

**SOUTHERN POWER DISTRIBUTION
COMPANY OF A.P.LTD
TIRUPATI**



**19th ANNUAL REPORT
FY 2018-19**

Regd. Office: H.No.19-13-65/A, Vidyutnilayam, Keshavayanagunta, TIRUPATI-517503,
Andhra Pradesh, INDIA. Corporate Identity Number: U40109AP2000SGC03411



SOUTHERN POWER DISTRIBUTION COMPANY OF A.P.LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No	Figures as at the end of current reporting period 2018-19	Figures as at the end of current reporting period 2017-18
		₹ in crore	₹ in crore
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	358.72	358.72
(b) Reserves and Surplus	2	(12,539.46)	(5,112.58)
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	9,402.68	9,905.01
(b) Other Long term liabilities	4	2,558.81	2,298.84
(c) Long term provisions	5	1,648.79	631.31
(3) Current Liabilities			
(a) Short-term borrowings	6	1,774.44	1,327.07
(b) Trade payables	7	23,618.35	13,789.40
(c) Other current liabilities(including current maturities of Long term debt)	8	6,245.04	3,676.89
(d) Short-term provisions	9	151.54	132.23
Total		33,218.91	27,006.88
II. Assets			
(1) Non-current assets			
(a) Fixed assets(Net)			
(i) Tangible assets	10	8,221.17	6,816.74
(ii) Intangible assets	10	1.94	0.16
(iii) Capital work-in-progress	10	3,457.94	3,346.31
(b) Non-current investments	11	287.43	286.93
(c) Long term loans and advances	12	304.47	320.55
(2) Current assets			
(a) Inventories	13	65.24	78.73
(b) Trade receivables	14	4,566.22	3,821.73
(c) Cash and cash equivalents	15	427.04	517.88
(d) Short-term loans and advances	16	7,685.41	8,120.12
(e) Other current assets	17	8,202.05	3,697.74
Total		33,218.91	27,006.88

As per our report of even date
For M/s Komandoor & Co.,LLP
Chartered Accountants.
Firm No. 001420S/S200034

For and on behalf of the Board

Nagendranadh Tadikonda
Partner
Membership No 226246
Date : 21.10.2019
Place : TIRUPATI



H. HARANATHA RAO
Chairman & Managing Director

V.V. GOPALA KRISHANA MURTHY
Chief General Manager/R&C

KVN CHAKRADHAR BABU, IAS
Director

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, 2019

Particulars	Note No	Figures as at the end of current reporting period 2018-19	Figures as at the end of previous reporting period 2017-18
		₹ in crore	₹ in crore
Revenues:			
I. Revenue from operations	18	17,278.01	15,371.45
II. Other Income	19	1,317.63	961.33
III. Revenue Subsidies and Grants (.i.e., Govt reimbursement for agricultural sales/ consumption)	20	5,078.50	4,166.66
Total Revenue (I + II + III) - (A)		23,674.14	20,499.44
Expenses:			
IV. Cost of Power Purchase	21	25,456.63	16,641.64
V. Employee benefit expenses	22	3,262.87	1,661.55
VI. Financial costs	23	1,129.51	946.80
VII. Depreciation and amortization expenses	24	826.77	720.59
VIII. Other expenses	25	679.22	533.36
Total Expenses (IV+V+VI+VII+VIII)-(B)		31,355.00	20,503.94
IX. Profit before exceptional and extraordinary items and tax (A - B)		(7,680.87)	(4.50)
X. Exceptional Items		-	-
XI. Profit before extraordinary items and tax (IX - X)		(7,680.87)	(4.50)
XII. Extraordinary Items		-	-
XIII. Profit before tax (XI - XII)		(7,680.87)	(4.50)
XIV. Provision for Taxation		-	-
XV. Profit(Loss) from the period from continuing operations(XIII-XIV)		(7,680.87)	(4.50)
XVI Less: Transfer to Contingency Reserve		-	(2.52)
XVII. Profit/(Loss) for the period (XV-XVI)		(7,680.87)	(7.02)
XVIII. Earning per equity share:			
(1) Basic		(214.12)	(0.20)
(2) Diluted		(214.12)	(0.20)
Other Notes	26		
Statement of Accounting Policies	27		

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For and on behalf of the Board

J. Dyandevi

Nagendranadh Tadikonda
Partner
Membership No.226246
Date :21.10.2019



H. Haranatha Rao
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Chairman & Managing Director

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Company Secretary



SOUTHERN POWER DISTRIBUTION COMPANY OF A.P.LIMITED
CASH FLOW STATEMENT

Particulars	Year ending 31-03-2019		Year ending 31-03-2018	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
A Cash flow from operating activities				
Net profit before taxation		(7,680.87)		(7.02)
Adjustments for items in Profit & Loss Account				
Amortization of Capital Contributions	(380.46)		(322.95)	
Depreciation & Amortization	826.77		720.59	
Interest Income	(8.53)		(6.20)	
Interest Expense	1,138.04	1,575.83	953.01	1,344.44
Operating Profit before working capital changes		(6,105.04)		1,337.42
Adjustments for changes in Current Assets other than Cash and Cash Equivalents				
Inventories	13.48		14.69	
Trade receivables	(744.49)		(1,092.52)	
Other Current Assets	(4,504.30)		(1,523.05)	
Loans and Advances	434.71		(4,546.12)	
Adjustments for changes in Current Liabilities & provisions				
Current Liabilities	12,844.47		7,064.50	
Provisions	1,036.80	9,080.68	45.26	(37.25)
Cash generated from Operations		2,975.64		1,300.16
Net cash flow from operating activities		2,975.64		1,300.16
B Cash flows from investing activities				
Purchase of fixed assets /CWIP	(2,344.62)		(2,230.90)	
Interest on Investments	8.53		6.20	
Interest on contingency reserve investments	-		2.52	
(Increase)/Decrease in Investments	15.58		(17.97)	
Net cash flow from investing activities		(2,320.52)		(2,240.15)
C Cash Flows from Financing Activities				
Receipts towards UDAY Scheme Grant	-		-	
Proceeds from borrowings	(502.34)		761.47	
Increase in security and other deposits	259.97		209.15	
Additions to Deferred Capital Contributions	634.44		933.48	
Interest on Borrowings	(1,138.04)		(953.01)	
Net Cash flow from Financing Activities		(745.96)		951.10
D Net Increase/Decrease in cash and cash equivalents		(90.84)		11.11
E Cash and Cash Equivalents				
At the beginning of the period		517.88		506.76
At the end of the period		427.04		517.88
F Net Increase/Decrease in cash and cash equivalents		(90.84)		11.11

As per our report of even date
For M/s Komandoor & Co. LLP
Chartered Accountants.
Firm No.001420S/S200034


Nagendranadh Tadikonda
Partner
Membership No.226246
Date : 21.10.2019
Place : Tirupati

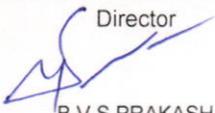


For and on behalf of the Board


H.HARANATHA RAO
Chairman & Managing Director


V.V. GOPALA KRISHANA MURTHY
Chief General Manager/R&C


K.V. CHAKRADHAR BABU, IAS
Director


B.V.S.PRAKASH
Company Secretary

**SOUTHERN POWER DISTRIBUTION COMPANY OF A.P.LIMITED****Note No. 1 - Share Capital**

<u>Share Capital</u>	As at 31 March 2019		As at 31 March 2018	
	Number	₹ in crore	Number	₹ in crore
<u>Authorised Share Capital</u>				
Equity Shares of ₹.10 each Total shares (Rupees Ten Only)	36,00,00,000	360.00	36,00,00,000	360.00
<u>Issued Subscribed & Paid up Share Capital</u>				
Equity Shares of ₹10 each (Rupees Ten Only)	35,87,15,309	358.72	35,87,15,309	358.72
Total	35,87,15,309	358.72	35,87,15,309	358.72

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 31 March 2019		As at 31 March 2018	
		Number	₹ in Crore	Number	₹ in Crore
A	Equity Shares of ₹10 each				
	Opening Balance	35,87,15,309	358.72	35,87,15,309	358.72
	Additions	—	—	—	—
	Bought Back	—	—	—	—
	Closing Balance	35,87,15,309	358.72	35,87,15,309	358.72

1B. Details of Share Holders holding more than 5% shares in the company

Name of the Share holder	As at 31 March 2019		As at 31 March 2018	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Equity Shares				
Government of Andhra Pradesh (vide GO. Ms. No.58 Dt.:09.05.2005)	35,87,15,309	100%	35,87,15,309	100%
Total	35,87,15,309	100%	35,87,15,309	100%

C. Terms/rights attached to Equity Shares

The Company has only one class of equity shares having at par value of ₹10 per share.
Entire equity shares are held by the 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 numbers of equity shares held by the shareholders





SOUTHERN POWER DISTRIBUTION COMPANY OF A.P.LIMITED

Note No. 2 Reserves & Surplus

Reserves & Surplus	As at 31 March 2019	As at 31 March 2018
	₹ in crore	₹ in crore
2.1 Contingency Reserve		
Opening Balance	43.42	40.90
(+) Current Year Transfer	0.00	2.52
Closing Balance - A	43.42	43.42
2.2 Deferred capital Contributions including Govt Grants)		
Opening Balance	2803.24	2192.71
(+) Current Year Transfer	634.44	933.48
(-) Written Back in Current Year	(380.46)	(322.95)
Closing Balance - B	3057.23	2803.24
2.3 Surplus		
Opening balance	(13,492.14)	(13,485.12)
(+) Net Profit/(Net Loss) For the current year	(7,680.87)	(4.50)
(-) Transfer to Contingency Reserve	0.00	(2.52)
Closing Balance - C	(21,173.01)	(13,492.14)
2.4 Merger Reserve - D	275.88	275.88
2.5 Grant- UDAY E	5257.02	5257.02
Total (A + B + C+D+E)	(12,539.46)	(5,112.58)

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 2018-19 the company has received towards consumer contributions and subsidies an amount of ₹634.44 crore (Previous year is ₹933.48 crore).

As against the above, an amount of ₹380.46 crore (Previous year is ₹322.95 crore) 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 2018-19.

2. Merger Reserve represents an amount of ₹275.88 crore being net deficit of assets & liabilities and deferred tax asset transferred to the company pursuant to demerger of TSSDCL (erstwhile APCPDCL) Also refer to Note No:26 para No. 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 implemented during the FY 2016-17. Under this scheme, the Government of AP during the FY 2016-17 has repaid / given ₹ 5257.02 crore as Capital grant.

4. Investments earmarked for Contingency reserve are utilised during the year to meet cyclone rehabilitation works and will be replenished in future





SOUTHERN POWER DISTRIBUTION COMPANY OF A.P.LIMITED

Note No. 3 Long Term Borrowings		
Long Term Borrowings	As at 31 March 2019	As at 31 March 2018
	₹ in crore	₹ in crore
3.1 Secured		
(a) Term loans from Other Parties	8202.29	8748.49
b) Term loans from Nationalised Banks (SBI)	1865.54	0.00
Sub-Total	10067.83	8748.49
	A	
3.2 Unsecured		
(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	609.39	609.39
	B	
3.3 Long Term Borrowings (on merger)	1643.33	1643.33
	C	
d) Others	23.81	0.26
	D	
Total Long Term Borrowings (A+B+C+D)	12344.37	11001.46
	E	
Less: Current maturities of Long term Borrowings	2941.69	1096.45
	F	
Total (E-F)	9402.68	9905.01

LOANS POSITION

Name of the Loan	As at 31 March 2019	As at 31 March 2018
	₹ in crore	₹ in crore
Secured		
Rural Electrification Corporation (REC)	4996.36	6371.87
Power Finance Corporation (PFC)	2380.75	2076.62
Power Trading Corporation (PTC)	245.00	300.00
Loan from SBI	1865.54	0.00
IREDA loan	500.00	0.00
World bank loan	80.18	0.00
Unsecured		
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	23.81	0.00
Total	12344.37	11001.20





SOUTHERN POWER DISTRIBUTION COMPANY OF A.P.LIMITED

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 6.5%p.a to 13%p.a

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 crore 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 No.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 availed from SBI and IREDA Interest rates are @8.75% p.a and @ 10% p.a respectively,



**Note No. 4 Other Long Term Liabilities**

Other Long Term Liabilities	As at 31 March 2019	As at 31 March 2018
	₹ in crore	₹ in crore
Consumption Deposits from Consumers	2558.81	2298.84
Total	2558.81	2298.84
Details of Consumption Deposits from Consumers		
Consumption Deposits from LT Consumers	1202.27	1014.70
Consumption Deposits from HT Consumers	1356.54	1284.14
Total	2558.81	2298.84

Note No.5 - Long term Provisions

Long Term Provisions	As at 31 March 2019	As at 31 March 2018
	₹ in crore	₹ in crore
5.1 Provisions for employee benefits		
Pension & Gratuity	1610.55	601.29
GPF	38.14	30.15
EWf	0.11	-0.13
Other long term provisions - Merger	0.00	0.00
Total	1648.79	631.31

Employee Related benefits:

1.Terminal Benefits: Pension & Gratuity :

For the year 2018-19, the Company has cleared liability ₹430.97 crore (Previous year ₹386.71 crore) to the Pension and Gratuity Trust.

2.The fund position and provision created details as per the Actuarial valuation reports in respect of 26% share of APSPDCL are here under.

Particulars	Pension & Gratuity employees who are rolls on 30.01.1999	Gratuity for EPF employees	Total
	₹ in crore	₹ in crore	₹ in crore
Fund to be maintained as on 31-03-2019 as per Actuarial valuation report	3034.63	311.18	3345.81
Less : Fund as on 31.03.2019	1735.26	0	1735.26
Less : Liability already provided	162.24	70.91	233.15
Provision made during the FY 2018-19 for future commitment	1137.13	240.27	1377.40

The above amount of ₹1377.4 crore (Previous year Nil) has been created a provision for FY 2018-19.

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 ₹167.30 cores is transfered by M/s TSSPDCL(erstwhile APCPDCL) as Long Term provisions for employees by way of Employee division basis allocation is adopted. These amounts are transferred to respective accounts during the FY 2015-16 and also refere 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 31 March 2019	As at 31 March 2018
	₹ in crore	₹ in crore
(a) Loans repayable on demand		
<u>Secured</u>		
i. From Banks (CCs and Ods limits)	550.72	520.39
<u>Unsecured</u>		
i. From Others (Transco loan)	524.82	199.82
(b) Security and other Deposits	517.98	425.94
(c). Short term loans- Merger	180.92	180.92
Total	1774.44	1327.07
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 ₹-1.80 crore (Previous year ₹-1.56 crore), b) Security Deposits ₹30.21 crore(Previous year ₹34.83 crore) c). Retention Money ₹75.71 crore (Previous year ₹98.02 crore) d) EMD ₹23.27 crore(Previous year ₹24.60 crore) e) Contributory work Deposits ₹137.92 crore (Previous year ₹100.30 crore) and f) Temporary Supply Deposits: ₹4.93 crore (Previous year ₹4.56crore) g) others ₹187.66 crore(Previous year ₹165.19 crore).		
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 crore is transferred by M/s TSSPDCL (erstwhile APCPDCL) as Short term borrowings by way of Energy basis allocation is adopted and also refer to 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 31 March 2019	As at 31 March 2018
	₹ in crore	₹ in crore
1. Trade payables - Power Purchase	21505.19	11951.25
2. Payables - Others	1239.93	964.92
i).Material & Service works creditor		182.66
ii).Pension	58.21	44.85
iii).Salary liabilities	111.45	71.72
iv).Recovery & Remittances (including Insurance)	44.50	33.78
v) Year end provisions	193.37	176.31
vi) Others	#VALUE!	455.60
3. Trade Payables - Merger	873.23	873.23
Total (1+2+3)	23618.35	13789.40

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(erst while 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-orgnased 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 31.03.19 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 ₹7613.87 crore which has been paid to APGENCO and others.(Disclosure in Note No.16 Trade Advances).

5.As per the development of Wind Power Policy 2015, GoAP extended certain incentives to Wind power generators. However, nothing is specified in the policy that these incentives should borne by respective Discoms. Hence, management will disallow the MRI from the payables to Wind generators with retrospective effect and re-direct the generators to approach and claim the MRI from GoAP.





SOUTHERN POWER DISTRIBUTION COMPANY OF A.P.LIMITED

6.As per decision Honourable High court order WP.No.9844 of 2019 dated:24.09.2019, provision was created in books for outstanding Power Purchase cost as on 31st March 2019 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 Honourable High Court order ie, ₹2.44 per unit for solar generators and ₹2.43 per unit for wind generators as given below:

Particulars	Amount ₹ in crore
Wind	408.48
Solar	231.12
Total	639.60

6. Trade payables includes Un paid/ dis allowed cost an amount of ₹3775.59 crore for the period from the FY 2014-15 to FY 2017-18

Note No. 8 - Other Current Liabilities

(Including current maturities of long term debt)

Other Current Liabilities	As at 31 March 2019	As at 31 March 2018
	₹ in crore	₹ in crore
(a) Current maturities of long-term debt		
REC	848.48	530.16
PFC	1221.94	506.12
IREDA	500.00	0.00
SBI	205.20	0.00
Others	166.07	60.17
(b) Interest accrued and due on		
i) Group Insurance Savings Fund	10.20	8.88
ii) Other Liabilities	142.67	137.13
iii) Self Fund medical scheme	17.27	16.13
c).Liability for Leave Encashment	47.20	118.26
d) Inter Corporate Deposits (Pool imbalance account)	3086.01	2300.05
Total	6245.04	3676.89

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 ₹15.51 crore (Previous year (Credit) of ₹34.40 crore) as at 31-03-2019 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).





SOUTHERN POWER DISTRIBUTION COMPANY OF A.P.LIMITED

Note No.9 Short Term Provisions

Short Term Provisions	As at 31 March 2019	As at 31 March 2018
	₹ in crore	₹ in crore
Income Tax	0.88	0.88
Interest on Security Deposits	150.67	131.35
Total	151.54	132.23

1. Tax disputes with various authorities:

The Present stage of Entry Tax: Entry tax Act has been quashed by Hon'ble Andhra Pradesh High court by its common order on 31.12.2007. Accordingly, the APSPDCL claimed for refund of ₹9.84 crore as an amount of Entry Tax paid to commercial tax authorities. However, the Andhra Pradesh Government has filed Special Leave Petition with the Hon'ble Supreme Court of India.

The Hon'ble Supreme Court of India Nine Judge division bench has pronounced that the levy of Entry tax by states is constitutional and referred the case to Divisional Bench to decide other issues. The Division Bench Supreme court has examined the case and referred the case to High courts of respective states by allowing time to file Writ petitions by the respondents. Accordingly writ petitions were filed in Hon'ble High court. The Commercial Tax Department, Govt of AP has issued Demand Notices for furthe periods also . APSPDCL filed WPs before Hon'ble High Court. The details are as under.

Asst.Period	WP NO	Disputed Demand in Rs.	Paid in Rs.
2002-03	31785/2017	2.00	1.20
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
2015-16	1948 / 2019	26.85	6.71
2016-17	1966 / 2019	22.47	5.62
2017-18 (Apr to June)	1969 / 2019	3.15	0.79
Total		88.31	28.47

2 Pending Appeals in respect of Income Tax/TDS, VAT & Service Tax before various Tax Authorities.

Assessment Year & Subject	Authority before which the appeal is pending	Amount in Dispute (₹ in Crore)	Status
2007-08 to 2011-12 (6 Circles) - VAT ON PRESUMPTIVE SALE OF METERS	Hon'ble High Court, Hyderabad,	32.11	<p>1.The CTO/TPT issued demand Notice for payment of VAT on Presumptive sale of Meters to Consumers which is not Correct. (1) WP filed in High Court vide No.3697/2014 and is pending.</p> <p>(2) CTD withdraws their demand notice with a view to levy tax as Lease Rentals. This is subjudice.</p> <p>(3) New Demand Notice for payment of VAT of ₹32.11 Cr as VAT on Lease Rentals has been received.</p> <p>(4) As per the approval of Management, New WP 14870/2018 has been filed in High Court and stay orders were granted.</p>





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2012-13 to 2013-14- VAT ON PRESUMPTIVE SALE OF METERS	Hon'ble High Court, Hyderabad,	16.11	The CTO/TPT issued demand Notice for payment of VAT on Presumptive sale of Meters to Consumers which is not Correct.(1) WP filed by us in High Court vide No.41927/2017 and is pending. (2) Adtl Commissioner/Legal CTD, VJA issued SCN to levy VAT as Lease Rentals (instead of Sale). The CTD has not considered APSPDCL objections and WP NO.1900/2019 has been filed before High Court and Stay Orders were granted.
2007-08 to 2009-10 - Levy of IT-TDS	The ITAT, Vishakhapatnam.	6.45	(1) The ITO/TPT issued Demand Notice for Non-deduction of TDS. APSPDCL filed Appeal filed before commissioner of Appeal/TPT and got Favourable Orders. (2) Aggrieved by the above Orders , ITO/TPT filed appeal Before ITAT /Vizag vide No. 1217 of 2010 on Jurisdictional issue and Appeal Nos 452,453,454 of 2010 were filed by APSPDCL on Non-deduction of TDS on Lease Rentals paid to Debt Recovery Tribunal (Payable to M/s.Klenn& Marshall) . The Disputed areas are (a) Jurisdiction of CIT/TP" and (b) Under which Section TDS is to be calculated (c) Validity of TDS Certificate with retrospective effect. (d) Whether TDS is to be made on payments to DRT. The Appeal are pending.
2007-08 to 2009-10 Levy of Interest on the delayed TDS as above case	Hon'ble High Court, Hyderabad,	4.67	(1) Aggrieved by the Demand Notice in respect of Interest , Appeal filed before CIT(A)/VJA and got favourable Orders. (2) The ITO filed Miscellaneous Appeal on the Orders of CIT(A)/VJA before ITAT /H/ vide Appeal Nos.1327/H/2014 & 1328/H/2014 . These appeals are won by APSPDCL. (3) The ITO again filed Miscellaneous Appeal on the Orders of ITAT in Appeal Nos.1327/H/2014 & 1328/H/2014 , before (1) ITAT/H/ vide Appeal Nos 29/H/2016& 30/H/2016 . These appeal also won by APSPDCL. (4)The ITO filed in ITAT, The ITAT/H pronounce judgement on Appeal Nos 29/H/2016& 30/H/2016 which is favour of APSPDCL. Aggrieved by these orders the ITO filed WP in High court vide No. 333 &382 of 2017 and the cases are pending.
Non Remittance of Service Tax in estimates	CESTAT/Hyderabad	4.62	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/Hyd. Hon'ble CESTAT/Hyd considered our appeals remanded back the cases for consideration.
Levy of Service Tax on Wheeling Charges,Cross Subsidy Charges etc	CESTAT/Hyderabad	10.72	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.
AY 2009-10 to 2014- 15 - Grants & Consumer contributions	ITAT/Hyderabad	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.





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Note No.-10 : Non- Current Assets

A) FIXED ASSETS

₹ in crore

S NO	Asset Group	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
		At the end of the year 31-03-2018	Additions during the year	Adjustments/Deductions during the year	At the end of the year 31-03-2019	At the end of the year 31-03-2018	Depreciation For the year	Adjustments/Deductions during the year	At the end of the year 31-03-2019	Balance as at 01-04-2018	Balance as at 31-03-2019
a. Tangible Assets											
1	Land and Land Rights	5.04	0.00	0.00	5.04					5.04	5.04
2	Buildings	176.68	11.12	0.00	187.80	42.94	5.49	0.00	48.43	133.74	139.37
3	Other Civil Works	82.53	15.95	0.03	98.46	9.50	2.73	0.00	12.22	73.04	86.23
4	Plant and Machinery	6792.04	1544.67	8.49	8328.22	2998.36	465.12	5.99	3457.48	3793.69	4870.74
5	Lines and Cable Net work	5637.15	455.74	5.63	6087.27	3392.03	245.11	0.00	3637.14	2245.12	2450.13
6	Metering Equipment	1071.23	148.73	2.59	1217.37	561.44	100.81	0.00	662.25	509.79	555.12
7	Vehicles	5.07	0.00	0.00	5.07	4.18	0.23	0.00	4.41	0.89	0.67
8	Furniture and Fixtures	8.53	0.86	0.00	9.40	6.56	0.27	0.00	6.83	1.98	2.57
9	Office equipment	32.85	35.27	0.02	68.10	25.65	3.43	0.00	29.08	7.20	39.02
10	Computers & IT Equipment	41.88	29.51	0.00	71.38	24.84	3.48	0.00	28.32	17.03	43.06
11	Low Value Assets	0.39	0.12	0.00	0.51	0.39	0.12	0.00	0.51	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
	Total	13892.60	2241.98	16.77	16117.81	7075.86	826.77	6.00	7896.64	6816.74	8221.17
B. Intangible Assets											
1	Software	2.62	1.84		4.46	2.46	0.06		2.52	0.16	1.94
2	Goodwill	1.14			1.14	1.14			1.14	0.00	0.00
	Total	3.76	1.84		5.60	3.60	0.06		3.66	0.16	1.94
C. Capital work in Progress											
	Total									3346.31	3457.94
	Grand Total	13896.36	2243.82	16.77	16123.41	7079.46	826.83	6.00	7900.29	10163.21	11681.05





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1. Work Orders(AUC):

The total work orders yet to be closed as on 31.03.2019 is 118829 Nos amounting to ₹3136.91 crore out of which 4 Nos amounting to ₹0.26 crore pertaining to FY 2010-11, 22 Nos amounting to ₹.86 crore for FY 2011-12, 30 Nos amounting to ₹1.86 crore for FY 2012-13, 63 Nos amounting to ₹2.47 crore for FY 2013-14, 343 Nos amounting to ₹13.73 crore for FY 2014-15, 4592 Nos amounting to ₹177.07 crore for FY 2015-16, 17082 Nos amounting to ₹472.63 crore for FY 2016-17, 33964 Nos amounting to ₹1030.51 crore for FY 2017-18 and 62729 Nos amounting to ₹1437.50 crore.

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 APCPDCL (TSPDCL) 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 09.06.05 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 September 2001 amounting to ₹799.58 crore 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 wise/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 crore 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 and 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 31 March 2019	As at 31 March 2018
	₹ in crore	₹ in crore
a) Share Capital in Resco- Kuppam, Chittoor	0.29	0.29
b) Investment in Shares	206.50	206.00
c).Others - Merger	80.64	80.64
Total	287.43	286.93
Aggregate Book Value of Un Quoted Investments	287.43	286.93
Total	287.43	286.93

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 Crore up to 31.03.2017 towards its share capital in Andhra Pradesh Power Development Company Limited.

2. During the FY 2018-19 an amount ₹50 Lakhs (Previous year ₹20 lakhs) has invested in APSEEDCO LIMITED as a financial assistant for development activities .

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 Tamilnadu 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 crore, for which details of no of shares and value of each company is yet to be identified and transferred in the name of APSPDCL and 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 31 March 2019	As at 31 March 2018
	₹ in crore	₹ in crore
Capital advances to suppliers/ contractors	13.40	43.62
Capital Advance - GVK Buy out	212.07	212.07
Loans and advances to employees and others	37.56	33.21
Deposits with Govt Dept& others	64.17	54.38
Loans to employees - Merger	4.46	4.46
Sub total	331.66	347.74
Less: Provision of Doubtful Advances	27.19	27.19
Total	304.47	320.55



- 1) Loans and Advances to Directors - NIL.
- 2) Loans Guaranteed by Directors During the FY 2018-19 - 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: 22 April 2016, advance of ₹289.55 Crore paid by APDISCOMs to GVK Industries Ltd. As per handing over minutes dated: 22 April 2016, control over plant and its assets were taken over by APDISCOMs with effect from 22 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:

Particulars	₹ in Crore		
	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	121.7	63.45
Stores & Spares	67.34	44.26	23.08
Naphtha/Inventory	4.7	3.09	1.61
Total	332.15	218.32	113.83

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

Particulars	₹ in Crore		
	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
Total	322.63	212.07	110.57

APPCC in its meeting held on 19th 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.





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Note 13- Inventories

Inventories	As at 31 March 2019	As at 31 March 2018
	₹ in crore	₹ in crore
Stores and spares	48.43	65.17
Scrap Materials	28.17	25.35
Less: Materials stock excess/shortage pending investigation	0.00	0.06
Less: Provision for non-moving and obsolete stock	-11.35	-11.85
Total	65.24	78.73

1) Inventory includes unidentified balances of ₹0.16 crore 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 ₹8.11crore (Previous year ₹7.23 crore) materials received but pending inspection and acceptance.

3. There are no imported raw materials, spare parts and components consumed during the financial year. Stores & Spare parts and Scrap material movement during the year is as follows

	Stores & Spares	Scrap Materials
Opening Stock	₹65.17 crore *	₹25.35 crore
Receipts during the year	₹62.84 crore	₹ 6.56 crore
Issues during the year	₹79.58 crore	₹ 3.74 crore
Closing Stock	₹48.43 crore *	₹28.17 crore

*Including provision for non-moving, obsolete and unserviceable stock of ₹11.35 crore (Previous year ₹11.85 crore) and inclusive of material Short/Excess.





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Note No.14 Trade Receivables

Trade Receivables	As at 31 March 2019	As at 31 March 2018
	₹ in crore	₹ in crore
SUNDRY DEBTORS		
Outstanding Six Months or less	1712.21	2449.37
Outstanding More than Six months	3050.90	1569.25
Sub Total	4763.11	4018.62
Considered Good	4566.22	3821.73
Considered Doubtful	196.90	196.90
Total Debtors Outstanding	4763.11	4018.63
Less: Provision for doubtful debts	196.90	196.90
Net Debtors	4566.22	3821.73
Total	4566.22	3821.73

1. Sundry Debtors:

1.1 As per the Financial ledger the Sundry debtors account shows a balance of ₹4763.11 crore where as, as per the Consumer ledger the balance shown is ₹4825.33 crore since there is a opening balance mismatches and differences in LT and HT which is under reconciliation.

1.2 The credit balance in the Sundry debtors amounting to ₹502.81 crore (Previous year ₹490.91 crore) is netted off from the Sundry debtors.

1.3 No Provision has been made during the year (Previous year ₹58.87 crore) towards bad and doubtful debts for the debtors .

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 the such disputed amount as per the above stay order and arrears accumulated ₹393.76 crore (previous year 324.44 Crore) to the end of March 2019.

3.Trade receivables includes an amount of ₹19.87 crore (previous year ₹30.28 crore) received from Unidentified customers.





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Note No.15 Cash & Cash Equivalents

Cash & Cash Equivalents	As at 31 March 2019	As at 31 March 2018
	₹ in crore	₹ in crore
a) Cash on Hand (including cheques, DD's and Stamps on Hand.	6.65	9.38
b) Balance with Scheduled Banks		
i) in current A/c	389.82	431.10
ii) in Deposit Accounts	16.19	63.01
c) Remittances in Transit	0.01	0.00
d) Other Balance - Merger	14.37	14.37
Total	427.04	517.88

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 ₹ 0.1 crore as at 31.03.2019 (Previous Year ₹0 crore) 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.

Note No.16 Short Term Loans and Advances

Short Term Loans and Advances (Unsecured- Considered Good)	As at 31 March 2019	As at 31 March 2018
	₹ in crore	₹ in crore
1. Trade advances- Power Purchase	7613.87	8046.59
2. Other Advances	4.47	6.46
a) TDS and Prepaid tax	3.38	5.37
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
Total (1+2+3)	7685.41	8120.12

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 crore 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 and also refer to Note No 26 para No.7.2,7.3 & 7.4.





NOTE NO - 18 : Revenue From Operations

REVENUE FROM OPERATIONS	Figures for the current reporting period 01.04.2018 to 31.03.2019	Figures for the previous reporting period 01.04.2017 to 31.03.2018
	₹ in Crore	₹ in Crore
1. Revenue from Sale of Power		
a) Between DISCOMS	1661.49	1242.38
b) L.T.Supply	7327.50	6632.16
c) H.T. Supply	7623.42	6956.43
2. Income from Inter State Sale of Power	589.31	520.13
3. Other Receipts	76.29	149.29
4.Electricity Duty	140.17	128.93
Revenue from Sale of Power	17418.18	15500.38
Less: Electricity Duty	140.17	128.93
Net Revenue from sale of power	17278.01	15371.45

Consumption figures for the year 2018-19 is given below are based on the actual consumption in respect of categories I to VIII except in case of category 5 - Agriculture which is based on the readings of meters provided on the LV side of the distribution transformers feeding agricultural loads.

<u>Low Tension (LT)</u>	Units in MUs	% of total units sold	Avg.Real. ₹ per unit
Domestic supply - Category -I	8672.82	36.72%	3.73
Non-Domestic supply - Category -II	1907.34	8.08%	10.46
Industrial Supply- Category -III	2303.37	9.75%	6.10
Cottage Industries - Category - IV	44.29	0.19%	4.20
Irrigation and Agriculture Category - V	9832.49	41.63%	0.05
Public Lighting - Category - VI	745.64	3.16%	7.13
General Purpose - Category - VII	109.81	0.46%	8.10
Temporary Supply - Category - VIII	1.32	0.01%	18.12
LT. Total	23617.08	100.00%	3.10
High Tension (HT)			
Industrial Segregated - Category - I	7629.95	67.69%	7.21
Industrial Non-Segregated-Category-II & III	904.07	8.02%	9.86
Irrigation and Agriculture - Category - IV	1427.81	12.67%	5.49
Railway Traction - Category - V	818.64	7.26%	5.01
Colony Lighting - Category - VI	28.76	0.26%	5.97
Electricity Co-Operative Societies	462.59	4.10%	0.33
Temporary Supply	0.00	0.00%	0.00
HT. TOTAL	11271.80	100.00%	6.76
LT + HT Total (FY 2018-19)	34888.89	100.00%	4.29
LT + HT Total (Previous Year 2017-18))	31335.03	100.00%	4.34



NOTE NO - 19 : Other Income

OTHER INCOME	Figures for the current reporting period 01.04.2018 to 31.03.2019	Figures for the previous reporting period 01.04.2017 to 31.03.2018
	₹ in Crore	₹ in Crore
1. Interest on Staff Loans & Advances	0.31	0.94
2. Delayed Payment Charges from Consumers	654.46	538.23
3. U I (Unscheduled Inter Change) Income	34.51	25.87
4. Miscellaneous Receipts	333.04	101.40
5. Amortization of Capital Contributions	380.46	322.95
SUB-TOTAL	1402.77	989.39
6. Income relating to Prior Years		
a) Prior Period Receipts/Withdrawals	(36.70)	-24.86
b) Other Excess Provisions	0.00	-2.60
SUB-TOTAL	-36.70	-27.46
7. Prior Period Expenses / Losses		
a) Operating Expenses	0.15	0.16
b) Employee Costs	(49.00)	0.00
c) Interest & Other Finance Charges	0.00	-0.27
d) Prior Periods other charges	0.40	-0.50
SUB-TOTAL	(48.45)	(0.61)
Net prior period credits/(charges) (6 - 7)	(85.15)	(28.06)
OTHER INCOME- TOTAL	1317.63	961.33

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 01.04.2018 to 31.03.2019	Figures for the previous reporting period 01.04.2017 to 31.03.2018
	₹ in Crore	₹ in Crore
1. Tariff Subsidy from Government		
a) Regular subsidy	4937.00	3402.90
b). Additional subsidy	0	763.76
c). Revenue grant	141.50	0.00
Total	5078.50	4166.66

1. Out of the above an amount of ₹1023.4 crore is received during the FY 2018-19, remaining amount of ₹3913.60 crore was transferred to Govt receivable account. Further an amount of ₹1316.50 crore loans was cleared by the Govt through Issue of Bonds by APPFCL on 23-04-2019 on behalf of APDiscoms during April 2019.

2. Revenue grant includes an amount of ₹94.5 crore (lossess of FY 2016-17 to be taken over by the Govt of AP as per the UDAY agreement) is recognised and transfered to Govt receivable account. Which is adjsuted (By way of issuing Bonds by APPFCL) against the power purchase payables of AP Genco & APPDCL during April, 2019 and An amount of ₹47.00 crore received from Govt of AP as incentive for Grid connected renewwable energy has considered as a revenue grant.



NOTE NO.21 : Cost Of Power Purchase

COST OF POWER PURCHASE	Figures for the current reporting period 01.04.2018 to 31.03.2019	Figures for the previous reporting period 01.04.2017 to 31.03.2018
	₹ in Crore	₹ in Crore
1. Transmission & SLDC Charges	1695.22	1134.75
2. Power Purchase & Others	20082.43	15576.56
Total Cost of Power Purchase for FY 2018-19	21777.65	16711.31
3. Un Paid/Disallowed cost from FY 2014-15 to FY 2017-18	3775.59	0.00
Total power purchase cost booked	25553.24	16711.31
Less: Rebate on Power Purchase	96.60	69.67
Total power purchase cost	25456.63	16641.64

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 which 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 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% . The cost of power purchase is allocated accordingly.

3.3 The above Power purchase cost includes Dis allowed cost of ₹3775.59 crore for the period from FY 2014-15 to FY 2017-18.

3.4. 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 DISCOM wise actual energy draws are adjusted against the allocated energy draws, converted into Rupee terms and allocated to the Discoms using predetermined methodology and basis.

The monthly IBSS need to be reworked by IBSS Committee so that the adjustment entries between APSPDCL and APEPDCL will be incorporated in financial year 2019-20.



Quantitative Details of Purchase of energy and cost of power purchase:		
Energy Purchased	Purchases	Amount
	In Mus	₹ In Crore
FY: 01-02	8838.00	1729.15
FY: 02-03	9561.00	1965.19
FY: 03-04	10026.00	1987.96
FY: 04-05	11060.00	2050.99
FY: 05-06	10983.85	2238.98
FY: 06-07	12329.55	2564.00
FY: 07-08	12663.01	3012.16
FY: 08-09	13805.48	4228.55
FY: 09-10	15741.05	4592.51
FY: 10-11	16449.08	5061.12
FY: 11-12	18474.87	6339.00
FY: 12-13	18417.74	7902.72
FY: 13-14	20179.12	8083.16
FY : 14-15	29398.24	13016.49
FY : 15-16	33268.56	14976.07
FY : 16-17	34826.98	15137.22
FY : 17-18	38639.17	16711.31
FY : 18-19	41594.61	21777.65

NOTE NO - 22 : Employee Benefit Expenses

EMPLOYEE BENEFIT EXPENSES	Figures for the current reporting period 01.04.2018 to 31.03.2019	Figures for the previous reporting period 01.04.2017 to 31.03.2018
	₹ in Crore	₹ in Crore
1. Salaries, Wages and Bonus	2007.90	1403.79
2. Pension Contribution & Terminal Benefits	1384.49	392.60
3. Employees Welfare expenses	3.27	2.76
	3395.66	1799.14
Less: Employees Cost Capitalised	132.79	137.58
Total	3262.87	1661.55

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 2018-19 an amount of ₹80.34 crore (Previous Year ₹59.39 crore) has been contributed.

2.An amount of ₹1377.40 crore provision made during the year for employees future terminal benefits as per the actuarial report (in respect of 26%) as detailed below.

Particulars	Pension & Gratuity employees who are rolls on 30.01.1999	Gratuity for EPF employees	Total
Fund to be maintained as on 31-03-2019 as per Actuarial valuation report	3034.63	311.18	3345.81
Less : Fund as on 31.03.2019	1735.26	0	1735.26
Less : Liability already provided	162.24	70.91	233.15
Provision made for future commitment	1137.13	240.27	1377.40



NOTE NO - 23 : Financial Costs

Financial Costs	Figures for the current reporting period 01.04.2018 to 31.03.2019	Figures for the previous reporting period 01.04.2017 to 31.03.2018
	₹ in Crore	₹ in Crore
1. Interest on State Government Loans/REC/PFC and Other financial institutions	645.72	518.81
2. Interest on Short term loans including OD s and CC Limits	491.88	448.11
3. Interest on others(Interest on Consumption Deposit etc)	161.46	135.32
	1299.06	1102.24
Less: Interest and Finance Charges Capitalised	161.02	149.24
Less: Interest on Fixed Deposits/Short term investments	8.53	6.20
Total	1129.51	946.80
<p>a) Interest Capitalization: Interest capitalized during the year is ₹161.02 crore (Previous Year ₹149.24 crore) as per Accounting Standard -16.</p> <p>b) The interest on short term loans charged to P&L Account is the allocated share from the pool account.</p> <p>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).</p>		





SOUTHERN POWER DISTRIBUTION COMPANY OF A.P.LIMITED

NOTE NO - 24 : Depreciation & Amortization Expenses

Depreciation & Amortization expense	Figures for the current reporting period 01.04.2018 to 31.03.2019	Figures for the previous reporting period 01.04.2017 to 31.03.2018
	₹ in crore	₹ in crore
Depreciation	826.71	720.56
Amortization	0.06	0.03
Total	826.77	720.59

NOTE NO - 25 : Other Expenses

	Other Expenses	Figures for the current reporting period 01.04.2018 to 31.03.2019		Figures for the previous reporting period 01.04.2017 to 31.03.2018	
		₹ in crore	₹ in crore	₹ in crore	₹ in crore
1	Licence fees		4.25		4.13
2	Repairs and Maintenance to				
	a) Plant and Machinery	433.46		263.18	
	b) Buildings	1.29		0.70	
	c) Others	44.92	479.68	54.62	318.50
3	Rent (including Lease Rentals)		1.39		1.45
4	Rates & Taxes		11.51		2.03
5	Insurance		0.17		0.13
6	Telephone Charges		14.67		10.19
7	Postage & Telegrams		0.22		0.28
8	Legal Charges		3.06		0.51
9	Audit Expenses and Fees : of which				
	a) Statutory Audit Fees	0.14		0.13	
	b) Tax Audit Fees	0.01		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 & sectl Audit Expences	0.01			
	g)Others	0.05	0.27	0.01	0.21
10	Other Professional Charges		73.43		70.03
11	Printing & Stationery		5.20		5.63
12	Advertisement		2.62		1.20
13	Electricity Charges		15.72		14.78
14	Conveyance and Travelling		25.59		30.23
15	Other Expenses		40.05		35.40
16	Miscellaneous provisions/losses/write-offs		24.81		62.93
			702.65		557.64
17	Less: Administration & General Expenses Capitalised		23.43		24.28
	Total		679.22		533.36

1.Repairs and maintenance-Others includes an amount of ₹47.54 crore (Prev.Year ₹49.80 crore) incurred for the FY 2018-19 towards DELP scheme.



NOTE NO. 26 : Other Notes

1. Balances in sundry debtors, sundry creditors, other claims and receivables, Deposits & retentions of suppliers and contractors, Deposits for electrification service connections, liability for capital supplies, O&M supplies and loans and advances as on 31.03.2019 are subject to reconciliation and confirmation and adjustments.

2. Service tax liability on supervisory charges included in DC works, since under quantification, no provision has been made.

3. Segment Reporting as per AS-17, since distribution and retails 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 crore.

6. There are no dues pending as at 31st March 2019 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 (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 this FY 2018-19 and balance items yet to be identified.

SL No	Note No	Details	Un identified items up to FY 2018-19	Un identified items up to FY 2017-18
			₹ in Crore	₹ in Crore
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
		Total Liabilities	3074.15	3074.15
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
		Total Assets	45.01	45.01



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. Related party disclosures.

Payments and Benefits to Directors

Sl. No	Particulars	F.Y : 2018-19		F.Y : 2017-18	
		Chairman and Managing Director	Other Directors	Chairman and Managing Director	Other Directors
		₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore
1	Salary / Remuneration	0.36	0.48	0.26	0.38
2	Travelling Expenses	0.18	0.05	0.06	0.05
	Total	0.54	0.53	0.32	0.43
Key Management Personnel:					
	Name	Remuneration for 2018-19		Remuneration for 2017-18	
	M M NAYAK	0.36		0.26	

9. Court Cases/ Legal Disputes/ Contingent Liabilities

Particulars	31-03-2019	31-03-2018
	₹ in Crore	₹ in Crore
i. Claims against the company not acknowledged as debts	12.16	10.96
ii. Estimated amount of contracts remaining to be executed on capital account and not provided for	3947.55	2995.15
iii). NCE_Wind & Solar Generators (CUF & GBI Limitation for 2016-17 to FY 2018-19) ,Surcharge and other expenses	960.20	0
iv). Letter of credit (LC) outstanding as on 31.03.2019	275.71	0





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 prorata 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.

As per our report of even date
For M/s KOMANDOOR & Co.LLP
Chartered Accountants.
Firm No: 001420S/S200034

For and on behalf of the Board

J. Nageswamy

NAGENDRANADH TADIKONDA
Partner.
Membership No: 226246
Place: Tirupati
Date :21.10.2019



H. Haranatha Rao
H. HARANATHA RAO
Chairman & Managing Director

V.V. Gopala Krishna Murthy
V.V.GOPALA KRISHNA MURTHY
Chief General Manager (R&C)

KVN Chakradhar Babu
KVN CHAKRADHAR BABU, IAS
Director
B.V.S. Prakash
B.V.S. PRAKASH
Company Secretary

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 2013

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :	
Registration No.	: U40109AP2000SGC034118
State Code	: 01
Balance Sheet Date	: 31-03-2019
II. Capital raised during the Year	: (Rupees in Crores)
Public Issue	: -
Rights Issue	: -
Bonus Issue	: -
Private Placement	: -
	:
III. Position of Mobilisation and Development	: (Rupees in Crores)
Total Liabilities	: 33219
Total Assets	: 33219
Sources of Funds	
Paid up Capital	: 358.72
Reserves & Surplus	: (12539.46)
Secured Loans	: 10067.83
Unsecured Loans	: 609.39
Application of Funds	
Net Fixed Assets	: 8223.12
CWIP	: 3457.94
Investments	: 287.43
Net Current Assets	: -10843.42
Miscellaneous Expenditure	: -
IV. Performance of the Company	: (Rupees in Crores)
Turnover	: 23674.14
Total Expenditure	: 31355.00
Profit/(Loss) before Tax for the Year	: -7680.87
Profit/(Loss) after Tax for the Year	: -7680.87
Net Prior Period Credits/(Charges)	: -
Profit after Contingency Reserve	: -7680.87
Earnings per Share	: -214.12
	:
V. Generic Names of Principal products/ Services of the Company	NIL
PAN NO	AAHCS4056Q
Item Code No.	N.A.
Product Description	Distribution of Power