



Sri Y S Jagannathan Reddy
Hon'ble Chief Minister.



Sri Peddireddy Ramachandra Reddy
Hon'ble Minister for Energy.



Vision & Mission Statement

Vision

To Lead In Being A Valuable Partner For
Financing Organizations Engaged In Power
And Allied Sectors

Mission

To provide competitive and affordable financial products and services for the enterprises in the power and its allied sectors, having precedence on the reforms in the power sector and to ensure commitment to its stakeholders. APPFCL upholds the interest of its stakeholders by being pellucid of its operations and ensures the profitability and sustainability of its customers at all times.





SUPER SEED POWER
SUPERCEDE GROWTH



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Message from the Chairman

On behalf of the entire team at Andhra Pradesh Power Finance Corporation Limited (“APPFCL”), I welcome you all to the 23rd Annual General Meeting of the Company.

It was a staggering performance of APPFCL during the financial year 2022-23, with your Company posting excellent financial performance weathering challenges beyond the control of your Company.

APPFCL believes that a strong and effective Corporate Governance nurtures integrity and accountability thereby improving the overall growth of the Company thus resulting in building confidence in the minds of its stakeholders. Having said so, your Company being a debt listed entity has ensured to adhere to all applicable provisions within its ambit with respect to Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations and RBI regulations. Various Policies and procedures together with the checks and balances are in place and the management of your Company has prioritized and kept the interests of the investors and other stakeholders with the best interest of the Company, by the management in the decision- making process.

We convey our gratitude to all stakeholders including the Commercial Banks, Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Comptroller and Auditor General of India (C & AG), Statutory Auditors, Internal Auditors, Registrar of Companies for their continuous support and guidance. APPFCL looks forward for the continued support in the years to come to scale greater heights.

Thank you.

Shamsher Singh Rawat, IAS
Chairman





Message from the Managing Director

Welcome to the 23rd Annual General Meeting of Andhra Pradesh Power Finance Corporation Limited ("APPFCL").

I am proud to share that your Company, during the financial year 2022-23 has posted a net profit of Rs. 192.72 Crores as against the net profit for the previous financial year i.e., Rs. 149.61 Crores. Net worth of your Company has risen sharply during the financial year under review i.e., Rs. 733 Crores as against Rs. 538 Crores during the financial year 2021-22.

Introduction of issuance of Inter-Corporate Deposits (ICDs) in addition to bank term loans and issuance of Non-Convertible Debentures, not just benefitted your Company but also the Companies in the state of Andhra Pradesh operating in Power Sector, ultimately transferring the benefit to the public of the state.

The Asset under Management (AUM) during the financial year 2022-23 has also seen a steadfast growth with a total of Rs. 14,248 Crores as at 31st March 2023 resulting in significant increase of total revenue during the financial year i.e., 28.81% when compared to the financial year 2021-22 APPFCL has maintained required Capital Adequacy Ratio (CRAR) i.e., 27.22% as at financial year ended 31st March 2023.

I thank my entire team for their consistent efforts and zeal without which your Company couldn't have achieved this feat. I am grateful to all the shareholders, bondholders, debenture holders, Deposit holders and all the stakeholders for having reposed confidence in the management of the Company during the financial year 2022-23.

Dr. K V V Satyanarayana, IRAS
Managing Director





Corporate Overview

Section 1

Board of Directors

The Board members of APPFCL as at 31st March 2023 are:

1. **Sri Shamsheer Singh Rawat, IAS**–Chairman and Director (DIN:06927486)– Special Chief Secretary, Finance Department, A.P.
2. **Dr.KVV Satyanarayana, IRAS**–Managing Director (DIN:08076027)-Secretary, Finance Department, A.P.
3. **Sri K Vijayanand, IAS**-Director/ APPFCL (DIN:02138144), Special Chief Secretary to Govt./Energy Department., A.P.
4. **Sri KVN Chakradhara Babu, IAS**–Director/ APPFCL (DIN:08504821), MD/ APGenco
5. **Sri VN Babu, CMA and CS**–Director/ APPFCL (DIN:08772842), Director (Finance)/ APSPDCL

The Directors on Board of the Company are liable for transfers as per the Government Order released from time to time. During the year under review, Smt. T Vanaja, Executive Director/ Corporate Office/ Tirupathi was retired as on 31.07.2022 by way of S.O.O.(CGM-HRD) Rt. No. 490 dated 21st May 2021. Sri. Srikant Nagulapalli, IAS was relieved as Director of the company vide GO Rt No. 389 dated 03rd March 2022 by appointment of Sri K. Vijayanand, IAS by way of G.O.Rt.No. 104 dated 04th August 2022. Sri KVN Chankradhara Babu, IAS was appointed as a Director of APPFCL by way of G.O.Rt.No.51 dated 26-04-2023.

Senior Management

The Organizational structure of the Company was revamped by the Management of the Company in the 173rd meeting of the Board of Directors of the Company held on 21st October 2021.

The results of the Company's operations has been upscaling and the management decided to appoint professionals and/or provided further responsibility to the existing employees of the Company. Accordingly,

1. **Sri.MVSN Murthy**-Retired Banker and Chief Financial officer of Andhra Pradesh State Financial Services Corporation Limited (APSFSCCL) has been appointed as Chief Risk Officer of the Company, during the financial year 2021-22.



Board of Directors



Sri. Shamsheer Singh Rawat, IAS
Special Chief Secretary, Finance Dept.
Chairman and Director
DIN:06927486

Sri Shamsheer Singh Rawat is a 1992 batch officer of the Indian Administrative Service of Andhra Pradesh cadre. Mr. S.S.Rawat has held several leadership roles during his illustrious administrative career spanning three decades, covering vast field experience, coupled with policy making and implementation responsibilities by serving as Secretary to Government through various important portfolios. Presently, he is serving as Special Chief Secretary to Government, Finance Department. Previously he has led important departments such as Industries, Social Welfare, Rural Development. Mr. S.S. Rawat has also served in the Chief Minister's Office as Special Secretary to Chief Minister. His rich administrative experience also includes working as VC&MD of Civil Supplies Corporation, and as director on the boards of several public sector undertakings. He was District Collector and District Magistrate of Chittoor district and the Joint Collector Nellore district.

As Special Chief Secretary, Finance Department, Mr. S.S. Rawat has been instrumental in wide scale adoption of information technology solutions in public finance management in order to enhance transparency and credibility of governance.



Dr. KVV Satyanarayana, IRAS
Secretary, Finance Dept.
Managing Director
DIN: 08076027

Dr. K.V.V Satyanarayana, IRAS, is the Managing Director of APPFCL since September 2019. He is also the Secretary Budget & Institutional Finance for the State of Andhra Pradesh and the Secretary Expenditure for certain departments since June 2017. He is one of the Board of Directors in various companies like APGENCO, APTRANSCO, APSPDCL, APIIC, APMDC etc., four Regional Rural Banks and several universities.

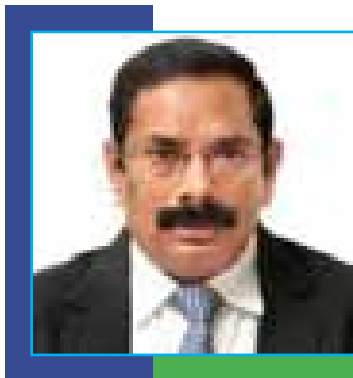
A Doctorate in Genetics from IARI, started his career in September 1997 as a Scientist (IARS) and played crucial role in exploration and preservation of wild and endangered plant species germplasm during his one year service in Indian Council of Agricultural Research (ICAR). Subsequently, he joined Indian Railway Accounts Service (IRAS) in September 1998 and served Indian Railways in various capacities for about 19 years. He is working in the Government of Andhra Pradesh on deputation since June 2017.



During the last two and half decades he handled diverse roles in Public Finance Management, Human Resource Management and Project Management etc. Through his extensive experience in resource mobilization & financial closure, massive public procurements, project appraisal and contract management techniques with special focus on innovations, automation, expenditure optimization, revenue augmentation, systems review & audit, rightsizing of manpower and modernization etc., contributed for providing citizen centric premium quality public services. He also served as a resource faculty on these subjects.

His wealth of knowledge accumulated through trainings at various prestigious institutions like LBSNAA, NIFM, NAIR, NAARM, Harvard Kennedy School, Cambridge; INSEAD, Singapore; ICLIF, Kualalumpur, Beijing Jiaotang University, China; European Business School, London; European Business School, Paris and "Advanced Management Programme on Public Policy" from Indian School of Business(ISB)etc.,helped in framing and implementing various policies in Public Finance Management.

His exceptional excellence in academic and professional life enriched with hard work, integrity with no table team work achievements resulted in receiving several accolades and awards including National for Outstanding Service.



K.Vijayanand, IAS
Special Chief Secretary,
Energy Department,
Govt. of Andhra Pradesh.

Message from Non- Executive Director

Since inception, Andhra Pradesh Power Finance Corporation Limited (APPFCL) has been supporting Andhra Pradesh power utilities in order to cater their financial needs through loans and working capital requirements. This has been marked by notable achievements and financial prowess, positioning as a firm pillar in supporting the State's power utilities.

Our balance sheet reveals a formidable financial standing, with total financial assets reaching Rs. 14,199 Crores in FY 2022-23. This includes a diversified portfolio of cash equivalents, receivables, loans, and other financial instruments, showcasing a resilient and well-managed asset base. Simultaneously, meticulous liability management is evident, with total liabilities of Rs. 13,465 Crores, showcasing a balanced and sustainable approach.

Our profit and loss statement echoes a tale of robust revenue generation, prominently led by interest income, culminating in a total revenue of Rs. 1,582 Crores. This exemplifies the pivotal role we play in sustaining the



financial health of the power utilities within the state. Expenses, totaling Rs. 1,340 Crores, have been prudently managed, ensuring efficiency without compromising on the quality of our services. Finance costs, fees, and other operational expenditures have been meticulously scrutinized to optimize resource utilization.

The Board's collective efforts have been pivotal in ensuring transparency, accountability and contributing to the organization's stability and long-term sustainability. The commitment to financial strength, prudent risk management, and operational excellence remains unwavering. We anticipate continued growth, maintaining our pivotal role in fueling the power infrastructure of our state.

We look forward to steering our organization to even greater heights, ensuring sustained value creation for our stakeholders.

Sri K Vijayanand, IAS

Non-Executive Director



K.V.N.Chakradhar Babu, IAS

Director,

APPFC

DIN:08504821

I am glad to note the remarkable financial performance of APPFCL during the fiscal year 2022-23. It is a great pride to acknowledge the significant strides made by the organization, as is reflected in the substantial growth and achievements.

The year 2022-23 has been a landmark year for APPFCL, showcasing a commendable net profit of Rs.193 Cr., a notable increase from the previous year's Rs.150 Cr. This achievement is indicative of the unwavering commitment to excellence and strategic financial management. Furthermore, the increase in net worth to Rs.733 Cr. in FY 2022-23, up from Rs.538 Cr. in FY 2021-22 is a testament to the healthy financial strategies and operational efficiency.

The committed growth in Asset under Management, reaching a total of Rs.14,248 Cr., has been a root cause of success, contributing to a significant rise in total revenue. This impressive growth trajectory is a strong demonstration of APPFCL's capability in effectively managing and expanding its financial portfolio.

Meticulous approach of the MD and board of directors towards income generation, resulting in a total income of Rs.1,574 Cr., reflects proactive and dynamic business acumen. The strategic allocation of resources and the efficient handling of financial costs, further highlight



our financial prudence.

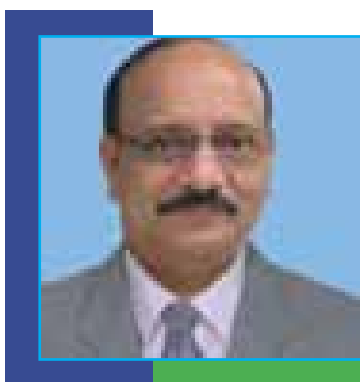
I would also like to acknowledge the kind of exposure advanced to various power utilities, including AP DISCOMS, APGENCO, and APPDCL. These efforts not only strengthen the power sector in Andhra Pradesh but also reinforce the role of APPFCL as a prominent player in the state's economic growth.

I extend my heartfelt congratulations to the entire team of APPFCL for the commendable achievements. Let the exceptionally successful old year end and the New Year begin with the warmest of aspirations, new goals and new achievements fully loaded with even higher resolutions and hard work that have always been integral in achieving company's outstanding results.

With warm regards,

(K.V.N. Chakradhar Babu, IAS)

Director, APPFCL



VN Babu

Director,
APPFCL, CMA and CS
Director (Finance)/APSPDCL
DIN: 08772842

V.N. BABU is Professionally Qualified, Cost Accountant and Company Secretary and having membership with the following Institutes.

- i. Institute of Cost Management Accountant (ICMA) of India.
- ii. Institute of Company Secretaries of India
- iii. Chartered Institute of Public Finance and Accountancy (UK).

V.N. Babu has started his carrier with GAIL(India)Ltd, a Central PSU under the Ministry of Petrol and Natural Gas, Government of India. During the tenure in GAIL he worked in various capacities in Financial Accounts Division from 1991 to 2008.

Subsequently, he joined in HLL Life care Limited, a CPSU under Ministry of Health & Family Welfare, Government of India. During his tenure in HLL worked as Vice-President / Project Finance, CFO of HLL Biotech Limited from 2008 to 2012.

Then he joined NLC India Limited (Formerly Neyveli Lignite Corporation Limited), a CPSU under Ministry of Coal, Government of India. During his tenure in NLC he worked as CFO of NLC Tamilnadu Power Limited, and also as GM/CGM & Executive Director (Finance) in NLC India Limited.

Presently he is working as Director (Finance)/CFO in APSPDCL since 11.05.2020.



Road Map



About the Company

Preface:

Andhra Pradesh Power Finance Corporation limited (APPFCL) was established as a Government Company vide G.O. Ms. No. 54 Energy (Power- III) dated 19-05-2000 under the Companies Act, 1956 (CIN: U40109AP2000SGC107482) and Commenced business on 13th July, 2000 with 100% ownership by the Government of Andhra Pradesh. APPFCL is also registered with Reserve Bank of India (RBI) as Non-Banking Finance Company (NBFC) - NDSI (Non-Deposit Taking Systematically Important) Company with effect from 25th August, 2000.

The Company being a NBFC is engaged in the business of acquiring shares/debentures from the public/Govt. Companies or trusts, availing Loans from Scheduled Commercial Banks and accepting Inter Corporate Deposits from other Government Corporations for onward lending to Power Generating Companies and Power Distribution companies owned by Govt. of Andhra Pradesh to cater to their infrastructure and working capital needs.

As at 31st March, 2023, The Company has an Authorized Share Capital of Rs.30,00,00,00,000 (Rupees Three Thousand Crores) and Paid up Share Capital of Rs.3,50,92,46,800 (Rupees Three Fifty Crores ninety two Lakhs Forty six Thousand and eight Hundred only)

Quick Glance:

Andhra Pradesh Power Finance Corporation Limited
Incorporated under Companies Act, 1956 on the 12th July 2000
Commenced business on 13th July, 2000
100% ownership by the Government of Andhra Pradesh
Registered with RBI as NDSI - NBFC
Falls under Middle Layer of RBI's Scale Based Regulation (SBR)
Registered and Corporate Office - No. 48-12-16, 2nd Floor, East wing, Vidyut Soudha, Gunadala, Vijayawada - 520004 Andhra Pradesh
Authorized Share Capital is Rs. 3000 Crores and Paid-up Share Capital is Rs. 350.92 Crores as at 31st March 2023.

Operational Highlights during the year 2022-23

- **Inter Corporate Deposits :** APPFCL, with a view to assist in building the infrastructure facilities for the power sector in the State of Andhra Pradesh decided to accept the surplus and temporary funds of other Government Companies in the form of "Inter Corporate Deposits" in addition to the term loans availed from banks and issuance of NCDs. The Board of the Company decided to offer ICD's with a minimum deposit of Rs. 1,00,000/-, minimum ten or of 1 year and maximum ten or of 10 years and above a tan Inter est rate more than the rates offered by the nationalized banks and it varies from 5.75% to 8% based on the tenor.

As at 31st March 2023, the Company accepted Inter Corporate Deposits to the tune of Rs. 2078 Crores i.e., Rs. 217 Crores added during FY 2022-23 to a total amount of Rs.1861 Crores as at 31st March 2022.

- **Asset under Management (AUM) :** The Assets under Management represents the loans and advances given to Power Generating Companies and Power Distribution companies owned by Govt. of Andhra Pradesh in order to cater their financial need in infrastructure and working capital requirements. The AUM as on March 31, 2023 is Rs. 14,248.47 Crores.

→ **Loan Book :** The loan books are represented by debt securities, bank loans and ICDs. The Company has accepted Inter Corporate Deposits amounting to Rs. 217 Cr during the year and has redeemed the Bonds, repaid part of the loan to State Bank of India Rs. 187.50 Crores, Bank of India Rs. 90.92 Crores, Union Bank of India Rs.31.25 Crores and Bank of Baroda to the extent of Rs.46.87 Crores, and there by decreasing the loan books of the Company to Rs. 13296.21 Crores during the Financial year as against Rs. 17871.99 Crores during FY 2021-22.

- **Income :** The total income of the Company has increased significantly during FY 2022-23. The main reason stems from the fact that there has been a significant growth in the AUM. The major source of income is from the interest collected on loans provided to the Customers, which has



grown from Rs.1577.86 Cr in the FY 2021-22 to Rs.1574.33 Cr in the FY2022-23.

Receipts from Govt of Andhra Pradesh are utilized for meeting the interest and instalment repayments of Debentures/Bonds issued by the Company prior to bifurcation of the state of Andhra Pradesh. The Company also earned a meagre amount of interest on bank deposits where the surplus funds were invested.

- **Profits:** The net profit of the Company as at 31st March 2023 rose to Rs.192.72 Crores as against the net profit as at 31st March 2022 i.e., Rs. 149.61 Cr, an amount increase in the profits by around 28.81% increase in the year 2022-23. The increase in Profits is due to the reduction in interest rates on borrowings, which was achieved through negotiations with the banks. It is noteworthy that the net profit of Rs.192.72 Cr was achieved after passing on the benefit of interest rate reduction to Company's borrowing entities viz. APSPDCL, APEPDCL, APGENCO and APPDCL.
- **Policies of the Company :** In line with the Company's objective towards increasing stake holder's value, the Company has framed various policies.
- » **Risk Management Policy:** The Risk Management Policy was drafted as per RBI Master Guidance and Circular DNBR. PD.008/03.10.119/2016-17 APPFCL 22nd Annual Report 2021-2217 dated September 01, 2016. Risk Management Policy has been prepared in away that the frame work/clauses of the policy would attempt to identify the key events / risks impacting the objectives of the Company and also an attempt to implement relevant risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.
- » **Asset Liability Management Policy(ALM) :** The ALM policy was drafted as per RBI Master Guidance and Circular DBOD No. BP. BC. 94/ 21. 04.098/ 98.

Asset and liability management (ALM) is a practice to mitigate financial risks resulting from a mismatch of assets and liabilities by strategically matching assets and liabilities. This helps the Company to achieve greater efficiency and

profitability while also reducing the unseen risks and concerns that the Company may face at any time. Some of the most common risks faced by APPFCL and addressed by ALM are interest rate risk and liquidity risk.

- » **Loan Policy :** The Loan Policy was drafted as per RBI Master Guidance and Circular DBR. No. Dir.BC.10/13.03.00/2015-16. This policy document on Loans & Advances out lines the guiding principles in respect of formulation of various products offered by APPFCL, the terms and conditions governing the conduct of account, the delegated power to the committee/officials and other terms & conditions applicable to such loans. It is expected that this policy will impart greater transparency in dealing with individual customers and create awareness among customers.
- » **Grievance Redressal Policy:** The Grievance Redressal Policy was drafted as per RBI Master Guidance and Circular DBO D.No. Leg BC. 81/09.07.005/2007-8. The purpose of the policy is to ensure "zero complaints" against the Company with regard to non-payment or delay in interest/principal payments with regard to debentures, failure to ensure transparency in loan agreement, terms and conditions of loan and Fair Practices Code not followed.
- » **Fair Practices Code :** The Fair Practices Code was drafted as per RBI Master Guidance and Circular DNBR (PD) CC.No.054/03.10.119/2015-16. The Board approved the policy in its 173rd Meeting held on 21st day of October, 2021. It is to be noted that the main business activity of the Company and being an NBFC is to extend loans and in the process of attracting more number of borrowers, there could be instances where the Company may resort to practices that gives undue advantage and can infringe on the benefits of the borrower. In order to protect the rights of the borrowers, present or future and to provide transparency and clarity to the borrowers with regard to the transactions carried out with the Company, the "Fair Practices Code" policy was drafted and approved by the Management of the Company.



Credit Rating:

During the financial year 2022-23, The ratings for the Bonds issued by APPFCL are provided by CRISIL Limited and ICRA Limited and the ratings for the Bank term loans of the Company were provided by Brick work Ratings India Private Limited. However, pursuant to SEBI order dated October 06, 2022, the certificate of registration of Brick works Ratings India Private Limited was cancelled and APPFCL there after entered into an agreement dated 06th January 2023 with India Ratings and Research for obtain in gratings of the Debt/Fund and Non-fund based limits (including term loans) amounting to Rs. 16000 Crores.

During the financial year 2022-23, the Rating Agencies reaffirmed / issued ratings to the Company as under:

Name of the Credit Rating Agency	Amount (in Crores)	Rating
CRISIL LTD	3,862.9	CRISILD(REAFFIRMED)
ICRA LIMITED	4,053.3	ICRA D (REAFFIRMED)
BRICKWORK RATINGS INDIA PVT. LTD.	9,462.33	BWR A (CE) STABLE

Brickwork – Rating Agency

Brick work has carried out 'Mid Term Review' on the Company and has given their rating. The ratings are valid for 12 months from the date of Mid Term Review i.e., on 27th October, 2021

Brick work has given ratings for the following Bank Loans for the financial year 2022-23.

Sl. No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs)	Short Term (Rs. Crs)	Total (Rs.Crs)
01	State Bank of India	Term Loan	1,312	-	1,312
02	Union Bank of India (Andhra Bank)	Term Loan	1,500	-	1,500
03	Canara Bank	Term Loan	2,000	-	2,000
04	Bank of India	Term Loan	3,000	-	2,909
05	Bank of Baroda	Term Loan	750	-	750
06	Indian Overseas Bank	Term Loan	500	-	500
TOTAL SANCTIONED					8971
TOTAL PROPOSED					491.33
TOTAL AMOUNT RATED					9462.33



CRISIL – Rating Agency

CRISIL is a leading, agile and innovative global analytics Company driven by its mission of making markets function better.

CRISIL Ltd has given rating to the following Debenture son August 21,2023:

CRISIL						
ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs. In Crore)	Rating
INE847E08CY9	Bond Series I/2005	30-Mar-2005	8.15%	29-Mar-2020	597.20	CRISIL D
INE847E08CZ6		04-Apr-2005		03-Apr-2020		CRISIL D
INE847E09011	Bond Series I/2010	15-Nov-2010	8.49%	15-Nov-2020	1053.30	CRISIL D
INE847E09029		15-Nov-2010	8.74%	15-Nov-2022		CRISIL D
INE847E08DK6	Bond Series I & II/2011	15-Dec-2011	9.60%	15-Dec-2023	898.30	CRISIL D
INE847E08DJ8			9.10%	15-Dec-2021		CRISIL D
INE847E08DL4		30-Jan-2012	9.85%	30-Jan-2022		CRISIL D
INE847E08DM2		9.97%	30-Jan-2024	CRISIL D		
INE847E08DN0	Bond Series I/2012	08-Jun-2012	9.50%	08-Jun-2022	314.10	CRISIL D
INE847E08DO8			9.64%	08-Jun-2024		CRISIL D
INE847E08DP5	Bond Series II/2012	18-Jul-2012	9.75%	18-Jun-2022	1000.00	CRISIL D

ICRA – Rating Agency

ICRA Limited (formerly Investment Information and Credit Rating Agency of India Limited) was setup in 1991 by leading financial/investment institutions, commercial banks and financial services Companies as an independent and professional investment Information and Credit Rating Agency.

ICRA						
ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE847E09011	NCD programme	Nov 15, 2010	8.49%	Nov 15, 2020	42.0	[ICRA]D
INE847E09029	NCD programme	Nov 15, 2010	8.74%	Nov 15, 2022	1,011.3	[ICRA]D
INE847E08DK6	NCD programme	Dec 15, 2011	9.60%	Dec 15, 2023	149.2	[ICRA]D
INE847E08DJ8	NCD programme	Dec 15, 2011	9.10%	Dec 15, 2021	5.0	[ICRA]D
INE847E08DM2	NCD programme	Jan 30, 2012	9.97%	Jan 30, 2024	586.9	[ICRA]D
INE847E08DL4	NCD programme	Jan 30, 2012	9.85%	Jan 30, 2022	157.2	[ICRA]D
INE847E08DO8	NCD programme	Jun 08, 2012	9.64%	Jun 08, 2024	249.4	[ICRA]D
INE847E08DN0	NCD programme	Jun 08, 2012	9.50%	Jun 08, 2022	64.7	[ICRA]D
INE847E08DQ3	NCD programme	Nov 09, 2012	9.75%	Nov 09, 2022	1,787.6	[ICRA]D



Issue Of Debentures

Andhra Pradesh Power Finance Corporation Limited (APPFCL), prior to the “Demerger” or “Reconstitution of the state of A.P” had issued Debentures and the same were listed on the Stock Exchange. Consequent to the reorganization of the state of Andhra Pradesh, both successor states have paid the Principal & Interest amounts, in the ratio as per G.O Ms.No.28 i.e., 59.54% (TS): 40.46% (AP).

Debt Securities	Outstanding 31st March 2022	Addition during the FY 2021-22	Redemption during the FY 2021-22	Outstanding 31st March 2021
1/2010 Bonds Issue 17th Series	3,68,30,00,000	-	-	3,68,30,00,000
1/2011 Bonds Issue 18th Series	58,80,00,000	-	3,30,00,000	62,10,00,000
2/2011 Bonds Issue 19th Series	1,97,00,00,000	-	1,04,00,00,000	3,01,00,00,000
1/2012 Bonds Issue 20th Series		-	-	1,27,10,00,000
2/2012 Bonds Issue 21st Series		-	-	4,04,60,00,000
3/2012 Bonds Issue 22nd Series		-	-	7,23,30,00,000
1/2020 Bonds Issue 23rd Series	16,40,55,83,333	-	1,49,14,16,667	17,89,70,00,000
2/2020 Bonds Issue 24th Series	20,00,00,00,000	-	-	20,00,00,00,000
3/2020 Bonds Issue 25th Series	2,51,90,00,000	-	-	2,51,90,00,000
4/2020 Bonds Issue 26th Series	3,83,00,00,000	-	-	3,83,00,00,000
Total	61,54,55,83,333	-	2,56,44,16,667	64,11,00,00,000

The Company has complied with the provisions and regulations as per the Companies Act, 2013 and SEBI Listing and Disclosure Requirement (LODR), Requirements from time to time.

The Company follows the necessary compliances and up dates with required filings with the official website of SEBI – <https://neaps.nseindia.com>



The following table depicts the out standing debentures as on 31st March, 2023:

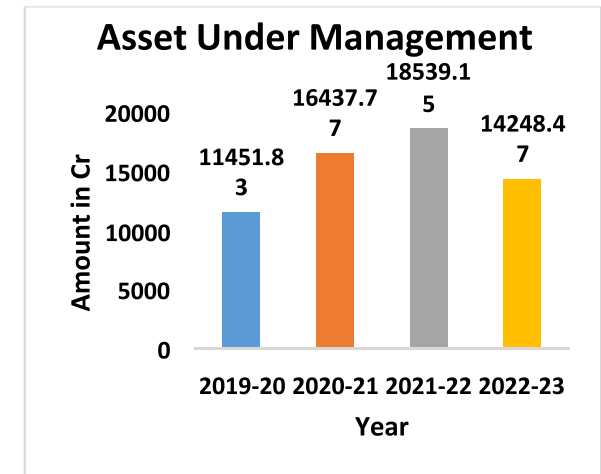
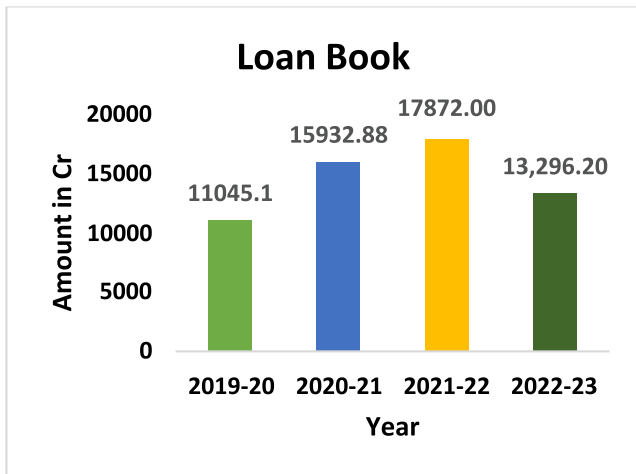
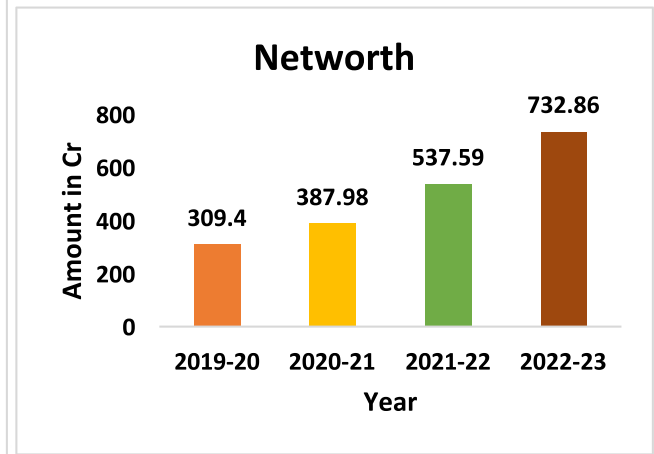
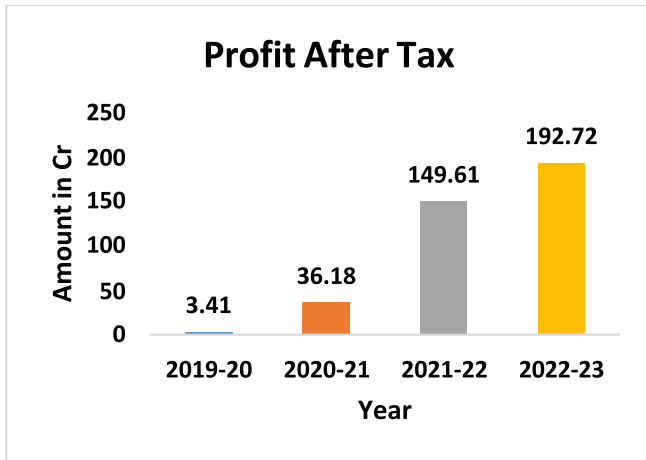
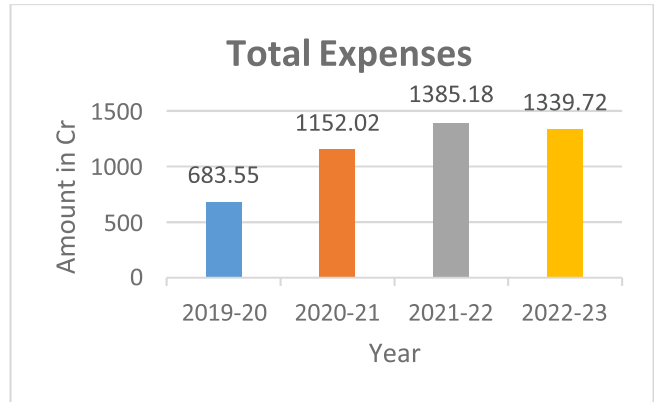
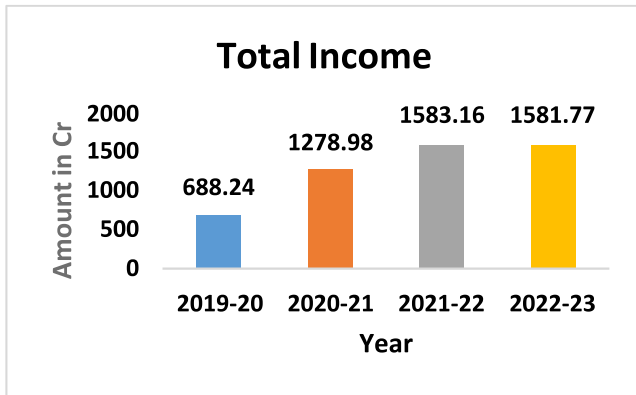
							(Rs. In Crores)
Series	YEAR	LOAN AMOUNT	Allotment dates	TENURE	REPAYMENT DATE & YEAR	PRINCIPAL Outstanding	RATE OF INTEREST
1/2005	2005	141.80	30.03.2005	15	29.03.2020	00.00	8.15
		99.30	04.04.2005	15	03.04.2020	00.00	8.15
	TOTAL	241.10				00.00	
1/2010	2010	17.00	15.11.2010	10	15.11.2020	00.00	8.49
		410.00	15.11.2010	12	15.11.2022	00.00	8.74
	TOTAL	427.00				00.00	
1/2011	2011	2.10	15.12.2011	10	15.12.2021	00.00	9.1
		60.00	15.12.2011	12	15.12.2023	58.80	9.6
	TOTAL	62.10				58.80	
2/2011	2011	63.60	30.01.2012	10	30.01.2022	00.00	9.85
		237.50	30.01.2012	12	30.01.2024	197.00	9.97
	TOTAL	301.10				197.00	
1/2012	2012	26.30	08.06.2012	10	08.06.2022	00.00	9.5
		100.80	08.06.2012	12	08.06.2024	94.10	9.64
	TOTAL	127.10				94.10	
2/2012	2012	404.60	18.07.2012	10	18.07.2022	00.00	9.75
	TOTAL	404.60				00.00	
3/2012	2012	723.30	09.11.2012	10	09.11.2012	00.00	9.75
	TOTAL	723.30				00.00	
FY 2022-23 Outstanding Bifurcated Bonds						1879.10	
1/2020	2020	1789.70	20.04.2020	10	20.04.2030	00.00	8.20
2/2020	2020	2000.00	29.07.2020	8	29.04.2028	665.09	8.20
3/2020	2020	251.90	12.08.2020	8	12.05.2028	220.42	8.20
4/2020	2020	383.00	18.11.2020	8	18.08.2028	351.09	7.50
GRAND TOTAL		6710.90				1586.50	
OUTSTANDING APPFCL BONDS 2022-23						1586.50	

There are bonds of APPFCL rated by both ICRA and CRISIL Rating Agency. The following table depicts the bonds rated by both ICRA and CRISIL:

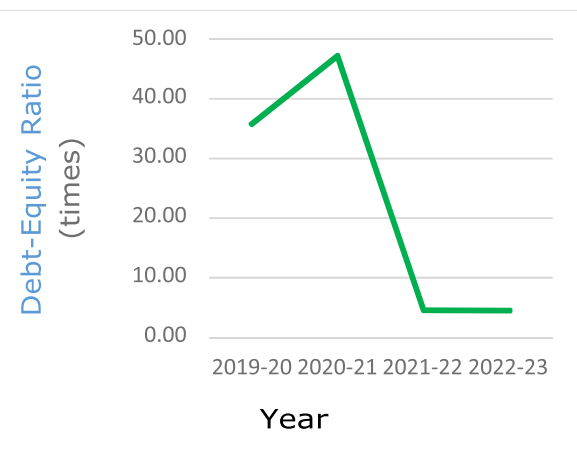
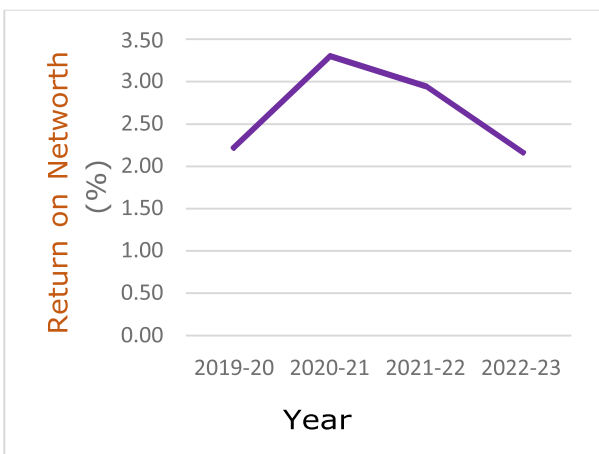
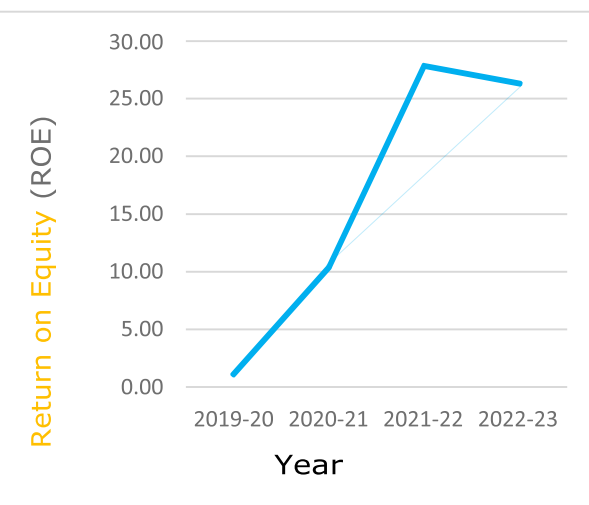
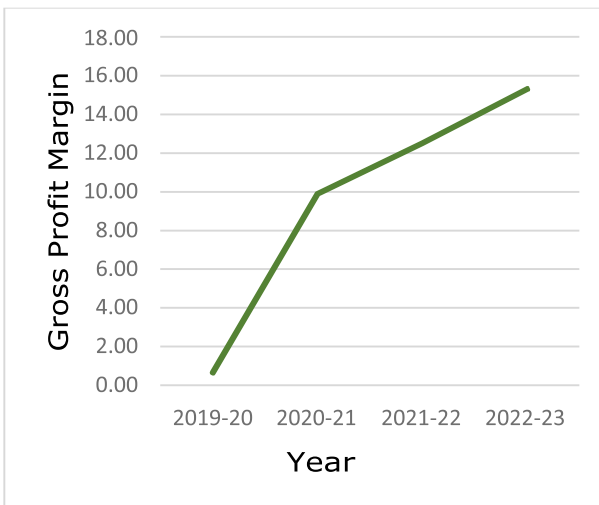
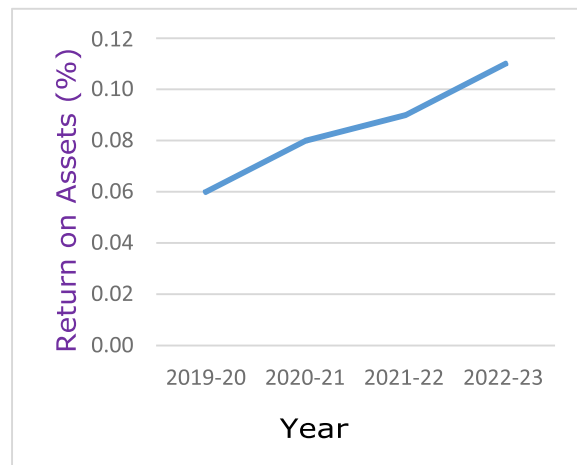
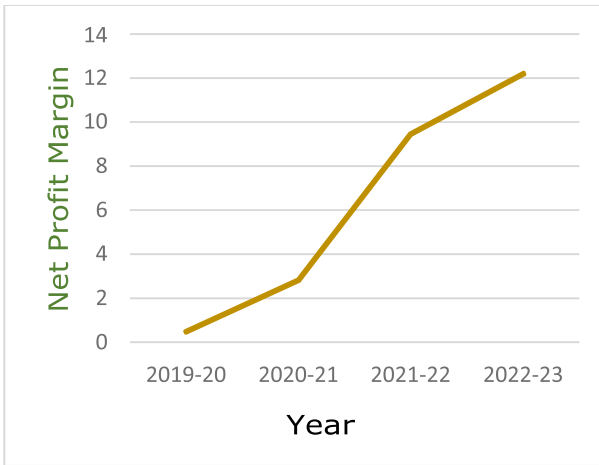
ICRA & CRISIL						
ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE847E09011	NCD programme	Nov 15, 2010	8.49%	Nov 15, 2020	42	D
INE847E09029	NCD programme	Nov 15, 2010	8.74%	Nov 15, 2022	1,011.30	D
INE847E08DK6	NCD programme	Dec 15, 2011	9.60%	Dec 15, 2023	149.2	D
INE847E08DJ8	NCD programme	Dec 15, 2011	9.10%	Dec 15, 2021	5	D
INE847E08DM2	NCD programme	Jan 30, 2012	9.97%	Jan 30, 2024	586.9	D
INE847E08DL4	NCD programme	Jan 30, 2012	9.85%	Jan 30, 2022	157.2	D
INE847E08DO8	NCD programme	Jun 08, 2012	9.64%	Jun 08, 2024	249.4	D
INE847E08DN0	NCD programme	Jun 08, 2012	9.50%	Jun 08, 2022	64.7	D
INE847E08DQ3	NCD programme	Nov 09, 2012	9.75%	Nov 09, 2022	1787.6	D



Performance at a Glance



Key Performance Indicators:-



Key Performance Indicators

Income/Revenue for the FY 2022-23

Your Company has earned Total Revenue of Rs. 1,581.73 Cr during the Financial Year 2022-23. Out of the total amount of Rs. 1,581.73 Cr, your Company has earned an income of Rs.699.73 Cr from APSPDCL, Rs. 362 Cr from APEPDCL, Rs. 63 Cr from APPDCL, Rs. 44 Cr from APGENCO and Rs. 406 Cr from the Government of Andhra Pradesh. The split up of revenue earned by your Company, represented as percentage (%) is given in the graph below



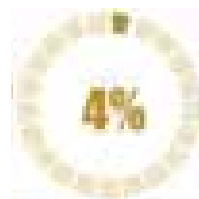
**Receipts
Discoms**



AP SPDCL



AP EPDCL



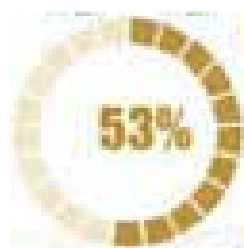
AP PDCL



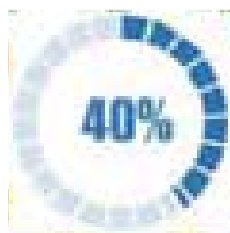
AP GENCO

Expenses for the FY 2022-23

Your Company has incurred an Expense of Rs. 1,340 Cr during the Financial Year 2022-23. Out of the total amount of Rs. 1,340 Cr, Finance Cost constituted 99% of the total expenses and the Other Expenses constituted only 1% of the total expenses. Finance Cost includes Interest paid on Debentures, ICD holders and Bank Term Loans. Interest paid to Debenture holders constitute 40%, ICD holders constitute 10%, and Bankers constitute 53% of the total expense. The split up of the expenses incurred by your Company, represented as percentage (%) is given in the graph below



Bank Int.



Bond Int.



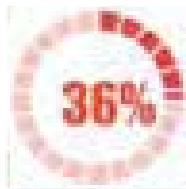
ICD Int.



Other Exp

Loans & Advances for the FY 2022-23

The Assets Under Management of your Company is represented by the Loans advanced to the Power utility Companies. Your Company has advanced Rs. 5,887 Cr to APSPDCL, Rs. 2,970 Cr to APEPDCL, Rs. 581 Cr to APGENCO, Re. 810.75 Cr to APPDCL and Rs. 3725.62 to SPDCL & EPDCL before the bifurcation of the State of Andhra Pradesh. The loans & advances given to the customers as represented in percentage (%) are given in the graph below



Discoms



AP SPDCL



AP EPDCL



AP PDCL



AP GENCO

Outstanding Debt Securities for the FY 2022-23

The Debentures issued by your Company consists of Listed and Unlisted Non-Convertible Debentures issued prior and subsequent to the bifurcation of the State of Andhra Pradesh. The list of Debentures with their ISIN and closing balances are given in page no.13. The Outstanding debt securities as on 31st March, 2023 are given in the graph below



Series 1/2005



Series 1/2010



Series I&II 2011



Series 1/2012



Series 2/2012

Term Loans from Banks for the FY 2022-23

The total outstanding loans 9631.72 Crs as at 31st March 2023 as a percentage (%) is represented in the graph below



BOI



CB



UBI



SBI



BOB



IOB



Financial Parameters

Particulars	Rs In (Crores)			
	As on 31.03.2023 (As per Ind AS)	As on 31.03.2022 (As per Ind AS)	As on 31.03.2021 (As per Ind AS)	As on 31.03.2020 (As per Ind AS)
ASSETS				
Financial Assets				
Cash and cash equivalents	-	-	-	-
Bank Balance other than above	2.66	11.34	31.36	256.00
Derivative financial instruments	-	-	-	-
Receivables				
(I) Trade Receivables	295.51	215.92	149.53	142.99
(II) Other Receivables	-	-	-	0.13
Loans	13,901.19	18,276.40	16,238.23	11,052.60
Non-financial Assets				
Inventories	-	-	-	-
Current tax assets (Net)	49.21	35.46	18.65	0.13
Deferred tax Assets (Net)	-	-	-	-
Property, Plant and Equipment	0.00	0.02	0.00	0.00
Total Assets	14,248.47	18,539.15	16,437.77	11,451.84
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables				
(I) Trade Payables	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	45.52	-	-	95.70
Debt Securities	1586.48	6154.56	6,411.00	6,045.10
Borrowings (Other than Debt Securities)	11,709.72	11,717.44	9,521.88	5,000.00
Non-Financial Liabilities				
Current tax liabilities (Net)	50.79	40.53	26.04	1.27
Provisions	-	-	-	0.04
Deferred tax liabilities (Net)	0.00	0.00	0.02	-
Other non-financial liabilities(to be specified)	125.66	89.04	90.86	0.33
EQUITY				
Equity Share capital	348.37	348.37	348.37	305.97
Other Equity	381.93	189.21	39.60	3.43
Total Liabilities and Equity	14,248.47	18,539.15	16,437.77	11,451.84





Forms & Reports

Section 2

Shorter Notice

Notice is hereby given that the 23rd Annual General Meeting (AGM) of the Members of Andhra Pradesh Power Finance Corporation Limited will be held on Wednesday the **06th day of December, 2023 at 12:30 P.M in the Chambers of Special Chief Secretary to Govt., Finance Department, 2nd Building, A.P Secretariat, Velagapudi, Guntur Dist**, to transact the following business.

ORDINARY BUSINESS:

TO CONSIDER AND IF THOUGHT FIT TO PASS THE FOLLOWING RESOLUTION (S) WITH OR WITHOUT MODIFICATION(S) AS AN ORDINARY RESOLUTION:

- To receive, consider and adopt the Audited Balance Sheet as at 31st March 2023, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended on that date of the Company together with Directors Report, Statutory Auditors Report, Secretarial Auditors Report and Comments of Comptroller and Auditor General of India.**

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

"RESOLVED THAT the Audited Balance Sheet of the Company as on 31st March, 2023 the Statement of Profit & Loss and Cash flow statement for the year ended as on that date together with the Directors' Report, the Auditors' Report, the Secretarial Audit Report and Comments of the Comptroller and Auditor General of India for the F.Y.2022-2023 as laid before the members at this meeting be and are hereby adopted."

- To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution**

"RESOLVED THAT pursuant to the Provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, the Managing Director of the company is hereby authorised to write a letter requesting the C&AG to change the Statutory Auditor of the company for the Financial Year 2023-24 as the previously appointed Statutory Auditors, M/s. MVR & Co, Associates, Chartered Accountants, Vijayawada has quoted higher remuneration for the financial year 2023-24."

Place: Vijayawada

Date: 06-12-2023

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Sd/-

M RAMANA REDDY
Chief Financial Office



Notes:

1. A member entitled to attend and vote at the annual general meeting may appoint a proxy to attend and vote on his behalf. Proxy need not be a member of the Company.
2. Proxies, in order to be effective, must be submitted at the registered address of the company, not less than forty-eight hours before the commencement of the annual general meeting.
3. Members/proxies/authorized representatives should bring the duly filed attendance slip enclosed with the notice of annual general meeting to attend the meeting.
4. Route map of the annual general meeting venue is annexed with notice.

Route Map-23rd AGM of APPFCL:



DIRECTORS' REPORT

Dear Members

The Board of Directors is pleased to present the 23rd Annual Report of the business and operations of Andhra Pradesh Power Finance Corporation Limited (APPFCL) together with the Audited Financial statements for the year ended 31st March 2023.

1. STATE OF COMPANY'S AFFAIRS

Andhra Pradesh Power Finance Corporation Limited (APPFCL) is a Government Company established vide G.O.Ms. No. 54 Energy (Power-III) dated 19-05-2000 under the Companies Act, 1956 (CIN:U40109AP2000SGC107482) and commenced the business on 13.7.2000 with 100% ownership by Government of Andhra Pradesh. APPFCL has registered with Reserve Bank of India (RBI) as Non-Banking Finance Company (NBFC) with effect from 25.8.2000.

APPFCL was demerged forming two demerged entities i.e., the demerged APPFCL and the Telangana state power finance corporation limited (TSPFCL) pursuant to the Andhra Pradesh Reorganization Act, 2014. The main objective of APPFCL is raising funds to meet the financing needs of the Power Sector within the territories of the state of Andhra Pradesh.

The Listed Bonds issued by the Company prior to demerger of the erstwhile state of Andhra Pradesh will be finally redeemed in 2024. APPFCL has been servicing the principal & interest in respect of loans obtained from Banks to the tune of Rs. 10,000 Crores until their complete redemption by the year 2035.M/s. APPFCL has received funds from the Government Corporations by way of issue of Inter Corporate Deposits to the tune of Rs.270 Crores during the financial year 2022-23 under review.

2. CHANGE IN THE STATE OF COMPANY'S AFFAIRS

There has been no change in the nature of business of the Company during the financial year ended 31st March 2023.

3. FINANCIAL RESULTS FOR THE YEAR 2022-2023

Standalone Results:

PARTICULARS	2022-2023 (Rs.in Crores)	2021-2022 (Rs.in Crores)
Revenue and Other Income	1581.77	1583.15
Total Expenses	1339.72	1385.17
Profit Before exceptional items	242.05	197.98
Impairment of Financial Asset	-	81.85
Profit before Tax	242.05	189.79
Provision for Taxation	49.33	40.18
Profit after Tax	192.72	149.61

Asset Under Management:

The Assets under Management represents the loans and advances given to Power Generating Companies and Power Distribution Companies owned by Govt. of Andhra Pradesh in order to cater their financial need in infrastructure and working capital requirements. The Assets under Management (AUM) of the Company Decreased by Rs 4375.21 crs as on 31-03-2023.



Income :

The total income of the Company has decreased marginally during FY2022-23. The Company also earned a meagre amount of interest on bank deposits where the surplus funds were invested

Ratios:

As at the year ended March 31, 2023

- the Return on Assets, which measures the profitability in relation to the total assets, stood at 0.11%,
- the Return on Net Worth measures the profitability in relation to the Net Worth which stood at 2.16%,
- the Interest Coverage Ratio measures your company's ability to handle its outstanding debt and it stood at 18.27%,
- the Debt-Equity Ratio evaluates your company's financial leverage which stood at 4.51 times and
- the Liquidity Ratio measures your company's ability to pay short-term obligations or those due within one year and it stood at 2.03 times.

Provision on Standard Assets:

As per the RBI Master Circular, vide Master Circular No. DBR.No.BP.BC.2/21.04.048/2015-16 dated July 1, 2015, the Company has made a Provision on Standard Assets at 0.40% on the loans advanced to the power companies within the state of Andhra Pradesh.

4. RESERVES

An amount Rs.192.72 Crores proposed by the Board has been transferred to Reserves including the reserve fund transferred pursuant to the RBI guidelines.

Particulars	Amount
Securities Reserve	-
Reserve Fund – As per RBI Guidelines	49 Crores
General Reserve	-
Net Surplus (After Transfer to Reserve Fund)	267.23 Crores
Total	192.72 Crores

5. FINANCE

During FY 2022-23, the Company met its funding requirements through a combination of Short Term debt (comprising Inter-Corporate Deposits (“ICDs”) and Long Term debt (comprising Non-Convertible Debentures (“NCDs”) and Bank Loans).

Following table represents the short-term and long-term debts:

Outstanding Debts	Rs. in Crores
Term Loans from Banks	9631.72
Non-Convertible Debentures	1586.48
Inter-Corporate Deposits	2078.00
TOTAL	13296.20



6. DIVIDEND

In order to conserve the resources for further growth of the Company, the Directors on Board of APPFCL do not recommend payment of any Dividend on the Equity Shares for FY 2022-23.

7. CHANGES IN SHARE CAPITAL

There has been no change in Equity share capital during the financial year 2022-23.

8. CREDIT RATING

During the financial year 2022-23, The ratings for the Bonds issued by APPFCL are provided by CRISIL Limited and ICRA Limited and the ratings for the Bank term loans of the Company were provided by Brickwork Ratings India Private Limited. However, pursuant to SEBI order dated October 06, 2022, the certificate of registration of Brick works Ratings India Private Limited was cancelled and

APPFCL thereafter entered into an agreement dated 06th January 2023 with India Ratings and Research for obtaining ratings of the Debt/Fund and Non-fund based limits (including term loans) amounting to Rs. 16000 Crores.

The rating exercise is under process of finalization by the Indian Ratings and Research

The ratings provided by the rating agencies for your Company is provided in the page of this report.

9. EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form MGT-9 is placed on the website of the company i.e., www.appfcl.com

10. DEPOSIT

Andhra Pradesh Power Finance Corporation Limited (APPFCL) is registered with RBI as a Non-Banking Financial Company - Non Deposit Taking - Systematically Important (NBFC-ND-SI). The Company has not accepted any public deposits during the year 2022-23.

11. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any transactions with Related Parties in terms of Section 188 of the Companies Act, 2013. Hence, there were no contracts or arrangements required to be entered into by the Company.

12. DIRECTORS

The following are the Directors on Board as on 31st March 2023:

1. Sri S.S. Rawat, IAS-Chairman
2. Dr.K.V.V.Satyanarayana, IRAS-Managing Director
3. Sri K Vijayanand, IAS-Director
4. Sri B.Sreedhar, IAS- Director
5. Sri V.N. Babu, CMA&CS-Director

The Directors on Board of your Company are liable for transfers as per the Government Order released from time to time. During the year under review, Smt. T Vanaja, Executive Director/Corporate Office/Tirupathi was retired as on 31.07.2022 by way of S.O.O. (CGM-HRD) Rt. No. 490 dated 21st May 2021. Sri. Srikant Nagulapalli, IAS was relieved as Director of the company vide GORt No. 389 dated 03rd March 2022 by appointment of Sri K. Vijayanad, IAS by way of G.O.Rt.No. 104 dated 04th August 2022.



13. KEY MANAGERIAL PERSONNEL

Sri. M.Ramana Reddy continues to be the Chief Financial Officer of the Company. The company is in the process of appointment of Company Secretary and Compliance for the financial year 2023-24. Accordingly, Pursuant to the provisions of Section 203 of the Companies Act, 2013, the following persons are the Key Managerial Personnel of the Company as at 31st March, 2023:

- Dr KVV Satyanarayana, IRAS Managing Director,
- Sri M.Ramana Reddy, Chief Financial Officer

14. POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION AND OTHER DETAILS

As per Article No.31 of the Articles of Association of the Company, the Government of Andhra Pradesh has the right to nominate and appoint Managing Director & other Directors of the Company. Non-executive Directors are paid Sitting fees for attending the Board and Committee meetings and sitting fees are paid pursuant to the applicable provisions of Section 197 of the Companies Act, 2013.

The roles, responsibilities and remuneration for the directors are determined by the Board in consultation with the Government of Andhra Pradesh.

15. MEETINGS OF THE BOARD

The Board of Directors met FOUR times during the year.

SI	Name of the director	BM No.175 21-07-2022	BM No.176 04-11-2022	BM No.177 10-02-2023	BM No.178 31-03-2023
01	Sri S.S. Rawat, IAS	Present	Present	Present	Present
02	Dr.K.V.V. Satyanarayana, IRAS	Present	Present	Present	Present
03	Sri KVijayanand, IAS	-	Appointed	Present	Present
04	Sri B.Sreedhar, IAS	Present	Present	LoA	LoA
05	Sri V.N.Babu, CMA&CS	Present	Present	Present	Present
06	Smt.TVanaja	LoA	-	-	-

16. COMMITTEES OF THE BOARD**Audit Committee**

The Audit Committee comprises the following members:

1. Sri K Vijayanand, IAS.
2. Sri B.Sreedhar, IAS
3. Sri.V N Babu

There was a reconstitution of Audit Committee in the meeting held on 04th November, 2022.

The Audit Committee met THREE times during the financial year.

SI	Name of the Member	ACM1/2022 21.07.2022	ACM2/2022 04.11.2022	ACM3/2022 10-02-2023	ACM4/2022 31.03.2023
01	Dr. K.Vijayanand, IAS	-	-	Present	Present
02	Sri B.Sreedhar, IAS	Present	LoA	-	-
03	Sri.VN Babu	Present	Present	Present	Present



Dr. KVV Satyanarayana, IRAS, Managing Director was invited to attend the Audit Committee Meetings during the year 2022-23.

Corporate Social Responsibility Committee :

Pursuant to Section 135 of the Companies Act, 2013, every Company whose

- Turnover exceeds Rs.1000 Crores or
- Net Worth exceeds Rs.500 Crores or
- Net Profit exceeds Rs.5 Crores

is required to spend 2% of the average net profit of the preceding three financial years towards Corporate Social Responsibility, the activities of which are listed under Schedule VII of the Companies Act, 2013.

The Company obtained a Certificate from M/s Kunda & Associates, Chartered Accountants, for the amount to be spent towards Corporate Social Responsibility (CSR) and it was submitted that a total amount of Rs.1,70,36,253/- towards CSR for the financial year 2021-22.

During the year company has spent Rs. 214.22 Lakhs as CSR (Rs.43.86 lakhs for FY2020-21 & Rs.170.36 lakhs for FY2021-22) details of spending 214.22 amount

Accordingly, a Certificate was obtained from M/s Kunda & Associates, Chartered Accountants, for the amount to be spent towards CSR and it was submitted that a total amount of Rs. 3,29,05,548/- for FY 2022-23, be spent towards CSR during the financial year 2023-24. Corporate Social Responsibility Committee was formed with the approval of the Board in its meeting held on 04th November 2022 and the following members were appointed as the members of the Committee:

1. Sri. Shamsher Singh Rawat, IAS
2. Sri. K Vijayanand, IAS
3. Dr. KVV Satyanarayana, IRAS

Risk Management Committee (RMC)

The Risk Management Committee of the Board of Directors of the Company reviews compliance with risk policies, reviews and analyses risk exposures related to specific issues and provides oversight of risk across the Company. The Risk Management process of the Company is governed by the Risk Management Framework which lays down guidelines for Risk identification, assessment and monitoring as an ongoing process that is supported by risk reporting frame work.

The Risk Management Policy was approved by the Board in its 173rd Meeting held on 21st October, 2021.

During the year under review, the Risk Management Committee reconstituted on 04.11.2022 with the following members being present:

S No.	Name of the Member
1.	Dr. K V V Satyanarayana
2.	Sri. M V S N Murthy
3.	Sri. Ramana Reddy

Asset Liability Management Committee (ALCO)

The RBI introduced the Asset-Liability Management (ALM) System, as apart of the Risk Management and control Systems in banks. ALM Policy is aimed at managing the liquidity and interest rate risks. The company majorly depends on borrowings from banks as well ICDs from AP Govt. own edentities for



funding its activities. The funds mobilised through these sources at different times have different costs in accordance with movement of interest rates in the market. In the absence of due analysis and proper monitoring of interest rates on borrowings visavis loans, it can have adverse impact on the bottom line of the company. It is necessary to address interest rate risk as well, as a part of the Company's risk management.

Further, as per RBI Master Directions & Circular vide DBO Dno. BP. BC.94/21.04. 098/ 98, the Company drafted Asset Liability Management (ALM) Policy and the same was approved in the 167th Board Meeting held on 07th September, 2020. The policy was revised in the 173rd Board Meeting held on 21st October, 2021.

Pursuant to the Policy the ALM Meeting shall be held on a quarterly basis every financial year. During the year under review, The ALM Committee met once during the financial year.

Sl. No.	Name of the Member	ALM 1/2021 17.06.2021	ALM 2/2021 27.07.2021	ALM 3/2021 21.10.2021	ALM 1/2022 16.03.2022
01	Dr. KVV Satyanarayana, IRAS	Present	Present	Present	Present
02	Sri. V N Babu, Director	Present	Present	Present	Present
03	Sr. M V S N Murthy	-	-	Present	Present
04	Sri M. Ramana Reddy, Chief Financial officer	Present	Present	Present	Present

Grievance Redressal Committee (GRC)

The Grievance Redressal Policy was approved in the 173rd Board Meeting held on 21st October, 2021. The purpose is to ensure "zero" complaints against the company with regard to non-payment or delay in interest/principal payments, failure to ensure transparency in loan agreement, terms and conditions of loan and Fair Practices Code not followed.

During the year under review, the Grievance Redressal Committee Meeting met once on the 16th March 2022 with the following members being present:

S No.	Name of the Member	GRC 1/2022 16.03.2022
1.	Dr. K V V Satyanarayana, IRAS	Chairman
2.	Smt. V Abhinaya, CGO	Member - Secretary
3.	Sri. Ramana Reddy, CFO	Member

Credit Committee (CC)

The Loan Policy was approved in the 173rd Board Meeting held on 21st October, 2021. The policy document on the Loans & Advances outlines the guiding principles in respect of formulation of various products offered by APPFCL, the terms and conditions governing the conduct of account, the delegated power to the committee/officials and other terms & conditions applicable to such loans. It is expected that this policy will impart greater transparency in dealing with individual customers and create awareness among customers.

During the year under review, the Credit Committee Meeting was held ONCE on the 16th day of March 2022 with the following members being present:



S No.	Name of the Member	GRC 1/2022 16.03.2022
1.	Dr. K V V Satyanarayana, IRAS	Present
2.	Sri. M V S N Murthy, CRO	Present
3.	Sri. Ramana Reddy, CFO	Present
4.	Smt. V Abhinaya, CS	Present

17. STAKE HOLDERS' RELATIONSHIP COMMITTEE:

Pursuant to Section 178 of the Companies Act, 2013 and the rules made there under, APPFC is required to constitute a Stakeholder's Relationship Committee in order to take necessary steps to protect the interest of the stakeholders of the Company.

Stake holders Relationship Committee was formed with the approval of the Board in its meeting held on 04th November 2022 and the following members were appointed as the members of the Committee:

1. Sri. K Vijayanand, IAS-Chairman
2. Sri B.Sreedhar, IAS-Member
3. Sri V.N.Babu- Member

18. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no material weakness in the design or operation was observed.

19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate, giving of guarantees or providing security in connection with loans to any other bodies corporate or persons and acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate, are not applicable to the Company, since the Company is an NBFC.

20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (3) and (5) of Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, your directors state that:

- i. In the preparation of the Annual Accounts, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2023 and of the profit/loss of the company for that period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a 'going concern' basis.
- v. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



21. AUDITORS**Statutory auditors**

M/s Seshachalam & Co., Chartered Accountants were appointed as the Statutory Auditors for the Financial Year 2022-23 by the Comptroller and Auditor General of India, vide letter No. CA.V/COY/ANDHRA PRADESH, APPFIN(1)/964 dated 07th September 2022.

The appointment of Statutory Auditor in place of retiring auditor shall be determined by the Comptroller and Auditor General of India, in exercise of the powers conferred by Section 139 of the Companies Act, 2013.

Comments from C&AG for the FY 2022-23

The Comptroller and Auditor General of India has issued its Comments on the financial statements for the Financial Year 2022 - 23 vide No. Lr. No. PAG (Au)/AP/TSC-1/APPFCL/FY 2023-24/248 Dated 10th November 2023

A copy of the same was forwarded to all the shareholders for their perusal and record.

Internal Auditors

M/s.Kunda & Associates, Chartered Accountants, Vijayawada were appointed as Internal Auditors of the Company for the Financial Year 2022-23.

Secretarial auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 the Company shall appoint a Practicing Company Secretary (PCS) if the paid-up capital of the company exceeds Rs. 300 Crores.

The Company has appointed ASN Associates, Company Secretaries as Secretarial Audit or for the Financial Year 2022-23 as per the terms and conditions specified in the Companies Act, 2013.

Observations of the Secretarial Auditor and Management Reply

Observation	Management Reply
The Company is yet to comply with the provisions of Section 149 (4) of the Companies Act, 2013 relating to appointment of Independent Director on its Board.	The process for appointment of Independent Director has been initiated and will be placed for approval in the immediate Board Meeting.

22. UNCLAIMED AMOUNT

There has been no amount transferred to IEPF during the financial year 2022-23.

The debenture holders are requested to claim their unclaimed amount on NCDs which has not been transferred to IEPF Account by contacting the Company or the Registrar & Transfer Agents (RTA).

23. INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of any fraud reported by the statutory auditors under section 143(12) of Companies Act 2013.

24. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There were no material changes, or any commitments made by the Company which affects the financial position of the Company between the end of the financial year and the date of this reporting.



25. DETAILS OF SIGNIFICANT & MATERIAL ORDER PASSED BY THE REGULATORS, COURT & TRIBUNALS

No significant and material orders were passed by the regulators or courts or tribunals which affect the going concern status and future operation of the company.

26. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

APPFCL has not received any complaints during the financial year. Pursuant to the applicable provisions of the Prevention of Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013, APPFCL is not required to form an Internal Committee.

27. REPORT ON PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

Report on Performance Evaluation of the Board, Committees and Individual Directors is applicable only for listed companies having a paid up share capital of Rs. 25 crores or more at the end of preceding financial year.

As the Company is not a equity listed entity, the provisions of performance evaluation is not applicable for the Company.

Acknowledgement

Your Directors would like to express their sincere appreciation for the assistance and cooperation received from the financial institutions, Government Authorities, customers, vendors and members during the year under review. Your directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors
Andhra Pradesh Power Finance Corporation Limited

Place: Vijayawada

Date : 06.12.2023

Sd/-

Sri S.S. Rawat, IAS
 Chairman

Sd/-

Dr. K.V.V. Satyanarayana, IRAS
 Managing Director



Annexure - 1

FORM No. AOC.2

[(Pursuant to clause (b) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

Sl. No.	Particulars	Details
1.	Details of contracts or arrangements or transactions not at arm's length basis	Nil
(a)	Name(s) of the related party and nature of relationship	
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2.	Details of material contracts or arrangement or transactions at arm's length basis	Nil
(a)	Name(s) of the related party and nature of relationship	
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/ arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any:	

Place: Vijayawada
Date : 06.12.2023

For and on behalf of the Board

Sd/-
(S. S. Rawat, IAS)
Chairman
DIN: 06927486



CERTIFICATION ON CORPORATE GOVERNANCE

To

The Members

Andhra Pradesh Power Finance Corporation Limited

CIN: U40109AP2000SGC107482

48-12-16, 2nd Floor, East wing, Vidyut Soudha,

Gunadala Vijayawada Krishna AP 520004 IN

We have examined the compliance of conditions of Corporate Governance by M/s. Andhra Pradesh Power Finance Corporation Limited (CIN: U40109AP2000SGC107482) ("the Company"), for the year ended March 31, 2023, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation, and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Our examination was limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Visakhapatnam

Date: 06-12-2023

For ASN Associates
Company Secretaries

Sd/-

Name: K Surendra

Partner

M. No. 34205

CP. No. 12732

UDIN. AO34205E002872691



FORM NO. MR.3

FOR THE FINANCIAL YEAR ENDED 31.03.2023 SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s. ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED
48-12-16, 2nd Floor, East Wing,
Vidyut Soudha, Gunadala, Vijayawada,- 520004,
Andhra Pradesh, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED (CIN: U40109AP2000SGC107482)(here-in-after called the "Company"). 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. Based on our verification of the 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 audit period covering the Financial Year ended on 31st March, 2023, 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED for the Financial Year ended on 31st March, 2023 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the Rules made there under;
 - (i) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
 - (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (iv) 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 Take overs) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015;
 - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable as the Company has



not issued any Employee Stock Option Scheme;

- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - g) 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
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable;
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable
 - j) The Reserve Bank of India Act, 1934 and regulations framed thereunder for Non-Banking Financial Companies.
2. We are of the opinion that the Management has complied with the following Laws specifically applicable to the Company:
- (a) The Payment of Wages Act, 1936
 - (b) The Minimum Wages Act, 1948
 - (c) Employees Provident Funds and Miscellaneous Provisions Act, 1952
 - (d) The Payment of Bonus Act, 1965
 - (e) The Payment of Gratuity Act, 1972
 - (f) The Contract Labour (Regulation & Abolition) Act, 1970
 - (g) The Child Labour (Prohibition & Regulation) Act, 1986
 - (h) The Industrial Employment (Standing Order) Act, 1946
 - (i) The Employee Compensation Act, 1923
 - (j) Information Technology Act, 2000 and the Rules made there under
3. We have also examined compliance with the applicable Clauses of the following:
- * Secretarial Standards issued by The Institute of Company Secretaries of India.
 - * The Listing Agreements entered into by the Company with the Stock Exchanges
4. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:
- i. There was a gap of more than 120 days between two consecutive Meetings of the Board during the 01st quarter i.e., 07 days.
 - ii. Non-Compliance of Section 125 of the Companies Act 2013 There is a delay in transfer of unclaimed principal and interest amount to Investor and Education and protection Fund.
 - iii. Non-Compliance of Section 203 of the Companies Act, 2013 regarding non appointment of Company Secretary for more than six months, however, company is under process of appointment.
 - iv. Non-Compliance of Section 149(1) of the Companies Act, 2013 regarding non appointment of Woman Director for more than six months.
 - v. Non-Compliance of Section 179(3) of the Companies Act 2013. The Company has borrowed monies by passing circular resolutions and subsequently ratified in the next board meeting.



- vi. The Company not complied the Disclosure/intimation requirements of various Compliances as per the (Listing Obligations and Disclosure Requirements)Regulations 2015 and The Companies Act,2013 for which the Company has received notices form NSE and the company has replied for the same
- vii. The Company is not maintained or updated the periodical financial information and other stock exchange disclosures and other disclosure requirements as per(Listing Obligations and Disclosure Requirements) Regulations 2015 in its Website.

We further report that:

- a) The Board of Directors of the Company is not constituted with proper balance of Executive Directors, Non-Executive Directors and the company have no Independent Directors. Changes in the composition of the Board of Directors which took place during the period under review are in accordance with the provisions of the Companies Act, 2013.
- b) Adequate notices given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least Seven Days in advance either by way of hand delivery or through e-Mail communication, 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/with requisite majority and no dissenting views have been recorded.
- d) We report that here is scope to improve the systems and processes in the Company to be commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- e) We further report that the Company has complied with the requirements under the debt Listing Agreements entered into with NSE Limited.
- f) We further report that in view of the size and operations of the company, the systems and processes adopted in the company are inadequate to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company is advised to put in place an integrated Legal Compliance Management System with periodical reporting to the Board.
- g) We have relied on the representation made by the Company and its Officers for systems and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

For ASN Associates
Company Secretaries
Sd/-

Place: Visakhapatnam
Date: 07.12.2023

Name: K Surendra
Partner
ACS No. 34205
CP No. 12732
UDIN. A034205E002872513

* This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.



'Annexure A'

To,

The Members,

M/s. ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

48-12-16, 2nd Floor, East Wing,

Vidyut Soudha, Gunadala, Vijayawada, - 520004.

Andhra Pradesh, India.

Our report of even date is to be read along with this letter.

1. 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.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. The Compliance by the Company of applicable financial laws like Direct and Indirect Tax Laws and maintenance of financial record and books of accounts have not been reviewed in this audit since the same have been subject to review by Statutory Financial Audit and other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. The company is failed to disclose and intimate to stock exchanges on various compliances related events as mentioned in (Listing Obligations and Disclosure Requirements) Regulations 2015, its practically not possible to describe all such events/violations, hence we are not described the same in our report. The nature of disclosure violation has been intimated to concerned officials of Management for rectification.

For ASN Associates
Company Secretaries
Sd/-

Place: Visakhapatnam
Date: 07.12.2023

Name: K Surendra
Partner
ACS No. 34205
CP No. 12732
UDIN. A034205E002872513





Financial Statements

Section 3

Independent Auditor's Report

To the Members of

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Report on Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS financial statements of M/s. Andhra Pradesh Power Finance Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, (including the statement of Other Comprehensive Income), Statement of changes in Equity and the Cash Flow Statement for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects or the possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and 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 March 31, 2023, its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. As described in "Note 41" to the financial statements, company has a liability to pay guarantee commission of Rs. 31,482.66 Lakhs to the Government of Andhra Pradesh (GoAP) as per guidelines issued on guarantees by GoAP vide G.O.MS. No.446 dated 29.09.2003, out of which company has provided and paid Rs. 3,000.00 Lakhs in the financial year ended March 31, 2022 and provided for Rs. 1,000.00 Lakhs in the current financial year ended March 31, 2023, balance guarantee commission of Rs. 27,482.66 Lakhs has not been provided by the company. Failure to do so has resulted in under statement of guarantee commission under the head "Fees and commission expense" and "other financial liabilities" by Rs. 27,482.66 Lakhs [i.e., Rs. 31,482.66 lakhs - Rs. 3,000.00 Lakhs - Rs. 1,000.00 Lakhs], Had the balance guarantee commission of Rs. 27,482.66 Lakhs been provided, the profit before tax amounting to Rs. 24,204.60 Lakhs for the financial year ended March 31, 2023 would have been loss before tax of Rs. 3,278.06 Lakhs.

We conducted our audit of the Ind AS Financial statements in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Ind AS financial statements.

Key Audit Matters

Key Audit Matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of current period. These matters we readdressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Our description of how our audit addresses the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of Ind AS



financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind As financial statements.

Key Audit Matters are as follows

Impairment loss / Provisioning on advances

Key Audit Matter	How our audit addressed the key audit matter
<p>Impairment allowance is measured as product of the Probability of Default, Exposure at Default and Loss Given Default being the key parameters for assessing the impairment allowance. The key indicators underlying for assessment of impairment allowance are appraised on an ongoing basis by the management.</p>	<p>Verification of loan assets with respect to monitoring thereof for recovery/performance aspects and assessment of the loan impairment.</p> <p>Recoveries are verified applying the standard audit procedures. Quality of the borrower is evaluated and _ tested with key control parameters.</p> <p>Assessment of performance of the loan assets is carried out on the basis of available documents comprising loan papers, financial data, information on public domain, procedure applied by the management e.g. inspection of loans, assessing borrower past records etc.</p> <p>Recoveries in the loan assets are verified to ascertain level of stress thereon and impact as impairment allowance on financial statement. We have discussed with the management regarding the repayment capacity of the borrower and management is confident on the credit worthiness of the borrower as all of the mare public sector undertakings and backed by GoAP guarantee.</p>

Emphasis of Matter

1. We draw attention to the fact that the company is in non-compliance of Section 125 of the Companies Act, 2013 read with Rule 5 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as it has failed to transfer unpaid/unclaimed interest amounting to Rs. 14.45 Lakhs which is required to be transferred to JEPF account on the date of AGM. ,

However, our opinion is not modified in respect of this matter

Other Matters

1. We draw attention to the fact that the company is currently in non-compliance of section 203of the Companies Act, 2013 with regards to vacancy of a full-time Company Secretary (CS),following the resignation of the previous CS. As per the Act, a company is required to appoint a full-time CS within six months of the previous CS's resignation. Although we have



- been given to understand and that the company is in the process of appointing a new CS, until such an appointment is made, the company remains in violation of section 203 of Companies Act 2013.
2. We draw attention to the fact that currently the company has no women director leading to non-compliance of section 149(1) of the Companies Act, 2013 as company is required to have at least one women director.
 3. We draw attention to the fact that currently the company has no independent directors leading to non-compliance of section 149(4) of the Companies Act, 2013 as company is required to have at least one third of the total directors as Independent directors.

However, our opinion is not modified in respect of these matters.

Responsibilities of management and those charged with governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Ind AS Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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.
- * 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 Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2023 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, 2020("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.
2. As required by Section 143(3) of the Act, we further report that;
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. 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 including the Statement of other Comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the accounting standards referred to in Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. As per notification number G.S.R. 463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs, Section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure B**;



- g. As required by Section 143(5) of the Act, we have considered the directions/ sub directions issued by the Comptroller and Auditor General of India, the action taken there on and its impact to the financial statements of the Company are given in the **Annexure C**.
- h. As per notification number G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs, Section 197 of the Act regarding remuneration to director is not applicable to the Company, since it is being a Government Company; and
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position other than those disclosed.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been an occasion during the year in delay of transfer Rs 14,45,210. /- to the Investor Education and Protection Fund being interest on Government Bonds remaining unpaid beyond 7 years. Amount of Rs. 14,45,210/- is still pending as at Audit Report date.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The provisions of section 123 of the Companies Act, 2013 are not applicable as the company does not declare any dividend.

For Seshachalam & Co.
Chartered Accountants
Firm Registration. No. 003714S

Sd/-
USNVRC Prabhu
Partner
Membership No. 055839
UDIN:23055839BGWPLA3423

Place: Vijayawada
Date: August 22, 2023.



"Annexure A" to the independent Auditors Report

{Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the Ind AS financial statements of the Company for the year ended 31% March, 2023]

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i) In respect of the property, plant & equipment of the Company:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment. The Company has maintained proper records showing full particulars of intangible assets.
 - (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the Company has no immovable property. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable to the Company and hence not commented upon.
 - (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2023.
 - (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- ii)
 - (a) The Company is a Non-Banking Finance Company and does not have any inventory. Thus, clause 3(ii) (a) of the Order is not applicable to the company and hence not commented upon.
 - (b) During the year the company has been sanctioned working capital limits in excess of Rupees five crores in aggregate, from banks or financial institutions on the basis of security of current assets. On verification of the monthly/Quarterly statements filed by the company with such banks or financial institutions, they are in agreement with the books of accounts.
- iii)
 - (a) The principal business of the Company is to give loans, hence the requirement to report on clause 3(iii) (a) of the Order is not applicable to the Company.
 - (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies, firms, LLPs, or any other parties are not prejudicial to the Company's interest.
 - (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated.
 - (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, LLPs, or any other parties which are overdue for more than ninety days.
 - (e) The principle business of the company is to give loans, hence the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
 - (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand and or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.



- iv) In our opinion and according to the information and explanations given to us, the company has not advanced loans to directors/to a company in which the director is interested to which provision of Section 185 of the Act applies and hence not commented upon. In our opinion and according to the information and explanations given to us, the company has made investments and given guarantees/provided security which is in compliance with the provision of Section 186 of the Act.
- v) The Company has neither accepted any deposits from the public nor accepted any amount which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made there under, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the order is not applicable to the Company.
- vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of Section 148 of the Act for the company. Accordingly, clause 3(vi) of the order is not applicable to the Company
- a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, income-tax, duty of customs and other statutory dues applicable to it. According to the information and explanations given to us, based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b) The details of Income Tax dues which have not been deposited as at 31st March 2023 on account of dispute are given below.

Nature of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount
The Income Tax Act, 1961	Income Tax	High Court	A.Y 2012-13	2,15,37,500

- viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no instances of transactions not recorded in the books of account has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961. Accordingly, the requirement to report on clause 3(viii) of the order is not applicable to the Company.
- ix) (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) In our opinion and according to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has applied the term loans for the purpose for which the loans were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the company, no funds raised on short term basis have been used for long term purpose by the company.
- (e) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the order is not applicable to the company.



- (f) The Company does not have any subsidiaries. Accordingly, the requirement to report on clause 3(ix) (f) of the Order is not applicable to the Company.
- x) (a) The Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments) hence, the requirement to report on clause 3(x) (a) of the order is not applicable to the company.
- (b) The Company has not made any preferential allotment or private placement of shares/ fully or partly or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x) (b) of the order is not applicable to the company.
- xi) (a) To the best of our knowledge and according to information and explanation given to us, there are no fraud by the Company or no material fraud on the Company that has been noticed or reported during the year, nor have we been informed of any such instances by the management.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii) The Company is not a Nidhi Company as per the provisions of the Act. Accordingly, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- xiii) In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details have been disclosed in the notes to the Financial Statements, as required by the applicable Indian Accounting Standards.
- xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit is performed as per a planned program approved by the management and those charged with governance of the Company. We have considered, during the course of our audit, there ports of the internal audits for the year under audit in accordance with the guidance provided in SA610 'Using the Work of Internal Auditors' issued by the Institute of Chartered Accountants of India.
- xv) In our opinion and according to the explanation and information given to us, the Company has not entered into any non-cash transactions with it's directors or persons connected with its directors. Accordingly, the requirement to report under clause 3(xv) of the Order is not applicable to the Company.
- xvi) (a) According to information and explanations given to us and on the basis of our examination, Company is a Non- Banking Finance Company and has obtained registration under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The company has conducted Non- Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group. Accordingly, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii) The Company has not incurred cash losses in the current financial year and preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.



- xix) According to the information and explanation given to us and on the basis of the financial ratios disclosed in Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors' and management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) (a) In our opinion and according to the information and explanation given to us, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) Section 135 of the Companies Act, 2013 is applicable to the Company and there is no amount left unspent. Hence comment on transfer of unspent amount to a fund specified in Schedule VII to the companies Act within a period of six months on the expiry of financial year in compliance with second proviso to sub-section (5) & (6) of section 135 of the said act is not applicable

Place: Vijayawada
Date: August 22, 2023.

For Seshachalam & Co.
Chartered Accountants
Firm Registration. No. 003714S

Sd/-
USNVRC Prabhu
Partner
Membership No. 055839
UDIN:23055839BGWPLA3423



Annexure - "B" to the Auditors' Report

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 **M/s. Andhra Pradesh Power Finance Corporation Limited** ("the Company"), as of 31st March 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial ("The Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under sub-section 10 of section 143 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 with these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 with reference to these Ind AS financial statements.

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 with reference to these stand alone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at 31st March 2023, 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.

Place: Vijayawada
Date: August 22, 2023.

For Seshachalam & Co.
Chartered Accountants
Firm Registration. No. 003714S

Sd/-
USNVRC Prabhu
Partner
Membership No. 055839
UDIN:23055839BGWPLA3423



Annexure-C to the Auditor's Report

As referred to in Point no(g) of paragraph no2in report on other legal and regulatory requirements of our report of even date to the members of the Andhra Pradesh Power Finance Corporation Limited on the Financial Statements for the year ended 31st March 2023.

As required by section 143(5) of the companies act 2013, we give in the Annexure C, to this report a statement on the directions and sub directions issued by the Comptroller & Auditor General of India, to the extent applicable to the information and explanations given to us during course of our audit and the audit procedures conducted by us, we report that:

Report on Directions u/ s143(5) of the Companies Act 2013:

Sl. No.	Description	Observation
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes the implication of processing of accounting transactions out side IT system on the integrity of the accounts along with the financial implications, if any, maybe stated.	The Company has processed all the accounting transactions through IT system. As per explanation and information given to us and records verified by us there are no accounting transactions outside IT System.
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 Whether such cases are properly accounted for?(In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	As per explanation and information given to us and records verified by us there is no restructuring of a loan or cases of waive off or write off of any debts/loans or interest.
3	Whether funds(grants/subsidy etc.)received/receivable for specific schemes from central/state Government or its agencies were properly accounted for/utilizedasperits terms and conditions? List the cases of deviation.	As per explanation and information given to us and records verified by us the company does not receive any funds under specific schemes from Central/State agencies.



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

Sl. No.	Description	Observation
1	Whether the company has complied with the directions issued by Reserve Bank of India a. Non-Banking Finance Companies b. classification of non-performing assets c. capital adequacy norms for NBFCs	As per explanation and information given to us company has complied with the directions of Reserve Bank of India relating to Non-Banking finance Companies, Classification of non-performing assets and capital adequacy norms for NBFCs.
2	Whether the company has a system to ensure that loans were secured by adequate security free from encumbrances and have first charge on the mortgaged assets. Further instances of undue delay in display of seized un its may be reported.	As per explanation and information given to us, company has a system to ensure that loans were secured by adequate security free from encumbrances and have first charge on the mortgaged assets.
3	Whether introduction of any scheme for settlement of dues and extensions thereto complied with policy/guidelines of Company/Government.	As per explanation and information given to us company has not entered into any scheme for settlement of dues.
4	Whether the bank guarantees have been revalidated in time?	As per explanation and information given to us and records verified by us, the company does not have any bank guarantee.

Place: Vijayawada
Date: August 22, 2023.

For Seshachalam & Co.
Chartered Accountants
Firm Registration. No. 003714S

Sd/-
USNVRC Prabhu
Partner
Membership No. 055839
UDIN:23055839BGWPLA3423



NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT FOR THE YEAR ENDED 31st MARCH, 2023

To

The Board of Directors,

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

As required by the "Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016" issued by the Reserve Bank of India, on the matters specified in Chapter-II of the said Directions to the extent applicable to the Corporation, we report that:

1. The Company had applied for registration as provided in section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and has been granted certificate of registration by Reserve Bank of India on 25th August, 2000 having Registration No.09.00266. Further, the Company is entitled to continue to hold such registration in terms of its asset/income patterns as on 31.03.2023.
2. According to information and explanation given to us, the RBI Directions as to deposits are not applicable to the Company, since the company is not accepting any public deposits.
3. The Company has not accepted any public deposits during the year 2022-2023.
4. The financial statements of the Company for the year 2022-23 have been prepared in accordance with recognition and measurement principles of Ind AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under.

Accordingly, the Company is following the methodology for computation of Impairment allowance towards provisioning for its loan assets and classification thereof as per Ind AS 109. The Company is of the opinion that the likelihood of default by the borrowers is very minimal. However, the Company has decided to make an impairment loss to the extent prescribed by the RBI norms.

Place: Vijayawada
Date: August 22, 2023.

For Seshachalam & Co.
Chartered Accountants
Firm Registration. No. 003714S

Sd/-
USNVRC Prabhu
Partner
Membership No. 055839
UDIN:23055839BGWPLA3423



Statutory Auditors' Certificate (SAC)

We have examined the books of accounts and other records of Andhra Pradesh Power Finance Corporation Limited for the Financial Year ending March 31, 2023. On the basis of the information submitted to us, we certify the following:

Sl. No.	Particulars	Details
1	Name of the company	Andhra Pradesh Power Finance Corporation Limited
2	Certificate of Registration No.	N-09.00266
3	Registered office Address	#48-12-16, 2nd Floor, East Wing, Vidyut Soudha, Gunadala, Vijayawada, Krishna District – 520004
4	Corporate office Address	#48-12-16, 2nd Floor, East Wing, Vidyut Soudha, Gunadala, Vijayawada, Krishna District – 520004
5	The company has been classified by RBI as: (Investment Company/Loan Company/AFC/NBFC-MFI/ NBFC- Factor/ IFC/ IDF- NBFC)	NBFC
6	Net Owned Fund (in Rs. Crore) (Calculation of the same is given in the Annexure -A)	732.86
7	Total Assets (in Rs. Crore)	14,248.47
8	Asset-Income pattern: (in terms of RBI Press Release 1998-99/1269 dated April 8, 1999) a) % of Financial Assets to Total Assets b) % of Financial Income to Gross Income (NBFC-Factor / NBFC-MFI / AFC / IFC may also report separately below)	a) 99.65 b) 100
9	Whether the company was holding any Public Deposits, as on March 31, 2023? If Yes, the amount in Rs. Crore	No
10	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (in terms of Sec 45-IC of the RBI Act, 1934).	Yes
11	Has the company received any FDI? If Yes, did the company comply with the minimum capitalization norms for the FDI?	No
12	If the company is classified as an NBFC-Factor; a) % of Factoring Assets to Total Assets b) % of Factoring Income to Gross Income	NA



13	If the company is classified as an NBFC-MFI; % of Qualifying Assets to Net Assets (refer to Notification DNBS.PD.No.234 CGM (US) 2011 dated December 02, 2011)	NA
14	If the company is classified as an AFC; a) % of Advances given for creation of physical/real assets supporting economic activity to Total Assets b) % of income generated out of these assets to Total Income	NA
15	If the company is classified as an NBFC-IFC % of Infrastructure Loans to Total Assets	NA
16	Has there been any takeover/acquisition of control/ change in shareholding/ Management during the year which required prior approval from RBI? (please refer to Master Directions issued by DNBR i) Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Compa- ny (Reserve Bank) Directions;and ii) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions.)	No

In terms of Chapter II of the Master Direction- Non-Banking financial Companies Auditor's Report (Reserve bank) Directions, 2016, a separate report to the Board of Directors of the company has been prepared.

I have read and understood Chapter III of the Master Direction- Non Banking Financial Companies Auditor's Report (Reserve bank) Directions, 2016.

For Seshachalam & Co.
Chartered Accountants
Firm Registration. No. 003714S

Sd/-
USNVRC Prabhu
Partner
Membership No. 055839
UDIN:23055839BGWPLA3423

Place: Vijayawada
Date: August 22, 2023.



Annexure – A

Sl. No.	Capital Funds – Tire I	(Rs. In Crores)
1	Paid up Equity Capital	350.92
2	Pref Shares to be compulsorily converted in to equity	-
3	Free Reserves	
	a. General Reserve	
	b. Share Premium	
	c. Capital Re serves	
	d. Debenture Redemption Reserve	
	e. Capital Redemption Reserve	
	f. Credit Balance in P&L Account	267.26
	g. Other free reserves	
4	Special Reserves	114.67
	Total of 1 to 4	732.86
5	Less: i. Accumulated balance of loss	
	ii. Deferred Revenue Expenditure	
	iii. Deferred Tax Assets (Net)	
	iv. Other intangible Assets	
	Owned Funds	732.86
6	Investment in shares of	-
	i. Companies in the same group	
	ii. Subsidiaries	
	iii. Wholly Owned Subsidiaries	
	iv. Other NBFCs	
7	Book value of debentures, bonds outstanding loans and advances, bills purchased and is counted (including H.P. and lease finance) made to, and deposits with	
	i. Companies in the same group	
	ii. Subsidiaries	
	iii. Wholly Owned Subsidiaries/Joint Ventures Abroad	
8	Total of 6 and 7	-
9	Amount in item 8 in excess of 10% of Owned Fund	-
10	Net Owned Fund	732.86



C & AG AUDIT REPORT



प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय
आंध्र प्रदेश, हैदराबाद - 500 004
OFFICE OF THE PRINCIPAL ACCOUNT GENERAL (AUDIT)
ANDHRA PRADESH, HYDRABAD - 500 004



Lr. No. PAG(Au)/AP/TSC-I/APPFCL-FY23/2023-24/248 Date : November 2023

To
The Managing Director,
M/s. Andhra Pradesh Power Finance Corporation Limited,
48-12-16, 2nd Floor, East wing, Vidyut Soudha,
Gunadala, Vijayawada, Krishna District
Andhra Pradesh-520004

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of the Andhra Pradesh Power Finance Corporation Limited (APPFCL) for the year ended 31 March 2023.

Sir,

I am to forward here with Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of APPFCL for the year ended 31 March 2023 for necessary action.

2. The date of placing the Comments along with Financial Statements and Auditors' Report before the share holders of the Company may please be intimated and a copy of the proceedings of the meetings be furnished.

3. The date of forwarding the Annual Report and financial statements of the Company together with the Auditors' Report and Comments of the Comptroller and Auditor General of India to the Government of Andhra Pradesh for the year ended 31 March 2023 for being laid before the State Legislature may also be intimated. Copy of the letter from the Legislature Secretariat indicating date on which Annual Report laid before State Legislature may also be intimated.

4. Five copies of the Annual Report for the year 2022-23 may be furnished to this office.

Encl:Asabove

Yours faithfully,
BHASKAR KALLURU
Sr. Deputy Accountant General



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF M/s ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023.

The preparation of financial statements of M/s Andhra Pradesh Power Finance Corporation Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 22.08.2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of M/s Andhra Pradesh Power Finance Corporation Limited for the year ended 31 March 2023 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.

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 a better understanding of the financial statements and the related Audit Report:

A. Comments on Profitability

Statement of Profit and Loss

Expenses

Impairment on Financial Assets (Note 23) : NIL

1(a). Balance of loans amounting to Rs.13901.19 crore (Note-6) as on 31.03.2023 includes Rs. 570.50 crore and Rs.810.75 crore loans given to APGECO and APPDCL respectively. 'Provision on Standard Assets' @ 0.40% required to be created against such loan amount as per the RBI/DBR/2016-17/45, Master Direction DNBR.PD.008/03.10.119/2016-17 was provided as disclosed under Note-32. As per the Board vide 178th meeting held on 31.03.2023 resolved to extend the moratorium period by one year, the above said loans were restructured.

As per master direction read with Prudential Framework for Resolution of Stressed Assets (DBR.No.BP.BC.45/21.04.048/2018-19 dated 07.06.2019) 'restructuring' includes alteration in the payment period. Hence, upon restructuring of the said two loans, such assets should have been reclassified as the Sub-standard assets and provision on the Sub-standard assets @ 10% should have been recognized as per the provisions of Para 12 and 13 of the Master direction of RBI. Accordingly, the balance short provision for the sub-standard asset @ 9.60% on these two loans works out to Rs.132.60 crore (after netting the 0.40%). This resulted in understatement of the Provision for Standard Assets by Rs.132.6 crores with corresponding overstatement of Profit for the year to that extent.

1(b). Though the Prudential Framework for the Resolution of Stressed Assets requires the Company to mandatorily disclose the information relating to the number and amount of advance restructured under Notes on Accounts, the same has not been disclosed by the Company.



Revenue from Operations

Other Income (Note 20) : Rs. 4.09 lakh

2. The above does not include Rs. 9.19 lakh (excluding GST amount of Rs.3.46 lakh) towards pre closure charges at the rate of 0.5% on <45.30 crore (out of total ICD of Rs.500 crore) of Inter Corporate Deposits (ICD) with drawn by Andhra Pradesh Solar Power Corporation Private limited before maturity date. There was neither disclosure of such waiver nor approval of the competent authority/Board of Directors of the Company for waiver of pre-closure charges as on reporting date. Thus omission to account for the pre-closure charges resulted in under statement of Receivables by Rs.22.65 lakh (including GST amount of Rs. 3.46 lakh) and Profit for the year by Rs. 19.19lakh.

B. Comments on Disclosure

3.The Company recognized interest income of Rs. 40641.19 lakh towards as interest serviced by the Government of Andhra Pradesh (GoAP) towards Debt Securities, though the GoAP was neither borrower nor any loan was outstanding from the State Government as per Note-6 (Loans). Hence, the Company should have disclosed the basis for receiving the interest from the Government and the nature of income extent of Rs. 40641.19 lakh, a part from disclosure in Note-37A.

4. As per the RBI Master direction dated 01.09.2016, BFC shall recognize incipient stress in loan accounts, immediately on default, by classifying such assets as special mention accounts (SMA) as per categories considering the period for which principal or interest pay mentor any other amount wholly or partly over due. Though ageing schedule of the trade receivables was disclosed, the Company has not adhered to the provisions of RBI Master direction, since loans a sets on which the amount of interest and principal has not been received during the last 6 months was neither disclosed nor classified as SM

D. Other Comments

5. Reference is invited to Note 46-Corporate Social Responsibility (CSR). As per Para10(vi) of General Instructions for preparation of Profit and Loss Statement under Division-III of Schedule III to the Companies Act 2013, the Company shall disclose, inter alia, the nature of CSR activities and details of Related Party Transactions with regard to CSR activities Non-disclosure of the same resulted in deviation from Schedule-III to the Companies Act, 2013.

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

Place: Vijayawada

Date: 09-11-2023



(INDU AGRAWAL)

Principal Accountant General/Audit



C & AG Comment	Reply of the Management of the Company
<p>A. Comments on Profitability</p> <p>Statement of Profit and Loss</p> <p>Expenses</p> <p>Impairment on Financial Assets (Note No 23): NIL Loans (Note-6): Rs. 13,90,118.69 lakh</p> <p>1. As per Para-14 read with Para 17(1) of RBI Master direction dated 01.09.2016, the provision of 0.4% created against outstanding amount of the Standard assets (Rs. 1390118.69 lakh) shall be disclosed distinctly without netting them against the corresponding Assets. However, the Company disclosed the 'provision' created under the said RBI direction as 'Impairment loss allowance' which is rather required under Ind AS 109 and adjusted with the Loans, instead of disclosing the same 'provision' explicitly under Provision (Note-15) under Non-Financial Liabilities. Hence, incorrect classification and adjustment resulted in understatement of Provisions (Note-15) and understatement of Loans by Rs. 7339.92 lakh.</p>	<p>With reference to your comment, we have referred Para 17(1) of the RBI circular dated 01.09.2016 and we understand that Provision on Standard Assets shall be disclosed distinctly without netting them against the corresponding Assets. However, there is no impact of the same on the financial position of the company.</p> <p>We undertake to record Provision on Standard Assets distinctly under liabilities in the subsequent financial years.</p> <p>We request you to kindly consider and drop the para.</p>
<p>Revenue from Operations</p> <p>Other Income (Note 20): Rs. 4.09 lakh</p> <p>2. The above does not include Rs. 19.19 lakh (excluding GST amount of Rs. 3.46 lakh) towards pre-closure charges at the rate of 0.5% on Rs. 45.30 crore (out of total ICD of Rs. 500 crore) of Inter Corporate Deposits (ICDs) withdrawn by Andhra Pradesh Solar Power Corporation Private limited before maturity date. There was neither disclosure of such waiver nor approval of the competent authority / Board of Directors of the Company for waiver of pre-closure charges as on reporting date. Thus, omission to account for due pre-closure charges resulted in understatement of Receivables by Rs. 22.65 lakh and profit for the year by Rs. 19.19 lakh.</p>	<p>Management would like to bring to your notice that proposal was received from AP Solar Power Corporation Limited in June 2022 for non levy of any pre - closure charges for pre mature withdrawals from June 2022. The proposal was reviewed, discussed and after due considerations, management had decided to consider the proposal favorably and accordingly no foreclosure charges were levied for pre closure made after 1st June, 2022.</p> <p>In consideration to the above facts, we would like to confirm that there is no understatement of revenue or receivables in the books of accounts since foreclosure charges have been waived off by the management and a resolution in this regard shall be submitted to you at the earliest.</p> <p>In view of the above, the para may kindly be dropped as there has been no understatement of other income or understatement of receivables.</p>



B. Comments on Disclosure

3. The Company recognized interest income of Rs. 40,641.19 lakh towards interest serviced by the Government of Andhra Pradesh (GoAP) towards Debt Securities, where the GoAP was neither in the list of borrowers nor any loan outstanding from the State Government as per Note-6 (Loans). However, the Company has not disclosed the basis for receiving the interest from the Government and the nature of income extent of Rs. 40,641.19 lakh, except disclosure in Note-37A

With reference to your comment, we bring to your kind notice that APPFCL has issued Bonds and such proceeds are lent to the Power utilities and the GoAP is discharging the amount on behalf of the power utilities. Hence, the interest amount received from the Government is classified as interest income and the corresponding expenditure (Interest paid on Bonds) is classified as interest expenditure.

Interest income received from GoAP of Rs. 40,641.19 lakhs relates to interest on loan outstanding of Rs. 3,72,561.53 lakhs given to APDISCOMs as mentioned in point "e" in Foot note of "Note 6- Loans"

– Loans and advances to AP DISCOMs – Receivable from Govt. of AP (Bonds).

We request you to kindly consider and drop the para.

4. As per the RBI Master direction dated 01.09.2016, NBFC shall recognize incipient stress in loan accounts, immediately on default, by classifying such assets as special mention accounts (SMA) as per the following categories:

SMA Sub-categories	Basis for classification Principal or interest payment or any other amount wholly or partly overdue
SMA-0	Upto 30 days
SMA-1	More than 30 days and upto 60 days
SMA-2	More than 60 days and upto 90 days

As per Division-III of Schedule III to the Companies act 2013, trade receivables are classified under less than 6 months category. However all the trade receivables amounting to Rs. 166.81 crore are less than 30 days outstanding which fall under SMA-0 sub category as per RBI Master direction dated 01.09.2016.

In view of the above the para may kindly be dropped.

As per the ageing schedule of the trade receivables, the Company has interest receivable on advances since last 6 months amounting to Rs. 166.81 crore. However, the Company has not adhered to provisions of RBI Master direction, since loans assets on which the amount of interest and principal has not been received during the last 6 months was neither disclosed nor classified as SMA

Other Comments

5. Reference is invited to **Note 46**-Corporate Social Responsibility (CSR). As per Para 10(vi) of General Instructions for preparation of Profit and Loss Statement under Division-III of Schedule III to the Companies act 2013, the Company shall mandatorily disclose, among other things, the nature of CSR activities and details of Related party transactions with regard to CSR activities. Non- disclosure of the same has resulted in deviation from Schedule-III to the Companies act 2013.

During the year under consideration company has spent Rs. 214.22 Lakhs for infrastructure development of Dhone municipality under CSR activity and there are no related party transactions relating to CSR activity.

Accordingly Note 46 is updated in the financial statements.



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Balance Sheet as at March 31, 2023

Sl. No.	Particulars	Note No	As at March 31, 2023 (As per Ind AS)	As at March 31, 2022 (As per Ind AS)
	ASSETS			
(1)	Financial Assets			
(a)	Cash and cash equivalents	3	187.55	996.70
(b)	Bank Balance other than Cash and cash equivalents	4	78.37	137.78
(c)	Receivables	5		
(i)	Trade receivables		16,681.67	969.31
(ii)	Other receivables		-	-
(d)	Loans	6	13,90,118.69	18,27,639.91
(e)	Other Financial assets	7	12,859.45	20,622.56
	Total Financial Assets (1)		14,19,925.72	18,50,366.26
(2)	Non-financial Assets			
(a)	Current tax assets	8	4,919.95	3,546.51
(b)	Property, Plant and Equipment	9	1.47	2.18
	Total Non Financial Assets (2)		4,921.42	3,548.69
	Total Assets (1+2)		14,24,847.14	18,53,914.96
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	Financial Liabilities			
(a)	Payables	10		
(i)	Trade Payables			
(i)	total outstanding dues of micro enterprises and small enterprises		-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises		4,551.73	8,893.98
(ii)	Other Payables		-	-
(b)	Debt Securities	11	1,58,648.33	6,15,455.83
(c)	Borrowings (Other than Debt Securities)	12	11,70,972.46	11,71,743.85
(d)	Other financial liabilities	13	12,300.00	-
	Total Financial Liabilities (1)		13,46,472.53	17,96,093.66
(2)	Non-Financial Liabilities			
(a)	Current tax liabilities	14	5,079.48	4,052.75
(b)	Provisions	15	9.59	9.54
(c)	Deferred tax liabilities (Net)	16	0.03	0.15
	Total Non-Financial Liabilities (2)		5,089.10	4,062.44
(3)	Equity			
(a)	Equity Share capital	17	35,092.47	34,837.40
(b)	Other Equity	18	38,193.04	18,921.46
	Total Equity (3)		73,285.51	53,758.86
	Total Liabilities and Equity (1+2+3)		14,24,847.14	18,53,914.96
	Corporate information	1		
	Significant accounting policies	2		
	Accompanying notes forming an integral part of the financial statements	3 to 66		

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Seshachalam & Co

Chartered Accountants

FRN 003714S

Sd/-

U.S.N.V.R.C Prabhu**Partner**

Members

UDIN: 23055839BGWPLA3423

Place : Vijayawada

Date : 22-08-2023

For and on behalf of Board of Directors

Sd/-

Dr. K.V.V.Satyanarayana, IRAS**Managing Director**

DIN No: 08076027

Sd/-

V.N Babu**Director**

DIN No: 08772842

Sd/-

M. Ramana Reddy
Chief Financial Officer

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Statement of Profit and Loss for the year ended March 31, 2023

Sl. No.	Particulars	Note No.	For the year ended March 31, 2023 (As per Ind AS)	For the year ended March 31, 2022 (As per Ind AS)
(I)	REVENUE FROM OPERATIONS			
(i)	Interest Income	19	1,58,172.85	1,58,295.74
	Total Revenue from operations (I)		1,58,172.85	1,58,295.74
(II)	Other Income	20	4.09	19.92
(III)	Total Income (I+II)		1,58,176.93	1,58,315.66
(IV)	EXPENSES			
(i)	Finance Costs	21	1,32,510.58	1,35,211.33
(ii)	Fees and commission expense	22	1,000.00	3,000.00
(iii)	Impairment on Financial Assets	23	-	818.54
(iv)	Employee Benefits Expenses	24	51.20	40.73
(v)	Depreciation and amortization	25	0.99	0.77
(vi)	Others expenses	26	409.57	265.08
	Total Expenses (IV)		1,33,972.33	1,39,336.45
(V)	Profit/(Loss) before tax (III -IV)		24,204.60	18,979.21
(VI)	Tax Expense:			
	(1) Current Tax		4,933.14	4,018.29
	(2) Deferred Tax		(0.11)	0.11
	Total Tax Expense(VI)		4,933.02	4,018.40
(VII)	Profit / (Loss) for the period from continuing operations(V-VI)		19,271.58	14,960.81
(VIII)	Profit/(Loss) from discontinued operations		-	-
(IX)	Tax Expense of discontinued operations		-	-
(X)	Profit/(Loss) from discontinued operations(After tax) (VIII-IX)		-	-
(XI)	Profit/(Loss) for the period (VII+X)		19,271.58	14,960.81
(XII)	Other Comprehensive Income			
	(A) (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Subtotal (A)		-	-
	(B) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income (A + B)		-	-



(XIII)	Total Comprehensive Income for the period (XI + XII) (Comprising Profit / (Loss) and other Comprehensive Income for the period)		19,271.58	14,960.81
(XIV)	Earnings per equity share(for continuing operations)			
	Basic (Rs.)		54.92	42.94
	Diluted (Rs.)		54.92	42.94
	Corporate information	1		
	Significant accounting policies	2		
	Accompanying notes forming an integral part of the financial statements	3 to 66		

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Seshachalam & Co

Chartered Accountants

FRN 003714S

Sd/-

U.S.N.V.R.C Prabhu

Partner

Members

UDIN: 23055839BGWPLA3423

Place : Vijayawada

Date : 22-08-2023

For and on behalf of Board of Directors

Sd/-

Dr. K.V.V.Satyanarayana, IRAS

Managing Director

DIN No: 08076027

Sd/-

V.N Babu

Director

DIN No: 08772842

Sd/-

M. Ramana Reddy
Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED**Statement of Changes in Equity for the year ended March 31, 2023****a) Equity Share Capital**

Particulars	As at March 31, 2022		Issued during the Year 2022-23		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital:						
Equity shares of Rs.100/- each	30,00,00,000	3,00,000.00	-	-	30,00,00,000	3,00,000.00
Issued, Subscribed & Fully Paid up Capital:						
Equity Shares of Rs. 100/- each	3,48,37,401	34,837.40	2,55,067	255.07	3,50,92,468	35,092.47
Total	3,48,37,401	34,837.40	2,55,067	255.07	3,50,92,468	35,092.47
Particulars	As at March 31, 2021		Issued during the Year 2021-22		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital:						
Equity shares of Rs.100/- each	30,00,00,000	3,00,000.00	-	-	30,00,00,000	3,00,000.00
Issued, Subscribed & Paid up Capital:						
Equity Shares of Rs. 100/- each	3,48,37,401	34,837.40	-	-	3,48,37,401	34,837.40
Total	3,48,37,401	34,837.40	-	-	3,48,37,401	34,837.40

Terms and Rights attached to Equity Shares

- 1) The Company has only one class of equity shares having par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share.
- 2) The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.
- 3) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Other Equity

Particulars	Reserves and Surplus		Total
	Special Reserves	Retained Earnings	
As at April 01, 2021	2,607.61	1,353.04	3,960.65
Profit for the year 2021-2022	-	14,960.81	14,960.81
Transfer from Retained Earnings	3,959.55	-	3,959.55
Transfer to Special Reserves	-	(3,959.55)	(3,959.55)
As at March 31, 2022	6,567.16	12,354.30	18,921.46
Profit for the year 2022-23	-	19,271.58	19,271.58
Transfer from Retained Earnings	4,900.21	-	4,900.21
Transfer to Special Reserves	-	(4,900.21)	(4,900.21)
As at March 31, 2023	11,467.37	26,725.66	38,193.04

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Seshachalam & Co

Chartered Accountants

FRN 003714S

Sd/-

U.S.N.V.R.C Prabhu

Partner

Members

UDIN: 23055839BGWPLA3423

Place : Vijayawada

Date : 22-08-2023

For and on behalf of Board of Directors

Sd/-

Dr. K.V.V.Satyanarayana, IRAS
Managing Director

DIN No: 08076027

Sd/-

V.N Babu
Director

DIN No: 08772842

Sd/-

M. Ramana Reddy
Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Cash Flow Statement for the year ended March 31, 2023

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Statement of Profit and Loss	24,204.60	18,979.21
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & Assets written off	0.99	0.77
Finance Cost	1,32,510.58	1,35,211.33
Impairment loss allowance	-	818.54
Operating profit before working capital changes	1,56,716.17	1,55,009.85
Adjustments For:		
(Increase)/Decrease in Receivables from AP Govt	-	47.69
(Increase)/Decrease in Receivables	(15,712.35)	7,156.47
(Increase)/Decrease in Other Financial Assets	7,763.12	(13,844.52)
(Increase)/Decrease in Current Tax Assets	(0.28)	(0.00)
Increase/(Decrease) in Bonds outstanding	(4,56,807.50)	(25,644.17)
Increase/(Decrease) in Inter Corporate Deposits	21,700.00	1,07,600.00
Increase/(Decrease) in Bank Loans	(22,471.38)	1,11,955.64
(Increase)/Decrease in Advances to AP Power Utilities	4,37,521.22	(2,04,634.83)
Increase/(Decrease) in Other Financial Liabilities	12,411.87	(13.62)
Increase/(Decrease) in Provisions	0.06	(0.41)
Increase/(Decrease) in Trade Payables	(4,342.24)	(182.38)
Cash Generated from/(Used in) operations	1,36,778.68	1,37,449.71
Finance cost paid	(1,32,510.58)	(1,35,211.33)
Income tax paid	(5,391.45)	(4,237.27)
Net Cash Flow from Operating Activities (A)	(1,123.35)	(1,998.89)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets	(0.27)	(2.47)
Net Cash Flow from Investing Activities (B)	(0.27)	(2.47)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Equity Share Capital	255.07	-
Net Cash Flow from Financing Activities (C)	255.07	-
Net (Decrease)/ Increase in Cash and Cash equivalents (A+B+C)	(868.56)	(2,001.36)
Add: Cash and Cash Equivalents at the beginning the year	1,134.47	3,135.83
Cash and Cash Equivalents at the end of the year	265.91	1,134.47
Reconciliation of Cash & Cash Equivalents		
Cash on Hand	-	-
<u>Cash at Bank</u>		
a) In Current Account	129.98	996.69
b) In Lien Accounts	78.37	137.78
c) Escrow Accounts	57.57	0.00
Total Cash & Cash Equivalents at the end of the year	265.91	1,134.47

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Seshachalam & Co

Chartered Accountants

FRN 003714S

Sd/-

U.S.N.V.R.C Prabhu

Partner

Members

UDIN: 23055839BGWPLA3423

Place : Vijayawada

Date : 22-08-2023

For and on behalf of Board of Directors

Sd/-

Dr. K.V.V.Satyanarayana, IRAS

Managing Director

DIN No: 08076027

Sd/-

V.N Babu

Director

DIN No: 08772842

Sd/-

M. Ramana Reddy
Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED
Notes forming part of Financial Statements

Note 3: Cash and Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Cash on Hand	-	-
(ii) Balances with Scheduled Bank		
a. In Current Account with SBI	129.98	996.69
b. In Escrow Accounts	57.57	0.00
Total	187.55	996.70

Note 4: Bank Balance other than Cash and Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Lien Accounts with SBI		
a. Lien Account - 62265296302	0.00	0.00
b. Lien Account - 38356359860	13.07	0.00
c. Lien Account - 38356342256	-	0.02
d. Lien Account - 62213387439	11.47	30.88
e. Lien Account - 62235605816	12.19	12.17
f. Lien Account - 52117479165	23.25	23.22
g. Lien Account - 62167470827	14.39	34.91
h. Lien Account - 52117469464	1.84	1.81
i. Lien Account - 52117474699	-	-
j. Lien Account - 52117469442	-	-
k. Lien Account -52117479176	-	0.74
l. Lien Account -62443536820	2.16	34.02
Total	78.37	137.78

As Per Our Report Of Even Date
For Seshachalam & Co
Chartered Accountants
FRN 003714S

Sd/-
U.S.N.V.R.C Prabhu
Partner
Members
UDIN: 23055839BGWPLA3423

Place : Vijayawada
Date : 22-08-2023

For and on behalf of Board of Directors

Sd/-
Dr. K.V.V.Satyanarayana, IRAS
Managing Director
DIN No: 08076027

Sd/-
V.N Babu
Director
DIN No: 08772842

Sd/-
M. Ramana Reddy
Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED
Notes forming part of Financial Statements

Note 5: Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Trade Receivables		
a) Receivables considered good - Unsecured		
Interest Receivable on Advances	16,681.67	969.31
Total	16,681.67	969.31
(ii) Other Receivables	-	-
Total Receivables	16,681.67	969.31

Note 5.1 Ageing of Trade Receivables

Particulars	As at March 31, 2023					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade Receivables-considered good						
(ii) Undisputed Trade Receivables-which have significant increase in credit risk	16,681.67	-	-	-	-	16,681.67
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	
(iv) Disputed Trade Receivables-considered good						
(v) Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables-credit impaired	-	-	-	-	-	-
Total	16,681.67	-	-	-	-	16,681.67

Particulars	As at March 31, 2022					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade Receivables-considered good						
(ii) Undisputed Trade Receivables-which have significant increase in credit risk	969.31	-	-	-	-	969.31
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	
(iv) Disputed Trade Receivables-considered good						
(v) Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables-credit impaired	-	-	-	-	-	-
Total	969.31	-	-	-	-	969.31

As Per Our Report Of Even Date
For Seshachalam & Co
Chartered Accountants
FRN 003714S

Sd/-
U.S.N.V.R.C Prabhu
Partner
Members
UDIN: 23055839BGWPLA3423

Place : Vijayawada
Date : 22-08-2023

For and on behalf of Board of Directors

Sd/-
Dr. K.V.V.Satyanarayana, IRAS
Managing Director
DIN No: 08076027

Sd/-
M. Ramana Reddy
Chief Financial Officer

Sd/-
V.N Babu
Director
DIN No: 08772842



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED
Notes forming part of Financial Statements

Note 6 : Loans
Pursuant to the provisions specified under Division III - Schedule III to the Companies Act, 2013

Particulars	Current Year: 2022-23			Previous Year: 2021-22								
	Amortised Cost	Through Other Comprehensive Income	At Fair Value Through profit or loss	Total	Amortised Cost	Through Other Comprehensive Income	At Fair Value Through profit or loss	Sub-Total	Total			
	1	2	3	4	5	6	7	8	9	10	11	12
Loans												
(A)												
(i) Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Loans repayable on Demand	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Term Loans	13,97,458.61	-	-	-	13,97,458.61	-	13,97,458.61	-	-	-	-	13,34,979.83
(iv) Leasing	-	-	-	-	-	-	-	-	-	-	-	-
(v) Financing	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	13,97,458.61	-	-	-	13,97,458.61	-	13,97,458.61	-	-	-	-	13,34,979.83
Less: Impairment loss allowance	7,339.92	-	-	-	7,339.92	-	7,339.92	-	-	-	-	7,339.92
Total (A) - Net	13,90,118.69	-	-	-	13,90,118.69	-	13,90,118.69	-	-	-	-	13,27,639.91
(B)												
(i) Secured by tangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank/Government Guarantees	13,97,458.61	-	-	-	13,97,458.61	-	13,97,458.61	-	-	-	-	13,34,979.83
(iv) Unsecured	-	-	-	-	-	-	-	-	-	-	-	-
Total (B) - Gross	13,97,458.61	-	-	-	13,97,458.61	-	13,97,458.61	-	-	-	-	13,34,979.83
Less: Impairment loss allowance	7,339.92	-	-	-	7,339.92	-	7,339.92	-	-	-	-	7,339.92
Total (B) - Net	13,90,118.69	-	-	-	13,90,118.69	-	13,90,118.69	-	-	-	-	13,27,639.91
(C) (i)												
Loans in India	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Public Sector	13,97,458.61	-	-	-	13,97,458.61	-	13,97,458.61	-	-	-	-	13,34,979.83
(iii) Others	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) - Gross	13,97,458.61	-	-	-	13,97,458.61	-	13,97,458.61	-	-	-	-	13,34,979.83
Less: Impairment loss allowance	7,339.92	-	-	-	7,339.92	-	7,339.92	-	-	-	-	7,339.92
Total (C) (i) - Net	13,90,118.69	-	-	-	13,90,118.69	-	13,90,118.69	-	-	-	-	13,27,639.91
(C) (ii)												
Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (ii) - Net	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) and (i)	13,90,118.69	-	-	-	13,90,118.69	-	13,90,118.69	-	-	-	-	13,27,639.91

Four Note:

	31-03-2023	31-03-2022
a. Loans and Advances to APEPDCI *	2,97,037.33	3,85,056.60
b. Loans and Advances to AP GENCO	96,100.00	41,200.00
c. Loans and Advances to APPDCI	81,075.00	61,000.00
d. Loans and Advances to APSPOCI **	5,88,684.75	7,74,727.40
e. Loans and Advances to AP Discoms - Receivable from Govt. of AP (Bonds)	3,72,501.53	5,72,995.83
Total (a) - (e) + (b+c)	13,97,458.61	18,34,979.83
e. Less: Impairment Loss allowance	7,339.92	7,339.92
Net total (a-e)	13,90,118.69	18,27,639.91

* Company has received Rs. 1,22,000 Lakhs in advance & partly utilised for early redemption of bonds
** Company has received Rs. 1,95,000 Lakhs in advance & partly utilised for early redemption of bonds

As Per Our Report Of Even Date
For Seshachalam & Co
Chartered Accountants
FRN 003714S

For and on behalf of Board of Directors

Sd/-
U.S.N.V.R.C Prabhu
Partner
Members
UDIN: 23055839BGWPLA3423
Place : Vijayawada
Date : 22-08-2023

Sd/-
Dr. K.V.Satyanarayana, IRAS
Managing Director
DIN No. 08076027

Sd/-
V.N Babu
Director
DIN No: 08772842

Sd/-
M. Ramana Reddy
Chief Financial Officer

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED
Notes forming part of Financial Statements

Note 7: Other Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Receivable from Telanagana State Government	12.55	12.55
CDSL Fee Receivable - TSPFCL	0.37	0.37
NSDL Fee Receivable - TSPFCL	0.37	0.37
NSE Listing Fee Receivable - TSPFCL	0.89	0.89
DSRA- Fixed Deposits with Banks	12,836.51	12,688.24
Security Deposit	8.00	8.00
APCOS PD Account	0.66	0.58
Temporary Advance	0.10	0.04
Interest Accrued But Not Due on BOI FD	-	398.40
Interest Accrued But Not Due on CBOI FD	-	10.93
Interest Receivable But not Due	-	7,502.20
Total	12,859.45	20,622.56

Note 8: Current Tax Assets

Particulars	As at March 31, 2023	As at March 31, 2022
TDS Receivable 2020-21	-	12.64
Advance Tax 2022-23	4,850.00	-
Advance Tax 2021-22	-	3,485.36
TDS Receivable 2022-23	69.67	-
TDS Receivable 2021-22	-	48.51
GST Cash Ledger	0.28	0.00
Total	4,919.95	3,546.51

As Per Our Report Of Even Date

For Seshachalam & Co

Chartered Accountants

FRN 003714S

Sd/-
U.S.N.V.R.C Prabhu**Partner**

Members

UDIN: 23055839BGWPLA3423

Place : Vijayawada

Date : 22-08-2023

For and on behalf of Board of Directors

Sd/-
Dr. K.V.V.Satyanarayana, IRAS
Managing Director
DIN No: 08076027Sd/-
V.N Babu
Director
DIN No: 08772842Sd/-
M. Ramana Reddy
Chief Financial Officer

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

Note : 9 Property Plant and Equipment (PPE)

Particulars	Property, Plant and Equipment				
	Computers	Office Equipments	Furniture & Fixures	Computer Software	Total
I. Gross block - at cost					
As at April 01, 2021	1.76	0.84	0.00	0.50	3.10
Additions	-	-	-	-	-
Deductions	-	-	-	-	-
As at March 31, 2022	1.76	0.84	0.00	0.50	3.10
Additions	-	0.27	-	-	0.27
Deductions	-	-	-	-	-
As at March 31, 2023	1.76	1.11	0.00	0.50	3.38
II. Accumulated Depreciation					
As at April 01, 2021	0.15	0.00		-	0.15
Charge For the Period	0.59	0.13	-	0.05	0.77
Disposals					
As at March 31, 2022	0.74	0.13	-	0.05	0.92
Charge For the Period	0.59	0.23	-	0.17	0.99
Disposals					
As at March 31, 2023	1.33	0.36	-	0.22	1.91
III. Net Block [I-II]					
As at March 31, 2022	1.02	0.71	0.00	0.45	2.18
As at March 31, 2023	0.43	0.75	0.00	0.28	1.47



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

Note 10: Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,551.73	8,893.98
Total	4,551.73	8,893.98
(II) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total	-	-

Note 10.1 Ageing of Trade Payables

Particulars	As at March 31, 2023				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME					
(ii) Others	4,487.90	-	-	63.84	4,551.73
(iii) Disputed Dues - MSME	-	-	-	-	
(iv) Disputed Dues - Others					
Total	4,487.90	-	-	63.84	4,551.73
Particulars	As at March 31, 2022				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME					
(ii) Others	8,790.16	-	-	103.82	8,893.98
(iii) Disputed Dues - MSME	-	-	-	-	
(iv) Disputed Dues - Others					
Total	8,790.16	-	-	103.82	8,893.98



Note 11: Debt Securities
Pursuant to the provisions specified under Division III - Schedule III to the Companies Act, 2013

Particulars	ISIN	Rate of Interest	Date of Redemption	Current Year: 2022-23		Previous Year: 2021-22		Total	
				Amortised Cost	Designated at fair value through profit or loss	At Fair Value Through profit or loss	Designated at fair value through profit or loss		
				1	2	3	4 = 1+2+3	5	
(A) Liability component of compound financial instruments	-	-	-	-	-	-	-	-	-
Others: (Bonds/Debtventure etc.)									
1/2010 Bonds - Option B	INE847E09029	8.74%	15-11-2022	1,58,648.33	-	-	1,58,648.33	6,15,455.83	-
1/2011 Bonds - Option B	INE847E08DK6	9.60%	15-12-2023	-	-	-	-	36,830.00	-
2/2011 Bonds - Option B	INE847E08DM2	9.97%	30-01-2024	5,880.00	-	-	5,880.00	5,880.00	-
1/2012 Bonds - Option A	INE847E08DN0	9.50%	08-06-2022	19,700.00	-	-	19,700.00	19,700.00	-
1/2012 Bonds - Option B	INE847E08DO8	9.64%	08-06-2022	9,410.00	-	-	9,410.00	2,630.00	-
2/2012 Bonds	INE847E08DP5	9.75%	18-07-2022	-	-	-	-	10,080.00	-
3/2012 Bonds	INE847E08DO3	9.75%	09-11-2022	-	-	-	-	40,460.00	-
1/2020 Bonds [Refer foot note (a)]	INE847E08DS9	8.20%	20-04-2030	-	-	-	-	72,330.00	-
2/2020 Bonds [Refer foot note (b)]	INE847E08DT7	8.20%	29-04-2028	66,508.75	-	-	66,508.75	2,000,000.00	-
3/2020 Bonds	INE847E08DU5	8.20%	12-05-2028	22,041.25	-	-	22,041.25	25,180.00	-
4/2020 Bonds	INE847E08DV3	7.50%	18-08-2028	35,108.33	-	-	35,108.33	36,300.00	-
Total (A)				1,58,648.33	-	-	1,58,648.33	6,15,455.83	-
Debt securities in India				1,58,648.33	-	-	1,58,648.33	6,15,455.83	-
Debt securities outside India				-	-	-	-	-	-
Total (B) to tally with (A)				1,58,648.33	-	-	1,58,648.33	6,15,455.83	-

Foot Note:

(a) Company has repaid Rs. 1,64,055.83 Lakhs during the year as against Scheduled redemption amount of Rs. 19,885.56 Lakhs resulting in early redemption of bonds to the extent of Rs. 1,44,170.27 Lakhs at the request of Bond holders.
(b) Company has repaid Rs. 1,33,491.25 Lakhs during the year as against Scheduled redemption amount of Rs. 25,000.00 Lakhs resulting in early redemption of bonds to the extent of Rs. 1,08,491.25 Lakhs at the request of Bond holders.

As Per Our Report Of Even Date
For Seshachalam & Co
Chartered Accountants
FRN 003714S

For and on behalf of Board of Directors

Sd/-
Dr. K.V.V.Satyanarayana, IRAS
Managing Director
DIN No: 08076027

Sd/-
V.N Babu
Director
DIN No: 08772842

Sd/-
U.S.N.V.R.C Prabhur
Partner
Members
UDIN: 2305583986WPLA3423

Sd/-
M. Ramana Reddy
Chief Financial Officer

Place : Vijayawada
Date : 22-08-2023

Note 12: Borrowings Other than Debt Securities
Pursuant to the provisions specified under Division III - Schedule III to the Companies Act, 2013

Particulars	Current Year: 2022-23			Previous Year: 2021-22			Total 8 = 5+6+7	
	Amortised Cost 1	At Fair Value Through profit or loss 2	Designated at fair value through profit or loss 3	Total 4 = 1+2+3	Amortised Cost 5	At Fair Value Through profit or loss 6		Designated at fair value through profit or loss 7
	(a) Term loans:-							
(i) from banks	9,63,172.46	-	-	9,63,172.46	9,85,643.85	-	9,85,643.85	
(ii) from State Bank of India	1,27,469.82	-	-	1,27,469.82	9,85,643.85	-	9,85,643.85	
(iii) from Union Bank of India	1,47,733.33	-	-	1,47,733.33	1,40,575.43	-	1,40,575.43	
(iv) from Canara Bank	1,99,904.80	-	-	1,99,904.80	1,49,962.40	-	1,49,962.40	
(v) from Bank of Baroda	1,47,656.25	-	-	1,47,656.25	1,99,952.78	-	1,99,952.78	
(vi) from Bank of India	2,90,024.88	-	-	2,90,024.88	1,49,928.59	-	1,49,928.59	
(vii) from Indian Overseas Bank	50,323.39	-	-	50,323.39	2,95,224.91	-	2,95,224.91	
(viii) from other parties	-	-	-	-	49,999.73	-	49,999.73	
(b) Deferred payment liabilities	-	-	-	-	-	-	-	
(c) Loans from Related Parties	-	-	-	-	-	-	-	
(d) Finance lease obligations	-	-	-	-	-	-	-	
(e) Liability component of compound financial instruments	-	-	-	-	-	-	-	
(f) Loans repayable on demand:-	2,07,800.00	-	-	2,07,800.00	1,86,100.00	-	1,86,100.00	
(i) from banks	-	-	-	-	-	-	-	
(ii) from other parties - Inter Corporate Deposits	2,07,800.00	-	-	2,07,800.00	1,86,100.00	-	1,86,100.00	
AP Buildings and Other Construction workers Welfare Board	14,400.00	-	-	14,400.00	14,400.00	-	14,400.00	
AP Pollution Control Board	10,000.00	-	-	10,000.00	10,000.00	-	10,000.00	
AP Southern Power Distribution Corporation Limited Pension & Gratuity	95,900.00	-	-	95,900.00	81,900.00	-	81,900.00	
AP Urban Development Fund	12,500.00	-	-	12,500.00	12,500.00	-	12,500.00	
AP Eastern Power Distribution Corporation Limited Pension & Gratuity	30,100.00	-	-	30,100.00	22,000.00	-	22,000.00	
AP Solar Power Corporation	40,000.00	-	-	40,000.00	45,300.00	-	45,300.00	
AP Eastern Power Distribution Corporation Limited PF Trust	4,900.00	-	-	4,900.00	-	-	-	
(g) Other loans (specify nature)	-	-	-	-	-	-	-	
Total (A)	11,70,972.46	-	-	11,70,972.46	11,71,743.85	-	11,71,743.85	
Borrowings outside India	11,70,972.46	-	-	11,70,972.46	11,71,743.85	-	11,71,743.85	
Total (B) to tally with (A)	11,70,972.46	-	-	11,70,972.46	11,71,743.85	-	11,71,743.85	

Foot Note:

(i) The repayment of Term Loans of Rs. 963,172 crores (Previous Year Rs. 985,644 crores) raised from Banks is guaranteed by the State Government of Andhra Pradesh vide G.O. Ms. No. 38 dated 29-11-2019, G.O. Ms. No. 42 dated 31-12-2019, G.O. Ms. No. 01 dated 23-01-2020, G.O. Ms. No. 12 dated 31-03-2020, G.O. Ms. No. 24 dated 28-09-2020, G.O. Ms. No. 27 dated 08-12-2020, G.O. Ms. No. 8 dated 21-08-2021 and G.O. Ms. No. 16 dated 11-10-2021.

(ii) Company has obtained guarantee from GoAP to the extent of Rs. 1,30,800 Lakhs only as against outstanding ICDs of Rs. 2,07,800 Lakhs resulting deficit guarantee coverage of Rs. 77,000 Lakhs.

As Per Our Report Of Even Date
For Seshachalam & Co
Chartered Accountants
FRN 003714S

Sd/-
U.S.N.V.R.C Prabhu
Partner
Members
UDIN: 23055839BGWPLA3423
Place : Vijayawada
Date : 22-08-2023

For and on behalf of Board of Directors

Sd/-
Dr. K.V.V.Satyanarayana, IRAS
Managing Director
DIN No. 08076027

Sd/-
V.N Babu
Director
DIN No. 08772842

Sd/-
M. Ramana Reddy
Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

Note 13: Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Payable to AP Genco Provident Fund and Gratuity Trust *	11,300.00	-
Guarantee Commission payable to AP Government	1,000.00	-
Total	12,300.00	-

Amount payable on account of refund of unissued bonds :

Note 14: Current Tax Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax FY 2021-22	-	4,018.29
Provision for Income Tax FY 2022-23	4,933.14	-
Provision for Income Tax FY 2020-21	-	-0.03
CGST 9%	0.03	0.39
IGST	0.23	0.03
SGST 9%	0.03	0.39
TDS Payable	145.79	33.26
GST TDS	0.25	0.43
Total	5,079.48	4,052.75

Note 15: Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Professional Charges Payable	2.98	2.33
Guest House Expenses Payable	3.95	4.55
Salaries Payable	0.23	0.23
Other Payables	2.43	2.42
Total	9.59	9.54

Note 16: Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax		
Arising on account of timing difference in depreciation	0.03	0.15
Total	0.03	0.15

As Per Our Report Of Even Date
For Seshachalam & Co
Chartered Accountants
FRN 003714S

Sd/-
U.S.N.V.R.C Prabhu
Partner
Members
UDIN: 23055839BGWPLA3423

Place : Vijayawada
Date : 22-08-2023

For and on behalf of Board of Directors

Sd/-
Dr. K.V.V.Satyanarayana, IRAS
Managing Director
DIN No: 08076027

Sd/-
M. Ramana Reddy
Chief Financial Officer

Sd/-
V.N Babu
Director
DIN No: 08772842



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

Note 17: Equity Share Capital

17.1 The reconciliation of equity share capital outstanding at the beginning and at the of the year

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Capital		
30,00,00,000 Equity shares of Rs. 100 each	3,00,000.00	3,00,000.00
Issued subscribed and fully paid up		
3,50,92,468 (March 31, 2022: 3,48,37,401) Equity shares of Rs. 100 each	35,092.47	34,837.40
Total Equity	35,092.47	34,837.40

17.2 Terms and rights attached to equity shares

- 1) The Company has only one class of equity shares having par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share.
- 2) The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.
- 3) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

17.3 Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the year

Particulars	In Numbers	Amount
As at April 01, 2021	3,48,37,401	34,837.40
Shares issued during the year	-	-
As at March 31, 2022	3,48,37,401	34,837.40
Shares issued during the year	2,55,067	255.07
As at March 31, 2023	3,50,92,468	35,092.47

17.4 Details of Equity shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Shares	% of Equity Share Capital	No of Shares	% of Equity Share Capital
Governor Of Andhra Pradesh (Promoter)	3,50,92,462	99.99%	3,48,37,394	99.99%

Note 18 : Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Special Reserve		
Balance at the beginning of the year	6,567.16	2,607.61
Add: Transfer from Retained Earnings	4,900.21	3,959.55
Balance at the end of the year	11,467.37	6,567.16
(B) Retained Earnings		
Balance at the beginning of the year	12,354.30	1,353.04
Add: Profit for the Year	19,271.58	14,960.81
Less: Transfer to Special Reserve	(4,900)	(3,960)
Balance at the end of the year	26,725.66	12,354.30
Total [A + B]	38,193.04	18,921.46

As Per Our Report Of Even Date

For Seshachalam & Co

Chartered Accountants

FRN 003714S

Sd/-

U.S.N.V.R.C Prabhu

Partner

Members

UDIN: 23055839BGWPLA3423

Place : Vijayawada

Date : 22-08-2023

For and on behalf of Board of Directors

Sd/-

Dr. K.V.V.Satyanarayana, IRAS

Managing Director

DIN No: 08076027

Sd/-

V.N Babu

Director

DIN No: 08772842

Sd/-

M. Ramana Reddy

Chief Financial Officer



Note 19: Interest Income

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest on Loans	-	157,453.12	-	-	157,786.55	-
Interest on deposits with banks	-	719.73	-	-	509.20	-
Total	-	158,172.85	-	-	158,295.74	-

Note 20: Other Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Pre-closing Charges	3.26	19.92
Miscellaneous Income	0.82	-
Total	4.09	19.92

Note 21: Finance Cost

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on Inter Corporate Deposits	-	14,089.70	-	11,369.85
Interest on borrowings	-	72,899.96	-	69,436.85
Interest on debt securities	-	43,546.28	-	54,404.54
Other Interest Expense	-	1,974.64	-	0.09
Total	-	132,510.58	-	135,211.33

Note 22: Fees and Commission expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Guarantee Commission Fee	1,000.00	3,000.00
Total	1,000.00	3,000.00

Note 23: Impairment on Financial Assets/Instruments

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	On financial Assets/Instruments measured at fair value through OCI	On financial Assets/Instruments measured at amortised cost	On financial Assets/Instruments measured at fair value through OCI	On financial Assets/Instruments measured at amortised cost
Loan Assets	-	-	-	818.54
Total	-	-	-	818.54

Note: During FY 2021-22 the company has created additional impairment loss allowance of Rs. 8,18,53,933 to bring overall impairment loss allowance to Rs. 73,39,91,933 (i.e. 0.40% on loan outstanding amount of Rs. 18,349.80 Crores as on 31.03.2022). Whereas at the end of current FY 2022-23 the company is required to maintain impairment loss of Rs. 55,89,83,444 (i.e. 0.40% on loan outstanding amount of Rs. 13,974.58 Crores as on 31.03.2023). Since the existing impairment loss allowance is higher than the required amount, no additional impairment allowance is considered during the current year.

As Per Our Report Of Even Date
For Seshachalam & Co
Chartered Accountants
FRN 003714S

Sd/-
U.S.N.V.R.C Prabhu
Partner
Members
UDIN: 23055839BGWPLA3423

Place : Vijayawada
Date : 22-08-2023

For and on behalf of Board of Directors

Sd/-
Dr. K.V.V.Satyanarayana, IRAS
Managing Director
DIN No: 08076027

Sd/-
M. Ramana Reddy
Chief Financial Officer

Sd/-
V.N Babu
Director
DIN No: 08772842



Note 24: Employee Benefit Expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Staff Salary	51.20	39.41
Staff Welfare Expense	-	1.33
Total	51.20	40.73

Note 25: Depreciation and Amortization

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation	0.99	0.77
Total	0.99	0.77

Note 26: Other Expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit Fee		
Audit Expenses	0.21	0.18
Internal Audit Fee	0.71	0.35
Statutory Audit Fees	0.89	0.89
Secretarial Audit Fees	0.59	0.33
Tax Audit Fees	0.18	0.07
Listing Compliance Fee	20.69	15.44
Professional Fee	13.98	12.02
Corporate Social Responsibility Expenses	214.22	-
Guest House Expense	54.18	53.78
Repairs and Maintenance	0.37	0.06
Office Expense	5.57	4.47
Vehicle Hire Expense	12.87	12.15
Rates and Taxes	0.04	0.04
ROC Charges	0.37	0.46
Other Expenses	2.86	6.43
Interest, Late fees and Penalties	81.85	158.42
Total	409.57	265.08

As Per Our Report Of Even Date

For Seshachalam & Co
Chartered Accountants
FRN 003714S

Sd/-
U.S.N.V.R.C Prabhu
Partner
Members
UDIN: 23055839BGWPLA3423

Place : Vijayawada
Date : 22-08-2023

For and on behalf of Board of Directors

Sd/-
Dr. K.V.V.Satyanarayana, IRAS
Managing Director
DIN No: 08076027

Sd/-
M. Ramana Reddy
Chief Financial Officer

Sd/-
V.N Babu
Director
DIN No: 08772842



1. Corporate Information:

Andhra Pradesh Power Finance Corporation Limited (APPFCL) was incorporated, pursuant to the Andhra Pradesh GO (Government Order) Ms. No. 54, dated 19/05/2000, as a Government Company under the Companies Act 1956, on 12th July, 2000 and had commenced its business on 13th July, 2000 and also obtained, the Certificate of Registration from the Reserve Bank of India as a Non-Banking Financial Institution under the Reserve Bank of India Act 1934, vide letter no. DNBS (H) No. 714/04.039/2000-2001, dated August 25th 2000. The main object of the Company includes providing Long Term Finance to those enterprises wholly engaged in the business of development, maintenance and operation of power and other activities related thereto including but not limited to generation, transmission, distribution facility viz., GENCO, TRANSCO, DISCOMs.

2. Significant Accounting Policies

(i) Basis of Preparation and Presentation

(a) Statement of Compliance

The financial statements of the company have been prepared as a going concern in accordance with the Indian Accounting Standard ('Ind AS'), notified under sec. 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) These financial statements may require further adjustments, if any, necessitated by the guidelines/clarification/directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

In Addition, the Guidance notes and Announcements issued by the Institute of Chartered Accountants of India are also applied, except where the compliance with other statutory provisions requires difference treatment.

(b) Accounting Convention:

The Financial Statements have been prepared under the historical cost convention except for financial instruments that are measured at fair value at the end of each reporting period.

The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

(c) Revenue Recognition:

As per Ind AS 109, interest income from financial assets is recognized on an accrual basis using effective interest rate method (EIR). The effective interest rate method is the rate that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts paid or received) through the expected life of the financial instrument to the carrying amount on initial recognition.

Thus, Interest Income is recognized by applying the effective interest rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial Assets classified and measured at FVTPL.



(d) Finance Costs

As per Ind AS 109, finance cost i.e. interest expense from financial liabilities is recognized on accrual basis using effective interest rate method (EIR). The effective interest rate method is the

rate that exactly discounts estimated future cash payments (including all interest payments and guarantee commission) through the expected life of the financial instrument to the carrying amount on initial recognition.

The company accounts for the interest expenditure on various series of bonds, term loan from banks and inter corporate deposits in the Statement of Profit & Loss as per Ind AS 109.

(e) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

(f) Financial Assets / Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities that are measured at amortized cost are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortized cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account.

The classification depends on the contractual terms of the financial assets, cash flows and the Company's business model for managing financial assets.

(g) Measurement of Financial Instruments:**1. At amortized cost**

A financial asset is measured at amortized cost only if both of the following conditions are met:

- (a) The assets are held within a business model whose objective is to hold them to collect contractual cash flows and
- (b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding

Such Financial assets are subsequently measured at amortized cost using the, effective interest rate method.

The loans and advances given to AP Discom's were measured at amortized cost, since it satisfies both the conditions specified above.



27. Property, Plant and Equipment:

The property, plant and equipment are the assets held for use in the supply of services.

Cost:

Property, plant and equipments are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, non-refundable duties & taxes and other directly attributable cost of bringing the asset to its working condition for the intended use. Company does not hold any immovable property.

28. Depreciation:

Depreciation on fixed assets is provided on straight-line basis at rates prescribed in schedule II of the Companies Act, 2013. The company follows charging depreciation on pro-rata basis on the assets acquired or disposed-off during the year.

29. Impairment of Financial Assets

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date.
- Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that does not have objective evidence of impairment.
- Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for stage 1 loan assets and lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the probability of default, exposure at default and loss given default, which are defined as follows:

Probability of Default (PD) - The PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.

Loss Given Default (LGD) – LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and it shows the proportion of the amount that will actually be lost post recoveries in case of a default.

Exposure at Default (EAD) – EAD represents the amounts, including the principal outstanding, interest accrued and outstanding letters of comfort that Company expects to be owned at the time of default

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.



30. Following are the bank accounts reflected in the Books of Accounts and the same is reconciled as on 31.03.2023 by the management:

SL NO	Particulars	A/C No.
1	Current Account with SBI	52117468653
2	Bank of Baroda – Escrow A/c	26360200007815
3	Canara Bank – Escrow A/c	2985201000189
4	Andhra Bank – Escrow A/c	119211100003059
5	Lien Account-SBI – Series III/2012	62265296302
6	Lien Account-SBI – Series I, II, III & IV/ 2020	38356359860
7	Lien Account-SBI – Series I/2019.	38356342256
8	Lien Account-SBI – Series I/2011 & II/2011	62213387439
9	Lien Account-SBI – Series I/2012	62235605816
10	Lien Account-SBI – Series I/2005	52117479165
11	Lien Account-SBI – Series I/2010	62167470827
12	Lien Account-SBI – Series II/2000	52117469464
13	Lien Account-SBI – Series II/2002	52117464699
14	Lien Account-SBI – Series I/2002	52117469442
15	Lien Account-SBI – Series I/2004	52117479176
16	Lien Account-SBI	62443536820
17	Bank of India – Escrow A/c	860520110000534

31. Impairment Reserve

The Reserve Bank of India (RBI) issued Notification No.DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March, 2020 in respect of 'Implementation of Indian Accounting Standards' by NBFCs. In terms of the said circular, in case the impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) Norms (including standard assets provisioning) issued by RBI, the Company is required to appropriate the difference from their net profit after tax to "Impairment Reserve". No withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI. The requirement for 'Impairment Reserve' shall be reviewed, going forward.

32. Provision on standard Assets/Impairment Loss

The company is registered with the Reserve Bank of India as a Non-Banking Financial Company, bearing registration number N-09.00266 dated 25th day of August, 2000. The company is required to comply with the regulations and guidelines issued by RBI from time to time.

As per RBI Circular bearing no. RBI/DNBR/2016-17/45, Master Direction DNBR. PD. 008/03.10.119/2016-17 the company is required to maintain "Provision on Standard Assets" at 0.40% of the total loans and advances.

Ind AS 109 requires that the company shall provide for impairment on financial assets on expected credit loss method. As per this method, the Company has to make provision for impairment loss based on the probability of default i.e., the likelihood of the borrower defaulting on its obligation either over the next 12 months or over the remaining life of the instrument. The Company is of the opinion that the likelihood of default by the borrowers is very minimal. However, as the Company is a registered NBFC, it has been maintaining provision for impairment loss as prescribed by RBI.



Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate amount of advance	13,97,458.61	18,34,979.83
Provision required @ 0.40% on above	5,589.83	7,339.92
Provision maintained	7,339.92	7,339.92

During FY 2021-22, the company has created additional impairment loss allowance of Rs. 818.54 Lakhs to bring overall impairment loss allowance to Rs. 7,339.92 (i.e. 0.40% on loan outstanding amount of Rs. 18,34,979.83 Lakhs as on 31.03.2022). Whereas at the end of current FY 2022-23 the company is required to maintain impairment

loss of Rs. 5,589.83 only (i.e. 0.40% on loan outstanding amount of Rs. 13,97,458.61 Lakhs as on 31.03.2023). Since the existing impairment loss allowance is higher than the required amount, no additional impairment allowance is considered during the current year.

33. Comparison between provision required as per RBI Income Recognition, Asset Classification and Provisioning norms (IRACP) and Impairment Allowance as per Ind-AS

2022-23

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Outstanding amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Performing Assets							
Standard	Stage 1	13,97,458.61	13,97,458.61	-	13,97,458.61	5,589.83*	(5,589.83)
	Stage 2	-	-	-	-	-	-
Sub Total (1)		13,97,458.61	13,97,458.61	-	13,97,458.61	5,589.83	(5,589.83)
Non-Performing Assets							
Substandard Assets	Stage 3	-	-	-	-	-	-
Doubtful Assets							
Up to 1 Year	Stage 3	-	-	-	-	-	-
1 to 3 Years	Stage 3	-	-	-	-	-	-
More than 3 Years	Stage 3	-	-	-	-	-	-
Subtotal for doubtful assets		-	-	-	-	-	-
Loss Assets	Stage 3	-	-	-	-	-	-
Sub-total for NPA (2)		-	-	-	-	-	-
Total Loan Assets[1+2]		13,97,458.61	13,97,458.61	-	13,97,458.61	5,589.83	(5,589.83)
Other items which are inscope of Ind-AS 109 but not covered under IRACP norms		-	-	-	-	-	-
Sub-Total (3)		-	-	-	-	-	-
Total [1+2+3]		13,97,458.61	13,97,458.61	-	13,97,458.61	5,589.83	(5,589.83)

*However, same impairment allowance of Rs. 7,339.92 Lakhs is continued from last year



2021-22

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Outstanding amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Performing Assets							
Standard	Stage 1	18,34,979.83	18,34,979.83	-	18,34,979.83	7,339.92	(7,339.92)
	Stage 2	-	-	-	-	-	-
Sub Total (1)		18,34,979.83	18,34,979.83	-	18,34,979.83	7,339.92	(7,339.92)
Non-Performing Assets							
Substandard Assets	Stage 3	-	-	-	-	-	-
Doubtful Assets							
Up to 1 Year	Stage 3	-	-	-	-	-	-
1 to 3 Years	Stage 3	-	-	-	-	-	-
More than 3 Years	Stage 3	-	-	-	-	-	-
Subtotal for doubtful assets		-	-	-	-	-	-
Loss Assets	Stage 3	-	-	-	-	-	-
Sub-total for NPA (2)		-	-	-	-	-	-
Total Loan Assets[1+2]		18,34,979.83	18,34,979.83	-	18,34,979.83	7,339.92	(7,339.92)
Other items which are in scope of Ind-AS 109 but not covered under IRACP norms		-	-	-	-	-	-
Sub-Total (3)		-	-	-	-	-	-
Total [1+2+3]		18,34,979.83	18,34,979.83	-	18,34,979.83	7,339.92	(7,339.92)

34. Loan to AP DISCOMs:

The funds mobilized up to 31-03-2023 by way of Bonds, term loans from banks, inter corporate deposits and Own Funds i.e., through issue of equity shares have been deployed by way of "Loan to AP DISCOMs" to the extent of Rs. 13,97,458.61 Lakhs (Rs. 18,34,979.83 Lakhs as at 31-03-2022).

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Assets:		
-Loans and Advances to APEPDCL	2,97,037.33	3,85,056.60
-Loans and Advances to AP GENCO	58,100.00	41,200.00
-Loans and Advances to APPDCL	81,075.00	61,000.00
-Loans and Advances to APSPDCL	5,88,684.75	7,74,727.40
-Loans and Advances to AP Discom's Receivable from Govt. of AP (Bonds)	3,72,561.53	5,72,995.83
-Call Option		
Total:	13,97,458.61	18,34,979.83
Current Assets:		
Other Current Assets	-	-
Total:	13,97,458.61	18,34,979.83

Note: Charge creation certificate from APEPDCL, APSPDCL, APPDCL and AP Genco have not been obtained in respect of working capital term loan disbursements.



35. Receivable from Telangana Government:

The principal and interest payable on outstanding Bonds, in respect of share of Telangana State, are remitted from time to time by the Telangana State Government for payment to ultimate beneficiaries as per the recommendations of the Expert Committee. The amount due from Telangana State Government as on 31.03.2023 is Rs. 45.06 Lakhs (Previous Year Rs. 12.55 Lakhs).

36. DSRA:

Debt Service Reserve Account is a cash reserve which works as an additional security measure for the lenders (bankers) as it ensures that the borrower (company) will always have funds deposited for the next few months of debt service. It is generally a deposit which is equal to a given number of months projected debt service obligations.

Following are the details of DSRA deposits of the company as on 31st March, 2023:

Sl. No.	Bank Name	Receipt No.	Date	Amount (Including Interest)
1	Bank Of India - 1st Deposit	A/c No. 860556110001077	05-01-2023	22.96
2	Bank Of India - 2nd Deposit	A/c No. 860556110001102	02-02-2023	1,061.43
3	Bank Of India - 3rd Deposit	A/c No. 860556110001104	02-02-2023	2,695.72
4	Bank Of India – 4 th Deposit	A/c No. 860556110001103	02-02-2023	5,560.89
5	Bank of Baroda - 1st Deposit	Receipt No. 0408152	01-07-2022	201.48
6	Bank of Baroda - 2nd Deposit	Receipt No. 0408157	02-07-2022	201.63
7	Bank of Baroda - 3rd Deposit	Receipt No. 0408162	04-07-2022	176.36
8	Bank Of Baroda – 4th Deposit	Receipt No: 0408165	06-07-2022	165.33
9	Bank Of Baroda – 5th Deposit	Receipt No: 0408166	07-07-2022	163.73
10	Bank Of Baroda – 6th Deposit	Receipt No: 0408247	01-09-2022	94.98
11	Bank Of Baroda – 7th Deposit	Receipt No: 0408260	06-09-2022	895.51
12	Bank Of Baroda – 8th Deposit	Receipt No: 0408318	23-09-2022	497.26
13	Central Bank of India - 1st Deposit	Receipt No: 329686	16-10-2021	106.87
14	Central Bank of India - 2nd Deposit	Receipt No: 329692	19-10-2021	106.82
15	Central Bank of India - 3rd Deposit	Receipt No: 329693	20-10-2021	106.81
16	Central Bank of India - 4th Deposit	Receipt No: 329698	25-10-2021	0.64
17	Indian Overseas Bank – 1 st Deposit	Receipt No: 0435815	08-06-2021	197.69
18	Indian Overseas Bank – 2nd Deposit	Receipt No: 0435824	09-06-2021	197.67
19	Indian Overseas Bank – 3rd Deposit	Receipt No: 0435820	08-06-2021	197.64
20	Indian Overseas Bank – 4th Deposit	Receipt No: 0435825	10-06-2021	164.68
21	Union Bank of India	Receipt No: 449141	30-09-2021	20.40
Total DSRA deposits as at March 31, 2023				12,836.51



37. Debt Securities and Term Loans:

As on March 31, 2023, aggregate outstanding amount of Bonds is Rs.1,58,648.33 Lakhs (Previous year Rs. 6,15,455.83 Lakhs) and aggregate outstanding amount of term loans from banks is Rs.9,63,172.46 Lakhs (Previous year: 9,85,643.85 Lakhs).

A) Debt Securities (Bonds):

- (i) The Company has raised funds through private placement of "BONDS" in the earlier years under various series, but during the current year 2022-23 the Company has not raised funds through issue of Bonds. The common features of the various series of bonds issued earlier are as under:
- (a) The bonds carry an unconditional and irrevocable guarantee by Government of Andhra Pradesh for repayment of both interest and principal.
- (b) The redemption of the Bonds/repayment to the bond holders is governed by a "STRUCTURED MECHANISM", through a tripartite agreement among the company, Government of Andhra Pradesh and State Bank of India – Trustees to the Bond holders, which assures budgetary support from Government of Andhra Pradesh (GoAP) for servicing the bonds. The payment of outstanding interest on bonds and repayment of principal amount of bonds are met/paid by the company by way of transfer of funds into the designated lien account out of the monies transferred by the Government of Andhra Pradesh to the company pursuant to the obligations undertaken by it under the said Tripartite Agreement.
- (c) Company has also raised funds by issuing bonds on its own and repayment of principle and interest on such bonds will be serviced by the company itself.
- (ii) Outstanding amount of Bonds at the end of year under different series is as follows:

Sl. No.	Bonds Series	Amount Outstanding as at		Coupon Rate(%) p.a.	Interest Payable	Tenure in Years	Put/Call Option due at the end of
		March 31, 2023	March 31, 2022				
1	1/2010	-	36,830.00	8.74	Semi Annual	12	10 th Year
2	1/2011	5,880.00	5,880.00	9.60	Semi Annual	12	10 th Year
3	2/2011	19,700.00	19,700.00	9.97	Semi Annual	12	10 th Year
4	1/2012 (Option A)	-	2,630.00	9.50	Semi Annual	10	7 th Year
5	1/2012 (Option B)	9,410.00	10,080.00	9.64	Semi Annual	12	10 th Year
6	2/2012	-	40,460.00	9.75	Semi Annual	10	7 th Year
7	3/2012	-	72,330.00	9.75	Semi Annual	10	7 th Year
8	1/2020	-	1,64,055.83	8.2	Quarterly	10	NA
9	2/2020	66,508.75	2,00,000.00	8.2	Quarterly	8	NA
10	3/2020	22,041.25	25,190.00	8.2	Quarterly	8	NA
11	4/2020	35,108.33	38,300.00	7.5	Quarterly	8	NA
Total		1,58,648.33	6,15,455.83				

- (iii) During the year, APPFCL has redeemed bonds either fully or partially as detailed below:



Bond Series	Coupon rate(%)	Due Date of Redemption	Redemption date	Redemption Amount	GO No./Date	Remarks
(a) Government of Andhra Pradesh Bonds [Principal and interest serviced by GoAP]						
1/2010	8.74	15.11.2022	15.11.2022	36,830.00	142/09.11.2022	Full redemption
1/2012 (Option A)	9.50	08.06.2022	08.06.2022	2,630.00	71/26.05.2022	Full redemption
1/2012 (Option B)	9.64	08.06.2022	08.06.2022	670.00	72/26.05.2022	Partial redemption
2/2012	9.75	18.07.2022	18.07.2022	40,460.00	86/27.06.2022	Full redemption
3/2012	9.75	09.11.2022	16.11.2022	72,330.00	139/02.11.2022	Full redemption
1/2020	8.20	20.04.2022	20.04.2022	4,971.39	51/13.04.2022	Partial redemption
1/2020	8.20	20.07.2022	20.07.2022	4,971.39	96/13.07.2022	Partial redemption
1/2020	8.20	20.10.2022	20.10.2022	4,971.39	130/14.10.2022	Partial redemption
1/2020	8.20	20.01.2023	20.01.2023	4,971.39	2/10.01.2023	Partial redemption
1/2020	8.20	20.04.2023 to 20.04.2030 (29 Quarterly Installments)	27.03.2023	9,666.67	-	Full and early redemption- out of funds from early realization of term loans given to APSPDCL and APEPDCL, pending release of GoAP funds.
			29.03.2023	1,34,503.61	-	
2/2020	8.20	29.07.2022	29.07.2022	8,333.33	99/20.07.2022	Partial redemption
2/2020	8.20	29.10.2022	29.10.2022	8,333.33	131/14.10.2022	Partial redemption
2/2020	8.20	29.01.2023	30.01.2023	8,333.34	3/10.01.2023	Partial redemption
2/2020	8.20	29.04.2023 to 29.04.2028 (13 Quarterly Installments)	29.03.2023	1,08,491.25	-	Partial and early redemption- out of funds from early realization of term loans given to APSPDCL and APEPDCL, pending release of GoAP funds.
3/2020	8.20	12.08.2022	12.08.2022	876.25	103/03.08.2022	Partial redemption
3/2020	8.20	12.11.2022	11.11.2022	876.25	140/07.11.2022	Partial redemption
3/2020	8.20	12.02.2023	13.02.2023	876.25	18/02.02.2023	Partial redemption
Sub Total (a)				4,53,095.84		
(b) APPFC Own Bonds [Principal and interest services by own funds]						
3/2020	8.20	12.08.2022	12.08.2022	173.33	-	Partial redemption
3/2020	8.20	12.11.2022	12.11.2022	173.33	-	Partial redemption
3/2020	8.20	12.02.2022	13.02.2022	173.34	-	Partial redemption
4/2020	7.50	18.11.2022	01.12.2022	1,595.83	-	Partial redemption
4/2020	7.50	18.02.2023	17.02.2023	1,595.83	-	Partial redemption
Sub Total (b)				3,711.66		
Grand Total [a+b]				4,56,807.50		

Note:-The tax cannot be deducted at source as required under Chapter XVII of the Income Tax Act, 1961, as the bonds are tradable in nature and the ultimate beneficiary cannot be ascertained at the end of the year till the actual payment is made. However, TDS was deducted on the Interest Amounts payable on Unlisted Bonds wherever applicable.

B) Term Loans from Banks:

- (i) The repayment of Term Loans of Rs. 9,63,172.46 Lakhs (Previous Year Rs. 9,85,643.85 Lakhs) raised from Banks is guaranteed by the State Government of Andhra Pradesh vide G.O. Ms. No 38 dated 29-11-2019, G.O. Ms. No. 42 dated 31-12-2019, G.O. Ms. No 01 dated 23-01-2020, G.O. Ms. No 12 dated 31-03-2020, G.O. Ms. No 24 dated 28-09-2020, G.O. Ms. No 27 dated 08-12-2020, G.O. Ms. No. 08 dated 21-08-2021 and G.O. Ms. No. 16 dated 11.10.2021.
- (ii) Outstanding amount of term loans is as follows:



BANK NAME	SANCTIONED DATED	LOAN AVAILED AMOUNT	OUTSTANDING as at		OVERDUES on March 31,2023	Latest ROI	TENURE OF THE LOAN
			March 31, 2023	March 31, 2022			
SBI Bank loan	17.12.2019	1,50,000.00	1,27,469.82	1,40,575.43	-	8.80%	2yrs moratorium, 32 quarterly instalments commencing from 3rd Quarter of FY 2021-22
UNION BANK of India	31.12.2019	1,50,000.00	1,47,793.32	1,49,962.40	-	7.90%	3yrs moratorium, 48 quarterly instalments commencing from 31.01.2023
Canara Bank	15.02.2020	60,000.00	1,99,904.80	1,99,952.78	-	8.75%	3yrs moratorium, 48 quarterly instalments commencing from 31.01.2023
	17.03.2020	1,40,000.00					
Bank of India	09.04.2020	2,00,000.00	2,90,024.88	2,95,224.91	-	7.25%	3yrs moratorium, 48 quarterly instalments commencing from 30.04.2023
	30.09.2020	1,00,000.00				7.70%	1yr moratorium, 44 Quarterly instalments commencing from 30.12.2021
Bank of Baroda	11.12.2020	75,000.00	1,47,656.25	1,49,928.60	-	8.05%	2yrs moratorium, 32 quarterly instalments commencing from 31.12.2023
	14-10-2021	75,000.00				7.95%	2yrs moratorium, 32 quarterly instalments commencing from 31.10.2023
INDIAN OVERSEAS BANK	27.08.2021	50,000.00	50,323.39	49,999.73	-	7.65%	2yrs moratorium, 32 quarterly instalments commencing from 31.08.2023
TOTAL BANK TERM LOANS		10,00,000.00	9,63,172.46	9,85,643.85			

38. Inter-Corporate Deposits:

To achieve the objectives of the company, from time to time, the company has invited funds from various Government Entities in the form of Inter Corporate Deposits (ICDs) at the rate of interest ranging from 5.75% to 8.00% and tenor ranging from 1 year to 10 years and above.



The outstanding status of Inter Corporate Deposits as on March 31, 2023 is as detailed below:

Depositor Name	Year of Deposit	Deposits outstanding as at		Deposited /Renewal date	Tenure	Latest ROI
		March 31, 2023	March 31, 2022			
AP Buildings and other Construction workers Welfare Board.	2020-21	14,400.00	14,400.00	Deposited on 17.10.2020 Latest Renewed on 17.10.2022	1 year	6.00%
AP Pollution Control Board	2020-21	10,000.00	10,000.00	Deposited on 29.09.2020 Latest Renewed on 29.09.2022	1 year	6.50%
AP Southern Power Distribution Corporation Limited Pension and Gratuity Trust	2020-21	41,600.00	41,600.00	Deposited Rs. 11,000.00 Lakhs on 05.12.2020, Rs. 1,000.00 Lakhs on 07.12.2020, Rs. 5,000.00 Lakhs on 09.12.2020, Rs. 8,000.00 Lakhs on 12.01.2021, Rs. 8,000.00 Lakhs on 10.02.2021 & Rs. 8,600.00 Lakhs on 04.03.2021.	5 to 10 years	7.50%
	2021-22	40,300.00	40,300.00	Deposited Rs. 7,500.00 lakhs on 12.04.2021, Rs. 6,500.00 Lakhs on 11.05.2021, Rs. 8,300.00 Lakhs on 04.06.2021, Rs. 8,000.00 Lakhs on 02.07.2021 & Rs. 10,000.00 Lakhs on 05.08.2021	10 years & above	7.50%
	2022-23	14,000.00	-	Deposited on 01.08.2022	5 to 10 years	7.50%
AP Eastern Power Distribution Corporation Limited Pension and Gratuity Trust	2021-22	22,000.00	22,000.00	Deposited Rs. 12,000.00 Lakhs on 12.05.2021, Rs. 5,000.00 Lakhs on 17.06.2021 & Rs. 5,000.00 Lakhs on 06.08.2021	10 years & above	8.00%
	2022-23	5,000.00	-	Deposited on 01.09.2022	5 to 10 years	7.50%
	2022-23	3,100.00	-	Deposited Rs. 2,000.00 Lakhs on 06.09.2022, & Rs. 1,100.00 Lakhs on 10.11.2022	3 to 5 years	7.50%
AP Urban Development Investment Fund	2020	12,500.00	12,500.00	Deposited Rs. 6,250.00 Lakhs on 11.09.2020 and latest renewed on 11.09.2022 & Deposited Rs. 6,250.00 Lakhs on 14.09.2020 and latest renewed on 14.09.2022.	1 year	6.00%
AP Solar Power Corporation	2021-22	40,000.00	45,300.00	Deposited Rs. 45,300.00 Lakhs on 04.03.2022 out of which Rs. 5,300 Lakhs have been early redeemed in the current year.	10 years & above	5.75%
AP Eastern Power Distribution Corporation Limited PF Trust	2022-23	3,000.00	-	Deposited on 01.09.2022	5 to 10 years	7.50%
	2022-23	1,900.00	-	Deposited on 10.11.2022	3 to 5 years	7.50%
Total		2,07,800.00	1,86,100.00			

Note:

(i) Company has obtained guarantee from GoAP to the extent of Rs. 1,30,800 Lakhs only as against outstanding ICDs of Rs. 2,07,800 Lakhs resulting deficit guarantee coverage of Rs. 77,000 Lakhs.

(ii) Company has not filed MGT 14 form with Registrar of companies with regards to acceptance of inter corporate deposits during the year.

39. Other Financial Liabilities

Payable to AP GENCO Provident Fund and Gratuity Trust:

A sum of Rs. 11,300 Lakhs is payable to AP GENCO Provident Fund and Gratuity Trust as on March 31, 2023 against which company proposes to issue bonds in the subsequent financial year.



40. Calculation of Current Tax Liability (Net) for the FY 2022-23:

Particulars	Amount
A. Current Tax Assets (Refer Note 7)	
(i) Advance Income Tax paid (FY 2022-23)	4,850.00
(ii) TDS Receivable (FY 2022-23)	69.67
Total (A)	4,919.67
B. Current Tax Liability (Refer Note 13)	
(i) Provision for Income Tax (FY 2022-23)	4,933.14
Total (B)	4,933.14
Net Current Tax Liability(A-B)	13.47

41. Fees and commission:

Guarantee Commission payable to Government of Andhra Pradesh (GoAP):

GoAP has extended guarantee to APPFCL for mobilization of funds by raising term loans/bonds from financial institutions/banks for on onward lending to the power sector utilities/DISCOMs of AP State Government for an aggregate amount of Rs. 15,74,133.00 lakhs [vide G.O.Ms.No.35/30.10.2018 amended to G.O.Ms.No.28/05.09.2019 of Rs. 5,00,000.00 Lakhs, G.O.Ms.No.32/23.09.2019 of Rs. 4,74,133.00 Lakhs and G.O.Ms.No.10/30.03.2020 of Rs. 6,00,000 Lakhs] for which the company has to pay guarantee commission of Rs. 31,482.66 Lakhs [i.e., 2% of guaranty amount] as per GO Ms.No.446 dated 29.09.2003. Whereas the GoAP has ascertained guarantee commission of Rs. 20,000.00 Lakhs only for guarantees given in respect of loans availed by the company till 31.12.2021 vide their letter bearing no. FIN01-BUGTOMISC/40/2021-CDM (C.No: 1602730) dated 22.03.2022.GoAP has directed to pay guarantee commission of Rs.3,000 lakhs in the FY 2021-22 vide letter no. FIN01-BUGTOMISC/40/2021-CDM (C.No:1602730) dated 24.03.2022 and accordingly company has paid Rs.3,000 lakhs on 31.03.2022.

GoAP has further directed to pay additional guarantee commission of Rs. 1,000.00 Lakhs for the current FY 2022-23 vide letter no. FIN01-BUGTOMISC/40/2021-CDM(C.No:1602730) dated 23.05.2023. Accordingly company has provided Rs.1,000 lakhs as guarantee commission during the FY 2022-23 as the amount has been paid in the subsequent FY 2023-24 on 24.05.2023.

42. Transfer to Investor Education Protection Fund(IEPF):

During the financial year the company has not transferred any amount to IEPF fund. However, the company is required to transfer a sum of Rs. 14,45,210 (Previous year Rs. 46,45,660) to IEPF fund which is remaining unpaid beyond 7 years.

43. Managerial Remuneration:

During the year company has paid managerial remuneration to managing director as detailed below:

Particulars	Amount for the FY	
	2022-23 Rs.	2021-22 Rs.
Salaries, Allowances	-	-
Contribution to Provident Fund and welfare fund	-	-
Others – Additional Charge allowance to Managing Director	4.01	4.09

44. Contingent Liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax claims against the company not acknowledged as debts (AY 2012-13)	215.38	215.38
Trustee fees – SBICAP (TS Share)	4.67	4.67



45. Earnings per Share (EPS):

Basic and diluted earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

Particulars	Amount for the year ended	
	March 31, 2023	March 31, 2022
Net profit attributable to equity holders (Rs.)	192,71,57,573	149,60,80,722
Weighted average no. of equity shares of basic earnings per share.	3,50,92,468	3,48,37,401
Weighted average no. of equity shares of diluted earnings per share.	3,50,92,468	3,48,37,401
Earning per Equity Share:		
a) Basic earnings per Share (Rs.)	54.92	42.94
b) Diluted earnings per share (Rs.)	54.92	42.94

46. Corporate Social Responsibility (CSR)

The Company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII to the Companies Act, 2013. As per section 135 of the companies Act, 2013, company is required to spend 2% of its average net profit of the immediately three preceding financial years on CSR.

During the year company has spent Rs. 214.22 Lakhs as CSR, the details of which are given below:

Particulars	Amount for the FY	
	2022-23	2021-22
A. Shortfall at the beginning of the year	43.86	-
B. Gross Amount required to be spent during the year	170.36	43.86
C. Amount spent during the year	214.22	-
D. Shortfall at the end of the year [A+B-C]	-	43.86
E. Previous year shortfall Spent in the Current year	43.86	-
F. Excess amount to be carried forward	-	-

During the year under consideration company has spent Rs. 214.22 Lakhs for infrastructure development of Dhone municipality under CSR activity and there are no related party transaction relating to CSR activity

47. As per expert committee report, the total bifurcated bond liability, after deducting the amount of Bonds redeemed from the date of bifurcation of erstwhile State of Andhra Pradesh till March 31,2023 is Rs. 86,480.47 Lakhs of which the share of APPFCL is Rs. 34,990.00 Lakhs and the share of TSPFCL is Rs. 51,490.47 Lakhs.

The Expert Committee for Approval of the Demerger Proposals of Government Companies/Corporations/Entities in the Schedule IX of AP Re-organization Act, 2014 chaired by Dr. (Mrs) Sheela Bhide I.A.S (Retd) has recommended apportionment of Bond Liability as on 02.06.2014 between M/s. APPFCL and M/s. TSPFCL in the ratio of 40.46% and 59.54% respectively, however TSPFCL had raised an objection vide it's letter dated 28.04.2015, 11.05.2015, 26.05.2015, 29.06.2015, 26.08.2015 and 24.09.2015 etc., addressed to Managing Director, APPFCL over the allocation of 'Outstanding Bonds' (as on 02.06.2014) of Rs. 5,894.60 Crores, in the ratio of 59.54% of Rs. 3,509.60 Crores to TSPFCL and 40.46% of Rs. 2,385.00 Crores to APPFCL as per G.O. Ms. No. 28 dated 30.05.2014, claiming that the ratio of allocation was not in accordance with the provisions of Sec. 68 read with Sec. 53 of A.P. Re organization Act, 2014.



48. Except for the matters stated hereunder, according to the information, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Goods and Service Tax and cess were in arrears as at 31-03-2023 for a period of more than six months from the date they become payable. The Company has filed an appeal in Telangana High Court against order of Income Tax Appellate Tribunal, Hyderabad Bench "A", Hyderabad in I.T.A. No. 27/HYD/2016 (for AY 2012-13) bearing the Income Tax demand due to Non-Deduction of TDS on interest on application money of Rs. 4,93,77,480/- paid to various organizations and hence the corporation has not provided for the demand in the books as at 31st March, 2023.
49. The Government of AP vide G.O. Ms.No.39 & G.O.Ms.No.4, dated 02ndDecember, 2019 and dated 10th February, 2020 respectively, Government of Andhra Pradesh has passed order for transfer of Assets from Power Utilities to Andhra Pradesh Power Finance Corporation Limited and for transfer of APGENCO freehold property (Vacant Land of Ac.66.43 in Visakhapatnam District and Ac.34.88 in Nellore District to a total extent of AC.101.31) at Book Value to Andhra Pradesh Power Finance Corporation Limited. However, the issue is still pending and the transfer of Assets was not materialized till date and not incorporated in the Books of Accounts by the financial year ended 31st March, 2023.
50. **Receipt from Andhra Pradesh Government:**
APPFCL received reimbursement of interest payable to bond holders from GoAP and as per G.O.Rt No. 09 Dt 07-02-2020 company received Rs. 102,63,60,656 towards payment of interest on APPFC Vidyut Bonds for the series 1/2019 of which corporation utilized Rs. 1,00,08,53,902 only for repayment on interest during the FY 2020-21 and the unutilized amount of Rs. 2,55,06,756 was shown in other current liabilities as on 31st March, 2021.

As per G.O.RtNo. 146 Dt 22-10-2021, GoAP accorded administration sanction to convert unutilized amount of Rs. 2,55,06,754 into paid up share capital of APPFCL. The corporation has received approval vide 175th board meeting held on 21.07.2022 for conversion of the amount into equity share capital and the same has been given effect in the current year financial statements and consequently share capital has been increased by Rs.2,55,6,754/- as on 31.03.2023.

51. Ratios

A. Capital Adequacy Ratio

The company is registered with the RBI as NBFC and categorized as ND-SI by the RBI. Hence, as per RBI Circular DNBR (PD) CC No.092/03.10.001/2017-18 dated May 31, 2018 the company shall maintain certain percentage of amount as Capital. As per RBI Roadmap, following are the applicability to NDSI:

As on	CRAR %
31 st March, 2019	10 % (Min - 7%)
31 st March, 2020	12 % (Min - 8%)
31 st March, 2021	13 % (Min - 9%)
31 st March, 2022	15 % (Min - 10%)
31 st March, 2023	27.22%(Min - 15%)

Since, the company has created Provision on Standard Assets and Statutory Reserves as per RBI norms, the CRAR % is calculated for Tier I and Tier II capital. Tier I capital is the primary funding source of the bank. Tier I capital consists of shareholders' equity and retained earnings. Tier II capital includes revaluation reserves, hybrid capital instruments and subordinated term debt, general loan-loss reserves, and undisclosed reserves. The Company has considered the Provision on Standard Assets under Tier II.



Particulars		As at March 31, 2023
I.	Tier I Capital	73,285.51
II.	Tier II capital (Provision on Standard Assets)	7,339.92
III.	Total Capital	80,625.43
IV.	Risk Weighted Assets	2,96,185.24
V.	Tier I capital funds or core capital to risk weighted assets ratio (Core CRAR)	24.74%
VI.	Tier II capital to risk weighted assets ratio	2.48%
VII.	Capital to Risk weighted Assets Ratio (CRAR)	27.22%

The company has maintained CRAR at 27.22%. Hence, the company has complied with the CRAR requirement as per the RBI roadmap of 15% as on 31st March, 2023.

B. Analytical Ratios

Particulars	As at March 31, 2023	As at March 31, 2022
Capital to risk weighted assets ratio	27.22%	15.23%
Tier I CRAR	24.74%	13.40%
Tier II CRAR	2.48%	1.83%
Liquidity Coverage ratio	135.51%	79.01%

52. Financial Instruments

A. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity shareholders.

The Company manages its capital structure with a view to ensure that it will be able to continue as a going concern while the capital structure of the Company consists of debt (borrowings as detailed in notes 11 and 12) and total equity of the Company.

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Debt-Equity ratio at the end of the reporting period was as follows:

Particulars	Amount	
	As at March 31, 2023	As at March 31, 2022
Non-current borrowings	13,29,620.80	17,87,199.68
Current borrowings	12,300.00	-
Total Debt	13,41,920.80	17,87,199.68
Equity	73,285.51	53,758.86
Debt to equity ratio	18.31 times	33.24 times



B. Financial Instruments

Classification of financial assets and liabilities

Particulars	Amount	
	As at March 31, 2023	As at March 31, 2022
(i) Financial Assets (at amortised cost)		
Cash and Cash equivalents	187.55	996.70
Bank balances other than above	78.37	137.78
Trade Receivables	16,681.67	969.31
Loans	13,90,118.69	18,27,639.91
Other Financial Assets	12,859.45	20,622.56
Total Financial Assets	14,19,925.72	18,50,366.26
(ii) Financial Liabilities (at amortised cost)		
Trade Payables	4,551.73	8,893.98
Debt Securities	1,58,648.33	6,15,455.83
Borrowings (other than Debt Securities)	11,70,972.46	11,71,743.85
Other financial liabilities	12,300.00	-
Total Financial Liabilities	13,46,472.53	17,96,093.66

53. The company has incurred an aggregate amount of Rs.32,92,148 till March 31, 2023 (Rs. 31,29,846 till 31-03-2022) on behalf of TSPFCL towards their share of common expenses on Bonds. However, company has shown Rs.1,62,302/- only as receivable from TSPFCL as on 31.03.2023 and the balance amount of Rs. 31,29,846 (i.e. amount incurred till 31.03.2022) has not been shown as recoverable from TSPFCL in the books of the company.

54. Risk Management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to the following risks arising from financial instruments:

A) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises primarily from financial assets such as trade receivables, balances with banks, loans and other receivables.

Credit risk is perceived to be low since majority of the loans are given to government entities.

B) Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by the Company through effective fund management. The Company's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents and cash flow that is generated from operations are sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

C) Market Risk:

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises of the following three types of risk: currency risk, interest rate risk and price risk.



The Company has no exposure to foreign currency.

D) Interest rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates.

The Company's exposure to the risk due to changes in interest rates relates primarily to the Company's short-term and longterm borrowings with floating interest rates. The Company constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost. Pursuant thereto, the bonds have been repaid at option stage.

55. Details of Benami Property Held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2023 and March 31, 2022.

56. Borrowings secured against current assets

The Company has borrowings from financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

57. Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or any lender in the financial years ended March 31, 2023 and March 31, 2022.

58. Relationship with struck off companies:

The company has no transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

59. Registration of charges or satisfaction with registrar of companies

There are no charges or satisfaction which are yet to be registered with the registrar of companies beyond the statutory period.

60. Compliance with number of layers of companies

The company does not have any subsidiaries or associates.

61. Compliance with approved scheme of arrangement

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

62. Utilisation of borrowed fund and share premium

A. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate beneficiaries); or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.



- B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

63. Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of accounts.

64. Details of Crypto Currency or Virtual Currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

65. "A.P."/"AP" mentioned in this Financial Statements shall be read as "Andhra Pradesh".

66. Regrouping and reclassification has been done where ever necessary.

As Per Our Report Of Even Date
For Seshachalam & Co
 Chartered Accountants
 FRN 003714S

Sd/-
U.S.N.V.R.C Prabhu
Partner
 Members
 UDIN: 23055839BGWPLA3423

Place : Vijayawada
 Date : 22-08-2023

For and on behalf of Board of Directors

Sd/-
Dr. K.V.V.Satyanarayana, IRAS
Managing Director
 DIN No: 08076027

Sd/-
V.N Babu
Director
 DIN No: 08772842

Sd/-
M. Ramana Reddy
Chief Financial Officer





Shareholder's Corner

Section 4



Notice for 23rd Annual General Meeting



CIN: U40109AP2000SGC107482

Regd. Office: #48-12-16, 2nd Floor, East Wing, Vidyut Soudha, Gunadala,
Vijayawada – 520004, Andhra Pradesh
appfcl@gmail.com | www.appfcl.com

23rd Annual General Meeting 6th day of December, 2023

MGT – II PROXY FORM

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

Name of the Member(s) : _____

Registered address: _____

E-Mail Id: _____

Folio No/Client Id: _____

DP Id: _____

I/We, being a Member (s) Members of _____ shares of the above named Company, hereby appoint

- Name: _____ Address: _____
Email Id: _____ Signature: _____ or failing him
- Name: _____ Address: _____
Email Id: _____ Signature: _____ or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Wednesday 6th, December, 2023 at 11.30am at Cahmbers of Special Chief Secretary to Government, Finance Department, 2nd Building, A.P. Secretariat, Velagapudi, Guntur District and at any adjournment thereof in respect of such resolutions indicated below

- Adoption of Financial Statements and Report of Board of Directors and Auditors thereon, for financial year ended March 31, 2023- Ordinary Resolution.
- To take note of appointment M/s MUSHTY AND CO CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS of the company by C&AG for the FY 2022-23 and fix remuneration there on – Ordinary Resolution.

Signed _____ this _____ day of _____ 2023

Signature of the Shareholder: _____

Signature of Proxyholder(s) : _____

Affix
Revenue
Stamp

Note: The proxy form duly completed must be deposited at the Registered Office of the Company addressed to Secertarial Department, Andhra Pradesh Power Finance Corporation Ltd. at #48-12-16, 2nd Floor, East Wing, Vidyut Soudha, Gunadala, Vijayawada – 520004, Andhra Pradesh Not less than 48 Hrs. before the time for holding the meeting. A proxy need not be Member.





ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

CIN: U40109AP2000SGC107482

**Regd. Office: #48-12-16, 2nd Floor, East Wing, Vidyut Soudha, Gunadala,
Vijayawada – 520004, Andhra Pradesh
appfcl@gmail.com | www.appfcl.com**

23rd Annual General Meeting 6th day of December, 2023

MGT – 12

POLLING PAPER

S.No	Particulars	Details
1.	Name of the First Named Shareholder (in block letters)	
2.	Postal Address	
3.	Registered Folio No/Client ID)	
4.	Class of Share	Equity
5.	No of Shares	

I Hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Resolution No	Matter of resolution	No of Shares	I assent to the resolution	I dissent to the resolution
1	Adoption of Financial Statements and Report of Board of Directors and Auditors thereon, for financial year ended March 31, 2023 – Ordinary Resolution			
2	To take note of appointment M/s MUSHTY AND CO CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS of the company by C&AG for the FY 2022-23 and fix remuneration there on – Ordinary Resolution.			

Signature of the Shareholder / Proxy





ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

CIN: U40109AP2000SGC107482

Regd. Office: #48-12-16, 2nd Floor, East Wing, Vidyut Soudha, Gunadala,

Vijayawada – 520004, Andhra Pradesh

appfcl@gmail.com | www.appfcl.com

23rd Annual General Meeting 6th day of December, 2023

Attendance Slip

Registered Folio No. / DP ID No. / Client ID No.:

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Number of shares held

--	--	--	--	--	--	--	--

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the 23rd Annual General Meeting of the Company at Chambers of Special Chief Secretary to Government, Finance Department, 2nd Building, A.P. Secretariat, Velagapudi, Guntur District, on Wednesday, 6th December 2023 at 11.30 am.

Name of the member / proxy
(in BLOCK letters)

Signature of the member / proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.



Board of the Company

Sri. Shamsher Singh Rawat, IAS

Dr. K V V Satyanarayana, IRAS

Sri. K Vijayanand, IAS

Sri. KVN Chakradhara Babu, IAS

Sri. VN Babu, CMA and CS

Chairman

Managing Director

Director

Director

Director

**Company Secretary &
Compliance Officer**

Sri. Sidharthiyer, CS

Vijayawada.

Chief Financial Officer

Sri. M. Ramana Reddy, CFO,

48-12-16, 2nd Floor, East Wing,
Vidyut Soudha, Gunadala, Vijayawada,
Andhra Pradesh-520004.

Statutory Auditor

Seshachalam & Co.

Chartered Accountants

1-11-256, Street No. 1, Wall Street Plaza,
6th Floor Begumpet, Hyderabad - 500016.

Secretarial Auditor

ASN Associates

Company Secretaries

Vijayawada

Internal Auditor

Kunda & Associates

Chartered Accountants

Vijayawada

Debenture Trustee

SBICAP Trustee Company Limited,

Mistry Bhavan, 4th Floor,
122 Dinshaw Vachha Road,
Churchgate, Mumbai - 400020.

**Registrar and Transfer
Agents**

Karvy Fintech Private Limited,

Karvy Selenium Tower B, plot 31-32,
Financial District, Nanakramguda,
Gachibowli, Hyderabad 500032.



Route Map for Venue – 23rd AGM

