	14.37	14.37
15	16	SHORT TERM LOANS & ADVANCES	67.07	67.07
16	17	OTHER CURRENT ASSETS	-27.02	-27.02
		<b>Total Assets</b>	<b>45.01</b>	<b>45.01</b>





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7.4 The above Assets and Liabilities are adopted in to APSPDCL accounts, subject to modifications after verification and reconciliation by both the entities and approval by the Expert committee, Govt of AP, APSPDCL, TSSPDCL and Govt of Telangana.

7.5. The above bifurcated balance sheet approved by the Expert committee and the same was addressed to the Principal Secretary/ Energy Department, Govt of Andhra Pradesh vide Lr No CMD/APSPDCL/DIR/Fin/ CGM(R&C)/GM©/D.NO. 215/19 Date :24-8-2019 for approval from the Govt of AP.

## 8 . Bifurcation of APSPDCL in to APSPDCL and Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL)

8.1 The Govt of AP has issued G.O.MS.No. 41 Dated: 05-12-2019 for division of Southern Power Distribution Company of Andhra Pradesh Limited into two Distribution Companies viz., Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL) and Southern Power Distribution Company of Andhra Pradesh Limited with the following composition of the Districts:-

APSPDCL	APCPDCL
HQ: Tirupati	HQ: Vijayawada
SPS Nellore,	Krishna
Chittoor, YSR Kadapa	Guntur
Ananthapuram and Kurnool	Prakasam

8.2 The new Discom APCPDCL was registered under The Companies Act, 2013 on 24.12.2019, but no business transaction has been recorded in the books of APCPDCL up to 31.03.2020 since distribution license not received from Hon'ble Andhra Pradesh Electricity Regulatory Commission up to 31.03.2020

8.3 Hence, all the business transactions up to 31.03.2020 in respect of above Districts are recorded in the books of APSPDCL only.

8.4 APCPDCL has got licence from APERC w.e.f. 01.04.2020 for distribution of power supply to the consumers located in 3 districts i.e., Krishna, Guntur and Prakasam.

8.5 Assets and Liabilities of APSPDCL as on 31.03.2020 (based on Annual report for the FY 2019-20) is to be bifurcated between APSPDCL and APCPDCL as per the Govt of AP Guidelines issued in GO Ms No.41. dated: 05-12-2019 and M/s Ramraj & Co Chartered Accountants has been appointed as a Consultant for bifurcation of Assets and Liabilities of APSPDCL into APSPDCL and APCPDCL.

## 9. Related party disclosures.

Key Management Personnel:			
Name of the Key personnel	Salary / Remuneration		
	F.Y. 2019-20	F.Y. 2018-19	
	₹ in Crores	₹ in Crores	
I Chairman and Managing Director			
1.H.HARANATHA RAO ( w.e.f 22.07.2019)	0.30	0.00	
2.M M NAYAK (up to 08-06-2019)	0.07	0.36	
II Other Directors & Company Secretary			
1.K.Sitaramaraju, Director/Finance ( up to 9.9.2019)	0.13	0.31	
2.Venkateswarlu, Director/Tech ( up to 19.09.2020)	0.23	0.19	
3.P.Kaladhra Rao, Director/Projects (w.e.f. 29-01-2020)	0.06	0.00	
4.C.Pullu Reddy, Director ( up to Jun 2018)	0.00	0.07	
5.BVS Prakash, Company Secretary	0.18	0.18	

## 10. Court Cases/ Legal Disputes/ Contingent Liabilities

Particulars	31-03-2020	31-03-2019
	₹ in Crores	₹ in Crores
i) Claims against the company not acknowledged as debts	11.16	12.16
ii) Estimated amount of contracts remaining to be executed on capital account and not provided for	5539.25	3947.55
iii) NCE Wind & Solar generators ( CUF7GBI limitation for FY2016-17 to FY2018-19) surcharge and other expenses	1314.34	960.2
iv) Letter of credit (LC) outstanding	238.00	275.71
v) Tax Matters	202.03	163.00







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## DETAILS OF TAX MATTERS:

### 1 ENTRY TAX:

**GIST:** G.O. Ms. No. 367, Dt. 22.06.2002 was issued by Government of A.P. to levy Entry Tax on the Goods purchased from other States wherein Transformers, Conductors, Electrical Goods, Switches etc., were specified for the purpose of Entry Tax.

- Later, G.O. Ms. No. 552, Dt. 12.09.2002 was issued in partial modification of the above G.O. in which the conductors were retained but transformers, electrical goods etc., were deleted. Hence APSPDCL took the stand that only conductors are subject to entry tax and not transformers / electrical goods with effect from 12.09.2002 (i.e., date of second notification) and hence entry tax has been paid to Commercial tax Department on Conductors only. But, the Commercial Tax Officer has issued notices from time to time from 2002 to 2006, for balance tax which is levied on Transformers and other materials though the same were not taxable as per law. Further APSPDCL has also objected that, the Entry Tax is payable by the Seller and not by the Company because the goods while entering to the State do not belong to the Company but to the Seller until the check measurement is done. These contentions have not found favour with Sales Tax Authorities. APSPDCL has contested in various Appealing authorities, Appellate Tribunals and Finally in High Court of Andhra Pradesh in various Writ Petitions on the Entry Tax demand raised by the Commercial Tax Department.
- Hon'ble AP High Court by its common order dt. 31.12.2007 quashed the levy of Entry Tax duly ordering that the levy of entry tax under the A.P. Tax on Entry of Goods into Local Areas Act, 2001 is Unconstitutional.
- Aggrieved by the Orders of Hon'ble High Court, the Commercial Tax Department approached Hon'ble Supreme Court of India .
- Hon'ble Supreme Court Delivered Judgement on the above case during May'2017 holding that " THE LEVY ENTRY TAX BY STATE GOVERNMENT IS CONSTITUTIONAL " and further directed the respondents to file WP before local High Courts for settlement of Other issues.
- Accordingly on approval, , Writ Petitions were filed before Hon'ble High Court of AP in respect of Entry Tax Demand. the Commercial Tax Officer/TPT-II Circle/ Tirupati has issued Demand Notices for the further period up to 2017. APSPDCL, filed Writ Petitions on all the demand notices by depositing the required amounts as per court orders. The details are as under. All the cases are pending before Hon'ble High Court of AP.

Asst.Period	WP NO	Disputed Demand ₹ In Crores	Demand Paid ₹ in Crores	Remarks/Present Status
2002-03	31785/2017	2.00	1.20	Pending before Hon'ble High Court of AP
2003-04	46221/2018	2.69	2.69	
2004-05	39176/2017	4.86	2.91	
2005-06	39115/2017	3.01	1.82	
2006-07	--	1.18	1.18	
2007-08	--	0.09	0.04	
2010-11	1895/2019	0.72	0.18	
2011-12	1893 / 2019	0.56	0.14	
2012-13	1935 / 2019	0.85	0.21	
2013-14	1899 / 2019	1.25	0.31	
2014-15	1984 / 2019	18.64	4.66	
2015-16	1948 / 2019	26.85	6.71	
2016-17	1966 / 2019	22.47	5.62	
2017-18	1969 / 2019	3.15	0.79	
<b>Total</b>		<b>88.31</b>	<b>28.47</b>	





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<b>2</b>	<b>VALUE ADDED TAX (VAT):</b>				
	GIST: The commercial Tax Department/Tirupati issued demand Notice for payment of VAT on Presumptive sale of Meters to Consumers by taking Application fee, Development Charges & Security deposit paid by consumers for obtaining New Service Connection. The contention of CTD is not Correct. Meters are not being sold/leased to consumers. These are the property of APSPDCL. Hence APSPDCL filed Writ Petitions before Hon'ble High Court of AP. The details are as under.				
	<b>Assessment Year &amp; Subject</b>	<b>WP NO</b>	<b>Disputed Demand ₹ in Crores</b>	<b>Paid</b>	<b>Remarks/Present Status</b>
2.1	2007-08 to 2011-12 VAT ON PRESUMPTIVE SALE OF METERS	3697/2014 & 14870/2018	32.11	-Nil-	2 Nos Cases on the same subject matter & period (1) As Meter Sold and (2) As meters leased out to consumers. Hon' High Court of A.P. issued Stay Orders and the cases are pending.
2.2	2012-13 to 2013-14- VAT ON PRESUMPTIVE SALE OF METERS	41927/2017 & 1900/2019	16.11	-Nil-	2 Nos Cases on the same subject matter & period (1) As Meter Sold and (2) As meters leased out to consumers. Hon'High Court of A.P. issued Stay Orders and the cases are pending.
2.3	2014-15 to 2016-17- VAT ON PRESUMPTIVE LEASEING OF METERS	19680/2019	45.10	-Nil-	WP filed by APSPDCL before Hon'ble High Court of A.P. Stay Orders were issued. The case is pending .
	<b>Total</b>		<b>93.32</b>		
<b>3</b>	<b>INCOME TAX-TDS:</b>				
<b>3.1</b>	<b>Non-Remittance of TDS on Lease Rentals</b>				
	GIST: M/s APTRASCO entered agreement with M/s.Klenn & Marshall for supply of Capacitor Banks on Lease Rental Basis. Due to unbundling of Distribution companies, APSPDCL has to pay lease rents to M/s.Klenn & Marshall. M/s Klenn & Marshall approached Debt Recovery Tribunal for their reasons. As per the Orders of DRT, APSPDCL paid lease rental amounts directly to DRT with out making TDS under the view that, the sums are being paid to Judiciary. The ITO/Tirupati issued Demand Notice for non-payment of TDS on the amounts paid to DRT. APSPDCL filed appeal before Commissioner of Appeals. As no favourable orders from Commissioner of Appeals, M/s. APSPDCL filed appeal before ITAT / Hyd. Later the Case was transferred to ITAT /Vizag. APSPDCL appointed Sri C.P.Ramaswamy, Retired Commissioner of Income tax and practicing tax consultant, Hyderabad to represent the case before ITAT/Vishakhapatnam.				
	<b>Assessment Year &amp; Subject</b>	<b>Appeal NO.</b>	<b>Disputed Demand ₹ in Crores</b>	<b>Paid</b>	<b>Remarks/Present Status</b>
	2007-08 to 2009-10 - Non Recovery of TDS on Lease Payments paid to DRT on behalf of M/s.Klenn & Marshall	(1) 1217/H/2010, (2) 517/V/2019 & (3) 518/V/2019	0.38	-Nil-	Hon'ble Tribunal considered the case for Statistical Purpose only and remit the matter back to the file of AO for denovo'consideration and the decide the case as afresh.





# SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

Southern Power AP

3.2	<b>Levy of Interest on unrecovered and remitted TDS</b>				
	GIST: The ITO/TPT issued demand Notice for payment of interest for delay on the Non-Remitted TDS of ₹8.19 Crores. M/s.APSPDCL filed appeals before various adjudicating authorities and got favourable orders. Aggrieved by these orders, IT Department filed Miscellaneous petitions in High Court.				
	<b>Assessment Year &amp; Subject</b>	<b>Appeal No.</b>	<b>Disputed Demand ₹ in Crores</b>	<b>Paid</b>	<b>Remarks/Present Status</b>
	2007-08 to 2009-10	M.A No. 333 & 382 of 2017	4.67	-Nil-	Case is Pending.

4	<b>Service Tax -</b>				
4.1	<b>Non remittance of Service Tax in Estimates</b>				

	GIST: The Service Tax Department has issued Notices to certain Divisional Engineers of Operation under the territorial jurisdiction of Operation Circles Vijayawada, Guntur, Ongole, Nellore to remit the Service Tax included in Consumer Estimates. Aggrieved by the Notices, APSPDCL through consultants have preferred appeals to the Service Tax Department contending that, APSPDCL is not providing service to the consumer directly and the Service Tax mentioned in the estimates is to reimburse the contractor who executes the work and will be paid to contractor along with work bills submitted by him and hence the Demand notices issued by the Service Tax Department for payment of Service Tax mentioned in the estimates are void. The dispute is pending since long time. Finally, the appeals preferred by APSPDCL are rejected by the Commissioner of Appeals and hence APSPDCL filed final appeal to the Central Excise customs and Service Tax Appellate Tribunal (CESTAT), Hyderabad. APSPDCL has filed appeals before various adjudication authorities by depositing the required amounts as per the Act. But our pleas are not considered. Hence filed appeal before CESTAT/Hyderabad.				
	<b>Assessment Year &amp; Subject</b>	<b>Appeal No.</b>	<b>Disputed Demand in ₹ in Crores</b>	<b>Demand Paid ₹ in Crores</b>	<b>Remarks/Present Status</b>
	Non Remittance of Service Tax in estimates	CESTAT/HYD	4.62	1.72	Hon'ble CESTAT/Hyd considered our appeals remanded back the cases for consideration. The adjudication process is going on

4.2	<b>Levy of ST on Wheeling charges etc.</b>				
	GIST: The GST Intelligence wing of Visakhapatnam conducted enquiry on the accounts of APSPDCL for the Period from 01.07.2012 to 30.06.2017 and proposed levy of Service Tax on Certain incomes such as Wheeling Charges, Cross subsidy charges, Penalties from contractors etc. . Based on this , The Commissioner of Central Tax /Tirupati issued Order -OIO No TTD-EXCUS-000-COM-01-19-20 dt.16.04.19 for payment Service Tax on Wheeling Charges, Cross subsidy charges etc.,. APSPDCL has filed objections but same were not considered. Hence filed appeal before CESTAT/Hyd and the appeal is pending.				
	<b>Assessment Year &amp; Subject</b>	<b>Appeal No.</b>	<b>Disputed Demand in ₹ in Crores</b>	<b>Demand Paid ₹ in Crores</b>	<b>Remarks/Present Status</b>
	Levy of Service Tax on Wheeling Charges, Cross Subsidy Charges etc.	CESTAT/HYD	₹ 10.72 Crores	-Nil-	APSPDCL appeal is pending before CESTAT/Hyd

5	<b>INCOME TAX- CONSUMER CONTRIBUTIONS &amp; GRANTS treating revenue receipts instead of Capital receipts</b>				
Sl No	<b>Assessment Year &amp; Subject</b>	<b>Authority before which the appeal is pending</b>	<b>Amount in Dispute (₹ in Crores)</b>	<b>Status</b>	
1	AYs 2009-10 to 2014-15 Grants & Consumer contributions	Hon'ble High Court of A.P.	958.90	APSPDCL has won the case at CIT(Appeals) Tirupati and ITAT/Hyderabad. Against the orders passed by the ITAT/Hyderabad, Income tax department has approached to Hon'ble high court/Amaravathi . Now case is pending at Hon'ble high court/Amaravathi.	
2	AY 2017-18 Grants & Consumer contributions	CIT(A),Tirupati	406.37	APSPDCL has filed an appeal at CIT (A), Tirupati against the Assessment order passed by the ACIT Circle 1 (1), Tirupati . Now the case is pending at CIT(A), Tirupati	





# SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

## ANNEXURE-I

### Generating station wise APSPDCL Power Purchase details during the FY 2019-20

Generating Station	ENERGY (MU)	FIXED COST ₹ in Crores	VARIABLE COST ₹ in Crores	TOTAL COST ₹ in Crores	₹ /Unit
<b>Appenco-Thermal</b>					
Dr. NTPPS	4624.49	436.01	1536.66	1972.67	4.27
Dr. NTPPS-IV	1964.36	216.16	612.45	828.61	4.22
RTPP Stage-I	800.79	167.56	304.69	472.25	5.90
RTPP Stage-II	1196.54	162.66	456.65	619.31	5.18
RTPP Stage-III	368.34	166.36	140.14	306.50	8.32
RTPP Stage-IV	1446.87	353.44	614.32	967.76	6.69
APPDCL Stage-I	4369.88	634.74	1339.56	1974.30	4.52
<b>Genco-Thermal Total</b>	<b>14771.27</b>	<b>2136.92</b>	<b>5004.47</b>	<b>7141.39</b>	<b>4.83</b>
Srisaillam RCPH	859.89	142.31	0.00	142.31	1.65
NSRCPH	66.52	16.29	0.00	16.29	2.45
NSTPDC PH	49.60	34.27	0.00	34.27	6.91
Upper Sileru	411.02	49.01	0.00	49.01	1.19
Lower Sileru	549.95	93.93	0.00	93.93	1.71
Donkarayi	46.09	5.10	0.00	5.10	1.11
PABM	0.61	8.46	0.00	8.46	137.79
Minihydel(Chettipet)	1.44	1.08	0.00	1.08	7.52
Machkund AP Share	223.60	27.46	0.00	27.46	1.23
TB Dam AP Share	103.86	18.36	0.00	18.36	1.77
<b>Genco Hydel Total</b>	<b>2312.58</b>	<b>396.26</b>	<b>0.00</b>	<b>396.26</b>	<b>1.71</b>
<b>APGENCO-TOTAL</b>	<b>17083.85</b>	<b>2533.18</b>	<b>5004.47</b>	<b>7537.65</b>	<b>4.41</b>
APGPCL Stage-I	18.01	1.87	6.12	7.99	4.43
APGPCL Stage-II	80.91	6.47	28.01	34.48	4.26
Godavari Gas Power Plant	412.52	17.06	121.72	138.78	3.36
Spectrum Power	356.00	32.75	94.37	127.12	3.57
LANCO Kondapalli	498.44	27.08	141.21	168.28	3.38
<b>GAS-TOTAL</b>	<b>1365.88</b>	<b>85.23</b>	<b>391.42</b>	<b>476.65</b>	<b>3.49</b>
NTPC(SR) Ramagundam I & II	1255.35	90.72	327.15	417.86	3.33
NTPC(SR) Simhadri Stage-I	1915.76	272.32	660.00	932.32	4.87
NTPC(SR) Simhadri Stage-II	763.89	141.42	256.52	397.95	5.21
NTPC(SR) Talcher Stage-II	743.60	60.38	149.62	210.00	2.82
NTPC(SR) Ramagundam III	331.56	25.66	85.30	110.96	3.35
NTPC Kudgi Stage-I	481.90	212.51	181.40	393.92	8.17
NTECL Valluru	247.21	111.48	95.08	206.56	8.36
NLC Stage-I	216.69	16.42	58.71	75.13	3.47
NLC Stage-II	374.78	32.20	101.67	133.87	3.57
NPC(MAPS)	39.43	0.00	-0.47	-0.47	-0.12
NPC(KAIGA unit I,II,III,IV)	569.81	0.00	155.86	155.86	2.74
NTPL(NLC TamilNadu)	425.95	89.17	126.11	215.28	5.05
NLC NNTPS	18.24	3.29	4.19	7.48	4.10
JNNSM Ph-1 Thermal	118.53	0.00	56.91	56.91	4.80
JNNSM Ph-2 Thermal	1943.33	0.00	840.82	840.82	4.33
NTPC WR&NR(Sept 2019)	209.64	46.20	78.66	124.87	5.96
<b>CGS TOTAL</b>	<b>9655.67</b>	<b>1101.78</b>	<b>3177.54</b>	<b>4279.31</b>	<b>4.43</b>





# SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

KSK Mahanadi	1403.88	216.07	386.11	602.18	4.29
Thermal Powertech Corporation	1218.10	193.88	283.05	476.93	3.92
Hinduja National Powercorp	1806.81	0.00	690.20	690.20	3.82
SRIVATHSA	0.00	0.00	0.00	0.00	
<b>IPP TOTAL</b>	<b>4428.78</b>	<b>409.95</b>	<b>1359.36</b>	<b>1769.31</b>	<b>4.00</b>
NCE- Others	699.15	0.00	118.61	118.61	1.70
NCE Wind	6833.60	0.00	3189.17	3189.17	4.67
NCE Solar	2449.88	0.00	1191.00	1191.00	4.86
JNNSM Ph-1 Solar	30.42	0.00	38.10	38.10	12.52
JNNSM Ph-2 Solar	2349.96	0.00	1088.53	1088.53	4.63
C - D PP COST					
<b>NCE TOTAL</b>	<b>12363.02</b>	<b>0.00</b>	<b>5625.41</b>	<b>5625.41</b>	<b>4.55</b>
SHORT TERM PURCHASE	2469.75	0.00	968.37	968.37	3.92
<b>SHORT TERM TOTAL</b>	<b>2469.75</b>	<b>0.00</b>	<b>968.37</b>	<b>968.37</b>	<b>3.92</b>
<b>TOTAL Gross Power Purchase Cost Excluding Tr &amp; PGCIL charges</b>	<b>47366.95</b>	<b>4130.13</b>	<b>16526.57</b>	<b>20656.70</b>	<b>4.36</b>
Adjustments -less: APPDCL Differential FC and VC Claims from 2018-19 (already considered in True-Up admission for FY 2018-19 by APERC)	0	-1382.27	-164.19	-1546.46	
<b>Net PP Cost Excluding Tr &amp; PGCIL charges</b>	<b>47366.95</b>	<b>2747.86</b>	<b>16362.37</b>	<b>19110.24</b>	
<b>TRANMISSION AND UI CHARGES</b>	<b>16.55</b>	<b>2103.47</b>	<b>32.57</b>	<b>2156.93</b>	
<b>PP Cost including Tr &amp; PGCIL charges</b>	<b>47383.50</b>	<b>4851.33</b>	<b>16394.95</b>	<b>21267.17</b>	<b>4.49</b>
Less : SWAP RETURN	-2165.98	0.00	-810.29	-810.29	3.74
<b>Net PP Cost including Tr &amp; PGCIL charges Booked during the FY 2019-20</b>	<b>45217.52</b>	<b>4851.33</b>	<b>15584.65</b>	<b>20456.87</b>	
C - D PP COST			0.90	0.90	
3. Pension Bonds Interest amount to APGENCO	0.00	583.88	0.00	583.88	
<b>Total PP Cost Booked</b>	<b>45217.52</b>	<b>5435.21</b>	<b>15585.55</b>	<b>21041.65</b>	







# SOUTHERN POWER DISTRIBUTION

COMPANY OF A.P. LIMITED :: TIRUPATI

## **NOTE No. 27**

### **STATEMENT OF ACCOUNTING POLICIES**

#### **1. Basis of Preparation of Accounts:**

The accounts have been prepared under historical cost convention and are in conformity with applicable statutory provisions, Generally Accepted Accounting Principles (GAAP) and Accounting Standards issued by ICAI.

#### **2. Income & Expenditure :**

- i) The company adopts accrual system of accounting to recognize Income and Expenditure.
- ii) Provision for Bad & Doubtful debts is made on Debtors for sale of power outstanding for a period of more than 4 years.

#### **3. Revenue Recognition :**

- i) Revenue from sale of power is recognized
  - a) in respect of completed billing cycle, on the basis of demand raised
  - b) in respect of uncompleted billing cycle, on the basis of estimation and
  - c) in respect of billing towards theft of power, upon certification of assessment by the competent authority of the company.
- ii) Other Income is recognized on accrual basis except interest on employee loans which is recognized on cash basis.

#### **4. Power Purchase:**

The aggregate power purchases are being carried out by the Andhra Pradesh Power Co-ordination Committee, and the same is adopted in the company's books, in the percentage notified in G.O.MS.No. 101, ENERGY (POWER-III), 31st, OCTOBER, 2005 and as amended from time to time. The Discom to Discom and Interstate purchase/sale of power arising on account of under/over drawal of power is also accounted as decided by APPCC.



**5. Fixed Assets:**

- i) Fixed Assets are shown at historical cost except for the assets transferred under Second Transfer Scheme the values of which have been adopted as per G.O.Ms.109 dt.29.9.2001.

**6. Depreciation:**

- i) The Company is charging Depreciation at the rates notified under G.O No.265 (SE) dated 27.03.1994 issued under Electricity Supply Act, 1948.
- ii) Depreciation has been provided on Straight Line Method over the 'estimated useful life of the asset' on the Gross Block of Assets.
- iii) Depreciation on deletion to Assets during the year is charged on pro-rata basis
- iv) Depreciation on the asset is not charged from the year in which:
- Current year depreciation along with the depreciation charged in the previous year(s) becomes equal to more than 90 percent of the cost of the asset or
  - The asset permanently ceases to be used by the Company whichever is earlier.

**7. Capital work in progress:**

- i) The Company absorbs the following expenditure to capital work-in-progress :
- a. 8.5% of the capital work-in-progress towards employees cost.
- b. 1.5% of the capital work-in-progress towards administration and general expenses.
- ii) The expenditure incurred on Capital works is capitalised as and when the works are completed.

**8. Investments :**

- i) Non Current investments are valued at cost.
- ii) Current investments are valued at cost or market value whichever is lower.

**9. Inventories:**

Inventories representing Stores and Spares are valued at weighted average cost basis. The cost includes insurance, freight, taxes and all other connected expenses.





**10. Borrowing Cost:**

Interest during construction is calculated and capitalised at the rate specified for each scheme from the date of expenditure incurred till the date of capitalization.

**11. Liabilities:**

All known liabilities are recorded and provided in the accounts.

**12. Employees' Retirement Benefits :**

The Company follows defined benefit plan with regard to Pension & Gratuity through APSPDCL Pension & Gratuity Trust. The actuarial valuation for Employee Retirement Benefits in respect of Pension and Gratuity is being done at the intervals not exceeding three years. Accordingly provisions are made at the rates prescribed in the actuarial valuation.

**13. Government Grants and Consumer Contribution:**

a) Grants, subsidies and Consumer contributions received on capital account are amortized and recognized in the Profit & loss Account as per weighted average rate of depreciation on the Gross Block of Assets to which they pertain to.

**14. Intangible Assets:**

Intangible Assets are amortized over the useful life of the assets.

**15. Taxes on Income :**

a. Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

For Basha & Narasimhan  
Chartered Accountants  
Firm's Regn. No: 006031S

CA K. NARASIMHA SAH  
Partner.

Membership No 201777

Place : Tirupati

Date: 05-12-2020

ICAI UDIN : 20201777AAAABI5320



For and on behalf of the Board

**H. HARANATHA RAO**  
Chairman & Managing Director

**T HANUMATH PRASAD**  
Chief General Manager (Rev&IA&C)

**V.N. BABU**  
Director (Finance)/ CFO

**B.V.S. PRAKASH**  
Company Secretary



# SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED

## STATEMENT PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 2013 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

<b>I. Registration Details :</b>	
Registration No.	: U40109AP2000SGC034118
State Code	: 01
Balance Sheet Date	: 31-03-2020
<b>II. Capital raised during the Year</b>	: (Rupees in Croress)
Public Issue	: -
Rights Issue	: -
Bonus Issue	: -
Private Placement	: -
<b>III. Position of Mobilisation and Development</b>	: (Rupees in Croress)
Total Liabilities	: 36410
Total Assets	: 36410
<b>Sources of Funds</b>	
Paid up Capital	: 358.72
Reserves & Surplus	: (12511.96)
Secured Loans	: 14334.08
Unsecured Loans	: 609.39
<b>Application of Funds</b>	
Net Fixed Assets	: 9587.57
CWIP	: 2590.77
Investments	: 286.93
Net Current Assets	: (5063.95)
Miscellaneous Expenditure	: -
<b>IV. Performance of the Company</b>	: (Rupees in Croress)
Turnover	: 27606.08
Total Expenditure	: 27604.98
Profit/(Loss) before Tax for the Year	: 1.10
Profit/(Loss) after Tax for the Year	: 1.10
Net Prior Period Credits/(Charges)	: -
Profit after Contingency Reserve	: 1.10
Earnings per Share	: 0.03
<b>V. Generic Names of Principal products/ Services of the Company</b>	: NIL
PAN NO	: AAHCS4056Q
Item Code No.	: N.A.
Product Description	: Distribution of Power

