



SOUTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LTD
Regd.Office : H.No 19-13-65/A, Tiruchanoor Road, Behind Srinivasa Kalyana Mandapam,
Kesavayanigunta, TIRUPATI, Andhra Pradesh, INDIA.
Corporate Identity Number: U40109AP2000SGC034118
Telephone No. 0877-2284101 Fax: 0877-2284128
Email: cmd@southernpowerap.co.in : Website: www.apspdcl.in

From
The Chairman and Managing Director
APSPDCL
Tirupati.

To
The Secretary to Government ,
Energy ,Infrastructure & Investment
Department,
Government of Andhra Pradesh,
A.P.Secretariat, Hyderabad.

Lr No CMD/ APSPDCL /CS/ DNo. 155/2016 , Dt 29.02.2016.

Sir,

Sub: APSPDCL, Tirupati-Fifteenth (15th) Annual Report for the year 2014-2015
Approval for placing the report before the House of State Legislature-Req-Reg

Ref: 1) Section. 395 of the Companies Act, 2013.
(Sec. 617, 619(1), 619 A(1) (a), 619 A (3) of the Companies Act, 1956.

* * * *

It is to inform that, pursuant to the provisions of Section 395 of the Companies Act, 2013 , the Annual Report of the Government Company is to be placed before both Houses of State Legislature.

In this regard, it is requested kindly to arrange necessary approval for placing the Annual Report 2014-15 of Southern Power Distribution Company of Andhra Pradesh Limited, Tirupati before both the Houses of the State Legislature .

The Annual Reports of the Company for the year 2014-15 are submitted for perusal please.

Yours faithfully,

Chairman & Managing Director

Encl: As Above.



SOUTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED TIRUPATI

15th ANNUAL REPORT 2014 - 2015



***SAVE POWER
SAVE ENERGY***

D.NO19-13-65/A, TIRUCHANOUR ROAD, BEHIND SRINIVASA KALYANAMANDAPAM,
KESAVAYANIGUNTA, TIRUPATI-517 503, CHITTOOR (DIST), Andhra Pradesh
Ph: (0877)2284109,2284112, Fax: 0877-2284111 www.apspdcl.in



15th ANNUAL REPORT 2014 - 15

SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LTD

BOARD OF DIRECTORS:

SRI. H.Y.DORA,	CHAIRMAN & MANAGING DIRECTOR
SRI. RAHUL PANDEY, IFS	GOVERNMENT REPRESENTATIVE
SRI. SYED BILAL BASHA	DIRECTOR (FINANCE)
SRI. J.NAGESWARA RAJU	DIRECTOR (HRD)
SRI. C.RADHA KRISHNA	DIRECTOR (OPERATION)
SRI. T.RAM SHINGH	DIRECTOR (PROJECTS)
Sri.P.PULLA REDDY	DIRECTOR(P& MM& IPC& CIVIL)
SRI. K.VENKATESWARA RAO	PART-TIME OFFICIAL DIRECTOR
SRI. DINESH PARCHURI, IRS	INDEPENDENT DIRECTOR

COMPANY SECRETARY

CS. B.V.S.PRAKASH, FCS

AUDIT COMMITTEE

Sri K.Venkateswara Rao	Chairman of the Audit Committee
Sri C.Radha Krishna	Member of the Audit Committee/
Sri. P.SATYAMOORTHY	Member of the Audit Committee

AUDITORS

RAM & RAJ & CO.
18-1-309,
BHAVANI NAGAR,
TIRUPATI.

Cost Auditors;

M/s Narasimha Murthy & Co., Hyderabad

Secretarial Auditors

M/s GMVDR & ASSOCIATES, HYDERABAD

BANKERS:

STATE BANK OF HYDERABAD
STATE BANK OF INDIA

REGISTERED OFFICE

D.NO19-13-65/A,
TIRUCHANOUR ROAD,
BEHIND SRINIVASA KALYANA
MANDAPAM, KESAVAYANIGUNTA,
TIRUPATI-517 503, CHITTOOR (DIST)
ANDHRA PRADESH
TELEPHONE : (0877) 2284109,
FAX : (0877) 2284111
PAN NO. AAHCS4056Q
APGST.CTR/10-1/2823
CST.CTR/10-1/2360
G2.Reng. No.CTR/10/61/2000-2001.
Dt: 02.01.2001
TIN No: 37210282716.



SOUTHERN POWER DISTRIBUTION COMPANY OF A.P.LIMITED

OUR VISION

To create an organization that is profitable, viable, responsive, serving the needs of the customer, suppliers and employees.

OUR MISSION

Commercial Objectives:

**Eliminating pilferage of energy
Reducing arrears**

Operational Objectives:

**Minimizing Technical/Transmission Losses
Reducing transformer failures
Maintaining rolling stock of additional DTRs at every sub-station level to avoid delays in replacing the failed units**

Social Objectives:

**Electrification of Dalith Wadas.
Electrification of Weaker Section Colonies
Providing uninterrupted power supply to the consumers.
Providing better service to the consumers.**

Regulatory Objectives:

**To function as per the guidelines issued by APERC.
To continuously monitor the progress of various directives issued by APERC.**

CORE VALUES

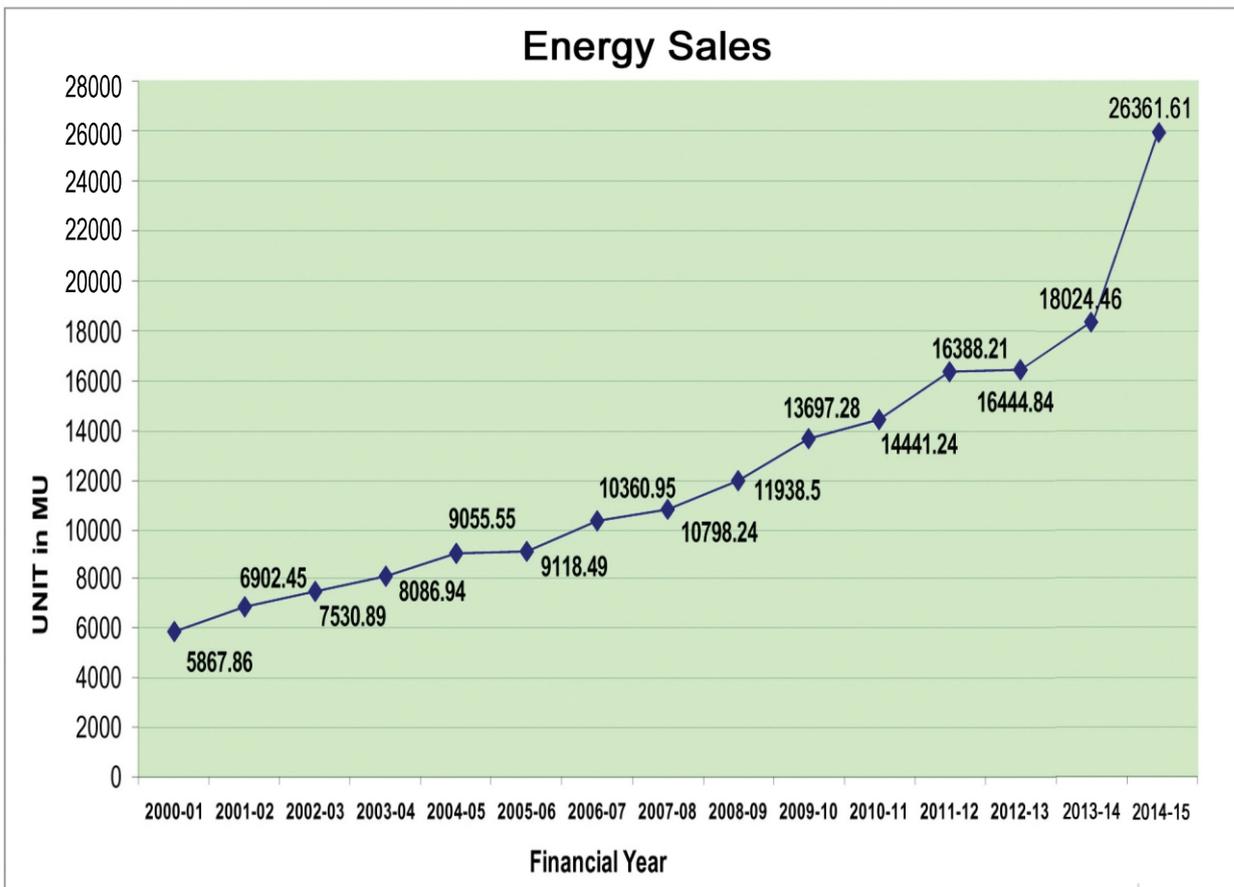
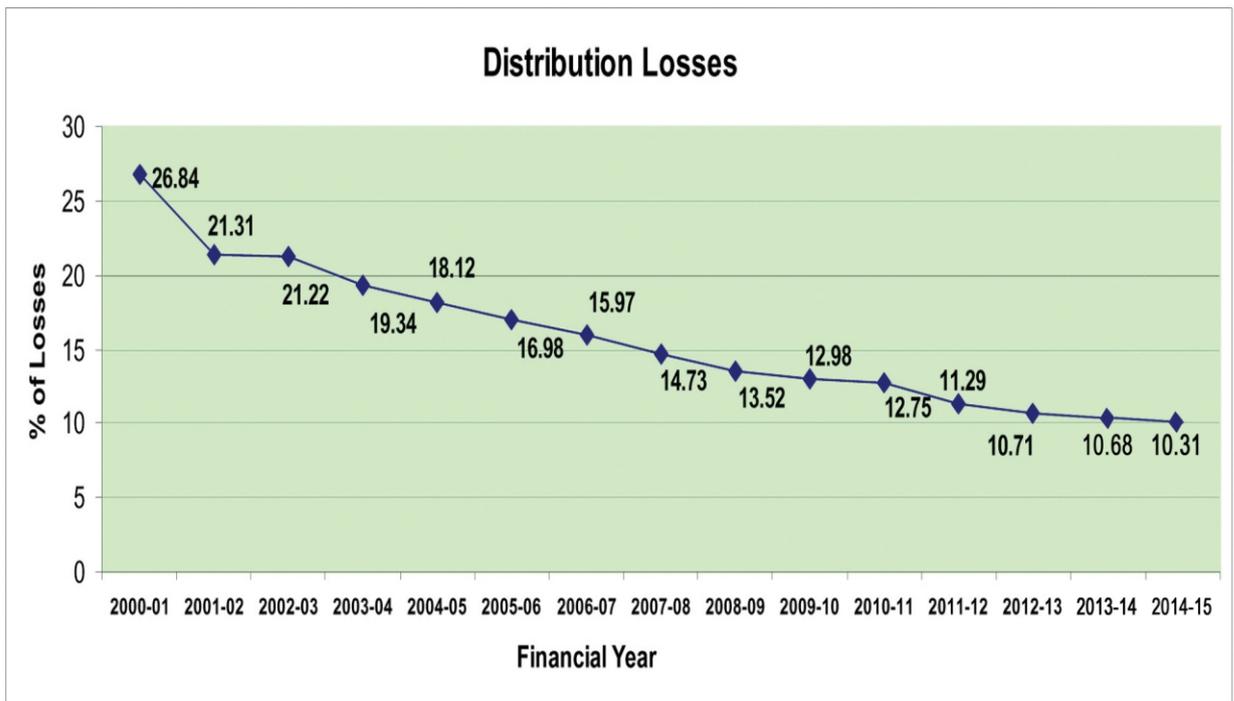
**Excellence in all aspects of the company.
Honesty, integrity and ethical business.
People, as the source of strength.
Respect for the individual and personal growth.
Tackling challenges and solving problems
Continued self improvement, never being satisfied.**

Energy saved is Energy produced

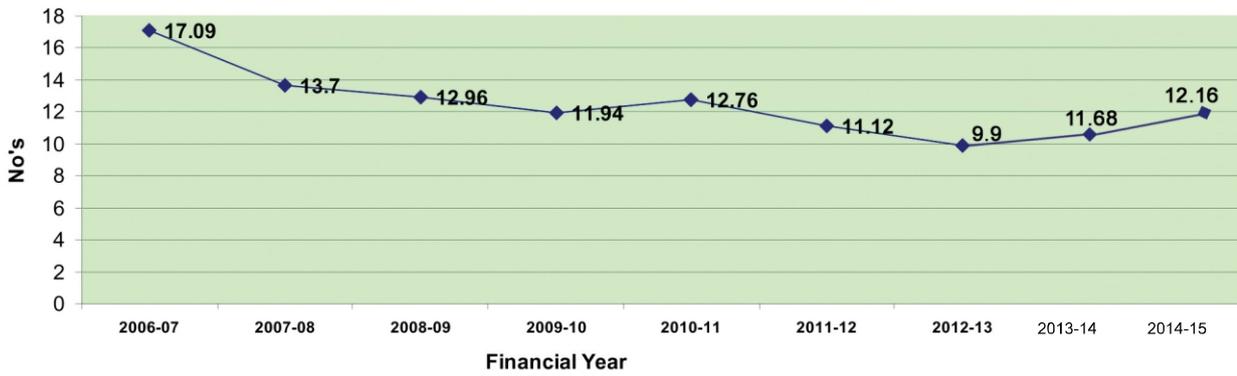


APSPDCL PERFORMANCE HIGHLIGHTS

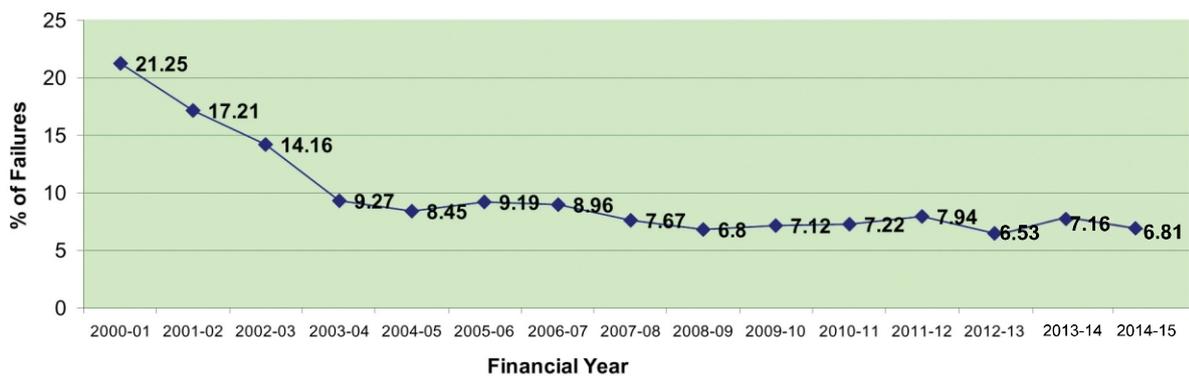
Year ended 31 st March	2015	2014	2013	2012	2011	2010
Units Sold (Million Units)	26361.61	18024.46	16444.84	16388.21	14441.24	13697.28
No. of 33/11 KV Sub stations	1982	1461	1253	1125	1058	1045
Length of 33 KV line in KM	18518	13042.38	12069.21	11452.63	11125.52	11506.29
Length of 11 KV line in KM	143345	105673.92	101847.36	99211.86	95685.94	91863.79
Length of LT line in KM	212289	156179.42	154230.60	151798.34	147403.81	141082.90
Number of Distribution Transformers	460455	313976	300244	280985	276420	249957
Number of Power Transformers	2563	1884	1570	1440	1373	1357
No of Consumers	10272545	7610665	7326195	7026704	6716034	63,97,861
Distribution Losses (%)	10.31	10.68	10.71	11.29	12.75	12.98
Distribution Transformer failures (%)	6.81	7.16	6.53	7.94	7.22	7.12
AT @C Losses	12.16	11.68	9.90	11.12	12.76	11.94
Average Realisation per unit (Rs.)	3.50	3.59	3.20	2.64	2.32	2.32
Financial Data (Rs. In Crores)						
Total income	14611.43	9560.4787	8227.3466	7914.2702	6798.6442	5769.2617
Total Expenditure	16286.13	9961.3166	12900.2567	7906.7723	6799.1570	5765.2815
Surplus / (Deficit)	(1677)	(403.1533)	(4675.284)	3.4489	3.0249	3.9802
Paid up Equity Capital (Rs. In Crores)	358.71	358.71	358.71	358.71	358.71	358.71



AT & C Losses



Distribution Transformer Failure's



15th ANNUAL REPORT 2014-2015

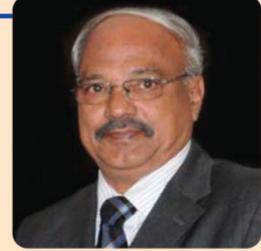
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Chairman & Managing Director's Statement

Dear Shareholders,

It is my pleasure to present the 15th (Fifteenth) Annual Report of Southern Power Distribution Company of Andhra Pradesh Limited, Tirupati for the year 2014-15.

I Wish to inform that Ananthapur and Kurnool Districts were transferred from APCPDCL to APSPDCL in accordance with the provisions of A.P. Reorganisation Act, 2014 in GO.MS.No. 24 of Energy (CC) Department, Dt 29.05.2014, Government of Andhra Pradesh. The De-merger proposals of TSSPDCL (APCPDCL) on re assignment of Assets and Liabilities as per Section 53 of the A.P. Re organization Act, 2014 is pending before the Expert Committee For Approval of the Demerger Proposals of Government Companies/Corporations/Entities in the Schedule IX of AP Re organization Act, 2014.

Performance Review:

S.No	Particulars	As on 31-3-2014	During the Year	As on 31.03.2015
1	Number of 33/11 KV Sub stations	1461	521	1982
2	Length of 33 KV line in KM	13042	5476	18518
3	Length of 11 KV line in KM	105674	37671	143345
4	Length of LT KV line in KM	156179	56110	212289
5	Number of Distribution Transformers	313976	146479	460455
6	Power Transformers	1884	679	2563
7	Number of Consumers	7610665	2661880	10272545

Year ended 31 st March	2013-14	2014-2015
Distribution Losses (%)	10.68	10.31
Distribution Transformer failures (%)	7.16	6.81
AT & C Losses (%)	11.68	12.16

Vigilance Wing

Continuous efforts are being made for prevention of theft of energy. Anti Power Theft Squad (APTS) Department & DPE Wing have carried out intensive inspection drives during the year.

A total of 45020 cases were reported during the year 2014-15 out of that 43735 cases were compounded and Rs.4,08,88,000 were collected.

- **HR Initiatives:** Training the officers/staff continues to be a top priority of the Company. A brief particulars of the staff trained is as follows:

No. of Programmes Conducted	Participants Targeted	Participants attended	% of attendance against the target
192	5576	4983	89%

Corporate Governance :

The Board of Directors and the Management continue to practice the highest principles of Corporate Governance to provide strong leadership. We have our good Internal Audit system and Committee Meetings apart from Board Meetings as per schedule.

Board Meetings held in 2014-15:

The Board held its meetings on 21.05.2014, 22.07.2014, 26.09.2014, 20.12.2014 and 24.03.2015 in the financial year 2014-15.

In compliance with the provisions of Section 177 of the Companies Act, 2013, during the year under review, the Audit Committee has met on 21.05.2014, 22.07.2014, 26.09.2014, 20.12.2014 and 30.03.2015.

The Corporate Social Responsibility Policy : The CSR Committee recommended the CSR Policy to the Board. The Board in its 92nd meeting held on 21.07.2015 approved the CSR policy of the Company. The CSR policy was placed in the Website of the Company.

The Company has scored IPPAI AWARD (Independent Power Producers Association of India) for the year 2014-2015 for achieving fastest Rural Electrification in the last decade.

To conclude, I congratulate all the employees for their efforts towards achieving the goals of the Company and improved sales performance, in accomplishing the Directives of Regulatory authority, other statutory authorities and initiated steps for institutional strengthening.

Further, I sincerely acknowledge the support and Co-operation extended by the Government of Andhra Pradesh, particularly Energy Department & Finance Department, Andhra Pradesh Electricity Regulatory Commission, APTRANSCO, APGENCO, Other DISCOMs, Comptroller & Auditor General of India, Bankers, Financial Institutions like Rural Electrification Corporation Limited and Power Finance Corporation, suppliers, Contractors and consumers.

Thank you.



Chairman & Managing Director

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

Regd. Office : H.No 19-13-65/A, Tiruchanoor Road, Behind Srinivasa Kalyana Mandapam,
Kesavayanigunta, TIRUPATI, Andhra Pradesh, INDIA.

Corporate Identity Number: U40109AP2000SGC034118

Telephone No. 0877-2284109

Fax: 0877-2284111

Email: cmd@southernpowerap.co.in :

Website: www.apspdcl.in .

NOTICE

NOTICE is hereby given that the 15TH (Fifteenth) Annual General Meeting of M/s. Southern Power Distribution Company of Andhra Pradesh Limited, Tirupati will be held **on Monday the 28th December, 2015 AT 17:15 Hrs(05:15 PM) at the Registered Office of the Company D.No.19-13-65/A, Tiruchanoor Road, Behind Srinivasa Kalyanamandapam, Tirupati** to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st, March 2015 and Profit & Loss account, Cash Flow Statement, for the Financial year ended on that date of the Company together with Directors Report, Statutory Auditors Report and Comments of Comptroller and Auditor General of India, thereon.

Draft Resolution:

To Consider and if thought fit to pass the following resolution(s) with or without modification(s) as ordinary resolution:

“RESOLVED THAT the Audited Balance Sheet of the Company as on 31st March, 2015 and the Profit & Loss Account for the year ended as on that date together with the Directors’ Report, the Auditors’ Report & Management replies, the Supplementary Audit Report of the Comptroller and Auditor General of India & Management replies and Secretarial Audit Report & Management replies thereon for the F.Y. 2014-2015 as laid before the members at this meeting be and are hereby adopted.”

2. To take note of Statutory Auditor’s appointment made by the Comptroller and Auditor General Of India for the Financial year 2015-16 under the provisions of Sec. 139 of Companies Act, 2013 and to authorize the Board to fix the remuneration of Statutory Auditors for the Financial Year 2015-16 as per Section/Clause 142 of the Companies Act, 2013.

Draft Resolution:

To Consider and if thought fit to pass the following resolution(s) with or without modification(s) as ordinary resolution(s):

“RESOLVED THAT the appointment of M/s. KOMANDOOR & CO., D.No. HAYAGRIVA HOUSE, GROUND FLOOR, 50, 51, RAMA TEMPLE EAST MADA STREET, TIRUPATI-517501 as the Statutory Auditors of the Company for the Financial Year 2015-2016 U/s 139 of Companies Act, 2013 vide Lr .No. CA.V/COY/ANDHRA PRADESH, SOUPOW (1)/134, Dt.06.07.2015 of the Comptroller and Auditor General Of India, New Delhi be and is here by noted.”

“FURTHER RESOLVED THAT pursuant to the provisions of Section 142 of the Companies Act, 2013 and other applicable provisions/guidelines, if any, the Board of Directors of the Company be and are here by authorised to fix the remuneration payable to the Statutory Auditors M/s. KOMANDOOR & CO., D.No. HAYAGRIVA HOUSE, GROUND FLOOR,50,51,RAMA TEMPLE EAST MADA STREET, TIRUPATI-517501and for reimbursement of their actual out- of - pocket expenses payable to Statutory Auditors for the Financial Year 2015-16.”

BY ORDER OF THE BOARD OF DIRECTORS

For and on behalf of Southern Power Distribution Company of Andhra Pradesh Limited

Place: Tirupati.

Date: 01.12.2015



**(CS.B.V.S. PRAKASH, FCS)
Company Secretary**

Note:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the Proxy need not be a member of the Company.
2. Proxy form is enclosed. Instrument appointing proxy shall be deposited at the Registered office of the Company by not less than 48 hours before Commencement of the meeting.
3. The Comments of the Comptroller and Auditor General of India(CAG) on the Annual Accounts for the Financial year 2014-2015 shall be placed before the Shareholders at the Annual General Meeting of the Company.

BY ORDER OF THE BOARD OF DIRECTORS

For and on behalf of Southern Power Distribution Company of Andhra Pradesh Limited



**(CS.B.V.S.PRAKASH, FCS)
Company Secretary**

Place: Tirupati.

Date: 01.12.2015

To

The Members of the Company/Directors

**M/s RAM RAJ & Co,, Statutory Auditors,
M/s Narasimha Murthy & Co, Cost Auditors,
M/s GMVDR & Associates, Secretarial Auditors,
All the Directors of the Company.**

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

Regd. Office : H.No 19-13-65/A, Tiruchanoor Road, Behind Srinivasa Kalyana Mandapam,
Kesavayanigunta, TIRUPATI, Andhra Pradesh, INDIA.

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Fax: 0877-2284111

Email: cmd@southernpowerap.co.in :

Website: www.apspdcl.in .

NOTICE

NOTICE is hereby given that the 15TH (Fifteenth) Adjourned Annual General Meeting of M/s. Southern Power Distribution Company of Andhra Pradesh Limited, Tirupati will be held **on Thursday the 31st December, 2015 AT 12:30 Hrs (12:30 noon) at the Registered Office of the Company D.No.19-13-65/A, Tiruchanoor Road, Behind Srinivasa Kalyanamandapam, Tirupati to transact the following business:**

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st, March 2015 and Profit & Loss account, Cash Flow Statement, for the Financial year ended on that date of the Company together with Directors Report, Statutory Auditors Report and Comments of Comptroller and Auditor General of India, thereon.

Draft Resolution:

To Consider and if thought fit to pass the following resolution(s) with or without modification(s) as ordinary resolution:

“RESOLVED THAT the Audited Balance Sheet of the Company as on 31st March, 2015 and the Profit & Loss Account for the year ended as on that date together with the Directors’ Report, the Auditors’ Report & Management replies, the Supplementary Audit Report of the Comptroller and Auditor General of India & Management replies and Secretarial Audit Report & Management replies thereon for the F.Y. 2014-2015 as laid before the members at this meeting be and are hereby adopted.”

2. To take note of Statutory Auditor’s appointment made by the Comptroller and Auditor General Of India for the Financial year 2015-16 under the provisions of Sec. 139 of Companies Act, 2013 and to authorize the Board to fix the remuneration of Statutory Auditors for the Financial Year 2015-16 as per Section/Clause 142 of the Companies Act, 2013.

Draft Resolution:

To Consider and if thought fit to pass the following resolution(s) with or without modification(s) as ordinary resolution(s):

“RESOLVED THAT the appointment of M/s. KOMANDOOR & CO., D.No. HAYAGRIVA HOUSE, GROUND FLOOR, 50, 51, RAMA TEMPLE EAST MADA STREET, TIRUPATI-517501 as the Statutory Auditors of the Company for the Financial Year 2015-2016 U/s 139 of Companies Act, 2013 vide Lr .No. CA.V/COY/ANDHRA PRADESH, SOUPOW (1)/134, Dt.06.07.2015 of the Comptroller and Auditor General Of India, New Delhi be and is here by noted.”

“FURTHER RESOLVED THAT pursuant to the provisions of Section 142 of the Companies Act, 2013 and other applicable provisions/guidelines, if any, the Board of Directors of the Company be and are here by authorised to fix the remuneration payable to the Statutory Auditors M/s. KOMANDOOR & CO., D.No. HAYAGRIVA HOUSE, GROUND FLOOR,50,51,RAMA TEMPLE EAST MADA STREET, TIRUPATI-517501and for reimbursement of their actual out- of - pocket expenses payable to Statutory Auditors for the Financial Year 2015-16.”

BY ORDER OF THE BOARD OF DIRECTORS

For and on behalf of Southern Power Distribution Company of Andhra Pradesh Limited

Place: Tirupati.

Date: 28.12.2015



**(CS.B.V.S.PRAKASH, FCS)
Company Secretary**

Note:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the Proxy need not be a member of the Company.
2. Proxy form is enclosed. Instrument appointing proxy shall be deposited at the Registered office of the Company by not less than 48 hours before Commencement of the meeting.
3. The Comments of the Comptroller and Auditor General of India(CAG) on the Annual Accounts for the Financial year 2014-2015 shall be placed before the Shareholders at the Annual General Meeting of the Company.

BY ORDER OF THE BOARD OF DIRECTORS

For and on behalf of Southern Power Distribution Company of Andhra Pradesh Limited



**(CS.B.V.S.PRAKASH, FCS)
Company Secretary**

Place: Tirupati.

Date: 28.12.2015

To

The Members of the Company/Directors

**M/s RAM RAJ & Co., Statutory Auditors,
M/s Narasimha Murthy & Co, Cost Auditors,
M/s GMVDR & Associates, Secretarial Auditors,
All the Directors of the Company.**

BOARD OF DIRECTORS' REPORT

To
The Members,
Southern Power Distribution Company of A.P. Limited
Tirupati.

Your Directors have pleasure in presenting the 15th (Fifteenth) Annual Report of the Company relating to Financial Year 2014-15 and trust the Annual Audited Accounts for the said year as circulated have been perused by all of you.

Amount in Rs.

Particulars	Figures as at the end of current reporting period 2014-15	Figures as at the end of Previous reporting Period 2013 - 14
	Rs.	Rs.
I. Revenue from operations	10923,88,07,045	7327,448,9,828
II. Other Income	1437,80,78,020	365,08,97,958
III. Revenue Subsidies and Grants	2249,74,36,631	1867,94,00,000
Total Revenue (I + II + III) - (A)	14611,43,21,696	9560,47,87,786
<u>Expenses:</u>		
IV. Cost of Power Purchase	12995,09,80,137	8053,62,63,561
V. Employee benefit expenses	1813,16,97,716	854,11,03,696
VI. Financial costs	602,42,66,964	422,83,73,933
VII. Depreciation and amortization expenses	586,40,26,552	439,60,93,449
VIII. Other expenses	289,04,02,514	191,13,32,093
Total Expenses (IV + V + VI + VII + VIII - (B))	16286,13,73,883	9961,31,66,732
IX. Profit before exceptional and extraordinary items and tax (A - B)	(1674,70,52,187)	(400,83,78,946)
X. Exceptional Items	0	0
XI. Profit before extraordinary items and tax (IX - X)	(1674,70,52,187)	(400,83,78,946)
XII. Extraordinary Items	0	0
XIII. Profit before tax (XI - XII)	(1674,70,52,187)	(400,83,78,946)
XIV. Provision for Taxation	0	0
XV. Profit(Loss) from the period from continuing operations(XIII-XIV)	(1674,70,52,187)	(400,83,78,946)
XVI Less: Transfer to Contingency Reserve	(276,93,699)	(227,74,375)
XVII. Profit/(Loss) for the period (XV - XVI)	(1677,47,45,886)	(403,11,53,321)
XVIII. Earning per equity share:		
(1) Basic	(46.76)	(11.24)
(2) Diluted	(46.76)	(11.24)

We Wish to inform that Ananthapur and Kurnool Districts were transferred from APCPDCL to APSPDCL in accordance with the provisions of A.P. Reorganisation Act, 2014 in GO.MS.No. 24 of Energy (CC) Department, Dt 29.05.2014 ,Government of Andhra Pradesh. The De-merger proposals of TSSPDCL (APCPDCL) on re assignment of Assets and Liabilities as per Section 53 of the A.P.Re organization Act, 2014 is pending before the Expert Committee For Approval of the Demerger Proposals of Government Companies/Corporations/Entities in the Schedule IX of AP Re organization Act, 2014.

Further, the other information includes:

(SAP)Utilisation in the Company:

The Major advantages achieved on implementation of SAP :

- The entire material procurement cycle is run in SAP. Right from placing of purchase order to payment made, is done in SAP.
- The service procurement and issue of material for works is completely tracked with entries in appropriate GL Accounts. Expenditure is charged to relevant GL accounts and thereby enables fluent Trial Balance & Balance sheet.
- Major equipments such as PTRs, DTRs etc are completely traceable in the aspects of its physical location, repair cost incurred on each and every equipment thereby enabling better review, planning & performance.
- All capital works are carefully structured and budgeted systematically. The work orders have never been so much accountable before. The initial accounts can be obtained at a click of the mouse. Similarly the closing has been reduced to a simple task, compared to the manual process.
- Revenue collection is uploaded in SAP.
- The pains formulating the balance sheet is reduced to a major extent.
- All employee details have been captured in the SAP. The monthly salaries of all the employees can be run from the corporate office centrally.
- For better service to the consumer, new system is introduced in the Company duly integrating SAP with Customer Service Centre. Due to this, now the consumer can get all the materials drawn against his work in the CSC itself simply submitting his registration number.
- On 02-06-2014, Ananthapur and Kurnool circles were merged with APSPDCL. SAP data pertaining to these two circles is migrated from APCPDCL SAP server to APSPDCL SAP.
- DTR tracking system is integrated with SAP. Due to this failed DTR replacement details are completely available in SAP.
- List of open work orders Operation wise, Circle wise and Division wise are available for easy access by all end users in ZDASHBOARD.
 - List of pending applications for which estimates are not created is also available ZDASHBOARD.

- **HR Initiatives:** Training the officers/staff continues to be a top priority of the Company. A brief particulars of the staff trained is as follows:

No. of Programmes Conducted	Participants Targeted	Participants attended	% of attendance against the target
192	5576	4983	89%

Dividend:

The Board has not declared any dividend during the year ended 31.03.15

Performance Review:

S.No	Particulars	As on 31-3-2014	During the Year	As on 31.03.2015
1	Number of 33/11 KV Sub stations	1461	521	1982
2	Length of 33 KV line in KM	13042	5476	18518
3	Length of 11 KV line in KM	105674	37671	143345
4	Length of LT KV line in KM	156179	56110	212289
5	Number of Distribution Transformers	313976	146479	460455
6	Power Transformers	1884	679	2563
7	Number of Consumers	7610665	2661880	10272545

Year ended 31 st March	2013-14	2014-2015
Distribution Losses (%)	10.68	10.31
Distribution Transformer failures (%)	7.16	6.81
AT & C Losses (%)	11.68	12.16

Vigilance Wing

Continuous efforts are being made for prevention of theft of energy. Anti Power Theft Squad (APTS) Department & DPE Wing have carried out intensive inspection drives during the year.

A total of 45020 cases were reported during the year 2014-15 . During the year 43735 cases were compounded and Rs.40888000 were collected.

Directors:

The Board of Directors of the Company are appointed / nominated by Government of Andhra Pradesh. The Changes which have been occurred in the composition of Board of Directors of the Company are as follows:

Changes occurred From 1.4.2014 to 31.03.2015 and upto 30.11.2015

Name of the Director	Date of appointment	Date of change
Sri P.P ulla Reddy	02.06.2014	-
Sri. T. Ram Singh	01.08.2013	31.07.2015
Sri. J.Nageswara Raju	01.08.2013	31.07.2015
Sri. C.RadhaKrishna	01.08.2013	31.07.2015
Sri P.Satyamoorthy	10.09.2014	28.10.2015
Sri. Rahul Pandey,IFS	04.07.2015	-
Sri.Dinesh Parchuri,IRS	09.11.2015	-
Sri. G.Ramakrishna Reddy	09.01.2009	10.09.2014

Consequent to the above changes, the composition of the Board of Directors on the date of this report is as follows:

- | | |
|---|--|
| 1 . Sri. H.Y.Dora | - Chairman & Managing Director |
| 2. Sri. Rahul Pandey, IFS | - Government Representative |
| 3. Sri Dinesh Parchuri,IRS
Director (Finance)
APTRANSCO, Hyderabad. | - Independent Director |
| 4. Sri.Syed Bilal Basha | - Director (Finance) |
| 5. Sri. K.Venkateswara Rao
Additional Secretary to Government
Finance Department,A.P.Secretariat,
Hyderabad. | - Part – time Official Director |
| 6. Sri P. Pulla Reddy, | - Director (purchases &Material
Management & IPC & Civil) |

Composition of Board of Directors: As on the date of this report:

Independent Directors: Sri. Dinesh Parchuri, IRS, Director (Finance)/APTRANSCO was appointed as Independent Director on 09.11.2015.

Non-Whole Time Director: Sri. K.Venkateswara Rao, Additional Secretary to Government Finance Department was appointed on 25.11.2013

Whole Time Directors:

Sri. H.Y.Dora - Chairman and Managing Director
Sri.Syed Bilal Basha, Director (Finance)
Sri. P. Pulla Reddy, Director (P&MM&Civil& IPC)

Nominee Director: Sri. Rahul Pandey, IFS, Government Representative was appointed on 04.07.2015

Board Meetings held in 2014-15:

The Board held its meetings on 21.05.2014, 22.07.2014, 26.09.2014, 20.12.2014 and 24.03.2015 in the financial year 2014-15.

Attendance at Board of Directors Meetings:

Directors	Meetings attended
Er H.Y. Dora Chairman and Managing Director	5
Sri. Syed Bilal Basha	5
Sri.G.Ramakrishna Reddy	1
Er. T.Ram Singh	5
Er. C Radha krishna	4
Er.J.Nageswara Raju	5
Sri.K.Venkateswara Rao	4

Directorships:

Sri .H.Y.Dora, Chairman and Managing Director has been appointed as a Non-Whole time Director in Andhra Pradesh Power Development Company Limited, Hyderabad w.e.f. 30.09.2013 in place of Sri .K.Vidya Sagar Reddy.

Annual General Meetings:

The details of Annual General Meetings held in the Previous years are as under:

Year	Date	Venue
2006-2007	27-11-2007	Registered office
2007-2008	29-09-2008	Registered office
2008-2009	25-09-2009	Registered office
2009-2010	14-12-2010	Registered office
2010-2011	30-09-2011	Registered Office
2011-2012	29-09-2012	Registered Office.
2012-2013	30-12-2013	Registered Office.
2013-2014	26.09.2014	Registered Office.

Extra Ordinary General Meeting: An Extra Ordinary General Meeting was held on 02.03.2015 to enhance the Borrowing power of the Board Of Directors:

The limit of borrowing powers, and to mortgage/hypothecate/or charge on the Assets of the Company under the Section 180 of the Companies Act,2013 and other applicable provisions, if any , of the companies Act, 2013 enhanced up to Rs 12,500 crores from Rs.8000 Cr to the Board of Directors of the company in the Extra Ordinary General Meeting held on 02.03.2015.

Composition of Audit Committee and changes therein:

In compliance with the provisions of Section 177 of the Companies Act, 2013, during the year under review, the Audit Committee has met on 21.05.2014,22.07.2014,26.09.2014,20.12.2014 and 30.03.2015.The composition of the Audit Committee as on 31.03.2015.is as follows:

1. Sri P.Satyamoorthy – Member of the Audit Committee.
Director (Finance & Revenue)/
APTRANSCO/ Hyderabad.
2. Sri C.Radha Krishna – Member of the Audit Committee.
Director (Operation)
3. Sri.K.Venkateswara Rao - Member of the Audit Committee/
Additional Secretary to Government
Finance Department, A.PSecretariat,
Hyderabad.
4. Sri G.Ramakrishna Reddy – Member of the Audit Committee
Director (Finance & Revenue)/
APTRANSCO/ Hyderabad.
attended the Meetings upto
21.05.2014 and Sri P.Satyamoorthy
was appointed as member w.e.f.
26.09.2014.

Regarding the statement on declaration by Independent Director under sub-section(6) of section 149 , it is informed that it is a Government Company and the Directors are officials of the Government of Andhra Pradesh and the Directors have disclosed their interest and was noted in the Board Meeting. Further, it is informed that Clause (a) and (c) of Sub-sections (6) of Section 149 of the Companies Act,2013 shall not apply to Government Company as per Notification of MCA Dt. 5.06.2015.

Regarding Policy on Directors appointment and remuneration including criteria for determining qualifications, positive attributes u/s 178(3) of the Companies Act, 2013, it is informed that it is a Government Company. The Government of Andhra Pradesh have issued guidelines in G.O.Ms.NO. 18,Energy (Power.III)Dept, Dt 14.05.2012 for appointment of Directors in which Selection Procedure, Selection committee, Process of Selection of eligible persons, etc were given. Section 197 of the Companies Act,2013 shall not apply to Government Company as per Notification of MCA Dt. 5.06.2015.i.e on Managerial remuneration.

Clause (e) of Sub-Section (3) of Section 134 of the Companies Act, 2013 shall not apply to Government Company as per Notification of MCA Dt. 5.06.2015.i.e policy on Directors appointment and remuneration etc.

Regarding, Loans and investments, all the Loans and Investments were made as per the provisions of the Companies Act, 1956/2013. Section 185 of the Companies Act,2013 shall not apply to Government Company as per Notification of MCA Dt. 5.06.2015.

Regarding, contracts and arrangements with related parties referred to in Section (1) of 188, No contracts and arrangements were made. Section 188 of the Companies Act,2013 shall not apply to Government Company as per Notification of MCA Dt. 5.06.2015.

Regarding risk management, the Company is a Government Company and following the regulations of APERC and Government orders from time to time.

Regarding, Register of Directors and Key Managerial Personnel and their Shareholding shall not apply to this Company since it is a Government Company i.e. Section 170 of the Companies Act, 2013 shall not apply to Government Company as per Notification of MCA Dt. 5.06.2015. Section 203 (1)(2) (3) and (4) of the Companies Act,2013 shall not apply to Government Company as per Notification of MCA Dt. 5.06.2015.i.e Appointment of Key Managerial Personnel. However, KMP were appointed. The KMP for the F. Y.2014-15 are as submitted below:

The Key Managerial Personnel for the Company are:

- i) The Chairman & Managing Director/Chief Executive Officer,
- ii) The Director (Finance)/ Chief Financial Officer,
- iii) The Director (HRD & IR),
- iv) The Director (Projects),
- v) The Director (Operation),
- vi) The Director (P&MM, IPC & Civil) and
- vii) The Company Secretary.

Regarding, Nomination and Remuneration Committee, Sub-sections (2),(3) and (4) of Section 178 of the Companies Act,2013 shall not apply to Government Company as per Notification of MCA Dt. 05.06.2015.

Corporate Social Responsibility Policy:

The following CSR Committee was constituted on 24.03.2015 as per the Board resolution passed in the 90th Board of Directors Meeting held on 24.03.2015

- 1 Sri.H.Y.Dora, Chairman and Managing Director
- 2.sri. Syed Bilal Basha, Director (Finance)
- 3.Sri. C.RadhaKrishna, Director (Operation)

The Committee Re-Constituted again on 23.09.2015 due to cessation of Sri. C.Radha Krishna after completion of his tenure.

The Members of the Committee are:

- 1 Sri.H.Y.Dora, Chairman and Managing Director
- 2.sri. Syed Bilal Basha, Director (Finance)
- 3.Sri.P. Pulla Reddy,Director (P &MM& Civil &IPC)

The Committee again Re-Constituted with the Appointment of Sri. Dinesh Parchuri, IRS as Independent Director on the Board of the company on 27.11.2015.

The Members of the Committee are:

- 1 Sri.H.Y.Dora, Chairman and Managing Director
- 2.sri. Syed Bilal Basha, Director (Finance)
- 3.Sri.P. Pulla Reddy, Director (P &MM& Civil &IPC)
4. Sri. Dinesh Parchuri, IRS – Director (Finance)/APTRANSCO and Independent Director.

The Corporate Social Responsibility Policy : The CSR Committee recommended the CSR Policy to the Board. The Board in its 92nd meeting held on 21.07.2015 approved the CSR policy of the Company. The CSR policy was placed in the Website of the Company.

The contents of the policy are submitted.

The CSR Committee held its First Meeting on 21.07.2015 and passed a resolution that the company shall not spend any amount towards CSR activities for the F.Y. 2014-2015 since no Profit(average) is available as per the financial statements during the three immediately preceding Financial years. i.e 2011-2012,2012-13,2013-2014.

Further the Board passed a resolution in its 93rd Meeting held on 2.11.2015 that the Company shall not spend or allocate any amount for CSR activities for the F.Y.2014-2015. Since no (average) profit available after computation of financial statements during the three immediately preceding Financial years. i.e 2011-2012, 2012-13, 2013-2014.

Hence, CSR activities could not be taken up during 2014-2015. The CSR Committee had its 2nd Meeting on 2.11.2015. All the Members of the Committee were present in the 2 meetings held.

Auditors of the Company

M/s. RAM RAJ & CO., D.No. 18-1-309, BHAVANI NAGAR, TIRUPATI-517501, were appointed as the Statutory Auditors of the Company for the Financial Year 2014-2015 vide Lr .No. CA.V/COY/ANDHRA PRADESH, SOUPOW (1)/553, Dt.04.08.2014 of the Comptroller and Auditor General Of India, New Delhi.

Cost Audit:

The Company required to get its Cost records audited U/s. 233 B(1) of the Companies Act, 1956 as per the orders issued by the MCA/ Central Government vide The Ministry of Corporate Affairs order F.No 52/5/CAB-2011, dated 11.04.2011 and The Ministry of Corporate Affairs order F.No 52/26/CAB-2010, dated 2nd May 2011.

Accordingly, the Board of Directors of the Company accorded approval for appointment of M/s. Narasimha Murthy & Co, Cost Accountants, 3-6-365,104 & 105, Pavani Estate, Y.V.Rao Mansion, Himayatnagar, Hyderabad - 500029 as Cost Auditor of the Company for the financial year 2014-15. And form No 23c was filed with the Registrar of Companies, Hyderabad. The report is yet to be filed with the Central Government.

Secretarial Audit: M/s GMVDR & Associates, Company Secretaries ,Flat No. 2A, 1st Floor Cherurku Apartment,3-6-653/1,Street 9,Himayat Nagar, Hyderabad were appointed for Secretarial Audit U/s 204 of the Companies Act,2013 for the F.Y.2014-2015.The Secretarial Audit Report is annexed hereto and forms part of this report.

Replies to the comments of the Statutory Auditors and Comptroller and Auditor General of India

Replies of the Management to comments of the Statutory Auditors, Comptroller and Auditor General of India (CAG) and financial review by CAG of India on the accounts of the Company for the year ended 31st March, 2015 are annexed here to and forms part of this report.

Conservation of Energy, Technology Absorption And Foreign Exchange Earning And Outgo:

The information in accordance with the provisions of Section 134(1) m of Companies Act, 2013 in respect of conservation of energy, technology absorption and foreign exchange earning and outgo, is furnished.

Extract of Annual Return: As provided under section 92(3) of the Act, the Extract of Annual Return is given in the Annexure in the prescribed Form MGT-9, which forms part of this report.

Disclosure Under the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act,2013.

The Company has in place as Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the work place (prevention, Prohibition and Redressal) Act, 2013. During the period under review one number of complaint was received and the one resolved.

Particulars of Employees ;

There were no employees drawing remuneration in excess of the prescribed limits whose details are required to be disclosed under the Act.

Deposits

During the year under review, the Company has not accepted any public deposits U/s 58 A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

Investments

The Company had invested Rs.205.800 Crores in Andhra Pradesh Power Development Company Limited, Hyderabad from 04.12.2009 .

Further it is informed that Clause (e) and (p) of Sub-Section (3) of Section 134 of the Companies Act,2013 shall not apply to Government Company as per Notification of MCA Dt. 5.06.2015.

It is to inform that the Registrar of Companies had issued Notices to the Company and its Whole Time Directors for Non-Appointment of Women Director on the Board of the Company as per Section 149 of the Companies Act, 2013 read with rule (3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 vide Lr. No. RAP/LEGAL/ TBR/ SPDCAPL/ 201/51361, Dt 18.09.2015. The Company had submitted its reply stating that it is a Government Company. The Company is one of the Corporation/entity mentioned in Ninth Schedule of Andhra Pradesh Reorganization Act, 2014 (SI.No.31 in the Sch.IX) and the Districts of Kurnool and Ananthapur were transferred from APCPDCL, presently TSSPDCL vide G.O.Ms.No.24, Energy (CC) Department, Dt:29.05.2014.

The demerger of Central Power Distribution Company of Andhra Pradesh Limited (Presently Southern Power Distribution Company of Telangana Limited (TSSPDCL)) is not completed and under the review of Expert Committee (Sheela Bhide Committee) for Approval of the Demerger proposals of Government Companies/Corporations/Entities in the Schedule IX of Andhra Pradesh Reorganization Act, 2014. The Company also requested the Government for appointment of Woman Directors.

The Nomination and Remuneration Committee could not be constituted since Sub-sections (2),(3) and (4) of Section 178 of the Companies Act,2013 shall not apply to Government Company as per Notification of MCA Dt. 5.06.2015. And Independent Directors were not on the Board during the F.Y.2014-2015.

The Board of Directors of the Company had taken note of the Notification of Ministry of Corporate Affairs Dt,05.06.2015 in the 92nd Board Meeting held on 21.07.2015 on applicability of certain sections of the Companies Act,2013 to Government Companies.

The Company has scored IPPAI AWARD(Independent Power Producers Association of India) for the year 2014-2015 for achieving fastest Rural Electrification in the last decade.

Directors Responsibility Statement:

In accordance with Sec.134(3) (c) and (5) of the Companies Act, 2013 the Directors of the company hereby state that:

- a) In the preparation of the Annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit and loss of the company for the period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis; and
- e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Industrial Relations:

During the year under review, there were cordial industrial relations amongst the working force at all levels.

Acknowledgements:

The Directors wish to place on record their appreciation and acknowledge with gratitude the support and Co-operation extended by the Government of Andhra Pradesh, particularly Energy Department & Finance Department, Andhra Pradesh Electricity Regulatory Commission, APTRANSCO, APGENCO Other DISCOMs, Comptroller & Auditor General of India, Bankers, Financial Institutions like Rural Electrification Corporation Limited and Power Finance Corporation, suppliers, Contractors and consumers.

The Directors express their deep sense of gratitude and appreciation to the employees for their unstinted support and relentless efforts at all levels which enabled the overall growth of the Company.

For and on behalf of the Board



H.Y.Dora

Chairman & Managing Director

Contents of Corporate Social Responsibility Policy:

It is the endeavour of the Company to focus on the following broad activities.

- i. eradicating hunger, poverty and malnutrition, {promoting preventive health care including preventive health care) and sanitation(including contribution to the Swachh Bharat Kosh set_up by the Central Government for the promotion of Sanitation) and making available safe drinking water;
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;(including contribution to the Clean Ganga Fund set_up by the Central Government or rejuvenation of river Ganga)
- v. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports;
- viii. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- x. rural development projects;
- xi. slum area development.

The Company may take up such other activities which are broadly covered under Schedule VII of the Act and any additions which may be made hereafter.

The CSR committee will be responsible for :

- Formulating the CSR policy in compliance to Section 135 of the Act read with the rules made thereunder.
- Identifying activities to be undertaken as per Schedule VII of the Companies Act 2013.
- Recommending to Board the CSR expenditure to be incurred.
- Recommending to Board, modifications to the CSR policy as and when required.
- regularly monitoring the implementation of the CSR policy

Implementation:

The investment and duration of programme will depend on its nature, extent of coverage and intended impact of the programme. It may be ensured that majority of the CSR activities are undertaken in Andhra Pradesh.

Implementation may be taken up through designated teams of executives at the respective units of the company or at corporate level under the programs as approved by the CSR Committee and the Board of the company.

The Board of company may also implement the CSR activities through a registered trust or a registered Society created either by the company or any other trust as may be approved by the company. The Company may also implement programmes in collaboration with its associate companies or other companies, wherever feasible.

Execution of Programmes:

Project activities identified may be implemented through employees, selected volunteers, specialized agencies, which may include Voluntary Organisations (NGOs), Elected local bodies such as Panchayats, Institutes / Academic Organisations, Trusts, Missions, Self Help Groups, Govt./Semi Govt. / Autonomous Organisations, Mahila Mandals/ Samitis, Professional Consultancy Organization etc.,

Initiatives of State Governments, District administration, Local Administration as well as Central Government Departments/ Agencies, Self-Help Groups etc., would be dovetailed / synergized with the initiatives taken by the Company.

Activities shall, as far as possible, be implemented in a project mode. For easy implementation, long-term CSR projects shall be broken down into medium-term and short-term plans. Each plan shall specify the CSR activities planned to be undertaken for each year. Accordingly, the budget shall be allocated for the implementation of these activities and achievement of targets set for each successive year, till the final completion of the project.

All the CSR activities shall be monitored by the Chairman and the CSR Committee.

General

- A. The CSR Policy shall be recommended by the CSR Committee to the Board of Directors for its approval.
- B. The Company reserves the right to modify, cancel, add, or amend any of the above rules/guidelines, with the recommendation of CSR Committee & approval of Board of Directors.
- C. Any or all provisions of the CSR policy shall be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government of India/MCA, from time to time.
- D. In case of doubt with regard to any of the provision of the policy and also in respect of matters not covered herein, the interpretation & decision of the CSR Committee shall be final.

Certain projects/activities which are not approved by CSR Committee but are required to be implemented on an urgent basis in unforeseen circumstances relating to Natural calamity, can be taken up for implementation as per approval from the Chairman. The CSR Committee and Board of Directors would be appraised about such projects/activities during their next meeting.

Particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Conservation of Energy

It is to inform that the Government of Andhra Pradesh had approved to take up the project DELP i.e DSM Based Efficient Lighting Program for house hold consumers. i.e Distribution of on an average of 2 No's LED bulbs in place of Incandescent bulbs. The project was implemented by M/S. EESL, New Delhi.

Initially, the project was implemented in Two Districts only i.e Guntur and Ananthapur. The project cost is 69 Cr.. In the two districts nearly 1491483 consumers got benefited by distribution of 2982742 LED bulbs. The project was completed in Guntur and Ananthapur districts on 31 Jan 2015 and 28 Feb 2015 respectively.

APERC given approval for implementation of the same program (DELP) in other six districts also (i.e. Krishna, Prakasam, SPSR Nellore, Chittoor, Kadapa & Kurnool) and will be implemented soon.

- (1) It is to submit that, honourable APERC has given its common order for implementation of DSM based Energy efficient Lighting Program” on the petitions filed by the AP Discoms in this regard.
- (2) Implementation of DELP in Guntur & Anantapur was already completed.
- (3) DELP is to be implemented in rest of six districts of APSPDCL, namely, Krishna, Prakasam, SPSR Nellore, Chittoor, Kadapa & Kurnool Districts.

Solar Pump Sets

A scheme was sanctioned for releasing of 3000Nos Solar Pumpsets each 5HP load with a loan amount of Rs 86.4 crores by PFC GEL. The MOA was entered with PFC GEL on 30.03.2015.

746 Nos beneficiaries have paid the amounts and 616 Number of Purchase orders were issued to various solar firms for taking up the works for releasing of solar pumpsets. Out of which 130 Numbers of Solar Pump sets were commissioned.

The details are furnished here under.

Sl. No.	Name of the Circle	No. of Applications received			No. of Applicants paid DD			No. of Pumpsets for Which LOI/P.O.s placed			Solar water pumpsets Commissioned		
		3HP	5HP	Total	3HP	5HP	Total	3HP	5HP	Total	3HP	5HP	Total
1	Vijayawada	6	529	535	6	259	265	6	214	220		30	30
2	Guntur	14	283	297	8	125	133	6	100	106		8	8
3	Ongole	3	224	227	1	77	78	1	61	62		24	24
4	Nellore	-	328	328		105	105		94	94		42	42
5	Tirupati	-	150	150		64	64		59	59		5	5
6	Kadapa	-	82	82		18	18		16	16		13	13
7	Kurnool	-	118	118		41	41		29	29		7	7
8	Anantapur	-	140	140		42	42		30	30		1	1
Total APSPDCL		23	1854	1877	15	731	746	13	603	616	0	130	130

SOLAR ROOF TOP

***Progress on Solar Power Projects Applications
As per G.O.Ms.No.39 & 44, REC Mechanism) under 33 KV
voltage level.***

Sl No	Type of power plant to be set up	Applications received		Feasibility issued		B.G Submitted		Generators commissioned	
		Nos	MW	Nos	MW	Nos	MW	Nos	MW
1	Sales to Discom (Average Pooled Cost)	15	47	15	47	3	4	0	0
2	Third party sales	75	431.8	63	319.8	35	151.5	8	29.5
3	Captive use	12	50	12	50	6	14	5	9
TOTAL		102	528.8	90	416.8	44	169.5	13	38.5

Note : 46 Nos / 246.8 MW Applications Feasibility cancelled duly issuing the 15 Days notices.

NET METERING SOLAR ROOF TOP AND SMALL SPV POWER PLANTS

(G.O. Ms No. 22, 26, 27 58)

Under this facility, consumer will generate solar power for self consumption and feed excess power into the grid.

1. Net metering is the concept which records net energy between export of generated energy and Import of DISCOM energy for a billing month.
2. The net metering facility shall be allowed for S phase and 3 phase service consumers.
3. The SPV generator shall bear the entire cost of metering arrangement provided including its accessories.
4. Such SPV generator will submit the required information in the prescribed format to the DISCOM & DISCOM will give acknowledgment for the same for the net metering as per the applicable billing period.
5. The solar PV panels proposed to be installed shall meet the requirements of Indian as well as IES standards.
6. They can avail any prevalent subsidy offered by Government of India in this regard.
7. GOI subsidy : 30 % on the cost of panel up to 500 KW without Battery.

GOAP subsidy: 20% on the cost of panel up to 3 KW capacity in domestic only in addition to GOI subsidy.

SOLAR ROOF TOP NET METERING APPLICATIONS

Sl NO	Name of the Circle	No. of Roof Top Units applications received		Technical feasibility issued		No. of Roof Top Units Synchronised with Grid		To be released after completion of consumer side work		During June'2015 Synchronised with Grid	
		Nos	Capacity in KW	Nos	Capacity in KW	NOS	Capacity in KW	NOS	Capacity in KW	NOS	Capacity in KW
1	Vijayawada	75	2143	75	2143	33	547	42	1596	0	0
2	Guntur	29	458.8	29	458.8	8	209	21	249.8	0	0
3	Ongole	3	375	2	370	0	0	3	375	0	0
4	Nellore	22	572	22	572	8	110	14	462	3	83
5	Tirupati	51	1188	51	1188	23	174	28	1014	2	2
6	Kadapa	3	33	3	33	1	20	2	13	0	0
7	Ananthapur	28	293	26	287	9	98	17	189	1	13
8	Kurnool	13	447	13	447	9	284	4	163	0	0
	Total	224	5509.8	221	5498.8	91	1442	131	4061.8	6	98

Status of Solar Power under Competitive bidding/Open offer

@ Rs.6.49 per unit in APSPDCL (Including ATP & KNL)

	Total LOIs issued APSPDCL		PPA s entered		B.G s submitted PPA s to be entered		B.G s not Submitted	
	NOS	MW	NOS	MW	NOS	MW	NOS	MW
Competitive Bidding/Open offer in APSPDCL (Including ATP & KNL)	15	60	9	31	1	3	5	26

Technology Absorption

Due to shortage of power situations prevailing in the APSPDCL 11KV load monitoring becomes essential. In this context APSPDCL implemented 11KV feeders Real time monitoring system through AMR from remote end.

In R-APDRP part (A) IT project 46 towns were covered in APSPDCL, in these towns total 924 Nos. 11KV feeders are covered and modems installed & commissioned for all these feeders.

No. of 11 KV feeders in all 8 circles in APSPDCL scope:

S. No.	Name of the Circle	Total No. of 11KV Feeders
Feeders covered in RAPDRP		
1	Vijayawada	178
2	Guntur	199
3	Ongole	74
4	Nellore	115
5	Tirupati	121
6	Kadapa	75
7	Kurnool	83
8	Ananthapur	79
	Sub Total -1	924

S. No.	Name of the Circle	Total No. of 11KV Feeders
Feeders Covered in Non RAPDRP		
1	Vijayawada	611
2	Guntur	574
3	Ongole	744
4	Nellore	684
5	Tirupati	1107
6	Kadapa	836
7	Kurnool	662
8	Ananthapur	730
	Sub Total - 2	5948
	Total (RAPDRP + Non RAPDRP)	6872

APSPDCL is having total number of 6872 nos. 11 KV feeders including R-APDRP towns. This project covered all 6872 feeders and as per the Discom requirement reports are generating as and when required and the same is available in SPDCL & AP Power Portal Websites to view the feeder supply position for the consumers purpose.

The total cost of this project of 11 KV feeder Real time monitoring system is approximately Rs. 3.25 Crs.

Foreign exchange earnings and outgo: - NIL-

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	U40109AP2000SGC034118
ii	Registration Date	30.03.2000
iii	Name of the Company	Southern Power Distribution Company of Andhra Pradesh Limited
iv	Category / Sub-Category of the Company	Public Company / Limited by Shares / State Government Company
v	Address of the Registered office and contact details	H.No 19-13-65/A, Tiruchanoor Road, Behind Srinivasa Kalyana Mandapam, Kesavayanigunta, TIRUPATI
vi	Whether listed company Yes / No	No
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Nil

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Power Distribution	9953	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
No Holding, Subsidiary and Associate Companies					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	35,87,15,309	35,87,15,309	100	0	35,87,15,309	35,87,15,309	100	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other..	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	35,87,15,309	35,87,15,309	100	0	35,87,15,309	35,87,15,309	100	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A) (2)	0	35,87,15,309	35,87,15,309	100	0	35,87,15,309	35,87,15,309	100	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):- Total Public Shareholding (B) = (B)(1) + (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	35,87,15,309	35,87,15,309	100	0	35,87,15,309	35,87,15,309	100	0

(ii) Shareholding of Promoters:

SIN o.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Governor of Andhra Pradesh	35,87,15,300	100.00	0	35,87,15,300	100.00	0	0
2	Nominees of Governor of Andhra Pradesh (9 no.s)	9	negligible	0	9	negligible		
	Total	35,87,15,309	100.00	0	35,87,15,309	100.00	0	0

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

The Company is a State Government company and 100% shareholding is held by Governor of Andhra Pradesh. There are changes in Nominees of Governor of Andhra Pradesh which will not be considered as change in Promoters.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): **NIL**

(v) Shareholding of Directors and Key Managerial Personnel:

The Company is a State Government company and 100% shareholding is held by Governor of Andhra Pradesh. There are changes in Nominees of Governor of Andhra Pradesh which will not be considered as change in Promoters

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4274.49	2638.69 Cr.	Nil	6913.18 Cr.
ii) Interest due but not paid				
iii) Interest accrued but not due	22.33	14.62		36.95
Total (i+ii+iii)	4296.82	2653.31	Nil	6950.13Cr.
Change in Indebtedness during the financial year				
• Addition	3734.68 Cr.			3734.68 Cr
• Reduction		870.82	Nil	(870.82)
Net Change	3734.68 Cr.	(870.82)	Nil	2863.86
Indebtedness at the end of the financial year				
i) Principal Amount	8009.17	1767.87	Nil	9777.04
ii) Interest due but not paid				
iii) Interest accrued but not due	38.276	12.635		50.911
Total (i+ii+iii)	8047.446	1780.505		9827.951

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl No.	Name of the MD/WTD and Manager	Remuneration (Amount in Rs.)						Ceiling as per Act
		Gross salary	Stock option	Sweat Equity	Commission	Others	Total	
1	H.Y.Dora, Chairman & Managing Director	13,78,323/-	Nil	Nil	Nil	Nil	13,78,323/-	Not Applicable
2	Syed Bilal Basha, Director/Finance	27,18,779/-	Nil	Nil	Nil	Nil	27,18,779/-	Not Applicable
3	P.Pullareddy, Director/P&MM, IPC & Civil	3,81,582/-	Nil	Nil	Nil	Nil	3,81,582/-	Not Applicable
4	J.Nageswara Raju, Director/HRD	9,11,279/-	Nil	Nil	Nil	Nil	9,11,279/-	Not Applicable
5	C.Radha Krishna, Director/Operation	9,28,112/-	Nil	Nil	Nil	Nil	9,28,112/-	Not Applicable
6	T.Ram Singh, Director/Projects	8,68,789/-	Nil	Nil	Nil	Nil	8,68,789/-	Not Applicable
TOTAL								

B. Remuneration to other Directors:

Sl No.	Name of the Director	Remuneration (Amount in Rs.)			
		Fee for attending board/committee meetings	Commission	Others	Total
A. INDEPENDENT DIRECTORS					
	Nil	Nil	Nil	Nil	Nil
B. Other non executive directors					
1	1. K.Venkateswara Rao	4,000/-	Nil	Nil	4,000/-
2	2. P.Satyamoorthy	2,000/-	Nil	Nil	2,000/-
3	3. G.Rama Krishna Reddy	1,000/-	Nil	Nil	1,000/-
4	(Non-Whole Time Directors)				
TOTAL					7,000/-

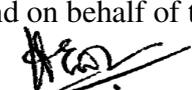
C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: NIL

Sl No.	Name of the MD/WTD and Manager	Remuneration (Amount in Rs.)					Total
		Gross salary	Stock option	Sweat Equity	Commission	Others	
1	Company Secretary	8,92,190/-	0	0	0	0	8,92,190/-
TOTAL							8,92,190/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board


Chairman & Managing Director

SECRETARIAL AUDIT REPORT

To,
The Members,
Southern Power Distribution Company of Andhra Pradesh Limited
H.No 19-13-65/A, Tiruchanoor Road,
Behind Srinivasa Kalyana Mandapam,
Kesavayanigunta,
TIRUPATI

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Southern Power Distribution Company of Andhra Pradesh Limited** (hereinafter referred as “**the company**” or “**APSPDCL**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

Based on our verification of the company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on **31.03.2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder; (**Not applicable to the Company during the Audit Period**)
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder; (**Not applicable to the Company during the Audit Period**)
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment only. The Company has not made any Overseas Direct Investment and not availed External Commercial Borrowings. (**Not applicable to the Company during the Audit Period**)

- i. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period)**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not applicable to the Company during the Audit Period)**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014; **(Not applicable to the Company during the Audit Period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**;

(vi) Other laws applicable to the Company as per the representation made by the Management.

We have **not examined** the compliance by the Company with:

- a) the Secretarial Standards issued by the Institute of Company Secretaries of India **(Not notified hence not applicable to the Company during the audit period)**.
- b) applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review and as per the explanations and clarifications given to us and there presentations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except the following:

1. *The Company doesn't have a Woman Director as required under Section.149 of Companies Act, 2013*

1. *The Company has not complied with the provisions relating to appointment of Independent Directors*

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors *except the Independent Directors*. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- i. The company had obtained approval from its shareholders under Section 180 of the Act, authorising the Board of Directors to borrow monies (apart from temporary loans obtained from Company's bankers in the ordinary course of business) which shall not exceed a sum of Rs.12,500 crores at any one time and to create charge on the assets of the company.
- ii. In terms of the provisions of the Andhra Pradesh Reorganisation Act, 2014 read with GO MS.No.24 of Energy (CC) Department dated 29.05.2014, the assets and liabilities of Southern Power Distribution Company of Telangana Limited, TSSPDCL (erstwhile Central Power Distribution Company of Andhra Pradesh Limited) pertaining to the districts of Kurnool & Ananthapur are to be transferred to APSPDCL. We were informed that, the re assignment of the said Assets and Liabilities as per Section 53 of the A.P.Re organization Act, 2014 is pending before the Expert Committee For Approval of the Demerger Proposals of Government Companies/Corporations/Entities in the Schedule IX of AP Re organization Act, 2014.

For GMVDR & Associates
Company Secretaries

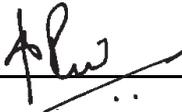
Place: Hyderabad
Date: 20.11.2015


(G.Mohan)
Proprietor

ACS # 16886 C.P # 5250

Management replies to Secretarial Auditors comments :
ANNEXURE TO THE SECRETARIAL AUDIT REPORT

	Comment	Management Reply
(vi)	<p>1. The Company doesn't have a Woman Director as required under Section.149 of Companies Act, 2013</p>	<p>It is submitted that M/s Southern Power Distribution Company of A.P. Limited (APSPDCL) is a 100% State Government Company and as per Article No. 30(d) of the Articles of Association, Government of Andhra Pradesh has the power to nominate Directors on the Board of Southern Power Distribution Company of A.P. Limited (APSPDCL).</p> <p>It is to submit that M/s Southern Power Distribution Company of A.P. Limited (APSPDCL) is one of the Corporation/ entity mentioned in Ninth Schedule of Andhra Pradesh Reorganization Act, 2014 (Sl.No. 31 in the Sch. IX) and the Districts of Kurnool and Anantapur were transferred from APCPDCL , Presently TSSPDCL vide G.O.Ms.No. 24, Energy (CC) Department, Dt 29.05.2014.</p> <p>The demerger of Central Power Distribution Company of Andhra Pradesh Limited (presently Southern Power Distribution Company of Telangana Limited (TSSPDCL) is not completed and under the review of Expert Committee (Sheela Bhide Committee) for Approval of the Demerger proposals of Government Companies/Corporations/Entities in the Schedule IX of Andhra Pradesh Reorganization Act, 2014. Therefore, the appointment of Women Director in the company as required under Section, 149 of the Companies Act, 2013 could not be taken up.</p> <p>Further, the Company has also written a letter to the Secretary, Ministry of Corporate Affairs, New Delhi for exempting the unlisted and closely held 100% Wholly Owned State Government Companies.</p> <p>However, a letter was submitted to the Secretary to Government, Energy, Infrastructure & Investment Department, Hyderabad to issue necessary orders to comply the provisions of the Companies Act, 2013 for appointment of at least one Woman Director on the Board of APSPDCL.</p>
(vi)	<p>2. The Company has not complied with the provisions relating to appointment of Independent Directors</p>	<p>It is submitted that M/s Southern Power Distribution Company of A.P. Limited (APSPDCL) is a 100% State Government Company and as per Article No. 30(d) of the Articles of Association, Government of Andhra Pradesh has the power to nominate Directors on the Board of Southern Power Distribution Company of A.P. Limited (APSPDCL).</p> <p>It is to submit that M/s Southern Power Distribution Company of A.P.Limited (APSPDCL) is one of the Corporation/ entity mentioned in Ninth Schedule of Andhra Pradesh Reorganization Act, 2014 (Sl.No. 31 in the Sch. IX) and the Districts of Kurnool and Anantapur were transferred from APCPDCL , Presently TSSPDCL vide G.O.Ms.No. 24,Energy (CC) Department, Dt 29.05.2014.</p>

		<p>The demerger of Central Power Distribution Company of Andhra Pradesh Limited (presently Southern Power Distribution Company of Telangana Limited (TSSPDCL) is not completed and under the review of Expert Committee (Sheela Bhide Committee) for Approval of the Demerger proposals of Government Companies/Corporations/Entities in the Schedule IX of Andhra Pradesh Reorganization Act, 2014.</p> <p>Therefore, the appointment of Independent Director as required under Section, 149 of the Companies Act, 2013 could not be taken up.</p> <p>Further, the Company has also written a letter to the Secretary , Ministry of Corporate Affairs, New Delhi for exempting the unlisted and closely held 100% Wholly Owned State Government Companies.</p> <p>Further it is informed that, Sri Dinesh Parchuri, IRS, Director(Finance)/APTRANSCO was appointed as Independent Director on the Board of the Company vide G.O.Rt.No.37, Energy, Infrastructure & Investment (OP.A3) Department, Dt: 09.11.2015.</p> <p>Further, it is informed that Clause (a) and (c) of Sub-sections (6) of Section 149 of the Companies Act,2013 shall not apply to Government Company as per Notification of MCA Dt. 5.06.2015.</p>
<p>M/s GMVDR & Associates</p>		<p style="text-align: center;">For and on behalf of the Board</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Syed Bilal Basha Director (Finance)</p> </div> <div style="text-align: center;">  <p>H.Y.Dora (Chairman & Managing Director)</p> </div> </div>

INDEPENDENT AUDITORS' REPORT

**TO
THE MEMBERS OF
M/s SOUTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED
TIRUPATI**

Report on the Financial Statements:

We have audited the accompanying financial statements of **The Southern Power Distribution Company Of Andhra Pradesh Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2015 and the statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis for Qualified Opinion

A. In the absence of relevant information we are unable assess the impact on accounts could not be determined / quantified on the following issues:

- i. As stated in Note Nos.3.1b, 3.2 and 26-1 to the Financial Statements on loan from REC to an extent of ₹ 47.03 Crores (₹ 79.20 Crores) which is still in the name of APTRANSCO, Balances in 'Loan Funds' pertaining to Govt. of AP and current assets and current liabilities respectively, which are subject to confirmation / reconciliation / adjustments.*
- ii. Note No.6 para c non consideration of interest on loans transferred under merger scheme*
- iii. Note No: 9-1 Deferred Tax asset / liability has not been recognized in the accounts as required under AS-22 "Accounting for Taxes on Income".*
- iv. Note No. 10-*
 - a. Accumulated depreciation on assets sold/discarded during the year is not written back in accordance with AS-6 "Depreciation Accounting".*
 - b. In the event of replacement of an old asset with a new asset (Except Distribution Transformers), the new asset is capitalized at acquisition cost less the weighted average cost of replaced asset instead of deducting.*
 - c. The WDV of the replaced asset, which is not in accordance with AS-10 "Accounting for Fixed Assets".*
 - d. In the absence of uniform practice/system for closure of work orders, capitalization of such works is not as per the requirements of AS-10 and consequential effects on charge of Depreciation and non compliance of AS-6 "Depreciation Accounting"*

- e. *Assets purchased under RGGVY scheme from Government grants is not shown separately as required under AS-12 “Accounting for Government Grants”.*
- f. *As relevant information is not made available with regard to Impairment of Asset, we could not ascertain the status and provision, if any as required as per AS 28.*

- v. *Note No 10 Para 3.3. The depreciation is not provided on certain unidentified assets transferred from APCPDCL pertaining to the operation circles merged with the company.*

- vi. *Note No. 10 Para 4 is invited wherein, Consequent upon amendment to second transfer scheme vide G.O.Ms 142 DT. 29.09.2001 and the third transfer scheme vide G.O.Ms.396 dt.09.06.2005, the Company adopted the assets & liabilities and the balances against Power Purchase, loan liabilities, and receivables from Govt. of A.P at values stipulated in the respective government notifications, which are provisional and subject to further adjustment as may be determined by the State Government and audit. In the absence of relevant information, we are unable to express our opinion on the closing balances of such assets / liabilities transferred to the company under the aforementioned transfer schemes.*

- vii. *Note No.10 Para 5 The input controls in the SAP in respect of capturing data and recording of transactions, access control system, disaster data recovery plans and backups needs to be reviewed and duly certified by independent agency as regards to its adequacy.*

- viii. **PURCHASE OF POWER:**
 - a. *Note No. 7-1 &2 accounting of power purchase bills, debit / credit notes and non-confirmation / reconciliation of balances of the power suppliers.*
 - b. *Note No. 15 Para 1.1 on non-confirmation of bank balance in the name of Andhra Pradesh Power Distribution Companies Pool Account and the Company’s share thereon.*
 - c. *Note No:21Para 1 constitution of Andhra Pradesh Power Coordination Committee to facilitate purchase and trading of power on behalf of distributions companies in the State of Andhra Pradesh and legal status of the same could not be ascertained.*

- d. *Note No. 21 para 2- accounting of cost of power purchase and Inter State sale as intimated by the APPCC, Hyderabad and certified by the internal Auditors of APPCC who are an Independent Firm of Chartered Accountants are incorporated in the books of the Company. In the absence of relevant information on quantitative details, swap transactions, metering, claims made by the power suppliers and disputes on power purchase etc., the said cost could not be reviewed by us.*
- e. *Note No 21 para 3.1 regarding the Transfer of Power Purchase Agreements vide G.O.Ms. No. 396 dated 09.06.2005 from APTRANSCO to Distribution Companies in specified ratio with effect from 09.06.2005 and subsequent revision of the said ratio vide G.O.Ms. No. 53 Energy (Power –III) dated 28-04-2008 with retrospective effect from 09.06.2005 and differential impact on such non-implementation retrospectively.*
- ix. *Note No: 13. – Inventories: -In case of devolution of materials to stores, the rate adopted by the SAP, is at current purchase price and not the price at which it was issued.*
- x. *Note No 19 -Non recognition of income on Deposit Contributory Work, which is not ascertainable.*
- xi. *Note No.8 para 1 non reconciliation of Inter Unit accounts to the extent of Rs. 38.24 Crores.*
- xii. *Note No 26 Para 7- Consequent to AP State Re-organisation Act, 2014 operation circles of Kurnool and Ananthapur of erstwhile APCPDCL (TSSPDCL) were transferred as per scheme framed in the said ACT. There are certain variations to the audited financial statements of the said circles as at 1st June 2014 to the merged data and also certain principles for bifurcation of assets and liabilities as stipulated in the said re-organisation Act have not been followed. In the absence of relevant information, we are unable assess the impact on accounts such assets / liabilities transferred to the company under the aforementioned transfer schemes.*
- xiii. *Note No: 26 para 8- Contingent Liabilities reported are, in our opinion, are exclusive of court cases pertaining to power purchases & Undrawn/ under drawn power in case of open access purchases.*
- B. Assets/Liabilities are overstated/understated and loss understated/ overstated to an extent of the following :**

- i. *Note No. 5- Para 1 - Provision for pension, Gratuity, leave encashment and other retirement's benefits made does not comply with requirements of AS-15 "Employee benefits", since the company has made an adhoc provision of Rs.700 Crores against liability determined as per actuarial valuation of Rs.2097.30 Crores resultant understatement of Loss and current liabilities to an extent of Rs.1397.30 Crores.*
- ii. *Note No. 14 para 2.3- Non provision of bad and doubtful debts in consonance with the accounting policy of the Company for the current year to the extent of Rs. 143.57 Crores resultant understatement of Loss and overstatement of Sundry Debtors to that extent.*
- iii. *Note No.13 para 1a Non provision of shortage of physical inventory to the extent of Rs. 6.33 lakhs resultant understatement of loss and overstatement of Inventories to that extent.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion Paragraph above, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2015;
- ii. In the case of the statement of profit and loss, of the **loss** for the year ended on that date; and
- iii. In the case of the Cash Flow statement, of the cash flow for the year ended on the date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the Annexure – A, a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (5) of the Companies Act 2013, we give in the Annexure B, to this report a statement on the directions issued by Comptroller & Auditor General of India, to the extent applicable.
3. As required by Section 143(3) of the Act, we report that:
 - a) Except for the matters described in the Basis for Qualified Opinion Paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

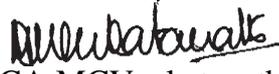
- b) Except for the matters described in the Basis for Qualified Opinion Paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) Except for the matters described in the Basis for Qualified Opinion Paragraph above, in our opinion, the Balance Sheet, the statement of Profit and Loss and Cash flow statement dealt with by this Report comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 more particularly noncompliance of Accounting Standards AS-2, AS-6, AS-9, AS-10, AS-12, AS-15, AS-22 and AS-28.
- e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) Being a Government Company the Company is exempt the provisions of section 164(2) of the Act.
- g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i) Except for the matters described in the Basis for Qualified Opinion Paragraph above, The Company has disclosed pending litigations which would impact its financial position in its Financial Statements as referred in Note no 9 Para 2 and 4 of the Financial Statements.
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund.

Date: 02-11-2015

Place: Tirupati

For Ramraj & Co.,

Chartered Accountants
Firm Reg. No.002839S


(CA MCVenkatanath)
Partner; M.No.210007

Annexure A to the Auditors' Report

(As referred to in Paragraph 1 in Report on other Legal and Regulatory Requirements of our report of even date to the members of **The Southern Power Distribution Company of Andhra Pradesh Limited** on the financial statements for the year ended 31st March, 2015)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. a. The Company has maintained proper records showing full particulars, including quantitative Details and situation of fixed assets **subject to updation except certain unidentified fixed assets transferred from TSSPDCL occasioned by AP State bifurcation (pertaining to Kurnool and Ananthapur circles).***
 - b. We were informed that the fixed assets have **not been physically verified by the management during the year; hence we are unable to comment on the discrepancy, if any between the physical balance and book records.***
- ii. a. The company is following a system of perpetual inventory verification in all locations at reasonable intervals during the year.*
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management **needs to be strengthened** in relation to the size of the Company and the nature of its business **more particularly in identifying, obsolescence, non- moving and slow moving stores.***
 - c. The Company is maintaining proper records of inventory. As explained to us material discrepancies noticed on physical verification of inventory as compared to the book records have been properly dealt with in the books of accounts.*
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Hence, the provisions of Clause iii of the order are not applicable to the Company.*
- iv. The company needs to strengthen internal control procedures to make them commensurate with the size of the Company and the nature of its business, with regard to **SAP implementation including reconciliation of accounts, accounting of capital work orders, recording of transactions, adequate training of personnel and Cash Management and HR Module.***
- v. According to the information & explanation given to us, the Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013. Hence, the provisions of Clause v of the order are not applicable to the Company.*

- vi. The Central Government of India has prescribed the maintenance of Cost records under Section 148(1) of the Act. The Cost records are not produced for verification. Hence, ***the contents of these accounts and records have not been examined by us.***
- vii. (a) Based on our examination of books of accounts and according to the information and explanations given to us in our opinion the company is regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities and there were no arrears of such dues at the yearend which have remained outstanding for a period of more than six months from the date they become payable, ***except service tax on supervisory charges on deposit contributory works, which could not be quantified.***
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no disputed dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess which have not been deposited as at 31.03.2015 other than those indicated below except ₹ 237-12 lakhs for the Ay 2009 - 10

Nature of dues	Unpaid Amount (Rs. In lakhs)	Period to which the amount relates	Forum where pending
Interest on delayed payment of TDS on Transmission charges	212.98	2008-09	ITAT- Hyderabad.
Disallowance of unabsorbed depreciation	2499.35	2008-09	Assessing Officer for implementation of orders of CIT (A) Guntur& Tirupati.
Interest on delayed payment of TDS on Transmission charges	254.29	2009-10	ITAT- Hyderabad.
Disallowance of provisions claimed under section 115JB for calculation of MAT	237.12	2009-10	ITAT- Hyderabad.
TDS on transmission, SLDC charges and lease Rentals	860.38	2010-11	ITAT-Visakhapatnam
Disallowance of ED Expenditure, Amortisation of Capital Contribution	3420.56	2010-11	ITAT- Hyderabad.
Disallowance of Consumer Contribution – treating it as revenue item, Prior period items and Distribution Licence fees	14952.65	2011-12	ITAT-Hyderabad.
Consumer Contributions	7205.26	2012-13	CIT (A) Tirupati
Entry Tax	984.58	2002-03 to 2007-08	Supreme Court of India

- (c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.
- viii. Except for the matters described in the Basis for Qualified Opinion Paragraph above to the extent not quantifiable, the company has accumulated losses of Rs. 8,149.83 after considering the matters quantified in the above referred basis for qualified opinion together with the accumulated losses stated in the Financial Statements of Rs. 6,608.90 Crores as at 31st March 2015 and has incurred

cash losses of Rs. 2,632.63 after considering the matters quantified in the above referred basis for qualified opinion together with the cash losses stated in the Financial Statements of Rs.1,091.70 Crores during the current financial year and no cash loss in the immediately preceding financial year. In the absence of details on merger of Ananthapur & Kurnool operation circles, the accumulated deficit balance of Rs. 978.96 Crs has not been reckoned for determination of accumulated losses and cash losses.

- ix. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institutions or banks or debenture holders except certain loans transferred on merger of Ananthapur & Kurnool operation circles, which are unascertained.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year. Hence, the provisions of Clause X of the order are not applicable to the Company.
- xi. In our opinion, and according to the information and explanations given to us, the company has applied for the purpose for which the term loans borrowed.
- xii. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management. However, there exist an amount of Rs. 0.85 Crores accumulated balances of fraud on account of theft of cash and Rs.14.06 Crores (including the transferred balances of Kurnool and Ananthapur circles on merger) on account of theft of energy, which are yet to be resolved.

Date: 02-11-2015
Place: Tirupati

For Ramraj & Co.,
Chartered Accountants
Firm Reg. No.002839S



(CA MC Venkatanath)
Partner: M.No.210007

Annexure B to the Auditors' Report

(As referred to in Paragraph 2 in Report on other Legal and Regulatory Requirements of our report of even date to the members of **The Southern Power Distribution Company of Andhra Pradesh Limited** on the financial statements for the year ended 31st March, 2015) As required by section 143 (5) of the Companies Act 2013, we give in the Annexure B, to this report a statement on the directions issued by Comptroller & Auditor General of India, to the extent applicable and according to the information and explanations given to us during the course of our audit, we report that :

I. Disinvestments.

The Company has not been selected for disinvestment during the financial year 2014-15.

II. Waiver/ Write off of debts/loans/interest etc.

According to the information and explanation given to us, there are no cases of waiver/write off of debts/loans/interest etc during the year under report.

III. Inventories lying with third parties and assets received as gift from Government or other authorities.

We are informed that there are no cases of inventories lying with third parties as at the end of the year and assets received as gift during the year from either central or any state government or other authorities.

IV. Pending Legal / Arbitration cases:

The Company has 428 pending legal / arbitration cases. The age-wise classification obtained from the management of the above cases is as under:

Age of cases	Cases filed by the Company	Cases filed against the Company	Number of cases
Less than 1 year	15	28	43
More than 1 year and up to 3 years	20	117	137
More than 3 years	41	207	248

These cases are pending for hearing /disposal at the respective forums. We further report that there exists an effective monitoring mechanism for expenditure incurred on all legal cases.

Date: 02-11-2015
Place: Tirupati

For Ramraj & Co.,
Chartered Accountants
Firm Reg. No.002839S

(CA MC Venkatanath)
Partner: M.No.210007

M/s. RAMRAJ & CO., CHARTERED ACCOUNTANTS, TIRUPATI H.O. BANGALORE	SOUTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED
AUDITORS' REPORT	Replies of the Company forming part of the Director's Report to the members under Section 217(3) of the Companies Act, 2013.
<p><i>A. In the absence of relevant information we are unable assess the impact on accounts could not be determined / quantified on the following issues:</i></p>	
<p><i>i. As stated in Note Nos.-- 3.1b, 3.2 and 26-1 to the Financial Statements on loan from REC to an extent of Rs.47.03 Crores (Rs. 79.20 Crores) which is still in the name of APTRANSCO, Balances in 'Loan Funds' pertaining to Govt. of AP and current assets and current liabilities respectively, which are subject to confirmation / reconciliation / adjustments.</i></p>	<p>A letter will be addressed to APTRANSCO for confirmation/ reconciliation/adjustment of loan balances.</p>
<p><i>ii. Note No.6 para c non consideration of interest on loans transferred under merger scheme</i></p>	<p>No interest has been considered/ paid in the accounts against the loans transferred under Merger Scheme on account of AP State bifurcation as per AP Reorganization Act-2014, due to non availability of details. Further the said loans' documentation in the name of APSPDCL is not yet completed as balances of loans are adopted subject to modifications after verification, reconciliation and approval as disclosed under Note-26.</p>
<p><i>iii. Note No: 9-1 Deferred Tax asset / liability has not been recognized in the accounts as required under AS-22 "Accounting for Taxes on Income".</i></p>	<p>This subject will be examined in detail and action will be taken according to AS-22 in the ensuing years.</p>
<p><i>iv. Note No. 10- a).Accumulated depreciation on assets sold/discarded during the year is not written back in accordance with AS-6 "Depreciation Accounting".</i></p>	<p>This subject will be examined in detail and action will be taken according to AS-6 in the ensuing years.</p>
<p><i>b) In the event of replacement of an old asset with a new asset (Except Distribution Transformers), the new asset is capitalized at acquisition cost less the weighted average cost of replaced asset instead of deducting.</i></p>	<p>This subject will be examined in detail and action will be taken according to Standards in the ensuing years.</p>

<p><i>c) The WDV of the replaced asset, which is not in accordance with AS-10 “Accounting for Fixed Assets”.</i></p>	<p>This subject will be examined in detail and action will be taken according to AS-10 in the ensuing years.</p>
<p><i>d) In the absence of uniform practice/system for closure of work orders, capitalization of such works is not as per the requirements of AS-10 and consequential effects on charge of Depreciation and non compliance of AS-6 “Depreciation Accounting”</i></p>	<p>This subject will be examined in detail and action will be taken according to AS-10 and AS-6 in the ensuing years.</p>
<p><i>e) Assets purchased under RGGVY scheme from Government grants is not shown separately as required under AS-12 “Accounting for Government Grants”.</i></p>	<p>This subject will be examined in detail and action will be taken according to AS-12 in the ensuing years.</p>
<p><i>f) As relevant information is not made available with regard to Impairment of Assets , we could not ascertain the status and provision, if any as required as per AS 28</i></p>	<p>This subject will be examined in detail and action will be taken according to AS-28 in the ensuing years.</p>
<p><i>v. Note No 10 Para 3.3. The depreciation is not provided on certain unidentified assets transferred from APCPDCL pertaining to the operation circles merged with the company.</i></p>	<p>In the absence of details of unidentified assets depreciation is not provided. Action will be initiated for verification and identification of the said unidentified assets and appropriate action will be taken in the ensuing years.</p>
<p><i>vi) Note No. 10 Para 4 is invited wherein , Consequent upon amendment to second transfer scheme vide G.O.Ms 142 dt 29.09.2001 and the third transfer scheme vide G.O.Ms.396 dt.09.06.2005, the Company adopted the assets & liabilities and the balances against Power Purchase, loan liabilities, and receivables from Govt. of A.P at values stipulated in the respective government notifications, which are provisional and subject to further adjustment as may be determined by the State Government and audit. In the absence of relevant information, we are unable to express our opinion on the closing balances of such assets / liabilities transferred to the company under the aforementioned transfer schemes.</i></p>	<p>A letter will be addressed to AP Transco and Govt. of AP for appropriate action on the stated subject. On receipt information/orders on the subject necessary entries will be made in the books of account.</p>

<p><i>vii. Note No.10 Para 5 The input controls in the SAP in respect of capturing data and recording of transactions, access control system, disaster data recovery plans and backups needs to be reviewed and duly certified by independent agency as regards to its adequacy.</i></p>	<p>As per the Standard: ISO/IEC27001:2013 Information Security management System, all measures including database backup is implemented. Third parties (Cyber Security, Cyber Q) reviewed and audited as regard to its adequacy and their recommendations have been complied. Business continuity Disaster Recovery plan implementation is under process and it will be completed at an early date as per the audit advice.</p>
<p>viii. PURCHASE OF POWER:</p>	
<p>a).Note No. 7-1 &2 accounting of power purchase bills, debit / credit notes and non confirmation / reconciliation of balances of the power suppliers.</p>	<p>A letter will be addressed to APPCC with regard to plan of action for completion and confirmation/reconciliation of balances of the power suppliers.</p>
<p>b). Note No. 15 Para 1.1 on non confirmation of bank balance in the name of Andhra Pradesh Power Distribution Companies Pool Account and the Company's share thereon.</p>	<p>A letter will be addressed to APPCC to discard pool account operation and to operate Discom bank accounts direct for power purchase transactions to enable bank balances confirmation automatically.</p>
<p>c) Note No: 21 Para 1 constitution of Andhra Pradesh Power Coordination Committee to facilitate purchase and trading of Power on behalf of distributions companies in the State of Andhra Pradesh and legal status of the same could not be ascertained.</p>	<p>A letter will be addressed to AP Transco and Govt. of AP for appropriate action in this regard.</p>
<p>d).Note No. 21 Para 2- accounting of cost of power purchase and Inter State sale as intimated by the APPCC, Hyderabad and certified by the Independent Firm of Chartered Accountants are incorporated in the books of the Company. In the absence of relevant information on quantitative details, swap transactions, metering, claims made by the power suppliers and disputes on power purchase etc., the said cost could not be reviewed by us.</p>	<p>A letter will be addressed to AP Transco and APPCC for appropriate action for furnishing the required information to audit.</p>

<p><i>e). Note No 21 para 3.1 regarding the Transfer of Power Purchase Agreements vide G.O.Ms. No. 396 dt. 09.06.2005, from APTRANSCO to Distribution Companies in specified ratio with effect from 09.06.2005 and subsequent revision of the said ratio vide G.O.Ms. No. 53, Energy (Power –III) dated 28-04-2008 with retrospective effect from 09-06-2005 and implementation of the same from April 2008 onwards and differential impact on non implementation retrospectively.</i></p>	<p>A letter will be addressed to APPCC, AP Transco and Govt. of AP for appropriate action in this regard.</p>
<p><i>ix. Note No: 13. – Inventories: - In case of devolution of materials to stores, the rate adopted by the SAP, is at current purchase price and not the price at which it was issued.</i></p>	<p>The difference between actual issued price and devolution price is being adjusted through price variation general ledger. The net balance of price variation general ledger as at the end of the year is being transferred to asset account and hence no impact on accounts. However the subject will be examined in detail and action will be initiated in future years in accordance with Accounting Standards</p>
<p><i>x. Note No. 19: Non recognition of income on Deposit Contributory Work. Which is not ascertainable</i></p>	<p>The subject will be examined in detail and system will be evolved to recognize income/loss</p>
<p><i>xi. Note No.8 Para 1 non reconciliation of Inter Unit accounts to the extent of Rs. 38.24 Crores.</i></p>	<p>The subject will be examined in detail and system will be evolved for auto reconciliation by the end of each financial year.</p>
<p><i>xii. Note No 26 Para 7- Consequent to AP State Re-organisation Act, 2014 operation circles of Kurnool and Ananthapur of erstwhile APCPDCL (TSSPDCL) were transferred as per scheme framed in the said ACT. There are certain variations to the audited financial statements of the said circles as at 1st June 2014 to the merged data and also certain principles for bifurcation of assets and liabilities as stipulated in the said re-organisation Act have not been followed. In the absence of relevant information, we are unable assess the impact on accounts such assets / liabilities transferred to the company under the aforementioned transfer schemes</i></p>	<p>Consequent to AP Reorganization Act, 2014, the Assets and Liabilities of operation circles of Anantapuram and Kurnool of TSSPDCL (APCPDCL) were required to be merged with APSPDCL. The 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.</p>
<p><i>xiii. Note No: 26 para 8- Contingent Liabilities reported are, in our opinion, are exclusive of court cases pertaining to power purchases & Undrawn/ under drawn power in case of open access purchases.</i></p>	<p>A letter will be addressed to APPCC and action will be initiated to disclose such contingent liabilities if any in future years</p>

<p>B. Assets/Liabilities are overstated/understated and loss understated/overstated to an extent of the following :</p>	
<p><i>i. Note No. 5- Para 1 - Provision for pension, Gratuity, leave encashment and other retirement's benefits made does not comply with requirements of AS-15 "Employee benefits", since the company has made an adhoc provision of Rs.700 Crores against liability determined as per actuarial valuation of Rs.2097.30 Crores resultant understatement of Loss and current liabilities to an extent of Rs.1397.30 Crores.</i></p>	<p>For the year 2014-15, the Company has paid ₹ 189.70 Crores (Previous year ₹ 65.04 Crores) to the Pension and Gratuity Trust. The company also made an adhoc provision of ₹ 700.00 Crores (Previous year ₹ 310.40 Crores) out of Actuarial valuation liabilities on 31.03.2015 of ₹ 2097.30 Crores towards Gratuity and Pension benefits, pending final allotment of erstwhile APCPDCL staff (the staff now transferred to APSPDCL is only based on order to serve basis) and their share towards terminal benefits from Pension and Gratuity trust of erstwhile APCPDCL.</p>
<p><i>ii. Note No. 14 para 2.3- Non provision of bad and doubtful debts in consonance with the accounting policy of the Company for the current year to the extent of Rs. 143.57 Crores resultant understatement of Loss and overstatement of Sundry Debtors to that extent</i></p>	<p>The accounting policy provision will be studied in detail and appropriate action will be taken in future years.</p>
<p><i>iii. Note No.13 para 1a Non provision of shortage of physical inventory to the extent of Rs. 6.33 lakhs resultant understatement of loss and overstatement of Inventories to that extent.</i></p>	<p>The subject will be examined in detail and appropriate action will be taken evolving accounting policy on the subject on provision for shortage of Physical inventory against book balances.</p>
<p>M/s RAMRAJ & CO., Chartered Accountants</p> <p> (MC.Venkatanath / Partner)</p> <p>Place: Tirupati Date: 02-11-2015</p>	<p>For and on behalf of the Board</p> <p> Director (Finance)</p> <p> (Chairman & Managing Director)</p> <p>Place: Tirupati Date: 02-11-2015</p>

M/s. RAMRAJ & CO., CHARTERED ACCOUNTANTS, BANGALORE	SOUTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED
AUDITORS' REPORT-Annexure - A	Replaies of the company forming part of the Director's reports to the members under section 217(3) of the companies Act 2013.
<i>i. a. The Company has maintained proper records showing full particulars, including quantitative Details and situation of fixed assets subject to updation except certain unidentified fixed assets transferred from TSSPDCL occasioned by AP State bifurcation (pertaining to Kurnool and Ananthapur circles).</i>	Un-identified Fixed assets from TSSPDCL occasioned by AP Reorganisation Act,2014 will be reconciled in future years.
<i>b. We were informed that the fixed assets have not been physically verified by the management during the year; hence we are unable to comment on the discrepancy, if any between the physical balance and book records.</i>	Physical Assets verification reports will be developed for each class of assets and verification will be undertaken as per periodic standards in future years.
<i>ii.b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management needs to be strengthened in relation to the size of the Company and the nature of its business more particularly in identifying, obsolescence, non-moving and slow moving stores.</i>	Action will be initiated to strengthen the physical verification for identification of obsolescence, non- moving and slow moving stores.
<i>iv).The company needs to strengthen internal control procedures to make them commensurate with the size of the Company and the nature of its business, with regard to SAP implementation including reconciliation of accounts, accounting of capital work orders, recording of transactions, adequate training of personnel and Cash Management and HR Module</i>	The best practices and controls available in SAP standard ERP are ensured. The principal Finance and logistics modules are functioning effectively.SAP core team members are attending training centers at Kadapa, Nellore and Vijayawada as per the schedule to train the end users. Audit recommendations will be examined for further effective usage of SAP for company's business requirements.
<i>vi) The Central Government of India has prescribed the maintenance of Cost records under Section 148(1) of the Act. The Cost records are not produced for verification. Hence, the contents of these accounts and records have not been examined by us.</i>	Cost Accounting records are compiled after closure of financial accounts each financial year and e-filing of FORM-I XBRL is done through Cost Auditors of the Company. A study will be conducted for compilation of cost records simultaneously in SAP in future years.

ix According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institutions or banks or debenture holders except certain loans transferred on merger of Ananthapur & Kurnool operation circles, which are unascertained.

Under Merger Scheme on account of AP State bifurcation as per AP Reorganization Act-2014, Loan balances are transferred from TSSPDCL (APCPDCL). Due to non availability of details, the balances of loans are adopted subject to modifications after verification, reconciliation and approval as disclosed under Note-26. Further, the said loans' documentation in the name of APSPDCL is not yet completed

M/s RAMRAJ & CO.,
Chartered Accountants



(MC.Venkatanath / Partner)
Place: Tirupati
Date: 02-11-2015

For and on behalf of the Board



Director (Finance)



(Chairman & Managing Director)

Place: Tirupati
Date: 02-11-2015

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SOUTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED, TIRUPATI FOR THE YEAR ENDED 31 MARCH 2015

The preparation of financial statements of Southern Power Distribution Company of Andhra Pradesh Limited, Tirupati for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 2 November 2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of Southern Power Distribution Company of Andhra Pradesh Limited, Tirupati for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6) (b) of the Act which have come to my attention and which in my view are necessary for enabling better understanding of the financial statements and the related audit report:

A. Comments on Profitability:

Balance Sheet

Assets

Non-current Assets

Fixed assets (Note No.10)

Capital Work in Progress - ` 1803.15 crore

1. The above is overstated by ` 3.06 crore due to wrong accounting of interest earned on mobilisation advances given to contractors for capital works. The Company is capitalising the interest expenditure during the construction period (IDC). As such, the interest received on mobilisation advances, needs to be credited to the works expenditure. Instead, the Company is crediting the amount of interest realised on mobilisation advances to 'other income'. This has resulted in overstatement of 'Other Income' and Capital Work in Progress. Consequently, the 'Loss before Tax' is understated by ` 3.06 crore.

Equity and Liabilities

Current Liabilities

Short Term Borrowings (Note No.6)

Security and Other Deposits – ` 187.23 crore

2. The above includes ` 3.94 crore being the deposits collected from consumers towards burnt meters. As all the burnt meters are replaced by 31 March 2015 duly booking the expenditure (cost of meters) under other expenses, these deposits should be adjusted against the expenditure of the Company. The impact cannot be stated due to non-reconciliation of records by the company.

B. Comments on Financial Position:

Current Assets

Other current assets (Note No. 17)

Receivables from GOAP – ` 1657.80 crore

3. The above includes ` 2.12 crore being the interest on Indiramma REC Loan receivable from Government of Andhra Pradesh for the months of April 2014 and May 2014. Though the amount was received subsequently (March 2015), it was booked in the Pool Imbalance Account under Other Current Liabilities instead of adjusting against the Receivables from GOAP. Incorrect accountal has resulted in overstatement of 'Other Current Liabilities' and 'Other Current Assets – GOAP' by ` 2.12 crore.

C. Comments on Disclosure:

4. The Company has not accounted for the demand towards transmission and State Load Dispatch Centre (SLDC) charges payable to APTRANSCO for the period up to 01-06-2014 to an extent of ` 18.34 crore disputing the charges on excess power drawn over the quantity allowed by the APERC. The fact should have been disclosed in the Notes to Accounts.

For and on the behalf of
the comptroller and auditor General of India

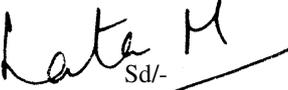


(LATA MALLIKARJUNA)
Account General (E&RSA)

Place

A. Comments on Profitability :

Para 1	Balance Sheet Assets Non Current Assets Fixed assets (Note No.10) Capital Work in Progress - ₹.1803.15 crore	<p>The above is overstated by ₹. 3.06 crore due to wrong accounting of interest earned on mobilisation advances given to contractors for capital works. The Company is capitalising the interest expenditure during construction period (IDC). As such, the interest received on these mobilisation advances needs to be credited to the works expenditure. Instead, the Company is crediting the amount of interest realised on mobilisation advances to other income. This has resulted in overstatement of 'Other Income' and Capital Work in progress. Consequently, the 'Loss before Tax' is under stated by ₹. 3.06 crore.</p> <p>The Company has been consistently accounting the interest on mobilization advances given to various contractors as income. The Company has been capitalizing the interest on borrowings as per AS 16. The mobilization advances are also given by the company pending receipt of loans from the Financial Institutions and not precisely identifiable to such advances made out of project funds. Further, as per AS 16, income from investments on short term funds of project also set-off against the interest capitalized. The mobilization advances is not in the nature of investments but given in terms of contractual obligation. The para-2 on the Annual Report for FY-2013-14 is also on the same subject matter i.e., repetition from FY-2013-14. A study will be made on the audit observations to formulate a policy on accounting interest on mobilisation advance in future years.</p>
Para 2	Equity and Liabilities Current Liabilities Short Term Borrowings (Note No.6) Security and Other Deposits – ₹.187.23 crore	<p>The above includes ₹.3.94 crore being the deposits collected from consumers towards burnt meters. As all the burnt meters are replaced by 31 March 2015 duly booking the expenditure (cost of meters) under other expenses, these deposits should be adjusted against the expenditure of the Company. The impact cannot be stated due to non-reconciliation of records by the company.</p> <p>It is to inform that, the Burnt Meter Deposits are meant to cover the expenditure towards replacement of burnt meters located in the premises of consumers. Since, this nature transactions persists in ongoing business entity, there is no overstatement of loss as stated. The balance under this head is due to not closure of burnt meter work orders and adjustment of deposits against the said work orders. However the item wise details of balances will be reviewed and appropriate action will be taken for reconciliation with reference to work orders; excess balance if any will be considered as income as per the audit observation duly formulating revision in our accounting policy on subject in the ensuing periods.</p>

<p>Para 3</p>	<p>B. Comments on Financial Position : Current Assets Other current assets (Note No. 17) From GOAP – ₹.1657.80 crore</p>	
	<p>The above includes ₹.2.12 crore being the interest on Indiramma REC Loan receivable from Government of Andhra Pradesh for the months of April 2014 and May 2014. Though the amount was received subsequently (March 2015) , it was booked in the Pool Imbalance Account under Other Current Liabilities instead of adjusting against the Receivables from GOAP. Incorrect accountal has resulted in overstatement of 'Other Current Liabilities' and 'Other Current Assets – GOAP' by ₹.2.12 crore.</p>	<p>The audit observation is true that due to receipts from GOAP towards interest on Indiramma REC Loan for April 2014 and May 2014 is accounted for under centralized receipt at APPCC, there exist overstatement of 'Other Current Liabilities' and 'Other Current Assets' by ₹.2.46 crore. The rectification is done in FY-2015-16 duly passing JE vide SAP doc. 100519056 to reduce the balances of respective group accounting heads to show exact balances.</p>
	<p>C. Comments on Disclosure</p>	
<p>Para 4</p>	<p>The Company has not accounted for the demand towards transmission and State Load Dispatch Centre (SLDC) charges payable to APTRANSCO for the period up to 01-06-2014 to an extent of ₹.18.34 crore disputing the charges on excess power drawn over the quantity allowed by the APERC. The fact should have been disclosed in the Notes to Accounts.</p>	<p>The APDISCOMS/ APPCC are paying Transmission Charges and SLDC Charges for the Transmission Capacity approved by the Hon'ble APERC in its orders of Multy Year Tariff (MYT) for the FY 2009-10 to 2013-14 on 20th March'2009. Therefore, APDISCOMS/APPCC had considered and paid for the capacity approved by the commission. As and when the commission takes up the review of transmission tariff, the gains or losses get trued up. As such, the payment made by the DISCOMS is sufficient to cover entire claim. Further, AP Transco claimed additional Transmission and SLDC charges without the station wise consent/approval of Hon'ble APERC. Due to non-availability of the break-up for the station wise Transmission and SLDC charges, APPCC/AP DISCOMS have not considered the same in the books of accounts.</p>
	<p>For and on the behalf of the Comptroller and Auditor General Of India.</p> <p style="text-align: center;"> Sd/-</p> <p>Place: Hyderabad Date:23.12.2015</p> <p style="text-align: center;">(LATA MALLIKARJUNA) Accountant General(F.&RSA)</p>	<p>For and on behalf of the APSPDCL Board</p> <p style="text-align: center;"> </p> <p>Director (Finance) Chairman & Managing Director Place: Tirupati Date: 28-12-2015</p>

BALANCE SHEET AS AT 31ST MARCH, 2015

Amount in Rs.

Particulars	Note No	Figures as at the end of current reporting period 2014-15	Figures as at the end of previous reporting period 2013-14
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	3587153090.00	3587153090.00
(c) Reserves and Surplus	2	-60768292740.00	-35856208907.00
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	89334084490.00	60834937819.00
(b) Other Long term liabilities	4	13658496281.00	11180651780.00
(c) Long term provisions	5	12867025440.00	6492527403.00
(3) Current Liabilities			
(a) Short-term borrowings	6	9350108221.00	6121055950.00
(b) Trade payables	7	40321221584.00	22318287369.00
(c) Other current liabilities(including current maturities of Long term debt)	8	9098935631.00	4447156489.00
(d) Short-term provisions	9	1831046713.00	903112552.00
Total		119279778710.00	80028673545.00
II. Assets			
(1) Non-current assets			
(a) Fixed assets(Net)			
(i) Tangible assets	10	47121023692.00	32012541596.00
(ii) Intangible assets	10	812830.00	1024998.00
(iii) Capital work-in-progress	10	18031493908.00	13760768316.00
(b) Non-current investments	11	2867285834.00	2060905000.00
(c) Long term loans and advances	12	8425362338.00	1622194434.00
(2) Current assets			
(a) Inventories	13	1845296044.00	1589362628.00
(b) Trade receivables	14	27325558557.00	22185839983.00
(c) Cash and cash equivalents	15	4916701498.00	4104704409.00
(d) Short-term loans and advances	16	917506090.00	195877822.00
(e) Other current assets	17	7828737919.00	2495454359.00
Total		119279778710.00	80028673545.00
Other Notes	26		
Statement of Accounting Policies	27		

As per our report of even date
For M/s Ramraj & Co.
Chartered Accountants.
Firm No.0028395

For and on behalf of the Board



CA. M. C. VENKATANATH
Partner
Membership No. 210007
Date : 02-11-2015
Place : Tirupati



H. Y. DORA
Chairman & Managing Director



A. VENU GOPAL
Chief General Manager/E&C



SYED BILAL BASHA
Director (Finance)



B. V. S. PRAKASH
Company Secretary

మార్చి, 31, 2015 నాటి ఆస్తి అప్పుల పట్టి

మొత్తం రూ||లు

వివరములు	సూచీ సంఖ్య	వర్తమాన సం పు మొత్తాలు	గత సం పు మొత్తాలు
		2014-15	2013-14
		₹	₹
I. ఈక్విటీ మరియు అప్పులు			
(1) వాటాదారుల నిధి			
(ఎ) వాటా మూలధనము	1	3587153090	3587153090
(బి) నిధి (రిజర్వు) మరియు మిగుళ్ళు	2	-60768292740	-35856208907
(2) ప్రస్తుతేతర అప్పులు			
(ఎ) దీర్ఘకాలిక అప్పులు	3	89334084490	60834937819
(బి) ఇతర దీర్ఘకాలిక అప్పులు	4	13658496281	11180651780
(సి) దీర్ఘకాలిక కేటాయింపులు	5	12867025440	6492527403
(3) ప్రస్తుత అప్పులు			
(ఎ) స్వల్పకాలిక ఋణాలు	6	9350108221	6121055950
(బి) వ్యాపార చెల్లింపులు	7	40321221584	22318287369
(సి) ఇతర ప్రస్తుత అప్పులు (దీర్ఘకాలిక ప్రస్తుత చెల్లింపులతో కూడి)	8	9098935631	4447156489
(డి) స్వల్పకాలిక కేటాయింపులు	9	1831046713	903112552
మొత్తం		119279778710	80028673545
II. ఆస్తులు			
(1) ప్రస్తుతేతర ఆస్తులు			
(ఎ) స్థిరాస్తులు (నికరం)			
(i) కనిపించే ఆస్తులు	10	47121023692	32012541596
(ii) కనిపించని ఆస్తులు	10	812830	1024998
(iii) కొనసాగుతున్న పనులపై పెట్టుబడులు (వ్యయము)	10	18031493908	13760768316
(బి) ప్రస్తుతేతర పెట్టుబడులు	11	2867285834	2060905000
(సి) దీర్ఘకాలిక అప్పులు మరియు బయానాలు (అడ్వాన్సులు)	12	8425362338	1622194434
(2) ప్రస్తుతాస్తులు (చరాస్తులు)			
(ఎ) ముడి సరుకు మరియు విడిభాగాలు	13	1845296044	1589362628
(బి) వ్యాపార (విద్యుచ్ఛక్తి అమ్మకాలు) ఋణగ్రస్తులు	14	27325558557	22185839983
(సి) నగదు మరియు నగదుతో సమానమైనవి	15	4916701498	4104704409
(డి) స్వల్పకాలిక అప్పులు మరియు బయానాలు (అడ్వాన్సులు)	16	917506090	195877822
(ఇ) ఇతర ప్రస్తుత ఆస్తులు	17	7828737919	2495454359
మొత్తము		119279778710	80028673545
ఇతర సూచనలు	26		
వ్యాపారగణక(అకౌంటింగ్) విధి విధానాలు	27		

యాస్ పర్ అవర్ రిపోర్ట్ ఆఫ్ ఈవెన్ డేట్

ఫర్ అండ్ ఆన్ బిహాఫ్ ఆఫ్ ది బోర్డ్

ఫర్ M/s రామ్ రాజ్ & కొ

చార్టర్డ్ అకౌంటెంట్

ఫస్ట్ నెం. 002839 S

Murubakula

సి.ఎ. ఎం.సి. వెంకటనాథ్

పార్ట్నర్

మెంబర్షిప్ నెం. 210007

తేదీ: -02.11.2015

స్థలము : తిరుపతి

[Signature]
హెచ్.వై.దొర
వైర్లెస్ & మేనేజింగ్ డైరెక్టర్ / సి.ఇ.ఓ.

[Signature]
సయ్యద్ బిలాల్ బాష
డైరెక్టర్ (ఫైనాన్స్) / సి.ఎఫ్.ఓ.

[Signature]
ఎ. వేణుగోపాల్
చీఫ్ జనరల్ మేనేజర్ / ఇ & సి

[Signature]
బి.వి.ఎస్. ప్రకాష్
కంపెనీ సెక్రటరీ

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Amount in Rs.

Particulars	Note No	Figures as at the end of	Figures as at the end of
		current reporting period 2014-15	previous reporting period 2013-14
		₹	₹
I. Revenue from operations	18	109238807045	73274489828
II. Other Income	19	14378078020	3650897958
III. Revenue Subsidies and Grants	20	22497436631	18679400000
Total Revenue (I + II + III) - (A)		146114321696	95604787786
<u>Expenses:</u>			
IV. Cost of Power Purchase	21	129950980136	80536263561
V. Employee benefit expense	22	18131697716	8541103696
VI. Financial costs	23	6024266964	4228373933
VII. Depreciation and amortization expense	24	5864026552	4396093449
VIII. Other expenses	25	2890402514	1911332093
Total Expenses (IV + V + VI + VII + VIII - (B))		162861373882	99613166732
IX. Profit before exceptional and extraordinary items and tax (A - B)		(16747052187)	(4008378946)
X. Exceptional Items		0	0
XI. Profit before extraordinary items and tax (IX - X)		(16747052187)	(4008378946)
XII. Extraordinary Items		0	0
XIII. Profit before tax (XI - XII)		(16747052187)	(4008378946)
XIV. Provision for Taxation		0	0
XV. Profit(Loss) from the period from continuing operations(XIII-XIV)		(16747052187)	(4008378946)
XVI Less: Transfer to Contingency Reserve		(27693699)	(22774375)
XVII. Profit/(Loss) for the period (XV - XVI)		(16774745886)	(4031153321)
XVIII. Earning per equity share:			
(1) Basic		(46.76)	(11.24)
(2) Diluted		(46.76)	(11.24)
Other Notes	26		
Statement of Accounting Policies	27		

As per our report of even date

For M/s Ramraj & Co.

Chartered Accountants.

Firm No.0028395

For and on behalf of the Board



H.Y.DORA

Chairman & Managing Director



 SYED BILAL BASHA
Director (Finance)



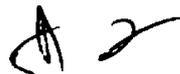
CA.M.C.VENKATANATH

Partner

Membership No.210007

Date:-02.11.2015

Place : Tirupati



A.VENU GOPAL

Chief General Manager/E&C



B.V.S.PRAKASH

Company Secretary

మార్చి 31, 2015 న అంతమయ్యే సంవత్సరానికి లాభము మరియు నష్టాల నివేదిక

మొత్తం రూపాలలో

వివరములు	సూచీ సంఖ్య	వర్తమాన సం॥పు మొత్తాలు 2014-15	గత సం॥పు మొత్తాలు 2013-14
		₹	₹
I. వ్యాపార వ్యవహారాల ద్వారా ఆదాయము	18	109238807045	73274489828
II. ఇతర ఆదాయం	19	14378078020	3650897958
III. రాయితీలు మరియు గ్రాంట్లు	20	22497436631	18679400000
ఆదాయము మొత్తం (I + II + III) - (A)		146114321696	95604787786
వ్యయాలు			
IV. విద్యుత్ కొనుగోళ్ళు	21	129950980137	80536263561
V. ఉద్యోగుల జీత భత్యాలు	22	18131697716	8541103696
VI. ఆర్థిక వ్యయాలు	23	6024266964	4228373933
VII. తరుగుదల మరియు విమోచన (Amortization)	24	5864026552	4396093449
VIII. ఇతర వ్యయాలు	25	2890402514	1911332093
మొత్తం వ్యయాలు (IV + V + VI + VII + VIII) - (B)		162861373883	99613166732
IX. మినహాయింపులు మరియు అసాధారణ పద్ధతులకు ముందు లాభము (A)		(16747052187)	(4008378946)
X. మినహాయింపులు		0	0
XI. అసాధారణ పద్ధతుల మరియు పన్నుకు ముందు లాభము (IX - X)		(16747052187)	(4008378946)
XII. అసాధారణ పద్ధతులు		0	0
XIII. పన్నుకు ముందు లాభము (XI - XII)		(16747052187)	(4008378946)
XIV. పన్నుల కేటాయింపు		0	0
XV. వ్యాపార నిర్వహణ ద్వారా లాభము / నష్టము (XIII - XIV)		(16747052187)	(4008378946)
XVI తీ. అగంతుక నిధికి తరలింపు		(27693699)	(22774375)
XVII. లాభము / నష్టము (XV - XVI)		(16774745886)	(4031153321)
XVIII. ఈక్విటీ వాటా ఒక్కొక్కటికి ఆర్డర్లను			
(1) వాటా ముద్రిత మూల్యం (జేసిక్)		(46.76)	(11.24)
(2) తగ్గించిన (డ్రెస్ట్రాబెడ్)		(46.76)	(11.24)
ఇతర సూచనలు	26		
వ్యాపార గణక (అకౌంటింగ్) విధి విధానాలు	27		

యాస్ పర్ అవర్ రిపోర్ట్ ఆఫ్ ఈవెన్ డేట్

ఫర్ అండ్ ఆన్ బిహాఫ్ ఆఫ్ ది బోర్డ్

ఫర్ M/s రామరాజ్ & కో

చార్టర్డ్ అకౌంటెంట్స్

ఫర్మ్ నెం. 002839 S



సి.ఎ. ఎం.సి. వెంకటనాథ్

పార్ట్నర్

మెంబర్షిప్ నెం. 210007

తేది: -02.11.2015

స్థలము : తిరుపతి


పెచ్.వై. దొర
చైర్మన్ & మేనేజింగ్ డైరెక్టర్ / సి.ఇ.ఓ.


ఎ. వేణుగోపాల్
చీఫ్ జనరల్ మేనేజర్ / ఇ & సి


సయ్యద్ బిలాల్ బాష
డైరెక్టర్ (ఫైనాన్స్) / సి.ఎఫ్.ఓ.


బి.వి.ఎస్. ప్రకాష్
కంపెనీ సెక్రటరీ

CASH FLOW STATEMENT

Amount in Rs.

Particulars	Year ending 31-03-2015		Year ending 31-03-2014	
	₹	₹	₹	₹
A Cash flow from operating activities				
Net profit before taxation		(16774745886)		(4031153321)
Adjustments for items in Profit & Loss Account				
Amortization of Capital Contributions	(2018196702)		(1522045766)	
Depreciation & Amortisation	5864026552		4392123888	
Interest Income	(91189349)		(88616943)	
Interest Expense	6115456313	9870096814	4050488530	6831949709
Operating Profit before working capital changes		(6904649071)		2800796388
Adjustments for changes in Current Assets other than Cash and Cash Equivalents				
Income accrued but not due	352856525		7740176908	
Inventories	(255933416)		(220488495)	
Sundry Debtors	(5492575099)		(894563494)	
Receivables	(5333283560)		(1736660979)	
Loans and Advances	(721628268)		444529229	
Adjustments for changes in Current Liabilities & provisions				
Current Liabilities	26035669538		(5825786341)	
Provisions	7302432198	21887537918	2559369276	2066576105
Cash generated from Operations		14982888847		4867372492
Less: Provision for Income Tax/Fringe Benefit Tax		0		0
Net cash flow from operating activities		14982888847		4867372492
B Cash flows from investing activities				
Purchase of fixed assets /CWIP	(25243022072)		(11322891327)	
Interest on Investments	91189349		88616943	
Interest on contingency reserve investments	27681366		22774375	
(Increase)/Decrease in Investments	(7609548738)		(334600000)	
Net cash flow from investing activities	(32733700095)	(32733700095)	(11546100008)	(11546100008)
C Cash Flows from Financing Activities				
APCPDCL reserves (Losses)	(12803612035)			
Proceeds from borrowings	54735917947		64571384220	
Increase in security and other deposits	3229052271		258162895	
Additions to Deferred Capital Contributions	6656789424		2710964188	
Repayment of borrowings	(27139882956)		(55952535403)	
Interest on Borrowings	(6115456313)		(4050488530)	
Net Cash flow from Financing Activities	18562808337	18562808337	7537487370	7537487370
D Net Increase/Decrease in cash and cash equivalents		811997089		858759854
E Cash and Cash Equivalents				
At the beginning of the period		4104704409		3245944554
At the end of the period		4916701498		4104704409
F Net Increase/Decrease in cash and cash equivalents		811997089		858759854

As per our report of even date

For M/s Ramraj & Co.

Chartered Accountants.

Firm No.002839S



CA.M.C.VENKATANATH

Partner

Membership No.210007

Date:-02.11.2015

Place : Tirupati

For and on behalf of the Board



H.Y.DORA

Chairman & Managing Director/CEO



A. VENU GOPAL

Chief General Manager/E&C



SYED BILAL BASHA

Director (Finance)/CFO



Company Secretary

నగదు సముచారణ బియోగ పద్ధతుల నివేదిక

మొత్తం రూపాయిలు

వివరములు	వర్తమాన సం॥ము అంతానికి 31-03-2015		గత సం॥ము అంతానికి 31-03-2014	
	₹	₹	₹	₹
ఎ వ్యాపార లాడేబిల్ ద్వారా నగదు పన్నుకు ముందు నికరలాభము		(16774745886)		(4031153321)
లాభసవ్వల ఖాతాలో సర్దుబాట్లు				
మూలధనం పెట్టుబడి విమోచనకు తరలింపులు	(2018196702)		(1522045766)	
తరుగుదల మరియు విమోచన వ్యయాలు	5864026552		4392123888	
వడ్డీ ఆదాయము	(91189349)		(88616943)	
వడ్డీ వ్యయము	6115456313	9870096814	4050488530	6831949709
ప్రస్తుతాస్తులు (చరాస్తుల) మార్పులకు ముందు వ్యాపార లాభము		(6904649071)		2800796388
నగదు మరియు నగదుకు సమాన ఆస్తుల మినహా ప్రస్తుతాస్తుల మార్పుల సర్దుబాట్లు				
రావలసిన ఆదాయం, ముందుగా చెల్లించిన వ్యయాలు	352856525		7740176908	
సరుకు	(255933416)		(220488495)	
వ్యాపార ఋణగ్రస్తులు	(5492575099)		(894563494)	
రావలసిన ఆదాయాలు	(5333283560)		(1736660979)	
అప్పులు మరియు బయోనాలు (అడ్వాన్సులు)	(721628268)		444529229	
ప్రస్తుత అప్పులు మరియు కేటాయింపుల సర్దుబాట్లు				
ప్రస్తుత అప్పులు	26035669538		(5825786341)	
కేటాయింపులు / ఏర్పాట్లు	7302432198	21887537918	2559369276	2066576105
వ్యాపార నిర్వహణ ద్వారా నగదు		14982888847		4867372492
తీ.ఆదాయపు పన్ను ఏర్పాటు		0		0
వ్యాపార నిర్వహణ ద్వారా నికర నగదు		14982888847		4867372492
బి పెట్టుబడుల ద్వారా నగదు				
స్థిరాస్తి కొనుగోళ్ళు/ కొనసాగుతున్న పనులపై వ్యయం	(25243022072)		(11322891327)	
పెట్టుబడుల మీద వడ్డీ	91189349		88616943	
ఆగంతుక రిజర్వు పెట్టుబడులపై వడ్డీ	27681366		22774375	
పెట్టుబడులలో పెరుగుదల / తగ్గుదల	(7609548738)		(334600000)	
పెట్టుబడుల ద్వారా నికర నగదు	(32733700095)	(32733700095)	(11546100008)	(11546100008)
సి ఆర్థిక వ్యవహారాల ద్వారా నగదు				
ఎ.పి.సి.పి.డి.సి.ఎల్. రిజర్వులు (సవ్వలు)	(12803612035)			
ఋణాల ద్వారా నగదు	54735917947		64571384220	
ద్రవ్యపరపతి పత్రాలు (సెక్యూరిటీలు) మరియు ఇతర డిపాజిట్లు పెరుగుదల	3229052271		258162895	
విలంబిత మూలధనం చేర్పులు	6656789424		2710964188	
ఋణాల చెల్లింపులు	(27139882956)		(55952535403)	
ఋణాల మీద వడ్డీ	(6115456313)		(4050488530)	
ఆర్థిక వ్యవహారాల ద్వారా నికర నగదు	18562808337	18562808337	7537487370	7537487370
డి నగదు మరియు నగదుకు సమానాస్తుల పెరుగుదల / తరుగుదల		811997089		858759854
ఇ నగదు మరియు నగదుకు సమానమైన ఆస్తులు				
ప్రారంభ నిల్వ		4104704409		3245944554
ముగింపు నిల్వ		4916701498		4104704409
ఎఫ్ నగదు మరియు నగదుకు సమానాస్తుల పెరుగుదల / తరుగుదల		811997089		858759854

యాస్ పర్ అవర్ రిపోర్ట్ ఆఫ్ ఈవెన్ డేట్
 ఫర్ M/s రామరాజ్ & కో
 ఛార్జెడ్ అకౌంటెంట్
 ఫ్యా నెం. 002839 S
 సి.ఎ. ఎం.సి. వెంకటనాథ్
 పార్ట్నర్
 మెంబర్షిప్ నెం. 210007
 తేది:-02.11.2015
 స్థలము : తిరుపతి

ఫర్ అండ్ ఆన్ బిహాఫ్ ఆఫ్ ది బోర్డ్
 హెచ్.వై. దొర
 చైర్మన్ & మేనేజింగ్ డైరెక్టర్ / సి.ఇ.ఓ.
 ఎ. వేణుగోపాల్
 చీఫ్ జనరల్ మేనేజర్ / ఇ. & సి

సయ్యద్ బిలాల్ బాష
 డైరెక్టర్ (ఫైనాన్స్) / సి.ఎఫ్.ఓ.
 బి.వి.ఎస్. ప్రకాష్
 కంపెనీ సెక్రటరీ

Note No. 1 - Share Capital

Amount in Rs.

<u>Share Capital</u>	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
	₹	₹	₹	₹
<u>Authorised Share Capital</u>				
Equity Shares of ` Rs.10 each(Rupees Ten Only)	360000000	3600000000	360000000	3600000000
<u>Issued Subscribed & Paid up Share Capital</u>				
Equity Shares of ` Rs.10 each(Rupees Ten Only)	358715309	3587153090	358715309	3587153090
Total	358715309	3587153090	358715309	3587153090

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013
(if more than 5%)

1A. Reconciliation of Shares Outstanding at the beginning and at the end of the year

	Particulars	As at 31 March 2015		As at 31 March 2014	
		Number	₹	Number	₹
A	<u>Equity Shares of Rs.10 each</u>				
	Opening Balance	358715309	3587153090	358715309	3587153090
	Additions	-	-	-	-
	Bought Back	-	-	-	-
	Closing Balance	358715309	3587153090	358715309	3587153090

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

Name of the Share holder	As at 31 March 2015		As at 31 March 2014	
Particulars	No. of shares held	% of Holding	No. of shares held	% of Holding
Equity Shares				
Govt of AP (vide GO. Ms. No.58 Dt.:09.05.2005)	358715309	100%	358715309	100%
Total	358715309	100%	358715309	100%

1C. Terms/rights attached to Equity Shares

Disclosure pursuant to Note No. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013 (if more than 5%)

The Company has only one class of equity shares having at par value of Rs.10 per share. Entire equity shares are held by the Government of Andhra Pradesh.

In the event of liquidation of the company, the share 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.

Note No. 2 Reserves & Surplus

Amount in Rs.

<u>Reserves & Surplus</u>	As at 31 March 2015	As at 31 March 2014
	\$	\$
2.1 Contingency Reserve		
Opening Balance	267738892	244964517
(+) Current Year Transfer(net)	27681366	22774375
(+) Contingency reserve- (on merger)	64466972	0
Closing Balance - A	359887230	267738892
2.2 Deferred capital Contributions		
Opening Balance	13190296832	12001378410
(+) Current Year Transfer	3642834531	2710964188
(-) Written Back in Current Year	(2018196702)	(1522045766)
(+) Contributions (on merger)	2949487921	0
Closing Balance - B	17764422582	13190296832
2.3 Surplus		
Opening balance	(49314244631)	(45283041430)
(+) Net Profit/(Net Loss) for the current year	(16747052187)	(4008378946)
(-) Transfer to Contingency Reserve	(27693699)	(22824255)
Closing Balance - C	(66088990516)	(49314244631)
2.4 Resrves & Surplus-(on merger) - D	(12803612035)	0
Total (A + B + C+D)	(60768292740)	(35856208907)

1. Statutory Reserves:

Additions to Contingency Reserve is made to the extent of interest during the year.

2. Deferred capital contributions (Note No. 2.2) represent unamortized balance of consumer contributions and RGGVY subsidies received on capital account. Consumer Contributed Assets: During the year 2014-15 the company has received towards consumer contribution (including subsidies and Grants towards Cost of Capital Assets) amounting to ₹364.28 Crores (Previous year 2013-14 is ₹271.09 Crores). In proportion in which depreciation on the concerned assets has been charged during the year 2014-15, an amount of ₹201.82 Crores (Previous year 2013-14 is ₹152.20 crores) has been treated as withdrawal/amortization of consumer contribution and credited to Profit and Loss Account.

3. Reserve & Surplus (on merger) represent an amount of ₹9789657143 being net deficit of assets & liabilities and after regrouping consumer contribution of ₹ 2949487921 and contingency reserve of ₹ 644669742. Also refer to Note No:26 para 7.3 & 7.4

4. Indira Jala Prabha:

Cost booked upto this year under this programme is ₹ 33.98 crores. Out of which ₹ 23.21 crores is capitalized and asset under construction is ₹ 10.77 crores.

5. Energisation of SC & ST habitations :

Cost booked up to this year under this programme is ₹ 6.87 crores. Out of which ₹ 0.99 crores is capitalized and Assets under construction is ₹ 5.87 crores.

Note No. 3 Long Term Borrowings

Amount in Rs.

<u>Long Term Borrowings</u>	As at 31 March 2015	As at 31 March 2014
	₹	₹
3.1 Secured		
(a) Term Loans from Banks : SYNDICATE BANK	6412569	0
(b) Term Loans from Other Parties :		
REC	27471280213	21994046574
PFC	16107569653	1198084151
Term Loans from Banks(FRP)	15080000000	15080000000
Sub-Total A	58665262435	38272130725
3.2 Unsecured		
(a) Term Loans from Banks : Loan from Bank of Baroda	722004763	0
(b) Term Loans from Other Parties:		
Loans from Govt of Andhra Pradesh	109555016	160007094
Vidyut Bonds	0	0
Bonds issued to Banks against STLs and Vendors(FRP)	13402800000	22402800000
Sub-Total B	14234359779	22562807094
(c) Long Term Borrowings- (on merger) C	16433311592	0
d) loan clearing account	1150684	
Total A + B+C	89334084490	60834937819

Break up for Long Term Borrowings

Long Term Borrowings	As at 31 March 2015	As at 31 March 2014
	₹	₹
SYNDICATE BANK	6412569	31015444
REC	30055503509	25104292103
PFC	16230579757	1310717080
Term Loans from Banks(FRP)	15080000000	15080000000
Loan from Bank of Baroda	722004763	43348179
Loans from Govt of Andhra Pradesh	170119016	220574094
Vidyut Bonds	0	313100000
Bonds issued to Banks for STLs(FRP)	13402800000	22402800000
Total Long Term Borrowings	75667419613	64505846900

1. All the Loans from Power Finance Corporation (PFC) / Rural Electrification Corporation (REC) are guaranteed to the extent of 30% by the Government of Andhra Pradesh, and are secured by charge on company's Fixed Assets commissioned out of the loan funds of above funding agencies. The assets worth ₹8848.20 Crores (Previous year ₹7275.46 Crores) up to 31.03.15 have been mortgaged including for the loans obtained from the banks.

2. R-APDRP:

Restructured Accelerated Power Development & Reforms Programme -(R-APDRP) : The quadripartite agreement entered with Govt. of AP, MOP, PFC & APSPDCL. R-APDRP during XI plan is financed by GOI through M/s PFC Ltd (Nodal agency). The Focus of the programme shall be on actual, demonstrable performance in terms of sustained loss reduction. It is proposed to cover Urban areas – Towns and Cities with population more than 30,000. This Project under the scheme shall be taken up into two parts. R-APDRP Part-A completed upto 03/2015. Regarding Part-B, out of 32 Towns selected under R-APDRP 14 Towns works have been completed. The rate of interest is 11.50% charged on the loan under R-APDRP. The Loan was released through PFC. The commissioning of this project is under progress.

The total project cost is ₹320.33 crores(Previous Year ₹.265.94 crores). The company has received an amount of ₹121.64 crores upto 31.03.2015 (Previous Year ₹103.25 crores). Out of which the bank balance available as at March 31st, 2015 is ₹.0.06 crores(Previous Year ₹6.36 Crore) and the assets capitalization made upto the year under R-APDRP is ₹ crores and Asset Under Construction (AUC) is ₹110.55 crores. The total expenditure incurred upto 31.03.2015 is ₹167.43 crores.

3. All the Loans other than GOAP loans, loans taken in third transfer scheme and CC Limits are having Escrow charge.

4. In the absence of confirmation of interest demand by REC, in respect of the loans arranged by APTRANSCO, the interest charges have been accounted as communicated by APTRANSCO. The principal amount of loan at APTRANSCO relating to the company is ₹47.03 crores as on 31.03.2015 (Previous year ₹79.20 crores).

5. During the year 2013-14 on the lines of Financial Restructuring Plan(FRP) framed by Government of India in consonance with GO OMs No 62 dated 14.11.2013 issued by GOAP, Short term loans payable to various banks to the extent of ₹3083 crore have been converted into Long term loans. Of which ₹1508 crore is restructured as Long term loans to Banks(₹1187.50 crore at an interest rate of 11.50%PA & ₹320.50 crore at an interest rate of 11.25% p.a), secured by Current Assets on pari passu basis and ₹1575 crore as bonds and are unsecured. Further trade payables to the extent of ₹665.20 crore have also been converted to bonds thus totalling to ₹2240.20 crore. (First trench of ₹.841.52 crore with interest rate of 9.95% p.a,second trench of ₹1312.50 crore with interest rate of 10.09% p.a and third trench of ₹86.18 crore with interest rate of 11.25% p.a). The tenure of all the bonds issued is 15 years with a special condition attached to the issue regarding the option given to the Govt of Andhra Pradesh to take over these bonds over the next 2-5 years. Accordingly the GOAP has taken over ₹900.00 crore(₹262.50 crore in first trench and ₹637.50 crore in second trench) vide GO Ms No.34 dated 31.03.2015.

6. ATP& KNL 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 ₹16433311592 is transferred by M/s TSSPDCL (formerly APCPDCL) as Long Term Borrowings by way of energy and Scheme wise basis allocation is adopted and also refer to note No 26 para No.7.3 & 7.4

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

8. Claim has been made towards the interest reimbursement/adjustment of eligible GOAP loans, against the projects completed in time, but no adjustments have been made to the fixed assets/CWIP to which the loans relate, since no reply has been received till date.

Note No. 4 Other Long Term Liabilities

Amount in Rs.

<u>Other Long Term Liabilities</u>	As at 31 March 2015	As at 31 March 2014
	₹	₹
Consumption Deposits from Consumers	13658496281	11180651780
Total	13658496281	11180651780

Details of Consumption Deposits from Consumers

Consumption Deposits from LT Consumers	6264477805	5948933625
Consumption Deposits from HT Consumers	7394018476	5231718155
Total	13658496281	11180651780

1. ATP& KNL 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 ₹135831331 is transferred by M/s TSSPDCL (formerly APCPDCL) as Other Long Term liabilities (i.e., Consumers Security Deposit etc) by way of Geographical basis allocation is adopted and also refer to Note No .26 Para No 7.3 & 7.4

Note No.5 - Long term Provisions

Amount in Rs.

<u>Long Term Provisions</u>	As at 31 March 2015	As at 31 March 2014
	₹	₹
5.1 Provisions for employee benefits		
Pension & Gratuity	8467491453	3745039023
Leave Encashment	2726497627	2747488380
Long term provision(on merger)	1673036360	0
Total	12867025440	6492527403

Employee Related benefits:
1. Terminal Benefits: Pension & Gratuity :

For the year 2014-15, the Company has paid ₹189.70 Crores (Previous year ₹ 65. Crores) to the Pension and Gratuity Trust.The company also made an adhoc provision of ₹700.00 crores (Previous year ₹310.40 crores) out of Actuarial valuation liabilities on 31.03.2015 of ₹2097.30 crores towards Gratuity and Pension benefits, pending final allotment of erstwhile APCPDCL staff(the staff now transferred to APSPDCL is only based on order to serve basis) and their share towards terminal benefits from Pension and Gratuity trust of erstwhile APCPDCL .

2. Leave Encashment: Provision has been made for the liability towards leave encashment of employees is ₹ nil (Previous year also ₹ nil).

3. ATP& KNL 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 ₹1673036360 is transferred by M/s TSSPDCL (formerly APCPDCL) as Long Term provisions for employees by way of Employee division basis allocation is adopted and also refer to Note No .26 para No 7.3 & 7.4

4. The contribution towards Gratuity is made to the Pension & Gratuity Trust in respect of all employees, the liability taken over on amalgamation of the erstwhile RESCOs towards gratuity of its employees amounting to ₹0.91 crores (Previous year ₹0.91 crores) (after netting off the gratuity payments made so far) is retained in the books of the Company and is yet to be transferred to the Trust.

Note No. 6 - Short term borrowings

Amount in Rs.

<u>Short Term Borrowings</u>	As at 31 March 2015	As at 31 March 2014
	₹	₹
Secured		
(a) Loans repayable on demand from Banks	5668538444	4626228661
(b) Security and other Deposits	1872327548	1494827289
(c) Short term borrowings (on merger)	1809242229	0
Total	9350108221	6121055950

(a) Loans repayable on demand from Banks/APTransco Position as on 31.03.2015

Amount in Rs.

Description	Loans Out standing as on 01-04-2014	Receipts up to 31-03-2015	Re-Payments up to 31-03-2015	Loans Out standing as on 31-03-2015
CC Limits - SBH	1250008611	91035098465	89992788682	2292318394
CC Limits operated by MPL	39050	0	0	39050
APTRANSCO Loan	3376181000	0	0	3376181000
Grand Total	4626228661	91035098465	89992788682	5668538444

(a). Security and Other deposits includes Retention money, Bid deposits, Security Deposits, EMD, Contribution work Deposits and Temporary Supply Deposits received from service and material vendors. The value wise details a) Bid Deposits ₹1.61 crores, b) Security Deposits ₹41.81 crores c). Retention Money ₹77.85 crores d) EMD ₹12.21 crores e) Contributory work Deposits ₹35.79 crores and f) Temporary Supply Deposits: ₹13.48 crores g) others ₹4.48 crores.

b. ATP& KNL 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 ₹1809242229 is transferred by M/s TSSPDCL (formerly APCPDCL) as Short term borrowings by way of Energy basis allocation is adopted and also refer to Note No 26 para No 7.3 & 7.4

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

Note No. 7- Trade payables

Amount in Rs.

<u>Other Current Liabilities</u>	As at 31 March 2015	As at 31 March 2014
	₹	₹
1.Sundry Creditors for Power Purchase	24028022027	17784778020
2.Sundry Creditors for Others	16293199557	4533509349
Total	40321221584	22318287369

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 amongst the Distribution companies initially in the ratio specified in the Gazette Notification. (Vide G.O.MS.No. 101, ENERGY (POWER-III), 31st, OCTOBER, 2005) duly adjusted through IBSS done on monthly basis.

2. Confirmations of balance as on 31.03.15 from the Generating Companies/Suppliers of power are yet to be obtained and these balances are subject to reconciliation and adjustments. The Power Purchase creditors of ₹2402.8 crores (Previous Year ₹1778.48 crores) is under reconciliation and confirmations is yet to be received.

3. Sundry Creditors for Power Purchase includes Transmission Charges payable to APTransco as on 31.03.2015 is ₹243.72 Crores(Previous year ₹110.11 crore).

4. Sundry creditors for others includes: a) Material creditors & Service/works creditors ₹112.87 crores c) Pension ₹49.40 crores d) Salaries Liabilities ₹70.83 crores e) Insurance ₹3.69 crores g) R&R Bank Loans ₹3.68 crores h) Year end provisions for salaries, Adm & Gen Expenses, R&M, Interest & Finance Charages and O&M and capital works etc., ₹253.42 crores i) others ₹566.16 crore.

5. ATP& KNL 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 ₹8835293069 is transferred by M/s TSSPDCL (formerly APCPDCL) as Trade Payables includes Power Purchase payables also by way of Energy & Geographical basis allocation is adopted and also refer to Note no 26 para no 7.3 & 7.4.

Note No. 8 - Other Current Liabilities

(Including current maturities of long term debt)

Amount in Rs.

<u>Other Current Liabilities</u>	As at 31 March 2015	As at 31 March 2014
	₹	₹
(a) <u>Current maturities of long-term debt</u>		
REC	2584223296	3110245529
PFC	123010104	112632929
SYNDICATE BANK	0	31015444
Bank of Baroda	0	43348179
Government Loan From AP	60564000	60567000
(b) <u>Interest accrued and due on borrowings</u>		
i) Vidyut Bonds	0	313100000
ii) Group Insurance Savings Fund	56286799	47482281
iii) Other Liabilities	2923686436	328248229
iv).GIS Insurance & Saving fund	11618252	
v) . Self Fund medical scheme	15990690	
c) Pool Imbalance Account	3323556054	400516898
Total	9098935631	4447156489

1. Inter unit account(included in Other liabilities) shows a net difference (credit) of ₹38.24 Crores (Previous year (Credit) of ₹31.34 Crores) as at 31-03-2015 which is subject to reconciliation.

2. The excess/shortfall in the pool bank account balance between the Distribution Companies on account of power purchase and sale of power is accounted as Pool Imbalance Account.

3. ATP& KNL 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,other liabilities includes an amount of ₹4683652886 is transferred by M/s TSSPDCL (formerly APCPDCL) as other liabilities by way of Geographical and Employee division basis allocation and ₹11618252 as GIS Insurance & Saving fund and ₹15990690 as Self funded medical scheme on the basis of geographical and employee division is adopted and also refer to Note No 26 para No 7.3 & 7.4

Note No.9 Short Term Provisions

Amount in Rs.

<u>Short Term Provisions</u>	As at 31 March 2015	As at 31 March 2014
	₹	₹
Income Tax	8763204	8763204
Interest on Security Deposits	1228260793	894349348
Short term provisions (on merger)	594022716	0
Total	1831046713	903112552

1. Deferred tax liability as per AS 22 has not been recognized in the books.

2. Tax disputes with various authorities:

2.1 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 crores 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 five Judge division bench of Supreme court of India has put up the case before Hon'ble Chief Justice of India for constituting a suitable larger bench and the case is still pending.

3. ATP& KNL 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 ₹594022716 is transferred by M/s TSSPDCL (formerly APCPDCL) as short term provisions for employees by way of geographical and energy allocation. However the complete details are not available the same has been adopted provisionally and also refer to Note No 26 para No 7.3 & 7.4

4 Pending Appeals in respect of Income Tax/TDS before various Income Tax Authorities.

Assessment Year	Authority before which the appeal is pending	Amount in Dispute (₹.)	Description of the Appeal
2008-09	The ITAT, Secuderabad	21298134	The case has been filed with ITAT SECUNDERABAD and won the case infavour of SPDCL with interest rate of 2%.
2008-09	CIT(A) GUNTUR &TIRUPATI	249935110	The case is won by the SPDCL at CIT(A) Tirupati and got orders. Further the Income tax department has not filed appeal at ITAT.

2009-10	The ITAT, Secuderabad	25429035	The case has been filed with ITAT SECUNDERABAD and won the case infavour of SPDCL wih interest rate of 2%.
2009-10	The ITAT, Secunderabad.	23712210	PENDING AT ITAT SECUNDERABAD
2010-11	The ITAT, Secuderabad	342055900	The case is won at CIT(A) Guntur & Tirupati but IncomeTax department has filed appeal at ITAT,Secunderabad.SPDCL has also filed cross objections at ITAT Secunderabad on 21/7/2015. The case is posted for hearing during Jan 2016.
2010-11	The ITAT, Vishakapatnam	86038464	PENDING AT ITAT VISAKHAPATNAM
2011-12	The ITAT, Secuderabad	1495265230	The case is won at CIT(A) Guntur & Tirupati but IncomeTax department has filed appeal at ITAT,Secunderabad.SPDCL has also filed cross objections at ITAT Secunderabad on 21/7/2015. The case is posted for hearing during Jan 2016.
2012-13	CIT(A) TIRUPATI	720526460	SPDCL has filed appeal at CIT(A) TIRUPATI on 30/4/2015. Now case is PENDING AT CIT(A) TIRUPATI .

Note No.-10 : Non- Current Assets
A) FIXED ASSETS

S NO	Asset Group	GROSS BLOCK			DEPRECIATION & AMORTIZATION				NET BLOCK		Amount in Rs. 31-03-2015
		At the end of the year 31-03-2014	Additions during the year	Adjustments/Deuctions during the year	At the end of the year 31-03-2014	Depreciation For the year	Adjustments/Deuctions during the year	At the end of the year 31-03-2015	Balance as at 01-04-2014		
A. Tangible Assets											
1	Land and Land Rights	41943245	6895406	-	48838651	-	-	-	41943245	48838651	
2	Buildings	537615104	603877182	74176	1141418110	28168630	75393622	289542941	351634415	851875169	
3	Other Civil Works	143881034	313115563	2457981	454538615	9684373	15332326	37228496	131669237	417310119	
4	Plant and Machinery	28545496796	15171591349	22329808	43694758337	2676318950	3247501678	18827924534	15641392891	24866833803	
5	Lines and Cable Net work	32036486291	10845916305	14613211	42867789384	2514127088	4707984403	25802191981	13456405800	17065597403	
6	Metering Equipment	3818621892	2646007057	4612421	6460016527	601801456	970676004	3112848934	2278250417	3347167593	
7	Vehicles	32912021	10206667	43118688	29620818	4298	7544989	37170105	3291203	5948583	
8	Furniture and Fixtures	56272291	16080310	72352601	48300787	1559051	10381345	60241183	7971504	12111418	
9	Office equipment	221854196	71376000	257800	292972396	5162203	32520293	229722413	29814279	63249983	
10	Computers & IT Equipment	176151350	120651175	1738	296800787	25850069	35143809	166976625	70168603	129824162	
11	Low Value Assets	2833368	360924	2932	3191359	323891	34102	3191358	2	1	
12	Merger Assets - Balance	0	645928116	233892105	412036011	0	99769205	99769205		312266807	
	Total	65614067587	30452006054	278242174	33601525991	5863000009	9202281776	48666807776	32012541596	47121023692	

B. Intangible Assets

1	Software	23894419	814373		24708792	22869421	1026541	23895962	1024998	812830
2	Goodwill	11390000			11390000			11390000	-	-
	Total	35284419	814373		36098792	34259421	1026541	35285962	1024998	812830

C. Capital work in Progress

	Total									
	Grand Total	65649352006	30452820427	278242174	95823930260	33635785412	5864026550	9202281776	48702093738	45774334910
										18031493908
										18031493908
										65153330430

<p>1. Work Orders(AUC): The total work orders yet to be closed as on 31.03.2015 is 54737 nos(₹1785.91 Crores) out of which 53 nos(₹1.18 crores) pertaining to FY 2010-11, 549 nos(₹108.68 crores) for FY 2011-12, 2299 nos(₹131.06 crores) for FY 2012-13, 8692(₹535.23 crores) nos for FY 2013-14 and 43144 nos(₹1009.77 crores) for FY 2014-15.</p>
<p>2. Impairment of Assets: There has been no impairment of assets during the year, hence no provision made for impairment of assets as stipulated in Accounting Standard 28.</p>
<p>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 ATP & KNL 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 01.02.2014, only to the extent of Assets identified out of total transferred assets.</p>
<p>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.</p>
<p>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 crores at gross value for which break up details are not available.</p>
<p>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</p>
<p>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.</p>
<p>6. ATP& KNL 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 ₹11500732289 is transferred by M/s TSSPDCL (formerly 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 7.3 & 7.4</p>
<p>7. Depreciation adjustments/deductions during the year ₹920.23 crores transferred from APCPDCL as OB on the merger/demerger process</p>

Note No.11 Non-Current Investments

Amount in Rs.

<u>Non-Current Investments</u>	As at 31 March 2015	As at 31 March 2014
	₹	₹
a) Share Capital in Resco- Kuppam, Chittoor	2905000	2905000
b) Investment in Shares of APPDCL 20,58,00,000 shares of ₹10 each fully paid)	2058000000	2058000000
c) Non current assets (on merger)	806380834	0
Total	2867285834	2060905000
Aggregate Book Value of Un Quoted Investments	2867285834	2060905000
Total	2867285834	2060905000

Investments

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 upto 31.03.2015 (Previous year ₹205.80 Crores of ₹10 each fully paid)- towards its share capital in Andhra Pradesh Power Development Company Limited.

2. ATP& KNL 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

3. ATP&KNL Circles (Formerly APCPDCL) share of investment in APPDCL , Coastal Tamilnadu Power & M/s. Ghogarpalli Intergrated Power Co. Ltd. have been allocated on the basis of Energy Ratio, to the extent of ₹806380834, for which details of no of shares and value of each company is yet to be identified and transferred in the name of APSPDCL. The same has been adopted and also refer to Note No 26 para 7.3 & 7.4

Note No.12 Long Term Loans and Advances

Amount in Rs.

Long Term Loans and Advances	As at 31 March 2015	As at 31 March 2014
	₹	₹
Loans and advances to suppliers/ contractors, employees and other related parties	8635531842	1894114797
Loans to employees (on merger)	61750859	
Less: Provision of Doubtful Advances	271920363	271920363
Total	8425362338	1622194434

1). Loans and Advances to Directors - NIL.

2). Loans Guaranteed by Directors During the FY 2014-15 - Nil.

3). ATP& KNL 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 ₹61750859 is transferred by M/s TSSPDCL (formerly APCPDCL) as Long Term loans and advances for employees by way of Employee division basis allocation is adopted and also refer to Note No 26 para 7.3 & 7.4

Note 13- Inventories

Amount in Rs.

<u>Inventories</u>	As at 31 March 2015	As at 31 March 2014
	₹	₹
Stores and spares	1952882239	1694707144
Add:Materials stock excess/shortage pending investigation	633342	(2161)
Less:Provision for non-moving and obsolete stock	(108219537)	(105342355)
Total	1845296044	1589362628

1. Inventories:

a. There is a net Shortage of ₹633342 (Previous year Net Excess ₹2161) between the physical inventory of stores and spares (as certified by the management) and the value as per the financial ledger as on 31.03.2015. Since the verification process is in progress, provision for the same is not made in the books.

b. Inventory includes ₹10.91 crores (Previous year ₹4.64 crores) materials received but pending inspection and acceptance.

c. There are no imported raw materials, spare parts and components consumed during the financial year. The value of indigenous raw materials, spare parts and components consumed during the year is ₹34.2 crores.

d. The Inventory position is as follows :

Opening Stock	₹169.47 Crores *
Receipts during the year	₹718.62 Crores
Issues during the year	₹692.74 Crores *
Closing Stock	₹195.35 Crores *

*Excluding provision for non-moving, obsolete and unserviceable stock of ₹10.82 crores (Previous year ₹10.53 crores) and inclusive of material Short / Excess.

e. Further the value of inventories as at the close of the year includes materials procured from and out of the grants received from Government.

2. ATP& KNL 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 ₹435096757 inventories is transferred by M/s TSSPDCL (formerly APCPDCL) by way of geographical basis allocation is adopted and also refer to Note No 26 para 7.3 & 7.4

Note No.14 Trade Receivables

Amount in Rs.

Trade Receivables	As at 31 March 2015	As at 31 March 2014
	₹	₹
Accrued Income from Sale of Power - A	14964642866	15317499391
SUNDRY DEBTORS		
Debts Outstanding Less than one year	5501703870	2122309000
Debts Outstanding More than one year	7872711821	5759531592
	13374415691	7881840592
Considered Good	12360915691	6868340592
Considered Doubtful	1013500000	1013500000
Total Debtors Outstanding	13374415691	7881840592
Less: Provision for doubtful debts	1013500000	1013500000
Net Debtors - B	12360915691	6868340592
Total - A + B	27325558557	22185839983

1(a). 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. The agricultural free category consumers' customer charges are billed half-yearly where the services are not linked to domestic services. However, during the current FY 2014-15 the two spells billing of the previous month taken into current month Trial Balance instead of second spell of previous month and first spell of current month in the previous year.

1(b) The details of Accrued Income from Sale of Power is as follows in rupees:
Sundry Debtor Unbilled Rev ₹1391.64 crores and ATP & KNL Circles debtors Balances unidentified ₹104.82 Crs

2. Debtors:

2.1 The credit balance in the Sundry debtors amounting to ₹232.00 Crores (Previous year ₹18.47 crores) is netted off from the Sundry debtors.

2.2 As per the Financial ledger the Sundry debtors account shows a balance of ₹1337.44 crores where as, as per the Consumer ledger the balance shown is ₹1603.01 crores since there is a opening balance difference in respect of ATP& KNL Cirlces is under reconciliation.

2.3 Arrears accummulated in debtors over and above 4 years is ₹244.92 crores and provided for doubtful debts is ₹101.35 crores Due to non-determination of written off towards bad and doubtful debts in the current year, no provision is made for the debtors outstanding more than 4 years (Previous year ₹ Nil).

3. ATP& KNL 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 ₹ 5465957089 is transfered by M/s TSSPDCL (formerly APCPDCL) as sundry debtors by way of geographical basis allocation is adopted and also refer to Note No 26 para 7.3 & 7.4

Note No.15 Cash & Cash Equivalents

Amount in Rs.

Cash & Cash Equivalents	As at 31 March 2015	As at 31 March 2014
	₹	₹
a) Cash on Hand (including cheques, DD's and Stamps on Hand.	199742706	238822402
b) Balance with Scheduled Banks		
i) in current A/c	4022910508	3050933660
ii) in Deposit Accounts	529353000	788767163
c) Remittances in Transit	23326484	26181184
d) Balance - (on merger)	141368800	0
Total	4916701498	4104704409

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 ₹ crores (Previous Year ₹2.45 crores) as at 31.03.2015 in various units

2. ATP& KNL 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 ₹141368800 is transferred by M/s TSSPDCL (formerly APCPDCL) as cash balance by way of geographical basis allocation is adopted and also refer to Note No 26 para 7.3 & 7.4

Note No.16 Short Term Loans and Advances

Amount in Rs.

Short Term Loans and Advances (Unsecured- Considered Good)	As at 31 March 2015	As at 31 March 2014
	₹	₹
a) Tax Deducted at Source	24614943	15075140
b) Prepaid Income Tax	111327971	71327971
c) Advance Fringe Benefit Tax	1992445	1992445
d) Deposits with Others	98404529	98574266
e) Advance to cheyyur power project	8908000	8908000
f) Short term loans and advances (on merger)	672258202	0
Total	917506090	195877822

1. The excess/shortfall in the pool bank account balance between the Distribution Companies on account of power purchase and sale of power is accounted as Pool Imbalance Account.

2. An amount of ₹89.08 lakhs was paid to M/s Coastal Tamil Nadu Power Limited projects (Ultra Mega Power Project) at Cheyyuru towards commitment advance.

3. ATP& KNL 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 ₹672258202 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 7.3 & 7.4

Note No.17 Other Current Assets

Amount in Rs.

Other Current Assets	As at 31 March 2015	As at 31 March 2014
	₹	₹
i) from GOAP	16578034573	25739527420
Less: Provison for Govt.Receivables	14820688024	23820688024
	1757346549	1918839396
ii) from others	750294221	576614963
iii) Other current assets (on merger)	5321097151	0
Total	7828737919	2495454359

1) Others includes total Cash Embezzlement at Thiruvvur ERO, Vijayawada Circle is ₹84.50 Lakh.

2) Govt of AP taken over ₹900 Crores FRP Bonds against Govt receivables to that extent provision also has been reduced

3) ATP& KNL 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 ₹5321097151 (other non-current assets ₹17597229 and other current assets ₹5303499923) is transferred by M/s TSSPDCL (formerly APCPDCL) as Other current assets and by way of energy and geographical basis allocation is adopted and also refer to Note No 26 para 7.3 & 7.4

NOTE NO - 18 : Revenue From Operations

Amount in Rs.

REVENUE FROM OPERATIONS	Figures as at the end of current reporting period 2014-15	Figures as at the end of previous reporting period 2013-14
	₹	₹
1. Revenue from Sale of Power		
a) Between DISCOMS	2674558940	(63354251)
b) L.T. Supply	47776717681	33431970511
c) H.T. Supply	58209850819	39118561274
2. Income from Inter State Sale of Power	105887563	414426265
3. Other Receipts	1474132375	1054462711
Revenue from Sale of Power	110241147378	73956066510
Less: Electricity Duty	1002340333	681576682
Net Revenue from sale of power	109238807045	73274489828

Consumption figures for the year 2014-15 is given below are based on the actual consumption in respect of categories I to VIII 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.

<u>Low Tension (LT)</u>	Units in MUs	% of total units sold	Avg.Real. in' per unit
Domestic supply - Category -I	5941.89	34.42%	2.96
Non-Domestic supply - Category -II	1314.50	7.61%	8.20
Industrial Supply- Category -III	1386.01	8.03%	6.45
Cottage Industries - Category - IV	54.36	0.31%	2.29
Irrigation and Agriculture Category - V	7976.16	46.20%	0.00
Public Lighting - Category - VI	489.36	2.83%	5.19
General Purpose - Category - VII	77.02	0.45%	6.51
Temporary Supply - Category - VIII	23.55	0.14%	0.00
LT. Total	17262.85	100.00%	2.35
<u>High Tension (HT)</u>			
Industrial Segregated - Category - I	6949.76	76.38%	5.21
Industrial Non-Segregated - Category - II & III	553.28	6.08%	12.19
Irrigation and Agriculture - Category - IV	529.02	5.81%	2.11
Railway Traction - Category - V	747.84	8.22%	3.39
Colony Lighting - Category - VI	34.48	0.38%	144.59
Electricity Co-Operative Societies	284.31	3.12%	0.34
Temporary Supply	0.08	0.00%	0.00
HT. TOTAL	9098.77	100.00%	5.68
LT + HT Total (FY 2014-15)	26361.61	100.00%	3.50
LT + HT Total (Previous Year 2013-14)	18024.46	100.00%	3.59

NOTE NO - 19 : Other Income

Amount in Rs.

OTHER INCOME	Figures as at the end of current reporting period 2014-15	Figures as at the end of previous reporting period 2013-14
	₹	₹
1. Interest on Staff Loans & Advances	1543311	1745194
2. Delayed Payment Charges from Consumers	2969406462	1555951261
3. U I (Unscheduled Inter Change) Income	53481181	79299566
4. Miscellaneous Receipts	406378977	529297470
5. Amortization of Capital Contributions	2018196702	1522045766
SUB-TOTAL	5449006633	3688339257
6. Income relating to Prior Years		
a) Prior Period Receipts	(45375635)	(40086300)
b) Other Excess Provisions	(12961167)	(338230)
SUB-TOTAL	(58336802)	(40424530)
7. Prior Period Expenses / Losses		
a) Operating Expenses	220494	(3628615)
b) Employee Costs	12410799	151911
c) Interest & Other Finance Charges	210958	28173
d) Prior Periods other charges	(250440)	465301
SUB-TOTAL	12591811	(2983231)
Net prior period credits/(charges) (6 - 7)	(70928613)	(37441299)
8. Govt Receivables against FRP Bonds	9000000000	0 0
OTHER INCOME- TOTAL	14378078020	3650897958

1. Amortization of capital contributions: The amount of amotization of capital contributions relates to the rateable portion of depreciation charged on total assets and created out of Government Grants and contributions from consumers hence credited to P&L Account.

2. Govt receivables against FRP Bonds :- The Govt of AP has taken over ₹ 900 crores FRP Bonds vide GO Ms No. 34 dated : 31-03-2015. These amounts credited to Profit & loss account since these amounts are already debited to during the FY 2012-13 Profit & loss account.

NOTE NO - 20 : Revenue Subsidies and Grants

Amount in Rs.

REVENUE SUBSIDIES AND GRANTS	Figures as at the end of current reporting period 2014-15	Figures as at the end of previous reporting period 2013-14
	₹	₹
1. Tariff Subsidy from Government	22497436631	18679400000
Total	22497436631	18679400000

NOTE NO.21 : Cost Of Power Purchase

Amount in Rs.

COST OF POWER PURCHASE	Figures as at the end of current reporting period 2014-15	Figures as at the end of previous reporting period 2013-14
	₹	₹
1. Transmission & SLDC Charges	7949098122	3904902996
2. Power Purchase & Others	122215776818	76926699515
Cost of Power Purchase	130164874940	80831602511
Less: Rebate on Power Purchase	213894803	295338950
Power Purchase Cost after Rebate	129950980137	80536263561

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 ATP& KNL 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 ATP& KNL 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%. The cost of power purchase is allocated accordingly.

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
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	29665.95	13016.49

NOTE NO - 22 : Employee Benefit Expense

Amount in Rs.

EMPLOYEE BENEFIT EXPENSE	Figures as at the end of current reporting period 2014-15	Figures as at the end of previous reporting period 2013-14
	₹	₹
1. Salaries, Wages and Bonus	11547650568	5932872272
2. Pension Contribution & Terminal Benefits	7459583463	3339087722
3. Employees Welfare expenses	33361119	16069702
	19040595150	9288029696
Less: Employees Cost Capitalised	908897434	746926001
Total	18131697716	8541103696

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 year an amount of ₹ 44. crores (Previous Year ₹23.05 crores) has been contributed.

NOTE NO - 23 : Financial Costs

Amount in Rs.

Financial Costs	Figures as at the end of current reporting period 2014-15	Figures as at the end of previous reporting period 2013-14
	₹	₹
1. Interest on State Government Loans/REC/PFC	3513689476	2673602973
2. Interest on loans from Financial Institutions and Banks (short term Loan)	870947393	1376885557
3. Interest on others(Interest on Consumption Deposit etc)	3001854221	936208601
	7386491090	4986697131
Less: Interest and Finance Charges Capitalised	1271034777	669706254
Less: Interest on Fixed Deposits/Short term investments	91189349	88616943
Total	6024266964	4228373933

a) Interest Capitalization: Interest capitalized during the year is ₹127.10 crores (Previous Year ₹66.97 crores) as per Accounting Standard -16.

b) No interest has been considered/ paid in the accounts against the shortterm and long term loans transferred under Merger Scheme due to non availability of details.

c) Interest on short term loans charged is the allocated share out of the pool account.

d) Interest on FRP Bonds from GOAP during the year 2014-15 received for an amount of ₹223.19 crores and the same was paid to the banks

NOTE NO - 24 : Depreciation & Amortization expense

Amount in Rs.

Depreciation & Amortization expense	Figures as at the end of current reporting period 2014-15	Figures as at the end of previous reporting period 2013-14
	₹	₹
Depreciation	5863000011	4392123888
Amortization	1026541	3969561
Total	5864026552	4396093449

1. Depreciation in respect of merger entities (ATP &KNL) assets has been provided only to the extent of Assets identified.

NOTE NO. 25 : Other Expenses

Amount in Rs.

Other Expenses	Figures as at the end of current		Figures as at the end of previous	
	₹	₹	₹	₹
1 Licence fees		29869532		14498532
2 Repairs and Maintenance to				
a) Plant and Machinery	1754331063		1190553156	
b) Buildings	4285133		1596130	
c) Others	29825076	1788441272	25377647	1217526933
3 Rent (including Lease Rentals)		12099580		14682853
4 Rates & Taxes		17335152		13786683
5 Insurance		848207		613350
6 Telephone Charges		62447209		46311441
7 Postage & Telegrams		2326381		2179903
8 Legal Charges		2299159		8406999
9 Audit Exp & Fees :				
a) Statutory Audit Fees(Incl. Cost audit)	1578900		1162926	
b) Audit Expenses	400000		450000	
c) Tax Audit Fees	114000	2092900	112360	1725286
10 Other Professional Chrgs		375872792		283605307
11 Printing & Stationery		32371067		19324491
12 Advertisement		4333992		9373004
13 Electricity Charges		107501172		92075363
14 Conveyance and Traveling		248352727		173546710
15 Other Expenses		273523674		168943580
16 Miscellaneous provisions/losses/ write-offs		91081391		(24854684)
17 Prov. Govt. Receivables		0		0
18 SRPC Charges		0		1396829
		3050796207		2043142580
Less: Adm. & General Expenses Capitalised		160393693		131810487
Total		2890402514		1911332093

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 31.03.2015 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 have been rounded off to nearest rupee.

6. There are no dues pending as at 31st March 2015 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 Ananthapur 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. 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 / shortterm 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 subject to certain unidentified items as stated below:

Sl No	Note No	Details	Amount in Rs
1	2	RESERVE & SURPLUS	9789657143
2	3	LONG TERM BORROWINGS	(16433311592)
3	4	OTHER LONG TERM LIABILITIES	(37289143)
4	5	LONG TERM PROVISIONS	(1673036360)
5	6	SHORT TERM BORROWINGS	(1809242229)
6	7	TRADE PAYABLES	(8742255046)
7	8	OTHER CURRENT LIABILITIES	(2526912857)
8	9	SHORT TERM PROVISIONS	(594022716)
9		Total Liabilities	(22026412800)
10	10	FIXED ASSETS (Including accumulated depreciation)	312266807
11	11	NON CURRENT INVESTMENTS	806380834
12	12	LONG TERM LOANS & ADVANCES	61750859
13	13	INVENTORIES	1562951
14	14	TRADE RECEIVABLES	1048232142
15	15	CASH & CASH EQUIVALENTS	141368800
16	16	SHORT TERM LOANS & ADVANCES	672258202
17	17	OTHER CURRENT ASSETS	5321097152
18		Total Assets	8364917747

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.

8. Related party disclosures.
Payments and Benefits to Directors

Amount in Rs.

Sl.No	Particulars	F.Y : 2014-15		FY : 2013-14	
		Chairman and Managing Director	Other Directors	Chairman and Managing Director	Other Directors
		₹	₹	₹	₹
1	Salary / Remuneration	1385625	5842520	686160	3941192
2	Travelling Expenses	579094	771746	169434	440213
	Total	1964719	6614266	855594	4381405

Key Management Personnel:

Name	Remuneration for 2014-15	Remuneration for 2013-14
H.Y.Dora	1385625	686160
Mr.K.Vidya Sagar Reddy	0	505990

8. Court Cases/ Legal Disputes/ Contingent Liabilities

Rs. in Crores

Particulars	31/03/2015	31/03/2014
	₹	₹
i. Claims against the company not acknowledged as debts	3.88	3.38
ii. Estimated amount of contracts remaining to be executed on capital account and not provided for	346.42	446.07



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. No. 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:

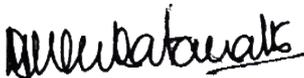
Intangible Assets are amortized over the useful life of the assets.

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 Ramraj & Co.
Chartered Accountants.
Firm No: 002839S

For and on behalf of the Board



CA M.C.VENKATNATH
Partner.
Membership No: 210007



H.Y.DORA
Chairman & Managing Director/CEO



SYED BILAL BASHA
Director (Finance)/CFO



A VENU GOPAL
Chief General Manager (E&C)



B.V.S. PRAKASH
Company Secretary

Place: Tirupati
Date : 02-11-2015

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	:	31-03-2015

II. Capital raised during the Year

	:	(Rupees in Thousands)
Public Issue	:	-
Rights Issue	:	-
Bonus Issue	:	-
Private Placement	:	-

III. Position of Mobilisation and Development

	:	(Rupees in Thousands)
Total Liabilities	:	119279779
Total Assets	:	119279779

Sources of Funds

Paid up Capital	:	3587153
Reserves & Surplus	:	(78532715)
Deferred Capital Contributions	:	17764423
Secured Loans	:	58665262
Unsecured Loans	:	14234360

Application of Funds

Net Fixed Assets	:	47121837
CWIP	:	18031494
Investments	:	2867286
Net Current Assets	:	(17767512)
Miscellaneous Expenditure	:	-

IV. Performance of the Company

	:	(Rupees in Thousands)
Turnover	:	146114322
Total Expenditure	:	162861374
Profit/(Loss) before Tax for the Year	:	(16747052)
Profit/(Loss) after Tax for the Year	:	(16747052)
Net Prior Period Credits/(Charges)	:	-
Profit after Contingency Reserve	:	(16774746)
Earnings per Share	:	(46.76)

**V. Generic Names of Principal products/
Services of the Company**

	:	NIL
PAN NO	:	AAHCS4056Q
Item Code No.	:	N.A.
Product Description	:	Distribution of Power

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:

Name of the company:

Registered office:

Name of the member (s)

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name: Address:

E-mail Id:

Signature:, or failing him

2. Name: Address:

E-mail Id:

Signature:, or failing him

3. Name: Address:

E-mail Id:

Signature:, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at theAnnual general meeting/ Extraordinary general meeting of the company, to be held on the day of..... At..... a.m. / p.m. at.....(place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.....

2.....

3.....

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.