

# ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED



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## 1<sup>ST</sup> ANNUAL REPORT 2019 - 20

Regd. Office : Beside Govt. Polytechnic, ITI Road,  
VIJAYAWADA 520 008, Krishna District, Andhra Pradesh  
Corporate Identity Number : U4018AP2019SGC113717  
website : [www.apcpdcl.in](http://www.apcpdcl.in)

# **ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED**



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## **1<sup>st</sup> ANNUAL REPORT 2019 - 20**

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Regd. Office : Beside Govt. Polytechnic, ITI Road, VIJAYAWADA  
Krishna District, Andhra Pradesh - 520 008.

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Corporate Identity Number : U40108AP2019SGC113717 Website : [www.apcpdcl.in](http://www.apcpdcl.in)



**ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LTD**  
Corporate Office, Beside Govt. Polytechnic, ITI Road, VIJAYAWADA, KRISHNA,  
ANDHRA PRADESH, INDIA – 520 008.  
Corporate Identity Number : U40108AP2019SGC113717

### **NOTICE**

NOTICE is hereby given that the 1<sup>st</sup> (First) Annual General Meeting of M/s. Andhra Pradesh Central Power Distribution Corporation Ltd, Vijayawada will be held **Tuesday on 22.12.2020 AT 16..30 Hrs ( 4.30 P.M)** at the Registered Office of the Company, Beside Govt. Polytechnic, ITI Road, Vijayawada to transact the following business at a shorter notice:

#### **Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup>, March 2020 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 any modification(s) as an ordinary resolution:

“RESOLVED THAT the Audited Balance Sheet of the Company as on 31<sup>st</sup> March, 2020 the Profit & Loss Account and Cash flow statement 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 thereon for the F.Y. 2019-2020 as laid before the members at this meeting be and are hereby considered and adopted.”

2. To take note of Statutory Auditor’s appointment of M/s Seshadry & Company, # 29-36-37, Ammana Estates, Governor Pet, Vijayawada made by the Comptroller and Auditor General of India for the financial year 2020-21 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 2020-21 as per Section/ Clause 142 of the Companies Act, 2013.

#### **Draft Resolution:**

“RESOLVED THAT the appointment of M/s Seshadry & Company, # 29-36-37, Ammana Estates, Governor Pet, Vijayawada as Statutory Auditors of the Company for the Financial Year 2020-2021 U/s 139 of Companies Act, 2013 vide Lr .No. CA.V/COY/ ANDHRA PRADESH, APCPDC(1) /1370, Dt.03.09.2020 of the Comptroller and Auditor General of India, New Delhi be and is hereby 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 hereby authorised to fix the remuneration and reimburse the actual out- of - pocket expenses payable to the Statutory Auditors for the Financial Year 2020-2021.

### Special Business:

3. To ratify the action for having fixed the remuneration of the cost auditors by the Board of directors for the F.Y. 2019-2020 and in this regard to consider and if thought fit, to pass the following with or without any modification as an ordinary resolution:

#### Draft Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and any other provisions applicable of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules in force (including any statutory amendments/modifications), the cost auditors M/s Narasimha Murthy & Co, Cost Accountants, 3-6-365,104 & 105, Pavani Estate, Y.V.Rao Mansion, Himayatnagar, Hyderabad-500029 appointed and remuneration fixed by the Board of Directors to conduct Cost Audit of the Company for the F.Y.2020-2021 with a cost audit fee of Rs. ₹- 60,000/- (Rupees Sixty thousand only)) plus applicable Tax and Out of pocket expenses & Travelling Expenses at actuals subject to a maximum of ₹20,000/- (Rupees Twenty Thousand only) Total ₹80,000/- (Total Rupees Eighty thousands Only) be and is hereby ratified by the Shareholders of the Company."


#### BY ORDER OF THE BOARD OF DIRECTORS

For and on behalf of M/s. Andhra Pradesh Central Power Distribution Corporation  
Limited

Place: Vijayawada

Date : 16.12.2020.

  
General Manager (Expenditure)

  
Sri V.V. Gopala Krishna Murthy,  
Director(Finance/ FAC)

  
Sri. Santhosha Rao,  
Director( Technical)

  
Sri J. Padma Janardhana Reddy,  
Chairman & Managing Director

#### 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 (C&AG) on the Annual Accounts for the financial year 2019-2020 shall be placed before the Shareholders at the Annual General Meeting of the Company.
4. Explanatory Statement pursuant to Sec 102(1) of the Companies Act, 2013 is enclosed.
5. Route map showing the venue of the meeting is enclosed and the same is available on the website of the company along with the notice.


To  
**The Members of the Company/Directors**  
**M/s R K Nitta & Company, Statutory Auditors,**  
**M/s Seshadry & Company, Statutory Auditors,**  
**M/s Narasimha Murthy & Co, Cost Accountants**

**BY ORDER OF THE BOARD OF DIRECTORS**

For and on behalf of M/s. Andhra Pradesh Central Power Distribution Corporation  
 Limited

Place: Vijayawada  
 Date : 16.12.2020.

  
 General Manager (Expenditure)  
 16/12/2020

  
 Sri V.V. Gopala Krishna Murthy,  
 Director(Finance/FAC)

Sri. Santhosha Rao,  
 Director( Technical)

  
 Sri J. Padma Janardhana Reddy,  
 Chairman & Managing Director

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

**Special Business: Item No.3**


It is to inform that pursuant to the provisions of Section 148 and any other provisions applicable of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, in force, (including any statutory amendments/ modifications) the appointment of Cost Auditors is mandatory for the Company and the cost auditor report is to be filed with the Registrar of Companies /Central Government.


As per the Cost Audit Rules in force, for the purpose of Sub-Section (3) of Section 148, M/s Narasimha Murthy & Co, Cost Auditor(s) have been appointed by the Board of Directors and as recommended by the Audit Committee to conduct Cost Audit of the Company for the F.Y.2020-2021 with a cost audit fee of ₹60,000/- ( Rupees Sixty Thousand Only) plus applicable Tax and Out of pocket expenses & Travelling Expenses at actuals subject to a maximum of ₹20,000/- ( Rupees Twenty Thousand only) Total ₹. 80,000/- (Total Rupees Eighty thousands Only)

Hence, the resolution passed by the Board may be ratified by the Shareholders. None of the Directors and key Managerial Personnel, & their relatives are interested. The Board of Directors recommend the resolution to be passed.

**BY ORDER OF THE BOARD OF DIRECTORS**  
**For and on behalf of M/s. Andhra Pradesh Central Power Distribution Corporation Limited**

Place: Vijayawada  
Date : 16.12.2020.

  
Sri V.V.Gopala Krishna Murthy,  
Director(Finance/FAC)

  
General Manager (Expenditure)  
16/12/2020  
Sri. Santhosha Rao,  
Director( Technical)

  
Sri J.Padma Janardhana Reddy,  
Chairman & Managing Director

To  
The Members of the Company/Directors  
M/s R K Nitta & Company, Statutory Auditors,  
M/s Seshadry & Company, Statutory Auditors,  
M/s Narasimha Murthy & Co, Cost Accountants

**BOARD OF DIRECTORS' REPORT**

To  
The Members,  
Andhra Pradesh Central Power Distribution Corporation Limited  
Tirupati.

Your Directors have pleasure in presenting the First Annual Report of the Company relating to Financial Year 2019-2020 and trust the Audited Annual Accounts for the said year as circulated have been perused by all of you.

Further , it is to inform that the Government of Andhra Pradesh have issued instructions on Bifurcation of Andhra Pradesh Southern Power Distribution Company Limited as Andhra Pradesh Southern Power Distribution Company Limited and Andhra Pradesh Central Power Distribution Company Limited in the G.O.Ms.No.41, Energy (Power-I) Department, Dt.05.12.2019.

Accordingly, M/s Andhra Pradesh Central Power Distribution Corporation Limited was incorporated on 24.12.2019 under the Companies Act, 2013 as per the orders of the Govt. of Andhra Pradesh vide G.O.Rt.No.136, Energy (Power-I) Department, Dt.10.12.2019 with Registered Office, Vijayawada. The APERC has given License to M/s Andhra Pradesh Central Power Distribution Corporation Limited, Vijayawada from 01.04.2020 to start its Distribution business.

**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 28.12.2019 to 31.03.2020 and as on 01.11.2020**

<b>Name of the Director/Chairman and Managing Director</b>	<b>Date of appointment</b>	<b>Date of change</b>
Sri.J.Padma Janardhana Reddy, Chairman & Managing Director	28.12.2019	
Sri H.Haranatha Rao, Director	28.12.2019	-
Sri B.A.V.P.Kumara Reddy, Director	28.12.2019	-
Smt. T.Vanaja Director	28.12.2019	
Smt.G.Eswaramm Director	10.01.2020	



Sri. K.Santhosha Rao, Director (Technical)	02.08.2020	
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**Board Meetings held in 2019-2020:**

The Board held its First Board meeting in the Financial year 2019-2020 on 28.12.2019.

**Attendance at Board of Directors Meetings:**

S.No	Board Meeting	Name of the Director	Present /Absent
1	28.12.2019	Sri.J.Padma Janardhana Reddy, Chairman & Managing Director	Present
		Sri.H.Haranatha Rao, Chairman & Managing Director/APSPDCL & Director of APCPDCL	Present
		Sri. B.A.V.P Kumara Reddy, Non-Whole Timer Director/ Deputy Secretary , Energy Dept.	Present
		Smt.T.Vanaja, E.D/APSPDCL & Director of APCPDCL	Present

Extra Ordinary General Meeting: It is to inform that an Extra Ordinary General meeting was held on 24.06.2020 at the Registered Office, Vijayawada to approve borrowing powers to the Board of Directors ,not exceeding Rs. 10,000 cr and also to create charge on assets of the Company.

Regarding the statement on declaration by Independent Director under 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. 05.06.2015.

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.05.06.2015 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. 05.06.2015.

Regarding, contracts and arrangements with related parties referred to in Section (1) of 188, No contracts and arrangements were made. Section 188(1) of the Companies Act, 2013 shall not apply to Government Company as per Notification of MCA Dt. 05.06.2015.

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.05.06.2015. Under Section 203 (1)(2) (3) and (4) of the Companies Act,2013.

#### **Auditors of the Company:**

M/s R.K.NITTA & CO.,11-41-2,Kandulavari Street , one town, Vijayawada-520001 were appointed as Statutory Auditors of the Company for the Financial Year 2019-2020 vide Lr .No. CA.V/COY/ANDHRA PRADESH, APCPDC(1)/1971, Dt.13.03.2020 of the Comptroller and Auditor General of India, New Delhi.

#### **Cost Audit:**

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 2020-2021. And the appointment was filed with the Registrar of Companies, Hyderabad.

**EXTRACT OF ANNUAL RETURN :** The return is annexed with the report of the Company for the financial year ended on 31/03/2020[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014] and as per the latest rules.

#### **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. The Company has complied with provisions relating to constitution of Internal Complaints Committee.

The Committee has furnished the following information:

Complaints Received F.Y.2019-20	Complaints Disposed F.Y.2019-20	Balance F.Y.2019-20
NIL	NIL	Nil

**Particulars of Employees:**

There were no employees drawing remuneration in excess of the prescribed limits whose details are required to be disclosed under Act and the top ten list of Officers remuneration /salary particulars are given in the Annexure to this report.

**Deposits:**

During the year under review, the Company has not accepted any public deposits as per the provisions under the Companies Act 2013/1956.

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. 05.06.2015.

**Industrial Relations:**

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

**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:

- 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.

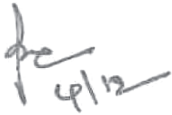
**Acknowledgements:**

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, APSPDCL, APTRANSCO, APGENCO APEPDCL, Comptroller & Auditor General of India, Bankers, suppliers, Contractors and consumers.

The Directors express their deep sense of gratitude and appreciation to the employees for their unstinted support .

For and on behalf of the Board.

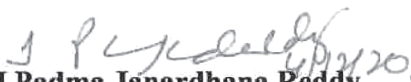
**Date: 04.12.2020.**



**Sri. K.Santhosha Rao  
Murthy,  
Director (Technical )**



**Sri. V.V.Gopala Krishna  
Director ( Finance )(FAC)**



**Sri. J.Padma Janardhana Reddy  
Chairman & Managing Director**



**INDEPENDENT AUDITORS' REPORT**

**TO**  
**THE MEMBERS OF**  
**M/s ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED**  
**VIJAYAWADA**

**Report on the Audit of the Standalone Financial Statements**

We have audited the standalone financial statements of Andhra Pradesh Central Power Distribution Corporation Limited ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March, 2020, and the statement of Profit and Loss and the Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the basis for qualified opinion section our report the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March 2020, Profit or Loss Nil, and its cash flows for the year ended on that date

**Basis for Qualified Opinion**

In the absence of relevant information, we are unable to assess the impact on accounts. Hence qualification could not be quantified on the following issues:

**a. Books of Account**

The books of accounts for transactions relating to the jurisdictional area of the company (Krishna, Guntur and Prakasam Districts of the State of Andhra Pradesh) for the period from the date of incorporation to the year ending 31.03.2020 are being maintained in M/s. APSPDCL SAP software as the company is granted with distribution license with effect from 01.04.2020 to conduct electricity business. Surplus or deficit arising on account of transactions pertaining to jurisdictional area of M/s APCPDCL is not ascertained and included in the current financial statements.

**b. Bank Accounts**

The company has opened and operated bank accounts in the name of M/s. APCPDCL and used for collection of consumer charges (CC) and Developmental charges from the consumers of three jurisdictional districts between February 2020 and March 2020 on behalf of M/s. APSPDCL and utilized those funds to pay power purchase contracts with M/s.

*R. Nithya*  
 M.No. 207417  
 FRN. 008228S  
 Chartered Accountants

Andhra Pradesh Power Purchase Co-ordination Committee (APPCC) and balance if any paid back to M/s. APSPDCL on daily basis. The Bank balance representing on 31st Mar 2020 are representing amounts due to M/s. APSPDCL. A record of transactions in the bank accounts was maintained by the company, however accounted for in M/s. APSPDCL SAP. The bank balance as on 31.03.2020 is disclosed in the balance sheet. As the amount is payable to M/s APSPDCL, disclosed as current liabilities in balance sheet and as increase of current liabilities in cash flow statement

**c. Incorporation Expenses and apportionment of common Costs**

The company formation costs and company's share of common costs (in expenses incurred by M/s APSPDCL), if any are yet to be assessed and amount has not been quantified and included in the current financial statements by the company

**Emphasis of Matter**

**a. Date of Incorporation and date of distribution license**

The company was incorporated on 24th December 2019 as per Certificate of Incorporation and the company is granted with Distribution license to operate as DISCOM with effect from 1st April 2020 vide notification no. GO.Ms. No: 41, ENERGY (POWER I) DEPARTMENT, dt: 05.12.2019

**b. Date of bifurcation of assets and liabilities and operations**

Consequent on the directions from Government of Andhra Pradesh, bifurcation of power distribution business of M/s Southern Power Distribution Company of Andhra Pradesh Limited has been made. A new power distribution utility has been incorporated to look after the power distribution under the territorial jurisdiction of Krishna, Guntur & Prakasam Districts. APERC issued power distribution license to APCPDCL (Company) with effect from 01.04.2020. However, Distribution of assets and liabilities along with staff bifurcation between M/s. APSPDCL and M/s APCPDCL is not completed by the end of financial year ending 31st Mar 2020.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matter stated in section 134(5) of the Companies Act, 2013 ("the act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of 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, This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for



safeguarding of the assets of the Company and for preventing and detecting frauds of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records relevant to the preparation and presentation of Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibilities for Audit of the Financial Statements**

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal Control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under section 143(3)(i) of the Companies Act, 2013. We are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**R K Nitta & Co.,**  
M.No. 207417  
FRN. 008228S  
Chartered Accountants



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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, 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)(i) of the Companies Act 2013, we give in the Annexure - C, to this report with respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls.
4. 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) Except for the matters described in the basis for qualified opinion paragraph above, 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.
  - e) Being a Government Company the Company is exempt from the provisions of section 164(2) of the Act regarding disqualification of Directors, in terms of Circular NO. GSR 463(E) dated 05<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, Government of India.
  - f) Being a Government Company the Company is exempt the provisions of section 197 of the Act, in terms of Circular NO. GSR 463(E) dated 05<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, Government of India. Hence, reporting on managerial remuneration is not applicable.
  - 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. Pending litigations which would impact its Financial Statements: Not applicable for the current year as the bifurcation with APSPDCL is dated 01.04.2020.
    - II. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

**R K Nitta & Co.,**  
M.No. 207417  
FRN. 008228S  
Chartered Accountants



- ii) 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.



For R K Nitta & Co.,  
Chartered Accountants

Nitta Ravi Kishore  
Proprietor,  
M. No. 207417, FRN. 008228S

Place: Vijayawada

Date: 4/12/2020

UDIN: 20207417AAAAEG3649

## ANNEXURE - A TO THE AUDITORS' REPORT

## Annexure to the Auditor's Report for the year ended 31st March, 2020

(As referred to in Paragraph 1 of Report on other Legal and Regulatory Requirements of our report of even date to the members of The Andhra Pradesh Central Power Distribution Corporation Limited on the financial statements for the year ended 31st March, 2020)

- i. **Fixed Assets:** Consequent on the directions from Government of Andhra Pradesh, bifurcation of power distribution business of M/s Southern Power Distribution Company of Andhra Pradesh Limited has been made. A new power distribution utility has been incorporated to look after the power distribution under the territorial jurisdiction of Krishna, Guntur & Prakasam Districts. APERC issued power distribution license to APCPDCL (Company) with effect from 01.04.2020. However, Distribution of assets and liabilities along with staff bifurcation between M/s. APSPDCL and M/s APCPDCL is not completed by the end of financial year ending 31st Mar 2020. Hence this point is not applicable.
- ii. **Inventories:** Consequent on the directions from Government of Andhra Pradesh, bifurcation of power distribution business of M/s Southern Power Distribution Company of Andhra Pradesh Limited has been made. A new power distribution utility has been incorporated to look after the power distribution under the territorial jurisdiction of Krishna, Guntur & Prakasam Districts. APERC issued power distribution license to APCPDCL (Company) with effect from 01.04.2020. However, Distribution of assets and liabilities along with staff bifurcation between M/s. APSPDCL and M/s APCPDCL is not completed by the end of financial year ending 31st Mar 2020. Hence this point is not applicable.
- iii. According to the information provided to us and audit procedures conducted by us, 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 (a), iii (b), iii (c) of the order are not applicable to the Company.
- iv. According to the information and explanations given to us and based on the audit procedures conducted by us,
  - The company has not given any loans and advances to the parties covered under section 185 of the companies Act. Thus, there is no non-compliance of provisions of Section 185.
  - The company has not given any loans and guarantee or providing and security in connection with a loan, to any person or other body corporate and acquiring securities of any other body corporate against the provisions of Section 186 of Companies Act 2013.

  
 K Nitta & Co.  
 M.No. 207417  
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 Chartered Accountants

- v. According to the information and 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. **Cost Records:** The Central Government of India has prescribed the maintenance of Cost records under Section 148(1) of the Act. The books of accounts for transactions relating to the jurisdictional area of the company (Krishna, Guntur and Prakasam Districts of the State of Andhra Pradesh) for the period from the date of incorporation to the year ending 31.03.2020 are being maintained in M/s. APSPDCL SAP software as the company is granted with distribution license with effect from 01.04.2020 to conduct electricity business. Hence could not comment on this point.
- vii. **Statutory Dues:** The books of accounts for transactions relating to the jurisdictional area of the company (Krishna, Guntur and Prakasam Districts of the State of Andhra Pradesh) for the period from the date of incorporation to the year ending 31.03.2020 are being maintained in M/s. APSPDCL SAP software as the company is granted with distribution license with effect from 01.04.2020 to conduct electricity business. Consequent on the directions from Government of Andhra Pradesh, bifurcation of power distribution business of M/s Southern Power Distribution Company of Andhra Pradesh Limited has been made. A new power distribution utility has been incorporated to look after the power distribution under the territorial jurisdiction of Krishna, Guntur & Prakasam Districts. APERC issued power distribution license to APCPDCL (Company) with effect from 01.04.2020. However, Distribution of assets and liabilities along with staff bifurcation between M/s. APSPDCL and M/s APCPDCL is not completed by the end of financial year ending 31st Mar 2020. Hence could not comment on this point.
- viii. 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.
- ix. Based on our audit procedures and as per the information and explanations given by the management the company has not raised any money through any public offers. Hence, application of money for the purpose for which those are raised is not applicable. Based on our audit procedures and as per the information and explanations given by the management the company has not raised any term loans during the year and hence reporting on the end use of term loans is not applicable.
- x. During the course of our examination of the books and records of the company carried on in accordance the auditing standards generally accepted in India, and according to the information and explanations given to us, we have neither come across any material 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.
- xi. Since Government Company is exempted from the provisions of section 197 of companies act, 2013 clause (xi) of the order is not applicable



- xii. According to the information and explanations given to us and based on audit procedures conducted by us, as the company is not a Nidhi company, clause (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on audit procedures conducted by us, all the transactions with related parties are in compliance with sections 177 and 188 of Companies act. 2013, wherever applicable and the details have been disclosed in the financial statements etc. , as required by applicable accounting standards.
- xiv. According to the information and explanations given to us and based on audit procedures conducted by us, as the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and so clause (xiv) of the order is not applicable.
- xv. According to the information and explanations given to us and based on audit procedures conducted by us. as the company has not entered into any non -cash transactions with directors or persons connected with him Hence, clause (xv) of the order is not applicable.
- xvi. According to the information and explanations given to us and based on audit procedures conducted by us, as the company is not required to be registered under section 45 -IA of RBI Act, 1934/ Hence, clause (xvi) of the order is not applicable



For R K Nitta & Co.,  
Chartered Accountants



Nitta Ravi Kishore  
Proprietor,  
M. No. 207417, FRN. 008228S

Place: Vijayawada

Date: 4/12/2020

### **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 The Andhra Pradesh Central Power Distribution Corporation Limited on the financial statements for the year ended 31st March, 2020)

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 and sub 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 and the audit procedures conducted by us. We report that:

#### **Report on Directions u/s 143(5) of Companies Act 2013:**

- 1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside of IT system on the integrity of the accounts along with the financial implications, if any, may be stated.**

The books of accounts for transactions relating to the jurisdictional area of the company (Krishna, Guntur and Prakasam Districts of the State of Andhra Pradesh) for the period from the date of incorporation to the year ending 31.03.2020 are being maintained in M/s. APSPDCL SAP software as the company is granted with distribution license with effect from 01.04.2020 to conduct electricity business. As such we are not able to comment on the matter.

- 2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.**

As per the information and records produced before us there are no cases of restructuring of any loan or cases of waiver write off of debts loans interest etc made by any lender due to the company's inability to repay the loan during the year under review

- 3. Whether funds received / receivable for CPDCL schemes from central/state agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.**

The books of accounts for transactions relating to the jurisdictional area of the company (Krishna, Guntur and Prakasam Districts of the State of Andhra Pradesh) for the period from the date of incorporation to the year ending 31.03.2020 are being maintained in M/s. APSPDCL SAP software as the company is granted with distribution license with effect from 01.04.2020 to conduct electricity business. As such we are not able to comment on the matter.



**Report on Sub Directions u/s 143(5) of Companies Act 2013:**

**Whether the company has made adequate provisions Apwards pension, gratuity and leave encashment liability of APSEB origin employees (retired and serving)and gratuity and liability of employees recruited on or after 1<sup>st</sup> February 1999.**

The books of accounts for transactions relating to the jurisdictional area of the company (Krishna, Guntur and Prakasam Districts of the State of Andhra Pradesh) for the period from the date of incorporation to the year ending 31.03.2020 are being maintained in M/s. APSPDCL SAP software as the company is granted with distribution license with effect from 01.04.2020 to conduct electricity business. As such we are not able to comment on the matter.

**Whether the company accounted for power purchase at the rates approved by the regulatory commission through its tariff order and made provisions for the unpaid power purchase cost and other charges as on 31<sup>st</sup> March 2019.**

The books of accounts for transactions relating to the jurisdictional area of the company (Krishna, Guntur and Prakasam Districts of the State of Andhra Pradesh) for the period from the date of incorporation to the year ending 31.03.2020 are being maintained in M/s. APSPDCL SAP software as the company is granted with distribution license with effect from 01.04.2020 to conduct electricity business. As such we are not able to comment on the matter.

**Whether the company has reconciled the unpaid power purchase cost and transmission charges outstanding as on 31<sup>st</sup> March 2020**

The books of accounts for transactions relating to the jurisdictional area of the company (Krishna, Guntur and Prakasam Districts of the State of Andhra Pradesh) for the period from the date of incorporation to the year ending 31.03.2020 are being maintained in M/s. APSPDCL SAP software as the company is granted with distribution license with effect from 01.04.2020 to conduct electricity business. As such we are not able to comment on the matter.

**Whether the company has system for monitor the bank guarantees and for extentionn or encashment of the same before expiry of bank guarantee**

Consequent on the directions from Government of Andhra Pradesh, bifurcation of power distribution business of M/s Southern Power Distribution Company of Andhra Pradesh Limited has been made. A new power distribution utility has been incorporated to look after the power distribution under the territorial jurisdiction of Krishna, Guntur & Prakasam Districts. APERC issued power distribution license to APCPDCL (Company) with effect from 01.04.2020. However, Distribution of assets and liabilities along with staff bifurcation between M/s. APSPDCL and M/s APCPDCL is not completed by the end of financial year ending 31st Mar 2020. The transactions of CPDCL are also dealt by SPDCL As such we are not able to comment on the matter.



**Whether the company has system to monitor the Contracts terminated at the risk and cost of the defaulting contractors and to monitor the realization of risk and cost amount within realiable time.**

Consequent on the directions from Government of Andhra Pradesh, bifurcation of power distribution business of M/s Southern Power Distribution Company of Andhra Pradesh Limited has been made. A new power distribution utility has been incorporated to look after the power distribution under the territorial jurisdiction of Krishna, Guntur & Prakasam Districts. APERC issued power distribution license to APCPDCL (Company) with effect from 01.04.2020. However, Distribution of assets and liabilities along with staff bifurcation between M/s. APSPDCL and M/s APCPDCL is not completed by the end of financial year ending 31st Mar 2020. The transactions of CPDCL are also dealt by SPDCL As such we are not able to comment on the matter.



For R K Nitta & Co.,  
Chartered Accountants



Nitta Ravi Kishore  
Proprietor,  
M. No. 207417, FRN. 008228S

Place: Vijayawada

Date: 4/12/2020



### **Annexure - C to the Audit's Report**

#### **Annexure to the independent auditor's report of even date on the standalone financial statements of Andhra Pradesh Central Power Distribution Corporation limited**

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

We have audited the internal financial controls over financial reporting of Andhra Pradesh Central Power Distribution Corporation Limited. ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal

**R. K. N. & Co.**  
M.No. 207417  
FRN. 008228S  
Chartered Accountants



financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls over Financial Reporting

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

Being the Government undertaking, the Company's internal control process over financial reporting is designed by way of various Manuals, Rules, Circulars and instructions issued from time to time and our opinion is based on the internal control process over financial reporting as defined therein.

The books of accounts for transactions relating to the jurisdictional area of the company (Krishna, Guntur and Prakasam Districts of the State of Andhra Pradesh) for the period from

**R K Nitta & Co.**  
M.No. 207417  
FRN. 008228S  
Chartered Accountants

the date of incorporation to the year ending 31.03.2020 are being maintained in M/s. APSPDCL SAP software as the company is granted with distribution license with effect from 01.04.2020 to conduct electricity business.


The company has opened and operated bank accounts in the name of M/s. APCPDCL and used for collection of consumer charges (CC) and Developmental charges from the consumers of three jurisdictional districts between February 2020 and March 2020 on behalf of M/s. APSPDCL and utilized those funds to pay power purchase contracts with M/s. Andhra Pradesh Power Purchase Co-ordination Committee (APPCC) and balance if any paid back to M/s. APSPDCL on daily basis. The Bank balance representing on 31st Mar 2020 are representing amounts due to M/s. APSPDCL. A record of transactions in the bank accounts was maintained by the company, however accounted for in M/s. APSPDCL SAP. The bank balance as on 31.03.2020 is disclosed in the balance sheet. As the amount is payable to M/s. APSPDCL, disclosed as current liabilities in balance sheet and as increase of current liabilities in cash flow statement.

**Our review of internal controls over financial reporting was restricted to the items disclosed in the financial statements.**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



For R K Nitta & Co.,  
Chartered Accountants



Nitta Ravi Kishore  
Proprietor,  
M. No. 207417, FRN. 008228S

Place: Vijayawada

Date: 4/12/2020



## ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No	Figures as at the end of current reporting period 2019-20	Figures as at the end of current reporting period 2018-19
		₹ in crore	₹ in crore
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	0.10	-
(b) Reserves and Surplus		-	-
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings		-	-
(b) Other Long term liabilities		-	-
(c) Long term provisions		-	-
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities(including current maturities of Long term debt)	2	32.00	-
(d) Short-term provisions		-	-
<b>Total</b>		<b>32.10</b>	<b>-</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets(Net)		-	-
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(b) Non-current investments		-	-
(c) Long term loans and advances		-	-
<b>(2) Current assets</b>			
(a) Inventories		-	-
(b) Trade receivables		-	-
(c) Cash and cash equivalents	3	32.10	-
(d) Short-term loans and advances		-	-
(e) Other current assets		-	-
<b>Total</b>		<b>32.10</b>	<b>-</b>

As per our report of even date

For and on behalf of the Board

R K Nitta & Co.,  
Chartered AccountantsProprietor  
FRN. 008228S; M.No. 207417J.PADMA JANARDHAN REDDY  
Chairman & Managing Director  
DIN : 08002535V.V.GOPALA KRISHNA MURTHY  
Director/Finance (FAC)K.SANTHOSHA RAO  
Director/Technical  
DIN : 08879899

Place : VIJAYAWADA



## ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED

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

Particulars	Note No	Figures as at the end of current reporting period 2019-20	Figures as at the end of current reporting period 2018-19
		₹ in crore	₹ in crore
<b>Revenues:</b>			
I. Revenue from operations		-	-
II. Other Income		-	-
III. Revenue Subsidies and Grants ( .i.e., Govt reimbursement for agricultural sales/consumption)		-	-
<b>Total Revenue (I + II + III ) - (A)</b>		-	-
<b>Expenses:</b>			
IV. Cost of Power Purchase		-	-
V. Employee benefit expenses		-	-
VI. Financial costs		-	-
VII. Depreciation and amortization expenses		-	-
VIII. Other expenses		-	-
<b>Total Expenses (IV+V+VI+VII+VIII-(B))</b>		-	-
IX. Profit before exceptional and extraordinary items and tax (A - B)		-	-
X. Exceptional Items		-	-
XI. Profit before extraordinary items and tax (IX - X)		-	-
XII. Extraordinary Items		-	-
XIII. Profit before tax (XI - XII)		-	-
XIV. Provision for Taxation		-	-
XV. Profit(Loss) from the period from continuing operations(XIII-XIV)		-	-
XVI Less: Transfer to Contingency Reserve		-	-
XVII. Profit/(Loss) for the period (XV-XVI)		-	-
XVIII. Earning per equity share:			
(1) Basic		-	-
(2) Diluted		-	-
Other Notes			
Statement of Accounting Policies			

As per our report of even date

For and on behalf of the Board

R K Nitta & Co.,  
Chartered Accountants

**R K Nitta & Co.,**  
M.No. 207417  
FRN. 008228S  
Chartered Accountants

Proprietor

FRN. 008228S; M.No. 207417

J.PADMA JANARDHAN REDDY  
Chairman & Managing Director  
DIN : 08002535

V.V.GOPALA KRISHNA MURTHY  
Director/Finance (FAC)

K.SANTHOSHA RAO  
Director/Technical  
DIN : 08879899

Place: VIJAYAWADA





## ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED

## CASH FLOW STATEMENT

	Particulars	Year ending 31-03-2020		Year ending 31-03-2019	
		₹ in crore	₹ in crore	₹ in crore	₹ in crore
<b>A</b>	<b>Cash flow from operating activities</b>				
	Net profit before taxation		-		-
	<b>Adjustments for items in Profit &amp; Loss Account</b>				
	Amortization of Capital Contributions	-	-	-	-
	Depreciation & Amortization	-	-	-	-
	Interest Income	-	-	-	-
	Interest Expense	-	-	-	-
	<b>Operating Profit before working capital changes</b>		-		-
	<b>Adjustments for changes in Current Assets other than Cash and Cash Equivalents</b>				
	Inventories	-	-	-	-
	Trade receivables	-	-	-	-
	Other Current Assets	-	-	-	-
	Loans and Advances	-	-	-	-
	<b>Adjustments for changes in Current Liabilities &amp; provisions</b>				
	Current Liabilities	32.00	-	-	-
	Provisions	-	32.00	-	-
	<b>Cash generated from Operations</b>		32.00		-
	<b>Net cash flow from operating activities</b>		32.00		-
<b>B</b>	<b>Cash flows from investing activities</b>				
	Purchase of fixed assets /CWIP	-	-	-	-
	Interest on Investments	-	-	-	-
	Interest on contingency reserve investments	-	-	-	-
	(Increase)/Decrease in Investments	-	-	-	-
	<b>Net cash flow from investing activities</b>		-		-
<b>C</b>	<b>Cash Flows from Financing Activities</b>				
	Share capital	0.10	-	-	-
	APCPDCL reserves ( Losses)	-	-	-	-
	Receipts towards UDAY Scheme Grant	-	-	-	-
	Loans repaid	-	-	-	-
	Proceeds from borrowings	-	-	-	-
	Increase in security and other deposits	-	-	-	-
	Additions to Deferred Capital Contributions	-	-	-	-
	Interest on Borrowings	-	-	-	-
	<b>Net Cash flow from Financing Activities</b>		0.10		-
<b>D</b>	<b>Net Increase/Decrease in cash and cash equivalents</b>		32.10		-
<b>E</b>	<b>Cash and Cash Equivalents</b>				
	At the beginning of the period		-		-
	At the end of the period		32.10		-
<b>F</b>	<b>Net Increase/Decrease in cash and cash equivalents</b>		32.10		-

As per our report of even date

R K For and on behalf of the Board  
Chartered AccountantsProprietor  
FRN. 008228S; M.No. 207417

Place : VIJAYAWADA

**R K Nitta & Co.,**  
M.No. 207417  
FRN. 008228S  
Chartered Accountants

J.PADMA JANARDHAN REDDY  
Chairman & Managing Director  
DIN : 08002535

V.V.GOPALA KRISHNA MURTHY  
Director/Finance (FAC)

K SANTHOSHA RAO  
Director / Technical  
DIN : 08879899



## ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED

## Note No. 1 - Share Capital

Share Capital	As at 31 March 2020		As at 31 March 2019	
	Number	₹ in crore	Number	₹ in crore
<b>Authorised Share Capital</b>				
Equity Shares of ₹.10 each Total shares (Rupees Ten Only)	1,50,000	0.15	-	-
<b>Issued Subscribed &amp; Paid up Share Capital</b>				
Equity Shares of ₹10 each (Rupees Ten Only)	1,00,009	0.10	-	-
<b>Total</b>	1,00,009	0.10	-	-

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

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

	Particulars	As at 31 March 2020		As at 31 March 2019	
		Number	₹ in crore	Number	₹ in crore
A	<b>Equity Shares of ₹10 each</b>				
	Opening Balance	-	-	-	-
	Additions	1,00,009	0.10	-	-
	Bought Back	-	-	-	-
	<b>Closing Balance</b>	1,00,009	0.10	-	-

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

Name of the Share holder	As at 31 March 2020		As at 31 March 2019	
	No. of shares held	% of Holding	No. of shares held	% of Holding
<b>Equity Shares</b>				
Governor of Andhra Pradesh	1,00,000	99.99%	-	-
<b>Total</b>	1,00,000	99.99%	-	-

## C. Terms/rights attached to Equity Shares

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

**R K Nitta & Co.**  
M.No. 207417  
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Chartered Accountants



## ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED

## Note No. 2 - Other Current Liabilities

Current Liabilities	As at 31 March 2020	As at 31 March 2019
	₹ in crore	₹ in crore
Amounts collected on behalf of APSPDCL and balance available in APCPDCL bank accounts at the end of financial year 31st Mar 2020, These amounts represent amounts collected as CC charges and development charges from consumers on behalf of APSPDCL. These amounts are being transferred to APSPDCL on daily basis or make payments to APPCC on behalf of APSPDCL for power purchase cost	32.00	0.00

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 M.No. 207417  
 FRN. 008228S  
 Chartered Accountants



## ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED

## Note No.3 Cash &amp; Cash Equivalents

Cash & Cash Equivalents	As at 31 March 2020	As at 31 March 2019
	₹ in crore	₹ in crore
a) Cash on Hand (including cheques, DD's and Stamps on Hand.	0.00	0.00
b) Balance with Scheduled Banks	0.00	0.00
i) in current A/c	32.10	0.00
ii) in Deposit Accounts	0.00	0.00
c) Remittances in Transit	0.00	0.00
d) Other Balance - Merger	0.00	0.00
<b>Total</b>	<b>32.10</b>	<b>0.00</b>

**R K Nitta & Co.**  
 M.No. 207417  
 FRN. 008228S  
 Chartered Accountants





## ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED

## STATEMENT ON 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.

## OTHERS:

2. The books of accounts for transactions relating to the jurisdictional area of the company (Krishna, Guntur and Prakasam Districts of the State of Andhra Pradesh) for the period from the date of incorporation to the year ending 31.03.2020 are being maintained in M/s. APSPDCL SAP software. The company is granted with distribution license with effect from 01.04.2020 to conduct electricity business by Hon'ble APERC.
3. The company has opened and operated bank accounts in the name of M/s. APCPDCL and used for collection of consumer consumption charges (CCC), Developmental charges and other related charges from the consumers of three jurisdictional districts from February 2020 and March 2020 on behalf of M/s. APSPDCL and utilized those funds for payment to Andhra Pradesh Power Purchase Co-ordination Committee (APPPC) for power purchase costs and balance if any paid to M/s. APSPDCL on daily basis. The Bank balances as on 31st Mar 2020 are representing amounts due to M/s. APSPDCL. A record of transactions in the bank accounts was maintained by the company, however accounted for in M/s. APSPDCL SAP. The bank balance as on 31.03.2020 is disclosed as current liabilities in balance sheet and shown as increase of current liabilities in cash flow statement

R K Nitta & Co.,  
Chartered Accountants

For and on behalf of the Board

Proprietor  
FRN. 008228S, M.No. 207417



Place: VIJAYAWADA

J. PADMA JANARDHAN REDDY  
Chairman & Managing Director  
DIN : 08002535

V.V.GOPALA KRISHNA MURTHY  
Director/Finance (FAC)

Date: 4/12/2020

K.SANTHOSHA RAO  
Director/Technical  
DIN : 08879899

4. The company was incorporated on 24th December 2019 as per Certificate of Incorporation and the company is granted with Distribution license to operate as DISCOM with effect from 1st April 2020 vides notification no. GO.Ms. No: 41, ENERGY (POWER I) DEPARTMENT, dt: 05.12.2019
5. Consequent on the directions from Government of Andhra Pradesh, bifurcation of power distribution business of M/s Southern Power Distribution Company of Andhra Pradesh Limited has been made. A new power distribution utility has been incorporated to look after the power distribution business under the territorial jurisdiction of Krishna, Guntur & Prakasam Districts. APERC issued power distribution license to APCPDCL (Company) with effect from 01.04.2020. However, Distribution of assets and liabilities along with staff bifurcation between M/s. APSPDCL and M/s APCPDCL is not completed by the end of financial year ending 31st Mar 2020.

R K Nitta & Co.,  
Chartered Accountants

For and on behalf of the Board




Proprietor  
FRN. 008228S; M.No. 207417



J. PADMA JANARDHAN REDDY  
Chairman & Managing Director  
DIN : 08002535



K. SANTHOSHA RAO  
Director/Technical  
DIN : 08879899



V.V.GOPALA KRISHNA MURTHY  
Director/Finance (FAC)

Place: VIJAYAWADA

Date: 4/12/2020





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## ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED

Dr. Y.S.R Vidyut Soudha,

Corporate office, Besides Govt Polytechnic college, ITI Road, Vijayawada -520 008

<b>M/s R K Nitta &amp; Co., Chartered Accountants,</b> Proprietor, FRN: 008228S, M.No. 207417	<b>Central Power Distribution Corporation Limited of Andhra Pradesh</b>
<b>Auditors Report FY 2019-20</b>	Replies of the company forming part of Directors Report to the members under section 217(3) of the Companies Act, 2013
<b>Basis for Qualified Opinion</b> In the absence of relevant information we are unable to assess the impact on accounts could not be quantified on the following issues:	
<p><b>a. Books of account</b></p> <p>The books of accounts for transactions relating to the jurisdictional area of the company (Krishna, Guntur and Prakasam Districts of the State of Andhra Pradesh) for the period from the date of incorporation to the year ending 31.03.2020 are being maintained in M/s. APSPDCL SAP software as the company is granted with distribution license with effect from 01.04.2020 to conduct electricity business. Surplus or deficit arising on account of transactions pertaining to jurisdictional area of M/s APCPDCL is not ascertained and included in the current financial statements.</p>	<p>The Govt. of AP has issued GO vide G.O.MS.No.41 dated 05-12-2019 deciding to divide Andhra Pradesh Southern Power Distribution Company Limited into two Distribution Companies viz., Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL) and Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL) with the following composition of the Districts:-</p> <p>CPDCL: HQ: Vijayawada Krishna, Guntur and Prakasam</p> <p>SPDCL: HQ: Tirupati SPS Nellore, Chittoor, YSR Kadapa, Ananthapuramu, and Kurnool</p> <p>The Registrar of Companies, issued Certificate of Incorporation dated 24th Dec 2019 and</p> <p>The Hon'ble APERC granted distribution licence to act as a DISCOM w.e.f 01-04-2020. Thus, the company has not done any operational activities of distribution of electricity. Thus, all the transactions pertaining to jurisdictional areas of APCPDCL is being maintained books in SAP system of APSPDCL</p>

**R K Nitta & Co.**  
M.No. 207417  
FRN. 008228S  
Chartered Accountants

<p><b>b. Bank accounts</b></p> <p>The company has opened and operated bank accounts in the name of M/s. APCPDCL and used for collection of consumer charges (CC) and Developmental charges from the consumers of three jurisdictional districts between February 2020 and March 2020 on behalf of M/s. APSPDCL and utilized those funds to pay power purchase contracts with M/s. Andhra Pradesh Power Purchase Co-ordination Committee (APPCC) and balance if any paid back to M/s. APSPDCL on daily basis. The Bank balance representing on 31st Mar 2020 are representing amounts due to M/s. APSPDCL. A record of transactions in the bank accounts was maintained by the company, however accounted for in M/s. APSPDCL SAP. The bank balance as on 31.03.2020 is disclosed in the balance sheet. As the amount is payable to M/s APSPDCL, disclosed as current liabilities in balance sheet and as increase of current liabilities in cash flow statement.</p>	<p>The balance available in APCPDCL bank accounts at the end of financial year 31st Mar 2020 represents amounts collected on behalf of APSPDCL, such as current consumption charges (CCC) and development charges.</p> <p>These amounts are being transferred to APSPDCL on daily basis or used to make payments to Andhra Pradesh Power Purchase Co-ordination Committee (APPCC) on behalf of APSPDCL for power purchase cost</p>
<p><b>c. Incorporation Expenses and apportionment of common Costs</b></p> <p>The company formation costs and company's share of common costs (in expenses incurred by M/s APSPDCL), if any are yet to be assessed and amount has not been quantified and included in the current financial statements by the company</p>	<p>As there is no operational activities started by APCPDCL before 31<sup>st</sup> Mar 2020, all the incidental costs such as incorporation expenses and common costs of the company incurred from date of incorporation till 31<sup>st</sup> Mar 2020 are recorded in APSPDCL books. Those costs will be ascertained and accounted to APCPDCL in FY 2020-21</p>

For R K Nitta & Co.,  
Chartered Accountants  
Firm Reg. No. 008228S



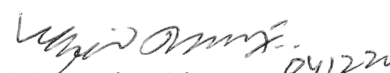
Nitta Ravi Kishore  
Chartered Accountant  
Proprietor, M.No. 207417



J.PADMA JANARDHANA REDDY  
Chairman & Managing Director  
DIN : 08002535



K.Santhosha RAO  
Director/Technical  
DIN : 08879899

V.V.Gopala Krishna Murthy  
Director/Finance (FAC)

Place: Vijayawada

Date: 04/12/2020




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

No.PAG (Audit)/AP/AMG-PSUs (Power)/APCPDCL/AA 2019-20/205 Date: 04-03-2021

 To  
 The Chairman and Managing Director,  
 Andhra Pradesh Central Power Distribution Corporation Limited,  
 Vidyut Soudha, 48-12-4/1,  
 Eluru Road, Gunadala,  
 Vijayawada - 520 004

Sir,

Sub: Comments of the Comptroller and Auditor General of India (C&amp;AG) under Section 143 (6) (b) of the Companies Act, 2013 on the financial statements of APCPDCL for the year ended 31 March 2020.

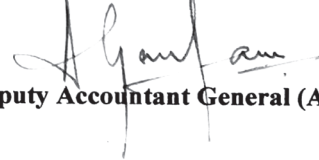
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I am to forward herewith comments of the Comptroller and Auditor General of India (C&amp;AG) under Section 143 (6) (b) of the Companies Act, 2013 on the Financial Statements of your company for the year ended 31 March 2020 for necessary action. You are requested to communicate/ furnish the following.

1. The date of placing Annual Report for the year 2019-20 together with the Financial Statements, comments of the C&AG and Independent Auditor's Report before the shareholders of the company along with a copy of the proceedings of AGM.
2. The date of forwarding the Annual Report and Financial Statements of the company for the year 2019-20 together with the Auditor's Report and comments of the C&AG to the State Government for being placed before the Legislature of Andhra Pradesh.
3. Ten copies of the printed Annual Report for the year 2019-20 as well as a copy in PDF format.

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

Yours faithfully,


**Deputy Accountant General (AMG)**

Encl: As stated

**Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of Andhra Pradesh Central Power Distribution Corporation Limited for the year ended 31 March 2020**


The preparation of financial statements of Andhra Pradesh Central Power Distribution Corporation Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(7) 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 10 February 2021 which supersedes their earlier Audit Report dated 4 December 2020.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Andhra Pradesh Central Power Distribution Corporation Limited for the year ended 31 March 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision made in Statutory Auditors' Report to give effect to some of my audit observations raised during supplementary audit I have no further comments to offer upon or supplement to the Statutory Auditor's report under section 143(6)(b) of the Act.

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

Place: Hyderabad  
Date: 04.03.2021

  
(CHANDA M. PANDIT)  
Accountant General (Audit)

## 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.	:	U40108AP2019SGC113717
State Code	:	01
Balance Sheet Date	:	31-03-2020

## II. Capital raised during the Year

	:	(Rupees in Crores)
Public Issue	:	-
Rights Issue	:	-
Bonus Issue	:	-
Private Placement	:	0.1

## III. Position of Mobilisation and Development

	:	(Rupees in Crores)
Total Liabilities	:	32.10
Total Assets	:	32.10

## Sources of Funds

Paid up Capital	:	0.10
Reserves & Surplus	:	-
Secured Loans	:	-
Unsecured Loans	:	-

## Application of Funds

Net Fixed Assets	:	-
CWIP	:	-
Investments	:	-
Net Current Assets	:	0.10
Miscellaneous Expenditure	:	-

## IV. Performance of the Company

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

## V. Generic Names of Principal products/

NIL

## Services of the Company

PAN NO

AATCA0874A

Item Code No.

N.A.

Product Description

Distribution of Power



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## ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED

Regd. Office : Beside Govt. Polytechnic, ITI Road, VIJAYAWADA.

Krishna District, Andhra Pradesh - 520 008.

Corporate Identity Number : U4018AP2019SGC113717 website : [www.apcpdcl.in](http://www.apcpdcl.in)