

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED
#48-12-12,2nd Floor,East Wing,Vidyut Soudha, Gunadala,Vijayawada - 520004

BALANCE SHEET AS ON 31-03-2019

S.No	Particulars	Note No.	As on 31-03-19 Amount Rs.	As on 31-03-18 Amount Rs.
EQUITY AND LIABILITIES:				
A. Share Holders' Funds:				
	(a) Share Capital	2	16,91,40,100	16,91,40,100
	(b) Reserves and Surplus	3	79,552	(2,88,981)
B. Non Current Liabilities				
	(a) Long Term Borrowings	4	23,25,70,00,000	23,25,80,00,000
	(b) Other Long Term Borrowings	5		
C. Current Liabilities				
	(a) Trade Payables	6	17,57,45,179	32,73,84,785
	(b) Other Current Liabilities	7	47,88,91,094	2,89,756
			24,08,08,55,926	23,75,45,25,660
ASSETS:				
A. Non Current Assets				
(a) Fixed Assets:				
	(i) Tangible Assets	8	11,434	30,324
	(b) Deferred Tax	9	2,352	
	(c) Long Term Loans & Advances	10	22,60,10,00,000	22,60,10,00,000
	(d) Other Non Current Assets	11	65,60,00,000	65,70,00,000
B. Current Assets				
	(a) Cash & Cash Equivalents	13	30,75,71,086	2,08,65,126
	(b) Other Current Assets	12	51,62,71,054	47,56,30,210
			24,08,08,55,926	23,75,45,25,660

The accompanying notes forms an integral part of the financial statements

As per our report of even date

For M/s. Deva & Co.,

Chartered Accountants

Firm Regn.No.0007225

Supriya
SUPRIYA.B

Partner

Membership No.229749



For ANDHRA PRADESH POWER FINANCE CORPORATION LTD

K. V. V. Satyanarayana
K. V. V. Satyanarayana, IAS
Managing Director

K. V. N. Chakradhara Babu
K. V. N. Chakradhara Babu, IAS
Director

Place: Vijayawada

Date : 08-08-2019

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED
#48-12-12,2nd Floor,East Wing,Vidyut Soudha, Gunadala,Vijayawada - 520004

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2019

S.No.	Particulars	Note	As on	As on
			31-03-2019	31-03-2018
			Rs.	Rs.
I.	Revenue from Operations	14	2,14,82,32,570	2,93,50,37,052
II.	Other Income	15	42,57,665	38,52,927
III.	Total Revenue (I + II)		2,15,24,90,235	2,93,88,89,979
IV.	Expenses:			
(a)	Employee Benefit expenses	16	1,82,880	1,78,480
(b)	Finance Costs	17	2,14,82,32,570	2,93,50,37,052
(c)	Depreciation and amortization Expenses	8	18,890	18,890
(d)	Other Expenses	18	36,59,411	39,44,538
	Total Expenses		2,15,20,93,751	2,93,91,78,960
V.	Profit/(Loss) Before Exceptional Items and Tax (III-IV)		3,96,484	(2,88,981)
VI.	Exceptional Items		-	-
VII.	Profit/(Loss) Before Tax (V-VI)		-	-
VIII.	Tax Expense:			
(1)	Current Tax		72,648	-
	Less: MAT Credit		42,345	-
	Net Current Tax		30,303	-
(2)	Deferred Tax Liability/(Asset)		(2,352)	-
IX.	Profit/(Loss) for the period		3,68,533	-
X.	Earning/(Loss) Per Share			
	Basic		0.22	-
	Diluted		0.22	-

The accompanying notes forms an integral part of the financial statements

As per our report of even date

For M/s. Deva & Co.,
Chartered Accountants
Firm Regn.No.000722S

SUPRIYA.B
Partner
Membership No.229749



2/5

For ANDHRA PRADESH POWER FINANCE CORPORATION LTD

K. V. V. Satyanarayana, IAS
Managing Director

K. V. Chakrathara Babu, IAS
Director

Place: Vijayawada
Date : 08-08-2019

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED
#48-12-12, 2nd Floor, East Wing, Vidyut Soudha, Gunadala, Vijayawada - 520004

Note 2

Share Capital

	<u>31-03-19</u>	<u>31-03-18</u>
	Rs.	Rs.
Authorised Capital:		
30,00,00,000 Equity shares of Rs.100/- each	<u>30,00,00,00,000</u>	<u>30,00,00,00,000</u>
Issued, Subscribed & Paid up Capital:		
16,91,401 Equity Shares of Rs. 100/- each fully paid	<u>16,91,40,100</u>	<u>16,91,40,100</u>

(a) Reconciliation of Shares outstanding at the beginning and the end of the year

	No.of Shares	Amount in Rs.	No.of Shares	Amount in Rs.
Equity Shares				
At the beginning of the Year	16,91,401	16,91,40,100	16,91,401	16,91,40,100
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>16,91,401</u>	<u>16,91,40,100</u>	<u>16,91,401</u>	<u>16,91,40,100</u>

(b) Terms/Rights attached to Equity Shares

- i) There are no shares issued in last 5 years as fully paid up pursuant to contracts without payment being received in cash
- ii) There are no Shares issued in last 5 years as fully paid up by way of bonus shares
- iii) There are no shares bought back in last 5 years
- iv) There are no calls unpaid
- v) There are no forfeited shares

Details of share holders holding more than 5% of equity shares in

(c) the Company

	<u>As on 31-03-2019</u>		<u>As on 31-03-2018</u>	
	No.of Shares	% Holding	No.of Shares	% Holding
Governor of Andhra Pradesh, represented by the MD of the Company	<u>16,91,401</u>	100	<u>16,91,401</u>	100
	<u>16,91,401</u>		<u>16,91,401</u>	
	As on 31-03-19		As on 31-03-18	
	Rs.		Rs.	

Note 3

Reserves and Surplus

Opening Balance	(2,88,981)	0
Add: Net Profit for the Current Year	<u>3,68,533</u>	<u>(2,88,981)</u>
	<u>79,552</u>	<u>(2,88,981)</u>

Note 4

Non Current Liabilities

a) Long term Borrowings (Unsecured)

i) Bonds

1/2005 Bonds Issue 16th Series	2,38,70,00,000	2,38,70,00,000
1/2010 Bonds Issue 17th Series	4,68,90,00,000	4,68,90,00,000
1/2011 Bonds Issue 18th Series	62,10,00,000	62,10,00,000
2/2011 Bonds Issue 19th Series	3,01,00,00,000	3,01,10,00,000
1/2012 Bonds Issue 20th Series	1,27,10,00,000	1,27,10,00,000
2/2012 Bonds Issue 21st Series	4,04,60,00,000	4,04,60,00,000
3/2012 Bonds Issue 22nd Series	<u>7,23,30,00,000</u>	<u>7,23,30,00,000</u>
	<u>23,25,70,00,000</u>	<u>23,25,80,00,000</u>

Note 5

Non Current Liabilities

b) Other Long Term Borrowings

Trustee Fee Payable

	-	-
	<u>-</u>	<u>-</u>

Note 6

Current Liabilities

Trade Payables

De-merger Proposal Preparation Charges Payable
Payable/Receivable from TS Govt

	-	36,031
	<u>17,57,45,179</u>	<u>32,73,48,754</u>
	<u>17,57,45,179</u>	<u>32,73,84,785</u>



Note 7

Current Liabilities

Other Current Liabilities/ Provisions

	As on 31-03-19 Rs.	As on 31-03-18 Rs.
Folio Maintenance Charges Payable	59,850	1,10,383
E TDS Filing fee Payable	-	4,050
Professional/Consultancy	4,500	-
Service tax/GST Consultancy Charges Payable	4,500	5,400
Internal Audit Fee Payable	21,600	21,600
Statutory Audit Fee Payable	67,500	67,500
Outsourcing Staff Salaries Payable	21,359	21,384
Telephone and Internet Expenses Payable	-	318
Vehicle Hire Charges Payable	30,380	30,380
Tax Audit Fee Payable	4,500	5,000
GST Payable	180	1,260
TDS Payable	19,618	18,989
Travelling Expenses Payable	-	3,492
Payable to APPCCL	32,45,000	-
Interest Accrued but not due on bonds	18,79,28,425	-
Provision for Income Tax	72,648	-
Printing and Stationary expenses payable	31,900	-
Office maintenance expenses payable	4,248	-
Interest on bonds - TG Payable	28,73,69,000	-
Interest on Bonds payable	5,886	-
	<u>47,88,91,094</u>	<u>2,89,756</u>

Note-9 Deferred Tax

Tax effect of items constituting deferred tax
Arising on Account of timing difference in Depreciation
Opening Deferred Tax Asset

	As on 31.03.2019 Rs.	As on 31-03-18 Rs.
	2,352	-
	<u>2,352</u>	<u>-</u>

Note 10 Long Term Loans and Advances
Loans to AP DISCOM's Pool Account

	22,60,10,00,000	22,60,10,00,000
	<u>22,60,10,00,000</u>	<u>22,60,10,00,000</u>

Note 11 Other Non Current Assets
Call Option

	65,60,00,000	65,70,00,000
	<u>65,60,00,000</u>	<u>65,70,00,000</u>

Note 12 Other Current Assets

Receivables from AP Govt	51,08,64,715	47,42,75,504
TDS Receivable from SBI on Fixed Deposit	14,59,742	13,31,059
Interest Receivable from Fixed Deposit	10,960	13,085
Prepaid Expenses	2,643	10,562
Advances to Credit Rating Agency	27,50,000	-
Mat Credit	42,345	-
Input GST	11,40,649	-
	<u>51,62,71,054</u>	<u>47,56,30,210</u>

Note 13 Cash and Cash Equivalents

Balances with Scheduled Bank		
In Current Account with SBI	28,75,22,033	8,48,589
In Deposits Account with SBI	2,00,00,000	2,00,00,000
In Service Tax No - Lien Account SBI	24,456	3,712
In Bond Servicing No - Lien Account SBI	10,000	-
In Debt Service Reserve No - Lien Account SBI	10,000	-
Cash on Hand	4,595	12,825
	<u>30,75,71,086</u>	<u>2,08,65,126</u>

Note 14 Revenue from Operations - Receipts from Government

a) For Payment of Interest on Bonds - AP Govt

	2,14,82,32,570	2,93,50,37,052
	<u>2,14,82,32,570</u>	<u>2,93,50,37,052</u>



Note 15 Other IncomeFor Reimbursement of Other Expenses incurred
Interest on Fixed Deposit

29,87,452

25,00,000

12,70,213

13,52,927

42,57,66538,52,927**Note 16 Employee Benefit Expenses**

MD Remuneration

1,82,880

1,78,480

1,82,8801,78,480**Note 17 Finance Cost**

Interest on Bonds (Reimbursed by Govt of AP)

2,14,82,32,570

2,93,50,37,052

2,14,82,32,5702,93,50,37,052As on
31-03-19
Rs.As on
31-03-18
Rs.**Note 18 Other Expenses**

Trustee Fees

12,66,018

15,61,895

NSE Listing Fee

1,06,717

1,40,138

ROC Filing Fee

56,000

50,800

E- TDS Filing Fee

11,150

19,676

Custodial Service Fee paid to CDSL & NSDL

77,476

1,00,602

Consultant & Professional Charges

76,000

-

Directors Sitting Fee

9,750

23,000

Printing & Stationery

68,674

38,234

Penalty

-

100

Compensation Expenses

22,500

-

Rating charges

-

69,000

Packing & forwarding charges

-

16,000

Put option charges

-

1,093

Interest on Service Tax

-

1,489

Postage & Courier

5,982

42,454

Vehicle Hire Charges

3,72,000

4,23,303

Travelling Expenses

25,166

38,964

Telephone & Internet Expenses

1,209

21,648

Folio Maintenance Charges

38,783

38,783

Office Maintenance

19,914

19,829

Bank Charges

11,801

2,920

Adversting charges

4,24,744

4,71,373

Company Secretary Charges

-

62,500

Website Maintenance

7,483

7,025

Outsourcing Staff Salaries

2,21,022

2,29,515

Service Tax/GST Consultancy Charges

60,000

1,52,250

GST input amount

-

3,16,397

Credit Information Expenses

20,000

-

Grant in Aid Expenses

5,67,522

-

Income Tax Appeal Fees

10,000

-

IT Stay Application Fees

500

-

Professional Fees- Legal Services

75,000

-

Auditors Remuneration

For Statutory Auditors

75,000

66,450

For Internal Auditors

24,000

24,350

For Tax Auditors

5,000

4,750

36,59,41139,44,538

Supriya

Place : Vijayawada
Date : 08-08-2019

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For ANDHRA PRADESH POWER FINANCE CORPORATION LTD

K. V. V. Satyanarayana, IAS
Managing DirectorK. V. N. Chakradhara Babu, IAS
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(loss) after tax as per Statement of Profit and Loss	3,68,533	(2,88,981)
<i>Adjusted For:</i>		
Depreciation & Assets written off	18,890	18,890
Deferred Tax Liability/(Asset)	(2,352)	-
Interest Income	<u>(12,70,213)</u>	<u>(13,52,927)</u>
Operating profit before working capital changes	<u>(8,85,142)</u>	<u>(16,23,018)</u>
<i>Adjusted For:</i>		
(Increase)/Decrease in current maturities of Non-Cummulative Bonds	10,00,000	(39,50,00,000)
(Increase)/Decrease in Other Receivables from AP Govt	(3,65,89,211)	(32,56,99,388)
(Increase)/Decrease in Other Current Assets	(40,51,633)	20,02,604
Increase/(Decrease) in Trade Payables & Other Current Liabilities	<u>32,69,61,732</u>	<u>32,88,44,097</u>
(Increase)/Decrease in Net Current Assets	<u>(28,73,20,888)</u>	<u>(39,38,57,895)</u>
Net Cash Flow from Operating Activities (A)	(28,64,35,746)	(39,54,80,913)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase)/Decrease in Net Fixed Assets		
Interest Received	<u>12,70,213</u>	<u>13,52,927</u>
Net Cash Flow from Investing Activities (B)	<u>12,70,213</u>	<u>13,52,927</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Bonds outstanding	<u>(10,00,000)</u>	<u>39,50,00,000</u>
Net Cash Flow from Financing Activities (C)	<u>(10,00,000)</u>	<u>39,50,00,000</u>
Net (Decrease)/ Increase in Cash and Cash equivalents (A+B+C)	28,67,05,959	7,55,134
Add: Cash and Cash Equivalents at the beginning the year	<u>2,08,65,126</u>	<u>2,01,09,992</u>
Cash and Cash Equivalents at the end of the year	30,75,71,084	2,08,65,126
Reconciliation of Cash & Cash Equivalents		
Cash in Hand	4,595	12,825
Cash at Bank		
a) In Current Account	28,75,22,033	8,48,589
b) In No-Lien Account	44,456	3,712
c) In Deposit Account	<u>2,00,00,000</u>	<u>2,00,00,000</u>
Total Cash & Cash Equivalents at the end of the year	<u>30,75,71,084</u>	<u>2,08,65,126</u>

As per our report of even date
For M/s. Deva & Co.,
Chartered Accountants
Firm Regn.No.000722S


SUPRIYA.B
Partner
Membership No.229749



For ANDHRA PRADESH POWER FINANCE CORPORATION LTD

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K. V. V. Satyanarayana, IAS
Managing Director


K. V. N. Chakradhara Babu, IAS
Director

Place: Vijayawada
Date : 08-08-2019

Note 8

STATEMENT SHOWING DEPRECIATION AS PER COMPANIES ACT AS AT 31ST MARCH, 2019

Description of Asset	Gross Block			Depreciation			Net Block			
	As on 01-04-18 Rs.	Additions during the year Rs.	Deletions during the year Rs.	Total as on 31-03-19 Rs.	Life	Retained Earnings 31-03-18 Rs.	Upto 31-03-18 Rs.	Total Dep. Rs.	As on 31-03-19 Rs.	As on 31-03-18 Rs.
1 Computers-1	1,46,240	-	-	1,46,240	3	-	1,46,240	1,46,240	-	-
2 Computers-2	39,000	-	-	39,000	3	-	15,243	27,593	11,407	23,757
2 Furniture and Fixtures	68,837	-	-	68,837	10	-	62,270	68,810	27	6,567
3 Office Equipments	1,38,449	-	-	1,38,449	15	-	1,38,449	1,38,449	-	-
	<u>3,92,526</u>	-	-	<u>3,92,526</u>		-	<u>3,62,202</u>	<u>3,81,092</u>	<u>11,434</u>	<u>30,324</u>
Previous Year Figures	3,92,526	-	-	3,92,526	-	-	3,43,312	3,62,202	30,324	39,597



Note No. 1

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

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 developing, maintain and operating of Power, and relating thereto including but not limited to generation transmission, distribution facility viz., GENCO, TRANSCO, DISCOMs.

Presentation and Disclosures in Financial Statements:

A. Significant Accounting Policies:

a. Basis of Accounting:

- (i) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the Provisions of the Companies Act, 2013.
- (ii) The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- (iii) The Government Receipts in the form of Interest for the payment of Interest on bonds of Rs. 214.82 Crores (Previous year: Rs.293.50crore), and Reimbursement of expenses incurred by the company on behalf of the GovernmentRs. 29.87 Lakhs (previous year: Rs. 25 Lakhs) have been depicted separately both under 'Revenue from operations' and under 'other income' respectively in the Statement of Profit & Loss, which is met/reimbursed by the Government of AP to the company on actual basis.

b. Revenue Recognition:

- (i) The Company recognizes interest income on the Loans to AP DISCOMs' Pool Account, out of the various series of bonds issued by the company



on receipt basis, and the same is shown as interest income in the statement of Profit & Loss.

- (ii) The company accounts for the interest expenditure on various series of Bonds, Term Loan and other operating expenses, which is reimbursed by the Government of Andhra Pradesh and the same is taken as expenditure in the Statement of Profit & Loss.

c. Fixed Assets:

Fixed assets are stated at historical cost and as reduced by accumulated depreciation. All costs including financing costs, up to the date of commissioning and attributable to the fixed assets are capitalized.

d. 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 the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

UNSECURED BOND/TERM LOAN:

Rs.2325.70 crore (last year Rs.2325.80 crore)

- i. The Company has raised funds through private placement of "APPFC BONDS" in the earlier years under the various series, but during the current year no funds have been raised by the Company. The common features of the various series of bonds are as under:
- ii. The Bonds carry with them an unconditional and irrevocable guarantee, for the due repayment, both interest and principal, of the Government of AP.
- iii. 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. The payment of interest on outstanding of bonds and repayment of principal amount of bonds are met/paid by the company by way of transfer of funds into the designated No-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.

NOTE: 1

(A) Outstanding of APPFC Bonds at the end of year under different series as follows:

Sl. No.	APPFC Bonds Series	Amount Outstanding (Rs. In crore) as on		Coupon Rate (%) p.a.	Interest Payable	Tenure in Years	Put/Call Option due at The end of
		31-03-2019	31-03-2018				
1	1/2005	238.70	238.70	8.15	Annual	15	12 th Year
2	1/2010	17.00	17.00	8.49	Semi	10	7 th Year
		451.90	451.90	8.74	Annual	12	10 th Year
3	1/2011	2.10	2.10	9.10	Semi	10	7 th Year
		60.00	60.00	9.60	Annual	12	10 th Year
4	2/2011	63.50	63.60	9.85	Semi	10	7 th Year
		237.50	237.50	9.97	Annual	12	10 th Year
5	1/2012	26.30	26.30	9.50	Semi	10	7 th Year
		100.80	100.80	9.64	Annual	12	10 th Year
6	2/2012	404.60	404.60	9.75	Semi Annual	10	7 th Year
7	3/2012	723.30	723.30	9.75	Semi Annual	10	7 th Year

During the year, APPFCL has redeemed Bond Series 2/2011 of Rs.10 Lakhs through Put Option.

(2).

- a) 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.
- b) The tax due payable by a bondholder cannot be deducted at source as the quantum of interest cannot be determined at the end of the year till the actual payment is made.
- c) The actual interest expenditure to the company in this regard gets reimbursed by the Government of Andhra Pradesh.



(3). Loans to DISCOMS – Loan to AP DISCOMS' Pool Account:

The funds mobilized up to 31-03-2019 from the bonds amounting to Rs.2325.70 crore (Rs.2325.80 crore as at 31-03-2018) have been deployed by way of "Loan to AP DISCOMS Pool Account".

Particulars	As on	As on
	31-03-2019 (Rs. in Crore)	31-03-2018 (Rs. in Crore)
Non- Current Assets:	2260.10	2260.10
-Loan to DISCOMS – Govt. of AP		
Other Non Current Assets:		
-Call Option	65.60	65.70
Total :	2325.70	2325.80
Current Assets:	NIL	NIL
Other Current Assets		
Total :	2325.70	2325.80

(4). All receivables including the receivables from the AP Government DISCOMS' Pool Account are subject to confirmation and reconciliation from the respective parties.

(5) **Managerial Remuneration:**

Particulars	Managing Director	
	2018-19 Rs.	2017-18 Rs.
Salaries, Allowances	--	--
Contribution to Provident Fund and welfare fund	--	--
Others – Additional Charge allowance to Managing Director	1,82,880.00	1,78,480.00



(6)Contingent Liabilities:

Particulars	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
Claims against the company, not acknowledged as the debts (A.Y- 2013-2014)	55, 34 ,560	55,34,560
Claims against the company, not acknowledged as the debts (A.Y- 2012-2013)	2,15,37,500	2,15,37,501
Estimated amount of contracts remaining to be executed on Capital account and not provided for	Nil	Nil

- (7) As per Expert Committee Report the total bond liability as on 31st March, 2019 was Rs.5644.50 crores as against this the share of APPFCL was Rs.2325.70 crore and the share of TSPFCL was Rs.3318.80 crore. APPFCL is providing service to TSPFCL and all the bonds are in the possession of APPFCL. The interest on the share of TSPFCL, is being paid by TSPFCL to APPFCL for making payment to bond holders.
- (8) As on 31/03/2019 an amount of Rs.28.74 crores received from TSPFCL towards payment of interest due on 01/04/2019 and the amount is lying in Current Account of APPFCL and shown under current liabilities. Any expenditure of TS Share transferred to TSPFCL in accordance to the Population ratio.
- (9) The dispute on sharing of bonds Liability between both the corporations has been finalized by the Expert Committee vide letter No.D.o.Lr No.5614/Expert Committee/2014 dated 15-03-2018 and APPFCL has undertaken a liability of 41.90 crores and the corresponding asset (loan to Government).TSPFCL paid interest on 41.90 crores for which APPFCL is liable to pay 3.66 crores to TSPFCL towards interest for the year 2018-19 and the same (3.66 crores) is receivable from DISCOMs (Government of AP).
- (10) According to the information and explanations given to us, 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- 2019 for a period of more than Six months from the date they become payable. The corporation 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 A.Y 12-13) bearing the Income Tax Demand due



to Non-Deduction of TDS on interest on application money (Rs.4,93,77,480/-) paid to various organizations and hence the corporation has not provided for the demand in the Accounts on 31/03/2019. The corporation has filed appeal against the order of Income Tax Officer 1(2) for A.Y 2013-14 in CIT (A)-1, Hyderabad on 26.04.2016 bearing the Income Tax Demand due to Non-Deduction of TDS on interest on application money (Rs.1,31,22,260/-) paid to various organizations and hence the corporation has not provided for the demand in the Accounts on 31/03/2019.

- (11) Following are the bank accounts reflected in the Books of Accounts and the same is reconciled as on 31.03.2019 by the management:

SL NO	SERIES	A/C No.
01	Current Account	52117468653
02	APPFCL Bond Servicing Account Series 1/2019.	38356342256
03	APPFCL Debt Service Reserve Account Series 1/2019	38356359860
04	No-Lien A/C	62443536820

- (12) With respect to the G.O.RT.No.10 ,dated 30.01.2019 ,Government has sanctioned an amount of Rs.11,85,753/- towards 3rd quarter payment of put option of series 2/2011 bonds(Rs.10,32,653/-) and Sangitha Bihani Court Case of Rs.1,53,100/- respectively. But the company has paid interest amount of Rs.1,49,081 for 4 years 10 months 2 days to Sangitha Bihani but actual period for which payment due is 5 years 10 months 2 days.

- (13) Previous year figures are regrouped, rearranged or readjusted, where necessary.

For M/s. Deva & Co.,
Chartered Accountants
Firm Regn.No.0007225

For ANDHRA PRADESH POWER FINANCE CORPORATION LTD

Supriya
Supriya.B
Partner
Membership No.229749



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

K. V. N. Chakradhara Babu
K. V. N. Chakradhara Babu, IAS
Director

Place: Vijayawada
Date: 08-08-2019