



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

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Listing Compliance Department
National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Kind Attn: Mr. Ravi Shekar Rai
Manager – Listing & Compliance

Listing Compliance Department
National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Kind Attn: Mr. Yogesh Deshmukh
Manager – Listing & Compliance

Lr. No. MD/CS/APPFCL/D.NO.725 /2023 Dt. 06/12/2023

Dear Sirs,

SUB: Compliance with regard to Regulation 53 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations')

Pursuant to Regulation 53 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we hereby submit the Annual Report for the financial year 2022-23 together with the comments of the Comptroller and Auditor General of India (C & AG) received on November 10th, 2023 and taken note of by the Board of Directors in their meeting dated 06th December 2023 and adopted by the shareholders of the Company in the Annual General Meeting held on Wednesday, 6th December 2023.

Thanking You,

For Andhra Pradesh Power Finance Corporation Limited

M Ramana Reddy
Chief Financial Officer

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 ₹13901.19 crore (Note-6) as on 31.03.2023 includes ₹570.50 crore and ₹810.75 crore loans given to APGENCO and APPDCL respectively. 'Provision on Standards Assets' @0.40% required to be created against such loan amount as per the RBI/DNBR/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 assets @9.60% on these two loans works out to ₹132.60 crore (after netting the 0.40%). This resulted in understatement of the Provision for Standard Assets by ₹132.6 crore 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): ₹4.09 lakh

2. The above does not include ₹19.19 lakh (excluding GST amount of ₹3.46 lakh) towards pre-closure charges at the rate of 0.5% on ₹45.30 crore (out of total ICD of ₹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 the pre-closure charges resulted in understatement of Receivables by ₹22.65 lakh (including GST amount of ₹3.46 lakh) and Profit for the year by ₹19.19 lakh.

B. Comments on Disclosure


3. The Company recognized interest income of ₹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 ₹40641.19 lakh, apart from disclosure in Note-37A.

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 categories considering the period for which principal or interest payment or any other amount wholly or partly overdue. Though ageing schedule of the trade receivables was disclosed, the Company has not adhered to the 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.

D. 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 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*


(INDU AGRAWAL)

Place: Vijayawada

Principal Accountant General (Audit)

Date: 09.11.2023

प्रधान महालेखाकार / ले.प.

C & AG Comment	Reply of the Management of the Company
<p>A. Comments on Profitability Statement of Profit and Loss Expenses Impairment on Financial Assets (Note No 23): NIL Loans (Note-6): Rs. 13,90,118.69 lakh 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 Other Income (Note 20): Rs. 4.09 lakh 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 relate 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 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

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.

Other Comments	
<p>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.</p>	<p>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.</p>



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

I. 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 understatement 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 were addressed 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.</p> <p>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 them are public sector undertakings and backed by GoAP guarantee.</p>
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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 IEPF 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 203 of 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 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 thereon 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 Number.: 003714S



A handwritten signature in blue ink, appearing to read "Prabhu", with a horizontal line at the end.

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 31st 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 thereunder.
- 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 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 thereunder, 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
- vii) 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 (Rs.)
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, the reports of the internal audits for the year under audit in accordance with the guidance provided in SA 610 '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 its 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.

For Seshachalam & Co.
Chartered Accountants

Firm Registration Number.: 003714S



A handwritten signature in blue ink, appearing to read "Prabhu", written over a horizontal line.

USNVRC Prabhu
Partner

Membership No.: 055839

UDIN: 23055839BGWPLA3423

Place: Vijayawada,
Date: August 22, 2023.



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 standalone 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.

For Seshachalam & Co.
Chartered Accountants

Firm Registration Number.: 003714S



A handwritten signature in blue ink, appearing to read "Prabhu", with a long horizontal stroke extending to the right.

USNVRC Prabhu
Partner

Membership No.: 055839
UDIN: 23055839BGWPLA3423

Place: Vijayawada,
Date : August 22, 2023.



Annexure-C to the Auditor's Reports

As referred to in Point no (g) of paragraph no 2 in 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/s 143 (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 outside 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/utilized as per its 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 units 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.

For Seshachalam & Co.
Chartered Accountants
Firm Registration Number.: 003714S



USNVRC Prabhu

USNVRC Prabhu
Partner

Membership No.: 055839
UDIN: 23055839BGWPLA3423

Place: Vijayawada,
Date : August 22, 2023



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 pattern 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.

For Seshachalam & Co.
Chartered Accountants
Firm Registration Number.: 003714S



USNVRC Prabhu
Partner
Membership No.: 055839
UDIN: 23055839BGWPLA3423

Place: Vijayawada,
Date: August 22, 2023



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.	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 Company (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

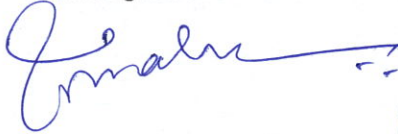
In terms of Chapter II of the Master Direction- Non-Banking financial Companies Auditor's Report (Reserve bank) Directions, 2016, a separate report to the Board of Directors of the company has been prepared.

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 Number.: 003714S




USNVRC Prabhu

Partner

Membership No.: 055839

UDIN: 23055839BGWPLA3423

Place: Vijayawada,

Date : August 22, 2023.

Annexure - A

	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





ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED
ANNUAL ACCOUNTS FOR FY 2022-23

CIN: U40109AP2000SGC107482

#48-12-16, 2nd Floor, East Wing, Vidyut Soudha, Gunadala, Vijayawada – 520004,

Tel. 0866-2429226, E-mail: appfcl@gmail.com,

Website : www.appfcl.com

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Balance Sheet as at March 31, 2023

CIN: U40109AP2000SGC107482

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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

U.S.N.V.R.C Prabh
Partner
Member:

UDIN: 2305583906wPLA3423.

Place : Vijayawada
Date : 22-08-2023.

For and on behalf of Board of Directors

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

V.N Babu
Director

DIN NO: 08772842.

M Ramana Reddy
Chief Finance Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED
Statement of Profit and Loss for the year ended March 31, 2023

CIN: U40109AP2000SGC107482

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

	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 Seshchalam & Co.
Chartered Accountants
FRN 003714S

U.S.N.V.R.C Prabhu
Partner
Membership No. 055839
UDIN: 23055 839BGNPLA3423.



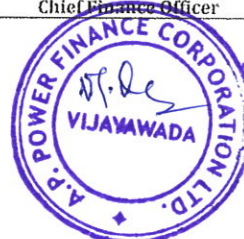
For and on behalf of Board of Directors

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

V.N Babu
Director
DIN No: 08772842

Place : Vijayawada
Date : 22-03-2023.

M Ramana Reddy
Chief Finance Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED
Statement of Changes in Equity for the year ended March 31, 2023

CIN: U40109AP2000SGC107402

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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
- 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 003711S

U.S.N.V.R.C Prabhu
Partner
Membership No. 055839
UDIN: 2305583986wPLA3423.

For and on behalf of Board of Directors

Dr. K. V. V. Satyanarayana, IRAS
Managing Director
DIN No: 00076027

V.N Babu
Director
DIN No: 08172842.

Place : Vijayawada
Date : 22-08-2023.

M Ramana Reddy
Chief Finance Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Cash Flow Statement for the year ended 31st March 2023

CIN: U40109AP2000SGC107402

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
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
<i>Adjustments For:</i>		
(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		
Cash at Bank		
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

U.S.N.V.R.C Prabhu
Partner
Membership No. 055839
UDIN: 23055839B6WPLA3423.

Place : Vijayawada
Date : 22-08-2023.

For and on behalf of Board of Directors

Dr. K.V.V. Sanyanarayana, IRAS
Managing Director
DIN No: 08076027

V.N Babu
Director

DIN No: D8772842.

M. Ramana Reddy
Chief Finance Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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 Seshchalam & Co.

Chartered Accountants

PRN 003714S

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

Partner

Membership No. 055839

UDIN: 23055839B6WPLA3423.

Place: Vijayawada

Date: 22-08-2023.

For and on behalf of Board of Directors

Dr. K.V.V. Satyanarayana, IRAS

Managing Director

DIN No: 08076027

V.N Babu

Director

DIN No: 08772842.

M Ramana Reddy

Chief Finance Officer



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

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Note 5: Receivables

Particulars	As at	As at
	March 31, 2023	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	16,681.67	-	-	-	-	16,681.67
- Considered Doubtful	-	-	-	-	-	-
(II) Disputed Trade Receivables						
- Considered Good	-	-	-	-	-	-
- Considered Doubtful	-	-	-	-	-	-
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	969.31	-	-	-	-	969.31
- Considered Doubtful	-	-	-	-	-	-
(II) Disputed Trade Receivables						
- Considered Good	-	-	-	-	-	-
- Considered Doubtful	-	-	-	-	-	-
Total	969.31	-	-	-	-	969.31

As Per Our Report Of Even Date
For Seshachalam & Co.
Chartered Accountants
FRN 0037145

U.S.N.V.R.C. Babu
Partner
Membership No. 055839
UDIN: 23055839 B6WPLA3423

For and on behalf of Board of Directors

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

V.N. Babu
Director
DIN NO. 08772842.

Place : Vijayawada
Date : 22-08-2023.

M. Ramana Reddy
Chief Finance Officer



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

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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

Particulars	Current Year: 2022-23			Previous Year: 2021-22			Total	Sub-Total	Total			
	Amortised Cost	Through Other Comprehensive Income	At Fair Value	Amortised Cost	Through Other Comprehensive Income	At Fair Value						
	1	2	3	4	5	6	7	8	9	10	11	12
Loans												
(A) Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-	-	-	-	-
(B) Loans receivable on Demand	-	-	-	-	-	-	-	-	-	-	-	-
(B1) Term Loans	13,97,458.61	-	-	-	13,97,458.61	18,34,979.83	-	-	-	-	18,34,979.83	-
(B2) Leasing	-	-	-	-	-	-	-	-	-	-	-	-
(B3) Factoring	-	-	-	-	-	-	-	-	-	-	-	-
(B4) Others	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	13,97,458.61	-	-	-	13,97,458.61	18,34,979.83	-	-	-	-	18,34,979.83	-
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	18,27,639.91	-	-	-	-	18,27,639.91	-
(B)	-	-	-	-	-	-	-	-	-	-	-	-
(C) Secured by tangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(D) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(E) Covered by Bank/Government Guarantees	13,97,458.61	-	-	-	13,97,458.61	18,34,979.83	-	-	-	-	18,34,979.83	-
(F) Unsecured	-	-	-	-	-	-	-	-	-	-	-	-
Total (B) - Gross	13,97,458.61	-	-	-	13,97,458.61	18,34,979.83	-	-	-	-	18,34,979.83	-
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	18,27,639.91	-	-	-	-	18,27,639.91	-
(C1)	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	-	-	-	-	-	-	-	-	-	-	-	-
(C3) Public Sector	13,97,458.61	-	-	-	13,97,458.61	18,34,979.83	-	-	-	-	18,34,979.83	-
(C4) Others	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) - Gross	13,97,458.61	-	-	-	13,97,458.61	18,34,979.83	-	-	-	-	18,34,979.83	-
Less: Impairment loss allowance	7,339.92	-	-	-	7,339.92	7,339.92	-	-	-	-	7,339.92	-
Total (C) (1)-Net	13,90,118.69	-	-	-	13,90,118.69	18,27,639.91	-	-	-	-	18,27,639.91	-
(C1)	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	-	-	-	-	-	-	-	-	-	-	-	-
Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (2)-Net	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (1) and (2)	13,90,118.69	-	-	-	13,90,118.69	18,27,639.91	-	-	-	-	18,27,639.91	-

Particulars

	31-03-2023	31-03-2022
a. Loans and Advances to APFDCI**	2,97,057.33	3,85,056.60
b. Loans and Advances to AP GENCO	58,106.00	41,200.00
c. Loans and Advances to APPDCL	81,075.00	61,000.00
d. Loans and Advances to APSPDCL**	5,88,684.75	7,74,727.40
e. Loans and Advances to AP Discoms - Receivable from Govt. of AP (Bonds)	3,72,561.53	5,72,095.83
Total (d+e+h+i)	13,97,458.61	18,34,979.83
Less: Impairment loss allowance	7,339.92	7,339.92
Net total (d+e)	13,90,118.69	18,27,639.91

* Company has received Rs. 1,23,000 Lakhs in advance & partly utilized for early redemptions of bonds.
** Company has received Rs. 1,95,000 Lakhs in advance & partly utilized for early redemptions of bonds.

As Per Our Report Of Even Date
For: Sesochalam & Co
Chartered Accountants
FRN 067178
U.S.N.V.R.C.P. Vishu
Partner
Membership No. 055839
UDIN: 23055839 06wPLA3423
Place: Vijayawada
Date: 22-08-2023

For and on behalf of Board of Directors
Dr. K. V. Y. Sankararaman, FRM
Managing Director
DIN No: 08076027



DIN No: 08772842

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

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Note 7: Other Financial Assets

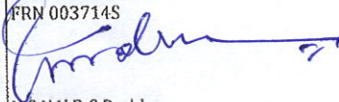
Particulars	As at March 31, 2023	As at March 31, 2022
Receivable from Telanagana State Government	12.55	12.55
CDSL Fee Receivable - TSPFCL	0.37	0.37
NSDL Fee Receivable - TSPFCL	0.37	0.37
NSE Listing Fee Receivable - TSPFCL	0.89	0.89
DSRA- Fixed Deposits with Banks	12,836.51	12,688.24
Security Deposit	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

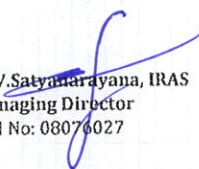
Note 8: Current Tax Assets


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

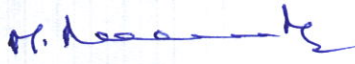
As Per Our Report Of Even Date
For Seshachalam & Co.
Chartered Accountants
FRN 003714S

For and on behalf of Board of Directors


U.S.N.V.R.C Prabhu
Partner
Membership No. 055839
UDIN: 23055839BGNPLA3423.


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


V.N Babu
Director
DIN NO: 08772842


M Ramana Reddy
Chief Finance Officer

Place : Vijayawada
Date : 22-08-2023.



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Note : 9 Property Plant and Equipment (PPE)

Particulars	Property, Plant and Equipment				Total
	Computers	Office Equipments	Furniture & Fixures	Computer Software	
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

As Per Our Report Of Even Date

For Seshchalam & Co.
Chartered Accountants
FRN 003714S

U.S.N.V.R.C Prabhlu
Partner
Membership No. 055839
UDIN: 23055839BGWPLA3423



For and on behalf of Board of Directors

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

V.N Babu
Director
DIN NO- 08772842.

Place : Vijayawada
Date : 22-08-2023.

M. Ramana Reddy
Chief Finance Officer



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

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Note 10: Trade Payables

Particulars	As at	As at
	March 31, 2023	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 - MSM	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	8,790.16	-	-	103.82	8,893.98

As Per Our Report Of Even Date

For Seshachalam & Co.
Chartered Accountants
FRN 003714S

U.S.N.V.R.C Prabh
Partner
Membership No. 055839
UDIN: 23055 839BGWPLA 3423.

Place : Vijayawada
Date : 22-08-2023.

For and on behalf of Board of Directors

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

V.N Babu
Director
DIN No: 08712842.

M. Ramana Reddy
Chief Finance Officer



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

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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													
				Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total									
												1	2	3	4 = 1+2+3	5	6	7	8 = 5+6+7	
Liability component of compound financial instruments																				
Others (Bonds/ Debentures, etc.)																				
1/2010 Bonds - Option B	INEB47E09029	8.74%	15-11-2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1/2011 Bonds - Option B	INEB47E08D46	9.60%	15-12-2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2/2011 Bonds - Option B	INEB47E08D42	9.97%	30-01-2024	5,880.00	-	-	-	5,880.00	-	-	-	-	-	-	-	-	-	-	-	
1/2012 Bonds - Option A	INEB47E08D40	9.50%	08-06-2022	19,700.00	-	-	-	19,700.00	-	-	-	-	-	-	-	-	-	-	-	
1/2012 Bonds - Option B	INEB47E08D06	9.64%	08-06-2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2/2012 Bonds	INEB47E08D05	9.75%	18-07-2022	9,410.00	-	-	-	9,410.00	-	-	-	-	-	-	-	-	-	-	-	
1/2020 Bonds (Refer fact note (a))	INEB47E08D59	8.20%	20-04-2030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2/2020 Bonds (Refer fact note (b))	INEB47E08D17	8.20%	29-04-2028	66,508.75	-	-	-	66,508.75	-	-	-	-	-	-	-	-	-	-	-	
3/2020 Bonds	INEB47E08D15	8.20%	12-05-2028	22,041.25	-	-	-	22,041.25	-	-	-	-	-	-	-	-	-	-	-	
4/2020 Bonds	INEB47E08D13	7.50%	18-08-2028	35,108.33	-	-	-	35,108.33	-	-	-	-	-	-	-	-	-	-	-	
Total (A)				1,58,648.33				1,58,648.33												
Debt securities in India																				
Debt securities outside India																				
Total (B) to tally with (A)				1,58,648.33				1,58,648.33												

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
Firm No: 0037145

For and on behalf of Board of Directors

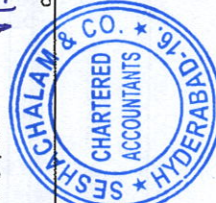
U.S.N.V.R.C Prabhu
Partner
Membership No. 055839
UDIN: 2305533986WPLA3423.
Place: Vijayawada
Date: 22-08-2023.

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

M. Ramana Reddy
Chief Finance Officer

(Signature)
Y.N Babu
Director

DIN No: 08172842.



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

(All amounts in Indian Rupees in lakhs, unless otherwise stated)
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				
	Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	4 = 1+2+3	5	6	7	8 = 5+6+7
(a) Term loans:-								
(i) from banks	9,63,172.46	-	-	9,63,172.46	9,85,643.85	-	-	9,85,643.85
State Bank of India	9,63,172.46	-	-	9,63,172.46	9,85,643.85	-	-	9,85,643.85
Union Bank of India	1,27,469.82	-	-	1,27,469.82	1,40,575.43	-	-	1,40,575.43
Canara Bank	1,47,793.33	-	-	1,47,793.33	1,49,962.40	-	-	1,49,962.40
Bank of Baroda	1,99,904.80	-	-	1,99,904.80	1,99,952.78	-	-	1,99,952.78
Bank of India	1,47,656.25	-	-	1,47,656.25	1,49,928.59	-	-	1,49,928.59
Indian Overseas Bank	2,90,024.88	-	-	2,90,024.88	2,95,224.91	-	-	2,95,224.91
(ii) From other parties	50,323.39	-	-	50,323.39	49,999.73	-	-	49,999.73
(b) Deferred payment liabilities	-	-	-	-	-	-	-	-
(c) Loans from Related Parties	-	-	-	-	-	-	-	-
(d) Finance lease obligations	11,70,972.46	-	-	11,70,972.46	-	-	-	11,70,972.46
(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	2,07,800.00	-	-	2,07,800.00	1,86,100.00	-	-	1,86,100.00
(ii) from other parties - Inter Corporate Deposits	14,400.00	-	-	14,400.00	14,400.00	-	-	14,400.00
AP Buildings and Other Construction workers Welfare Board	10,000.00	-	-	10,000.00	10,000.00	-	-	10,000.00
AP Pollution Control Board	95,900.00	-	-	95,900.00	81,900.00	-	-	81,900.00
AP Southern Power Distribution Corporation Limited Pension & Gratuity	12,500.00	-	-	12,500.00	12,500.00	-	-	12,500.00
AP Urban Development Fund	30,100.00	-	-	30,100.00	22,000.00	-	-	22,000.00
AP Eastern Power Distribution Corporation Limited Pension & Gratuity	40,000.00	-	-	40,000.00	45,300.00	-	-	45,300.00
AP Solar Power Corporation	4,900.00	-	-	4,900.00	-	-	-	-
AP Eastern Power Distribution Corporation Limited PF Trust	-	-	-	-	-	-	-	-
(g) Other loans (specify nature)	11,70,972.46	-	-	11,70,972.46	11,71,743.85	-	-	11,71,743.85
Total (A)	11,70,972.46	-	-	11,70,972.46	11,71,743.85	-	-	11,71,743.85
Borrowings outside India	-	-	-	-	-	-	-	-
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. 9,63,172.46 crores (Previous Year Rs. 9,85,643.85 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. 1,50,600 Lakhs only as against outstanding (CDBs of Rs. 2,07,800 Lakhs resulting deficit guarantee coverage of Rs. 77,200 Lakhs.

As Per Our Report Of Even Date
For Seshachalam & Co.
Chartered Accountants
FRN 0037145
U.S.N.V.R.C. Prabhakar
Partner
Membership No. 055839
UIDIN: 23055839 86WPLA3423.
Place : Vijayawada
Date : 22-08-2023.



For and on behalf of Board of Directors
Dr. K. V. V. Satyanarayana, IRAS
Managing Director
DIN No: 08075027
M. Ramana Reddy
Chief Finance Officer

DIN No: 08712842.



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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	-

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

FIRN 003714S

U.S.N.V.R.C Prabhhu

Partner

Membership No. 055839

UDIN: 23055839BGWPLA3423.

For and on behalf of Board of Directors

Dr. K.V.V.Satyanarayana, IRAS

Managing Director

DIN No: 08076027

V.N Babu

Director

DIN No: 08172842.

Place : Vijayawada

Date : 22-08-2023.

M. Ramana Reddy

Chief Finance Officer



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

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Note 17: Equity Share Capital

17.1 The reconciliation of equity share capital outstanding at the beginning and at the end 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
FAN 0037145

U.S.N.V.R.C Prabh
Partner
Membership No. 055839
UDIN: 23055839 BGWPLA3423.

Place : Vijayawada
Date : 22-08-2023.



For and on behalf of Board of Directors

Dr. R. V. V. Satyanarayana, IAS
Managing Director
DIN No: 08076027

V.N Babu
Director

DIN No-08772842.

M Ramana Reddy
Chief Finance Officer



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

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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	-	1,57,453.12	-	-	1,57,706.55	-
Interest on deposits with banks	-	719.73	-	-	509.20	-
Total	-	1,58,172.85	-	-	1,58,295.74	-

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

As Per Our Report Of Even Date

For Seshachalam & Co.

For and on behalf of Board of Directors

Chartered Accountants
FRN 003714S

[Signature]

U.S.N.V.R.C Prabhu
Partner
Membership No. 055839
UDIN: 23055839B&WPLA3423.

[Signature]

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

[Signature]

V.N Babu
Director

DIN NO: 08712842.

[Signature]

M Ramana Reddy
Chief Finance Officer

Place : Vijayawada
Date : 22-08-2023.



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

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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	-	1,32,510.58	-	1,35,211.33

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 Liabilities

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	On financial Liabilities measured at fair value through OCI	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through OCI	On financial liabilities 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.

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

U.S.N.V.R.C Prabh
Partner
Membership No. 055839
UDIN: 23055839BGWPLA3423.

Place : Vijayawada
Date : 22-08-2023.



For and on behalf of Board of Directors

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

V.N Babu
Director

DIN NO: 08772842

M. Ramana Reddy
Chief Finance Officer



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:

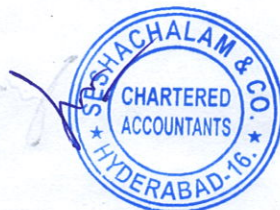
The Financial Statements have been prepared under the historical cost convention except for financial instruments that are measured at fair value at the end of each reporting period.

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.

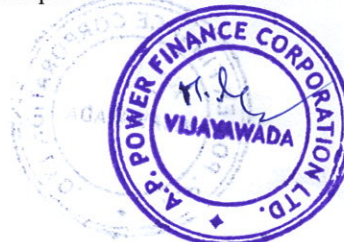
The classification depends on the contractual terms of the financial assets, cash flows and the Company's business model for managing financial assets.

(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.

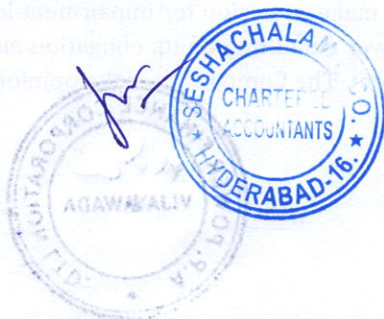
The Expected Credit Loss (ECL) is measured at 12-month ECL for stage 1 loan assets and lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the probability of default, exposure at default and loss given default, which are defined as follows:

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 1/2019.	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.

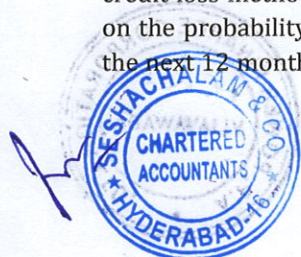
The requirement for 'Impairment Reserve' shall be reviewed, going forward.

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

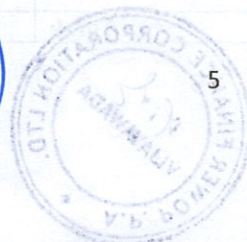
During FY 2021-22, the company has created additional impairment loss allowance of Rs. 818.54 Lakhs to bring overall impairment loss allowance to Rs. 7,339.92 (i.e. 0.40% on loan outstanding amount of Rs. 18,34,979.83 Lakhs as on 31.03.2022). Whereas at the end of current FY 2022-23 the company is required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

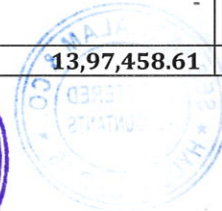


Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Outstanding amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(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 - 4th 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 - 1st 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).

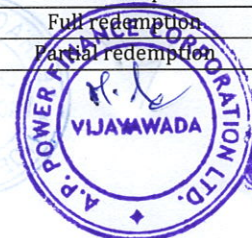
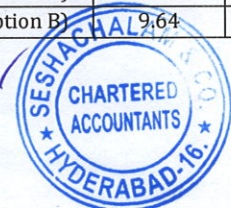
A) Debt Securities (Bonds):

- (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 2	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	13.02.2022	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	12.02.2023	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			

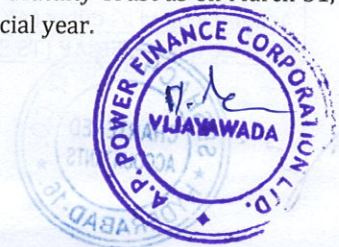
Note:

- (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. FIN 01-BUGT0MISC/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-BUGT0MISC/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-BUGT0MISC/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.

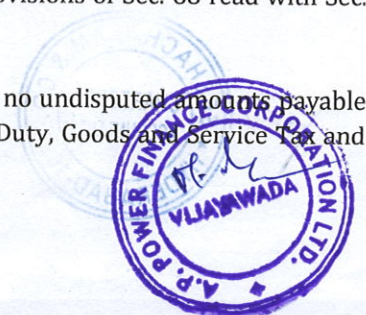
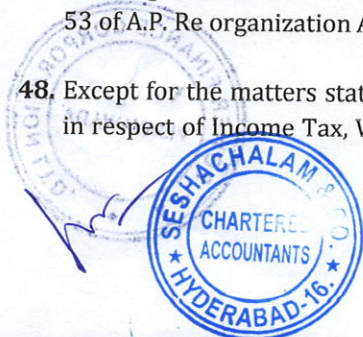
During the year company has spent Rs. 214.22 Lakhs as CSR, the details of which are given below:

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	-	-

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 02nd December, 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 Viduyt 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. Rt No. 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.

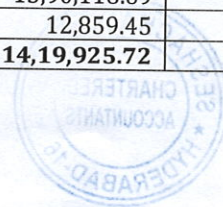
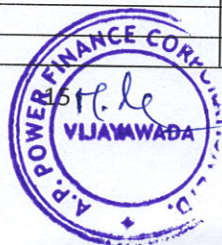
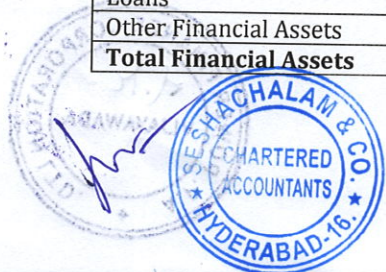
Debt-Equity ratio at the end of the reporting period was as follows:

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:

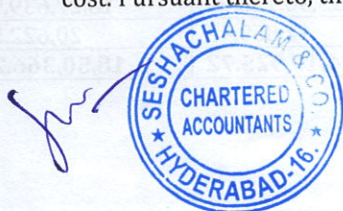
Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises of the following three types of risk: currency risk, interest rate risk and price risk.

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 long term 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:
- 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.
- 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

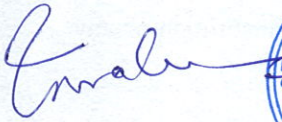
The company has not traded or invested in crypto currency or virtual currency during the current or previous year.



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.

For Seshachalam & Co.
Chartered Accountants
FRN 003714S




U.S.N.V.R.C Prabhu
Partner
Membership No. 055839
UDIN: 23055839 B&WPLA 3423.

Place: Vijayawada
Date: 22-08-2023.

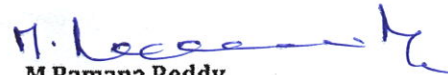


For and on behalf of Board of Directors

Dr. K. V. V. Satyanarayana, IRAS
Managing Director
DIN NO: 08076027


V.N. Babu
Director

DIN NO: 08772842.


M Ramana Reddy
Chief Finance Officer

