



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

#48-12-16, 2nd Floor, East Wing, Vidyut Soudha, Gunadala, Vijayawada,
Krishna District – 520004, Andhra Pradesh, India. Tel. 0866-2429226, Cell: 8897493344
E-mail: appfcl@gmail.com, Website : www.appfcl.com, CIN : U40109AP2000SGC107482

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/CFO/APPFCL/D.NO. 184/2023 Dt. 31/03/2023

Dear Sirs,

SUB: Compliance with regard to Regulation 52(2)(d)(ii) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations')

Pursuant to Regulation 52(2)(d)(ii) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we hereby submit the financial statements for the financial year 2021-22 together with the comments of the Comptroller and Auditor General of India (C&AG) received on March 16, 2023 and taken note of by the Board of Directors in their meeting dated 31st March 2023 and adopted by the shareholders of the Company in the Annual General Meeting held on Friday, 31st March 2023.

Thanking You,
For Andhra Pradesh Power Finance Corporation Limited


M Ramana Reddy
Chief Financial Officer

1/251634/2023



प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय,
आन्ध्र प्रदेश, विजयवाडा - 520 002.
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
ANDHRA PRADESH, VIJAYAWADA - 520 002.



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Lr.No.PAG(AU)/AP/TSC(PSUs)/AMG-II/AA/APPFCL/2022-23/Date: 16-03-2023

To
Managing Director,
Andhra Pradesh Power Finance Corporation Limited
48-12-16, 2nd Floor, East wing, Vidyut Soudha,
Gunadala, Vijayawada
Andhra Pradesh-520004

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the annual accounts of the **Andhra Pradesh Power Finance Corporation Limited for the year ended 31st March 2022.**

1. I am to forward herewith comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the financial statements of your Company for the year **2021-22** for necessary action.
2. The date of placing of Comments along with Financial Statements and Auditors' Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meetings be furnished.
3. The date of forwarding the annual report and financial statements of the Company together with the Auditors' Report and Comments of the Comptroller and Auditor General of India to the State Government of AP for the year **2021-22** for being placed before the Legislature may also be intimated. The date on which Annual Report is tabled in the Legislature may also be intimated.
4. Five copies of the annual report for the year **2021-22** are to be furnished to this office without fail.

Encl: As above

Yours faithfully,
BHASKAR KALLURU
Sr. Deputy Accountant General

Address : 8th Floor, Stalin Central Mall, M.G.Road, Governorpet, Vijayawada - 520 002.

Website : www.cag.gov.in/ag/andhra-pradesh/ene-mail : agauandhrapradesh@cag.gov.in

Signed by Bhaskar Kalluru

Date: 16-03-2023 11:39:47

Annexure-I

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of Andhra Pradesh Power Finance Corporation Limited for the year ended 31 March 2022 in accordance with 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 22.07.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Andhra Pradesh Power Finance Corporation Limited for the year ended 31 March 2022 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

(iv) Other Expenses (Note21): ₹ 32.65 crore

Guarantee Commission: ₹ 30 crore.

1. The GoAP has extended Bank Guarantee to obtain Loans from Banks/financial Institutions or Issue of Bonds for an amount of ₹ 10741.33 crore (₹ 4741.33 crore vide GO dated 23.09.2019 and ₹ 6000 crore vide GO dated 30.03.2020). As per the guidelines issued on Guarantees by the GoAP vide GO Ms.No.446 Dated 29.09.2003, Guarantee commission at the rate of 2% on the Guaranteed amount is payable to the GoAP.

In this regard, GoAP has claimed an amount of ₹ 200.00 crore from the company. However, the Company had paid only ₹ 30 crores and did not provide for the balance amount of ₹ 170.00 crore.

This has resulted in understatement of Guarantee Commission under the head "fees and commission" and "Other Financial Liabilities" by ₹ 170.00 crore.

Further, grouping of "Guarantee Commission" under "other expenses" instead of "fees and commission" is not in line with the provisions of schedule III of Companies Act, 2013.

(VI) Impairment on Financial Asset

2. Presentation of "Impairment on Financial Asset" below "Profit before exceptional items and tax" instead of "Expenses" has resulted in understatement of "Total Expenses" and overstatement of "Profit before exceptional items and tax" for the year by ₹ 8.19 crore.

B. Comments on Disclosure:

Balance sheet

Assets

Non-Financial Assets

Property, Plant and Equipment (Note7):0.02 crore

3.The note is not in line with the provisions of Guidance Note on Division III-Schedule III to the Companies Act, 2013 as it does not disclose *inter alia*, the Accumulated Depreciation and Impairment as at the beginning of the year and end of the year.

Notes to Accounts

Note 1: Significant accounting policies and notes to accounts Note-Q

4.The fact that ICDs received from APUDFIF, APPCB and APBOCWW have been extended by 1 year from the date of original maturity is not disclosed. Hence, the note is misleading.

Comments on Auditors' Report:

5.The opinion of the Independent Auditors is incorrect to the extent that they have expressed their opinion on the Statement of Changes in Equity which is not prepared by the Management.

c. Other Comments:

6.The financial statements are not IND AS compliant as the same are deficient to the extent that the Statement of Changes in Equity, which is an integral and mandatory part of the financial statements is not prepared.

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

(Signature)

(INDU AGRAWAL)

Principal Accountant General/Audit

Place: Vijayawada

Date: 16.03.2023



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

ANNUAL ACCOUNTS FOR FY – 2021-22

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

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INDEPENDENT AUDITOR'S REPORT

To the Members of

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Report on Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of M/s. Andhra Pradesh Power Finance Corporation Limited ("the Company"), which comprises the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, aforesaid standalone 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 31 March 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of opinion

We conducted our audit of the standalone 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 Standalone 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 Standalone 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 opinion on the standalone Ind AS financial statements on the basis of our opinion.



Key Audit Matters

Key Audit Matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of current period. These matters were addressed in the context of our audit of the standalone 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 standalone 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 standalone 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 standalone Ind As financial statements.

Key Audit Matters as follows

Impairment loss / Provisioning on advances

Key Audit Matter	How our audit addressed the key audit matter
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.	Verification of loan assets with respect to monitoring thereof for recovery/performance aspects and assessment of the loan impairment. Recoveries are verified applying the standard audit procedures. Quality of the borrower is evaluated and tested with key control parameters. 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. Recoveries in the loan assets are verified to ascertain level of stress thereon and impact as impairment allowance on financial statement. We have discussed with the management regarding the repayment capacity of the borrower and management is confident on the credit worthiness of the borrower as all of them are public sector undertakings and backed by GoAP guarantee.



Other Matter

(i) As per point 'S' in notes to accounts in financial statements, the Government of Andhra Pradesh has granted Rs.1,02,63,60,656/- for the purpose of interest payment on Bond series 1/2019 during the FY 2020-21. However, after redemption of the said bonds along with interest, an amount of Rs. 2,55,06,754/- was remaining unutilised with the Company and it was shown as current liability in the Books of accounts at the end of FY 2020-21.

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 but it is continuing as current liability in the books of account at the end of FY 2021-22. The corporation has received approval vide 175th board meeting held on 21.07.2022 for conversion of the amount into equity share capital.

(ii) As per point 'I' in notes to accounts in financial statements, APPFCL has given loans to AP DISCOMs subject to following observations:

- a. Current assets of AP DISCOMs are charged against loans but insurance policies on such current assets are not made available for verification.
- b. Term loan repayments are not commensurate with sanction letters. It is explained that loans given to DISCOMs are backed by sovereign guarantee and the company will obtain board approval for reschedule of term loan repayments in due course.

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

Responsibilities of management and those charged with governance for the standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone Ind AS financial statements for the financial year ended March 31, 2022 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, the Cash Flow Statement and Statement of changes in Equity dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone 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. 46,45,660/- to the Investor Education and Protection Fund being interest on Government Bonds remaining unpaid beyond 7 years. Amount of Rs. 46,45,660/- 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", written over a horizontal line.

USNVRC Prabhu
Partner

Membership No.: 055839

UDIN: 22055839APOJTI3123

Vijayawada, July 22, 2022



"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 standalone Ind AS financial statements of the Company for the year ended 31st March, 2022]

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, 2022.
 - (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) Company has not obtained any working capital limits in excess of Rupees five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Therefore, in our opinion the provisions of clause 3(ii) (b) of the Order is not applicable to the Company and hence not commented upon.
- iii) (a) The company is a Non-Banking Finance Company and provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, LLPs, or any other parties. Accordingly, 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) Company has not granted any loan to its subsidiaries and therefore clause 3 (iii)(c) is not applicable.

(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 company is a Non-Banking Finance Company and 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) The Central Government has not prescribed the maintenance of cost records under sub-section 1 of Section 148 of the Act, for any of the services rendered by the Company. Accordingly, clause 3(vi) of the order is not applicable to the Company

vii) a) 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 2022 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) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has applied the term loans for the purpose for which the loans were obtained.
- (d) On an overall examination of the stand-alone financial statements of the company, no funds raised on short term basis have been used for long term purpose by the company.
- (e) 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.
- (f) The Company has not raised loans during the year on the pledge of securities held in its 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) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (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) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- xii) The Company is not a Nidhi Company as per the provisions of the Act. Accordingly, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.



- xiii) 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 Standalone Financial Statements, as required by the applicable accounting standards.
- xiv) The Company has an internal audit system commensurate with the size and nature of its business.
- xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, the requirement to report on 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) 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) of the Order is not applicable to the Company.
- xvii) The Company has not incurred cash losses in the current 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) On the basis of the financial ratios disclosed in Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone 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 respect of other than ongoing projects, 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) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act.

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



USNVRC Prabhu
Partner
Membership No.: 055839
UDIN: 22055839APOJTI3123

Vijayawada, July 22, 2022



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 2022 in conjunction with our audit of the standalone 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 standalone 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 standalone 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 standalone 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.

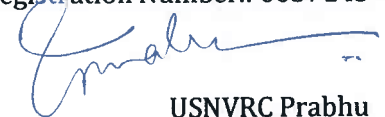
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at 31st March 2022, 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




USNVRC Prabhu

Partner

Membership No.: 055839

UDIN: 22055839APOJT13123

Vijayawada, July 22, 2022



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 2022.

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 Sub 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. However, APPFCL received reimbursement of interest payable to bond holders from GoAP and as per G.O.Rt No. 09 Dt 07-02-2020 company received Rs. 102,63,60,656 towards payment of interest on APPFC Vidyut Bonds for the series 1/2019. Of which corporation utilized Rs. 1,00,08,53,902 only for repayment on interest during the FY 2020-21 and the utilised amount of Rs. 2,55,06,754 was shown in other current



		liabilities as on 31 st 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 175 th board meeting held on 21.07.2022 for conversion of the amount into equity share capital.
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For Seshachalam & Co.
Chartered Accountants
Firm Registration Number.: 003714S



USNVRC Prabhu
Partner
Membership No.: 055839
UDIN: 22055839APOJTI3123

Vijayawada, July 22, 2022



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

As required by section 143(5) of the companies act 2013 and in continuation to our audit report dated July 22, 2022 issued to Andhra Pradesh Power Finance Corporation Limited for the year ended March 31, 2022, we give this supplementary report on the directions and sub directions issued by the Comptroller & Auditor General of India, to the extent applicable as per the information and explanations given to us during the course of our audit and the audit procedures conducted by us, we report that:

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

Sl. No.	Description	Observations
1	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created upto and during the year (work-in-progress or completed), assets handed over to the fund-giving agency upto and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	There are no such works executed by the company.
2	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies, a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure.	The company has not received any grants from central or state Government.
	b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;	As per G.O.MsNo.446 dt.29.09.2003 the consolidated guarantee commission @ 2% on the guaranteed amount of Rs.10,000 crores for entire guarantee period works out to Rs.200.00 crores. Of which the company has paid guarantee commission of Rs.30.00 crores to Government of Andhra Pradesh (GoAP) during the FY 2021-22 as per GoAP letter no.FIN01-BUGT0MISC/40/2021-CDM(C.No:1602730) dt.24.03.2022; GoAP had issued guarantee to the company in respect of loans borrowed for the purpose of onward lending to the AP power sector utilities. and the borrowed amounts have been utilized for the said purpose.



3	Where any long term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon	No such Instances have been noticed during the period under consideration.
4	Whether the corresponding expenditure on which the taxes paid/payable are accounted in the financial statements is also included appropriately	Yes
5	Whether there is a Public Deposit account in the name of the PSU? If yes,;	Yes
	a) Funds debited from the PD account erroneously/ lapsed by the treasury but claimed by the Company as receivable/ its own funds;	No amount is lapsed in PD account of the company during FY 2021-22.
	b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;	No amount is lapsed in PD account of APPFCL during FY 2021-22.
	c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed	The company has not deposited any funds in PD account since no such funds are raised during the year under consideration.
	d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not.	No, This account is being operated for a limited purpose of paying salary to an employee deputed by APCOS. The account shows a nominal balance of Rs.58,025/- as on 31-03-2022.
	e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age- wise analysis	No bills were outstanding/ returned during the year under consideration.
6	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose.	The company has raised an amount of Rs. 4,000 crores through issue of bonds and GoAP has agreed to repay the bonds along with interest. After redemption of part of the bonds along with interest, a sum of Rs. 3850.85 crores is outstanding as on March 31, 2022 which will also be serviced by GoAP. By virtue of state bifurcation & as per expert committee recommendations, bonds liability of Rs. 2,385.00 is also being serviced by GoAP, of which a sum of Rs. 1,879.10crores is outstanding as on March 31, 2022. The aforesaid amounts are borrowed for the purpose of onward lending to the AP Power



		Sector Utilities and the amounts borrowed are utilized for the said purpose.
7	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	The Company has not owned any land, hence this clause is not applicable.
8	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Company has no Inventory, hence this clause is not applicable.
9	Whether the cost incurred on abandoned projects has been written off?	The company has no abandoned projects, hence this clause is not applicable.
10	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	No such income has been earned by the company during the period under review.
11	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	The Expert Committee for Approval of the Demerger Proposals of Government Companies/Corporations/Entities in the Schedule IX of AP Re-organisation 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 of APPFCL over the allocation of 'Outstanding Bonds' (as on 02.06.2014) amounting to 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-organisation Act, 2014. However, the accounting treatment made by the Company is in line with the recommendations of the Expert Committee.



B) Report on Sub Directions u/s 143(5) of the Companies Act 2013 as applicable to Finance Sector:

1	Whether the Company has complied with the directions issued by The Reserve Bank of India for:	
	a) Non-Banking Finance Companies (NBFCs)	Yes
	b) Classification of non-performing assets	Yes
	c) Capital adequacy norms for NBFCs	Yes
2	Whether the Company has a system to ensure that loans were secured by adequate security. Whether encumbrances have first charge on the mortgaged assets. Further instances of delay in disposal of seized units may be reported.	Yes, the company has a system to ensure that loans were adequately secured. Borrowers have created first charge on the mortgaged assets in favour of the company. There were no instances where there is requirement of any disposal of seized units.
3	Whether introduction of any scheme for settlement of dues and extensions thereto complied with policy/ guidelines of Company/ Government.	No such scheme for settlement has taken place during FY 2021-22.
4	Whether the bank guarantees have been revalidated in time?	The Company has no bank guarantees.



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



USNVRC Prabhu
Partner

Membership No.: 055839
UDIN: 22055839APOJTI3123

Vijayawada, July 22, 2022



NON - BANKING FINANCIAL COMPANIES AUDITOR'S REPORT FOR THE YEAR ENDED 31st MARCH 2022

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 31.03.2022.
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 2021-2022.
4. The financial statements of the Company for the year 2021-22 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: 22055839APOJTI3123

Vijayawada, July 22, 2022

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED				
Standalone Balance Sheet as at March 31, 2022				
	Particulars	Note No.	As on March 31, 2022 (As per Ind AS)	As on March 31, 2021 (As per Ind AS)
	ASSETS			
(1)	Financial Assets			
(a)	Cash and cash equivalents	2	10,30,71,511	30,21,11,148
(b)	Bank Balance other than Cash and cash equivalents	3	1,03,75,765	1,14,72,333
(c)	Loans	4	1,82,76,39,91,399	1,62,38,23,62,000
(d)	Other Financial assets	5	2,15,91,87,685	1,49,51,51,775
	Total Financial Assets (A)		1,85,03,66,26,360	1,64,19,10,97,256
(2)	Non-financial Assets			
(a)	Current tax assets (Net)	6	35,46,51,138	18,65,57,591
(b)	Property, Plant and Equipment	7	2,18,231	47,574
	Total Non Financial Assets (B)		35,48,69,369	18,66,05,165
	Total Assets (A+B)		1,85,39,14,95,729	1,64,37,77,02,422
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	Financial Liabilities			
(a)	Debt Securities	8	61,54,55,83,333	64,11,00,00,000
(b)	Borrowings (Other than Debt Securities)	9	1,17,17,43,84,675	95,21,88,20,487
(c)	Other financial liabilities	10	88,93,97,830	90,76,35,653
	Total Financial Liabilities (A)		1,79,60,93,65,838	1,60,23,64,56,140
(2)	Non-Financial Liabilities			
(a)	Current tax liabilities & provisions	11	40,52,75,331	26,04,42,259
(b)	Deferred tax liabilities (Net)	12	14,693	3,425
(c)	Other non-financial liabilities	13	9,53,622	9,95,077
	Total Non-Financial Liabilities (B)		40,62,43,646	26,14,40,761
(3)	Equity			
(a)	Equity Share capital	14	3,48,37,40,100	3,48,37,40,100
(b)	Other Equity	15	1,89,21,46,144	39,60,65,422
	Total Equity (C)		5,37,58,86,244	3,87,98,05,522
	Total Liabilities and Equity (A+B+C)		1,85,39,14,95,729	1,64,37,77,02,422

Notes annexed hereto form integral part of Standalone Financial Statements

As Per Our Report Of Even Date
For Seshchalam & Co.
Chartered Accountants
FRN 903714S

U.S.N.V.R.C Prabhu
Partner
Membership No. 055839
UDIN: 22055839APOJT13123



For and on behalf of Board of Directors

Dr. K. V. V. Satyanarayana, IAS
Managing Director
(DIN: 08076027)

B. Sreedhar, IAS
Director

M Ramana Reddy
Chief Finance Officer

V Abhinaya
Company Secretary

Place : Vijayawada
Date : July 22, 2022



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED				
Standalone Statement of Profit/Loss as on March 31, 2022				
	Particulars	Note No.	For the year ended March 31, 2022 (As per Ind AS)	For the year ended March 31, 2021 (As per Ind AS)
	REVENUE FROM OPERATIONS			
(i)	Interest Income	16	15,77,86,54,635	12,76,93,71,964
(I)	Total Revenue from operations		15,77,86,54,635	12,76,93,71,964
(II)	Other Income	17	5,29,11,143	2,04,42,582
(III)	Total Income (I+II)		15,83,15,65,778	12,78,98,14,546
	EXPENSES			
(i)	Finance Costs	18	13,52,11,33,397	11,50,79,15,819
(ii)	Employee Benefits Expenses	19	40,73,147	31,71,874
(iii)	Depreciation, amortization	7	76,768	15,418
(iv)	Others expenses	21	32,65,07,964	91,21,805
(IV)	Total Expenses		13,85,17,91,276	11,52,02,24,917
(V)	Profit / (Loss) before exceptional items and tax (III-IV)		1,97,97,74,502	1,26,95,89,630
(VI)	Impairment on Financial Asset		8,18,53,933	65,21,38,000
(VII)	Profit/(Loss) before tax (V -VI)		1,89,79,20,569	61,74,51,630
	Tax Expense:			
	(1) Current Tax		40,18,28,578	25,56,33,553
	(2) Deferred Tax		11,268	3,425
(VIII)	Total Tax Expense		40,18,39,846	25,56,36,978
(IX)	Profit / (Loss) for the period from continuing operations(VII-VIII)		1,49,60,80,722	36,18,14,652
(X)	Profit/(Loss) from discontinued operations		-	-
(XI)	Tax Expense of discontinued operations		-	-
(XII)	Profit/(Loss) from discontinued operations(After tax) (X-XI)		-	-
(XIII)	Profit/(Loss) for the period (IX+XII)		1,49,60,80,722	36,18,14,652
(XIV)	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 (specify items and amounts)		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income (A + B)		-	-
(XV)	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)		1,49,60,80,722	36,18,14,652
(XVI)	Earnings per equity share			
	Basic (Rs.)		42.94	10.39
	Diluted (Rs.)		42.94	10.39

See Accompanying notes to 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: 22055839APOJT13123

Place : Vijayawada
Date : July 22, 2022



For and on behalf of Board of Directors

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

(DIN:08076027)

B. Sreedhar, IAS
Director

M Ramana Reddy
Chief Finance Officer

V Abhinaya
Company Secretary



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Cash Flow Statement for the year ended 31st March 2022

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(loss) after tax as per Statement of Profit and Loss	1,49,60,80,722	36,18,14,652
Adjusted For:		
Depreciation & Assets written off	76,768	15,418
Deferred Tax Liability/(Asset)	14,693	3,425
Interest Earned on Fixed Deposits with Banks and IT Refund	-5,09,19,617	-
Operating profit before working capital changes	1,44,52,52,567	36,18,33,494
Adjusted For:		
(Increase)/Decrease in Receivables from AP Govt	47,69,202	14,59,36,723
(Increase)/Decrease in Financial Assets	-83,68,98,659	-39,52,59,891
Increase/(Decrease) in Bonds outstanding	-2,56,44,16,667	3,65,90,00,000
Increase/(Decrease) in Inter Corporate Deposits	10,76,00,00,000	7,85,00,00,000
Increase/(Decrease) in Bank Loans	11,19,55,64,189	37,36,88,20,487
(Increase)/Decrease in Advances to AP Power Utilities	-20,38,16,29,399	-51,85,63,62,000
Increase/(Decrease) in Trade Payables & Other Financial Liabilities	12,65,50,370	19,56,90,504
(Increase)/Decrease in Net Current Assets	-1,69,60,60,965	-3,03,21,74,177
Net Cash Flow from Operating Activities (A)	-25,08,08,398	-2,67,03,40,683
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase)/Decrease in Net Investments	-	-
(Purchase)/Sale of Fixed Assets	-2,47,424	-62,990
Interest Received	5,09,19,617	-
Net Cash Flow from Investing Activities (B)	5,06,72,193	-62,990
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Equity Share Capital	-	42,40,00,000
Net Cash Flow from Investing Activities (C)	-	42,40,00,000
Net (Decrease)/ Increase in Cash and Cash equivalents (A+B+C)	-20,01,36,205	-2,24,64,03,673
Add: Cash and Cash Equivalents at the beginning the year	31,35,83,481	2,55,99,87,152
Cash and Cash Equivalents at the end of the year	11,34,47,276	31,35,83,479
Reconciliation of Cash & Cash Equivalents		
Cash in Hand	-	-
Cash at Bank		
a) In Current Account	9,96,69,341	30,18,25,891
b) In No-Lien Accounts	1,37,77,627	1,15,08,706
c) Escrow Accounts	308	2,48,884
Total Cash & Cash Equivalents at the end of the year	11,34,47,276	31,35,83,481

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

U.S.N.V.R.C Prabhur
Partner
Membership No. 055839
UDIN: 22055839APOJTI3123

Place : Vijayawada
Date : July 22, 2022



For and on behalf of Board of Directors

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

(Signature)
B. Sreedhar, IAS
Director

(DIN: 08076027)

(Signature)
M Ramana Reddy
Chief Finance Officer

(Signature)
V Abhinaya
Company Secretary



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

Notes to account for balance sheet

	31-03-2022	31-03-2021
	Rs.	Rs.
Note 2 Cash and Cash Equivalents		
(i) Balances with Scheduled Bank		
a. In Current Account with SBI	9,96,69,341	30,18,25,891
b. No - Lien Account SBI	34,01,862	36,373
c. Bank of India - Escrow A/c.	-	99,274
d. Bank of Baroda - Escrow A/c.	-	1,28,221
e. State Bank of India - Escrow A/c.	-	-
f. Canara Bank - Escrow A/c.	-	17,684
g. Union Bank of India - Escrow A/c.	308	3,705
(ii) Cash on Hand	-	-
	10,30,71,511	30,21,11,148
Note 3 Bank Balance other than Cash and Cash Equivalents		
a. No Lien Account - 62265296302	2	2
b. No Lien Account - 38356359860	293	290
c. No Lien Account - 38356342256	1,887	1,887
d. No Lien Account - 62213387439	30,88,366	30,89,015
e. No Lien Account - 62235605816	12,16,574	12,17,223
f. No Lien Account - 52117479165	23,22,180	23,22,829
g. No Lien Account - 62167470827	34,90,946	45,84,272
h. No Lien Account - 52117469464	1,81,318	1,81,967
i. No Lien Account - 52117474699	-	-
j. No Lien Account - 52117469442	-	-
k. No Lien Account -52117479176	74,199	74,848
Total	1,03,75,765	1,14,72,333
Note 5 Other Financial Assets		
Receivable from Andhra Pradesh Buildings and Other Construction workers Welfare Board	-	47,69,202
Interest Receivable From AP Genco	3,14,92,603	-
Interest Receivable From APPDCL	4,66,27,397	-
Interest Receivable on Advances	1,88,11,475	81,25,78,417
Receivable from Telanagana State Government	12,55,278	12,55,278
CDSL Fee Receivable - TSPFCL	36,887	-
NSDL Fee Receivable - TSPFCL	36,887	-
NSE Listing Fee Receivable - TSPFCL	88,528	-
DSRA- Fixed Deposits with Bank	1,26,88,23,918	67,55,27,490
Security Deposit	8,00,000	8,00,000
APCOS PD Account	58,025	67,890
Temporary Advance	4,463	1,53,498
Interest Accrued But Not Due on BOI FD	3,98,39,894	-
Interest Accrued But Not Due on CBOI FD	10,92,701	-
Interest Receivable But not Due	75,02,19,629	-
	2,15,91,87,685	1,49,51,51,775
Note 6 Current Tax Assets (NET)		
TDS Receivable 2020-21	12,64,041	25,47,591
Advance Tax 2021-22	34,85,36,168	18,40,10,000
TDS Receivable 2021-22	48,50,569	-
GST Cash Ledger	360	-
	35,46,51,138	18,65,57,591
Note 10 Other financial liabilities		
Unpaid Interest on Bonds	1,03,81,559	1,14,74,059
Interest Payables	87,90,16,271	89,61,61,594
	88,93,97,830	90,76,35,653
Note 11 Current Tax Liabilities		
Provision for Income Tax FY 2021-22	40,18,28,578	25,56,33,553
Provision for Income Tax FY 2020-21	-3,130	-
MAT Credit Reversal	-	-
CGST 9%	39,060	-
IGST	3,000	-
SGST 9%	39,060	-
GST Payable	-	-
TDS Payable	33,25,699	48,05,538
GST TDS	43,064	3,168
Deferred Tax Asset Reversal	-	-
	40,52,75,331	26,04,42,259



Note 12 Deferred Tax		
Tax effect of items constituting deferred tax		
Arising on Account of timing difference in Depreciation	14,693	3,425
Opening Deferred Tax Asset	-	-
	14,693	3,425
Note 13 Other Non-Financial Liabilities		
Payable to Creditors	1,15,237	1,15,237
Professional Charges Payable	2,33,100	2,05,554
Guest House Expenses Payable	4,55,087	4,60,788
Salaries Payable	23,096	29,214
Other Payables	1,27,102	1,84,284
	9,53,622	9,95,077

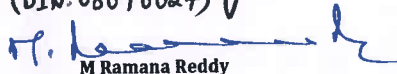
For Seshchalam & Co.
Chartered Accountants
FRN 003714S

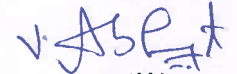
For and on behalf of Board of Directors

U.S.N.V.R.C Prabhu
Partner
Membership No. 055839
UDIN: 22055839APOJT13123

Dr. K. V. V. Satyanarayana, IAS
Managing Director
(DIN: 08076027)


B. Sreedhar, IAS
Director


M Ramana Reddy
Chief Finance Officer


V Abhinaya
Company Secretary

Place : Vijayawada
Date : July 22, 2022



Notes to Profit and Loss Account		
	As on 31-03-2022 Rs.	As on 31-03-2021 Rs.
Note 16 Interest Income		
Interest on Loans	15,77,86,54,635	12,76,93,71,964
	15,77,86,54,635	12,76,93,71,964
Note 17 Other Income		
Interest on Fixed Deposits	5,09,19,617	2,04,42,582
Pre-closing Charges	19,91,526	-
	5,29,11,143	2,04,42,582
Note 18 Finance Costs		
Interest on Bonds	5,44,04,54,352	5,21,75,79,091
Interest on Inter Corporate Deposits	1,13,69,85,476	20,23,54,812
Interest on Loans from Banks	6,94,36,84,564	6,08,79,81,916
Bank Charges	9,005	-
	13,52,11,33,397	11,50,79,15,819
Note 19 Employee Benefit Expenses		
Staff Salary	39,40,628	26,15,586
Staff Welfare Expense	1,32,519	3,43,216
Outsourcing Staff	-	2,13,072
	40,73,147	31,71,874
Note 20 Depreciation and Amortization		
Depreciation	76,768	15,418
	76,768	15,418
Note 21 Other Expenses		
Auditor's Remuneration		
Audit Expenses	18,238	2,010
Internal Audit Fee	35,400	25,000
Statutory Audit Fees	88,500	75,000
Secretarial Audit Fees	32,800	40,000
Tax Audit Fees	6,800	5,000
Guest House Expense	53,78,244	34,72,074
Guarantee Commission Fee	30,00,00,000	-
Listing Compliance Fee	15,44,367	16,59,659
Repairs and Maintenance	5,968	10,198
Professional Fee	12,01,537	4,38,387
Office Expense	4,47,251	3,66,448
Vehicle Hire Expense	12,15,274	8,54,662
Rates and Taxes	3,540	3,540
ROC Charges	45,700	16,200
Other Expenses	6,42,842	21,46,668
Interest, Late fees and Penalties	1,58,41,503	6,959
	32,65,07,964	91,21,805

For Seshchalam & Co.
Chartered Accountants
FRN:008714S

U.S.N.V.R.C Prabhu
Partner
Membership No. 055839
UDIN: 22055839APOJT13123

Place : Vijayawada
Date : July 22, 2022



For and on behalf of Board of Directors

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

(DIN: 08076027)

M Ramana Reddy
Chief Finance Officer

B. Sreedhar, IAS
Director

V Abhinaya
Company Secretary



Note 4 : Loans
Pursuant to the provisions specified under Division III - Schedule III to the Companies Act, 2013

Particulars	Current Year: 2021-22											Previous Year: 2020-21				
	Amortised Cost		At Fair Value		Designated at fair value through profit or loss	Sub-Total	Total	Amortised Cost	At Fair Value		Sub-Total	Total				
	1	2	3	4					5 = 2+3+4	6 = 1+5			7	8	9	10
(A) Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(i) Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(ii) Loans repayable on Demand	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iii) Term Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iv) Lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(v) Factoring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(vi) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total (A) - Gross	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total (A) - Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(B) Secured by tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1,83,49,79,83,332	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total (B) - Gross	1,83,49,79,83,332	-	-	-	-	-	-	1,83,49,79,83,332	-	-	-	-	-	-	-	
Less: Impairment loss allowance	73,39,91,933	-	-	-	-	-	-	73,39,91,933	-	-	-	-	-	-	-	
Total (B) - Net	1,83,76,39,91,399	-	-	-	-	-	-	1,83,76,39,91,399	-	-	-	-	-	-	-	
(C) (i) Loans in India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(ii) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total (C) - Gross	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total (C) (i) - Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C) (ii) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total (C) (ii) - Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total (C) (i) and (C) (ii)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Fund Note:

	31-03-2022	31-03-2021	31-03-2020
Loans			
a. Loans and Advances to AP Discoms - From Banks & Other Funds	1,21,95,24,00,000	98,52,45,00,000	50,07,50,00,000
b. Loans and Advances to AP Discoms - Receivable from Govt. of Andhra	57,29,95,83,332	59,86,40,00,000	60,45,10,00,000
c. Loans and Advances to AP Discoms - Through Issue of Bonds	4,24,60,00,000	4,24,60,00,000	-
Total (a+b+c)	1,83,49,79,83,332	1,63,03,45,00,000	1,10,52,60,00,000
e. Less: Impairment Loss Allowance	73,39,91,933	65,21,38,000	-
Net total (d-e)	1,83,76,39,91,399	1,62,38,23,62,000	1,10,52,60,00,000

For and on behalf of Board of Directors

For Seshachalam & Co
Chartered Accountants
FRN 003714S
HYDERABAD-16.

U.S.N.V.R.C.Prabhu
Partner
Membership No. 055839
UDIN: 22055839APQJ13123

Dr. K. V. Manjannaiah, IRAS
Managing Director

B. Sreedhar, IAS
Director

(DIN: 08676627)

M. Ramana Reddy
Chief Finance Officer

V. Abhinav
Company Secretary

Place: Vijayawada
Date: July 22, 2022



Handwritten notes and calculations at the bottom of the page, including 'Total Loans - 1,83,76,39,91,399' and 'Net Loans - 1,83,76,39,91,399'.

Note : 7 Property Plant and Equipment (PPE)

Particulars	Property, Plant and Equipment				Total
	Computers	Office Equipments	Furniture & Fixtures	Computer Software	
Gross carrying amount					
Closing Balance as at 31.03.2021	44,760	2,813			47,573
Additions/Adjustments	1,15,998	80,948			
Deductions/Adjustments				50,478	
Closing Balance as at 31.03.2022	1,60,758	83,761			2,44,742
Depreciation					
For the Period	58,548	12,801		5,419	
Net Carrying Amount					
As at 31.03.2021	44,761	2,813			47,575
As at 31.03.2022	1,02,210	70,960	1	45,059	2,18,230

For Seshchalam & Co.
Chartered Accountants
FKN 003714S

[Signature]

U.S.N.V.R.C Prabhu
Partner
Membership No. 055839
UDIN: 22055839APOJT13123



Place : Vijayawada
Date : July 22, 2022

For and on behalf of Board of Directors

Dr. K. V. V. Satyanarayana, IRAS
Managing Director
(DIN: 08076027)

B. Sreedhar, IAS
Director

M. Ramana Reddy
Chief Finance Officer
V. Abhinaya
Company Secretary



ISIN	Rate of Interest	Date of Redemption	Amount
INE847E09029	8.74%	15/11/2022	3.61
INE847E08D18	9.10%	15/12/2021	
INE847E08DK6	9.60%	15/12/2023	5
INE847E08D14	9.85%	30/01/2022	
INE847E08DM2	9.97%	30/01/2024	1.9
INE847E08DND	9.50%	08/06/2022	2
INE847E08DD8	9.64%	08/06/2024	1.0
INE847E08DPS	9.75%	18/07/2022	4.0
INE847E08DQ3	9.75%	09/11/2022	7.2
INE847E08DS9	8.20%	20/04/2030	16.4
INE847E08DT7	8.20%	29/04/2028	20.0
INE847E08DU5	8.20%	12/05/2028	2.5
INE847E08DV3	7.50%	18/08/2028	3.4
			61.5

For and on behalf of Board of

Dr. K. V. V. Satyanarayana, IRAS
Managing Director
(DIN: 08076027)

M. Ramana Reddy
Chief Finance Officer



Note 9: Borrowings Other than Debt Securities
Pursuant to the provisions specified under Division III - Schedule III to the Companies Act, 2013

Particulars	Current Year: 2021-22				Previous Year: 2020-21			
	1	2	3	4 = 1+2+3	5	6	7	8 = 5+6+7
	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
(A) Term loans:-	98,56,43,84,675	-	-	98,56,43,84,675	87,36,88,20,487	-	-	87,36,88,20,487
State Bank of India	1,405,75,42,118	-	-	1,405,75,42,118	87,36,88,20,487	-	-	87,36,88,20,487
Axis Bank	1,199,04,59,772	-	-	1,199,04,59,772	14,99,96,01,178	-	-	14,99,96,01,178
Canara Bank	19,09,58,28,065	-	-	19,09,58,28,065	15,00,72,22,230	-	-	15,00,72,22,230
Bank of Baroda	14,99,29,59,479	-	-	14,99,29,59,479	19,87,00,39,891	-	-	19,87,00,39,891
Bank of India	29,52,14,91,535	-	-	29,52,14,91,535	7,49,65,65,198	-	-	7,49,65,65,198
Indian Overseas Bank	4,99,99,71,805	-	-	4,99,99,71,805	29,99,50,00,000	-	-	29,99,50,00,000
(B) From other parties:-	-	-	-	-	-	-	-	-
(C) Borrowed payments liabilities	-	-	-	-	-	-	-	-
(D) Loans from Related Parties	-	-	-	-	-	-	-	-
(E) Finance lease obligations	-	-	-	-	-	-	-	-
(F) Liability component of compound financial instruments	-	-	-	-	-	-	-	-
(G) Loans repayable on demand:-	14,61,00,00,000	-	-	14,61,00,00,000	7,85,00,00,000	-	-	7,85,00,00,000
(H) Term Deposits	-	-	-	-	-	-	-	-
(I) From other parties - Inter Corporate Deposits	18,61,00,00,000	-	-	18,61,00,00,000	7,85,00,00,000	-	-	7,85,00,00,000
AP Buildings and Other Construction workers Welfare Board	1,44,00,00,000	-	-	1,44,00,00,000	1,44,00,00,000	-	-	1,44,00,00,000
AP Pollution Control Board	1,00,00,00,000	-	-	1,00,00,00,000	1,00,00,00,000	-	-	1,00,00,00,000
AP Southern Power Distribution Corporation Limited, Perinthol & Gravelly	8,19,00,00,000	-	-	8,19,00,00,000	4,16,00,00,000	-	-	4,16,00,00,000
AP Urban Development Fund	1,25,00,00,000	-	-	1,25,00,00,000	1,25,00,00,000	-	-	1,25,00,00,000
AP Eastern Power Distribution Corporation Limited, Perinthol & Gravelly	2,20,00,00,000	-	-	2,20,00,00,000	-	-	-	-
AP Solar Power Corporation	4,53,00,00,000	-	-	4,53,00,00,000	-	-	-	-
(J) Other loans (Specific nature)	-	-	-	-	-	-	-	-
Borrowings in India	1,17,17,43,84,675	-	-	1,17,17,43,84,675	95,21,88,20,487	-	-	95,21,88,20,487
Borrowings outside India	1,17,17,43,84,675	-	-	1,17,17,43,84,675	95,21,88,20,487	-	-	95,21,88,20,487
Total (B) to tally with (A)	-	-	-	-	-	-	-	-

For and on behalf of Board of Directors

Chartered Accountants
FIRN 003714S
U.S.M.K.R. Prabh
Membership No. 055839
UDIN: 22058394P0J13123



Dr. K. V. V. Srinivasan
Managing Director
DPO: 08076027

M. Ramana Reddy
Chief Finance Officer

V. Abhishek
Company Secretary



Place: Vilavayada
Date: July 22, 2022

Note 14: Changes in Equity

Particulars	Opening Balance 01.04.2021	Issued during the Year 31.03.2022	Closing Balance 31.03.2022
Authorized Capital			
30,00,00,000 Equity Shares of Rs.100/- each	30,00,00,00,000	-	30,00,00,00,000
Issued, Subscribed & Paid up Capital			
3,48,37,401 Equity Shares of Rs. 100/- each fully paid up as on 31.03.2022	3,48,37,40,100	-	3,48,37,40,100

Shares in the Company held by each shareholder holding more than 5% of the shares

Particulars	As at 31.03.2022	
	No of Shares	% of Equity Share Capital
GOVERNOR OF ANDHRA PRADESH	348,37,394	99.99%

Note 15: Other Equity

Particulars	Securities Premium	Special Reserves	General Reserve	As at 31.03.2021		Comprehensive Income	Total
				Surplus/(Deficit)	% of Equity Share Capital		
Balance as on 01.04.2021	-	68,34,244	-	2,74,16,526	-	-	3,42,50,770
Profit After tax during the period to 31.03.2021	-	25,39,27,162	-	10,78,87,490	-	-	36,18,14,652
Changes in Fair value of Loans and Advances	-	-	-	-	-	-	-
Actuarial Gain / loss on Gratuity	-	-	-	-	-	-	-
Amount Spent for CSR	-	-	-	-	-	-	-
Equity Dividend (Including Dividend Distribution Tax)	-	-	-	-	-	-	-
Transfer from Surplus Account	-	-	-	-	-	-	-
Transfer to Special Reserve	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-
Transfer to Reserve Fund	-	2,60,76,1406	-	-	-	-	39,60,65,422
Balance as on 31.03.2022	-	39,59,54,900	-	1,10,01,25,822	-	-	1,49,60,80,722
Profit After tax during the period to 31.03.2022	-	-	-	-	-	-	-
Changes in Fair value of Loans and Advances	-	-	-	-	-	-	-
Actuarial Gain / loss on Gratuity	-	-	-	-	-	-	-
Amount Spent for CSR	-	-	-	-	-	-	-
Equity Dividend (Including Dividend Distribution Tax)	-	-	-	-	-	-	-
Transfer from Surplus Account	-	-	-	-	-	-	-
Transfer to Special Reserve	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-
Transfer to Reserve Fund	-	-	-	-	-	-	-
Balance as on 31.03.2022	-	65,67,16,306	-	1,23,54,29,838	-	-	1,89,21,46,144

For and on behalf of Board of Directors

Chartered Accountants
Firm No. 007145
U.S.N.V.R.C.Prabhu
Partner
Membership No. 0558839
UDIN: 22055839AP0T13123

Dr. K. V. V. Subramanyam, IAS
Managing Director
(UDIN: 080760237)
B. Sreedhar, IAS
Director

M. Ramana Reddy
Chief Finance Officer
V. Abhinav
Company Secretary



Place : Vijayawada
Date : July 22, 2022



Note: 1

Significant accounting policies and notes to accounts:

Company Information:

Andhra Pradesh Power Finance Corporation Limited (APFCL) 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. Basis of Preparation and Presentation

a. Statement of Compliance

The financial statements 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 together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendments Rules, 2016 issued by the Ministry of Corporate Affairs (MCA).

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.

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

2. The Receipts in the form of Interest for payment of interest on bonds and interest on loans given to AP DISCOMS of Rs.1,577.86 Crores (Previous year: Rs.1,276.93 Crores), and Reimbursement of expenses incurred by the company on behalf of the Government is NIL for the year Financial Year 2021-22 (Previous Year: NIL).

c. Revenue Recognition:

As per Ind AS 109, Financial Instruments, 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, Financial Instruments, finance cost, i.e. interest expenses from financial liabilities 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 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 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 are recognized immediately in 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 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 asset is held within a business model whose objective is to hold them to collect contractual cash flows and
- (b) The contractual terms of the financial asset 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 the both the conditions specified above.

B. Property, Plant and Equipment:

The property plant and equipment are the assets held for the 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.

C. 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.

D. 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, 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.

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.

The Company has created Impairment loss / Provision on Standard Assets in the Financial Year 2021-22 amounting to Rs. 73.39 Crores (Previous Year amounting to Rs.65.21 Crores).

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

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	18,349.79 Cr	18,349.79 Cr	0	18,349.79 Cr	73.39 Cr	(73.39) Cr
	Stage 2						
Sub Total (1)							
Non-Performing Assets							
Substandard Assets	Stage 3						
Doubtful Assets							
Up to 1 Year	Stage 3	Nil	Nil	Nil	Nil	Nil	Nil
1 to 3 Years	Stage 3	Nil	Nil	Nil	Nil	Nil	Nil
More than 3 Years	Stage 3	Nil	Nil	Nil	Nil	Nil	Nil
Subtotal for doubtful assets		Nil	Nil	Nil	Nil	Nil	Nil
Loss Assets	Stage 3	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total for NPA (2)		Nil	Nil	Nil	Nil	Nil	Nil
Total Loan Assets		Nil	Nil	Nil	Nil	Nil	Nil
Other items which are in scope of Ind-AS 109 but not covered under IRACP norms		Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (3)		Nil	Nil	Nil	Nil	Nil	Nil
Total	Stage 1	18,349.79 Cr	18,349.79 Cr	0	18,349.79 Cr	73.39 Cr	(73.39) Cr



H. Debt Securities and Term Loans:

Unsecured Bonds: Rs. 6,154.55 Crores (Previous year Rs. 6,411.00 Crores) and Outstanding Term Loans from Banks of Rs. 9,856.43 Crores (Previous year: 8,736.88 Crores)

- i. The Company has raised funds through private placement of "APPFC BONDS" in the earlier years under various series, but during the current year 2021-22 the Company has not raised funds through issue of Bonds. The common features of the various series of bonds issued earlier 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, which assures budgetary support, from Government of Andhra Pradesh for servicing the bonds. 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.
- iv. The Repayment of Outstanding Term Loans of Rs. 9,856.43 Crores from the 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 and G.O. Ms. No. 27 dated 08.12.2020.
- v. Outstanding amount of APPFC Bonds at the end of year under different series is 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
		31-03-2022	31-03-2021				
1	1/2010	368.30	368.30	8.74	Semi Annual	12	10 th Year
2	1/2011	-	2.10	9.10	Semi Annual	10	7 th Year
		58.80	60.00	9.60		12	10 th Year
3	2/2011	-	63.50	9.85	Semi Annual	10	7 th Year
		197.00	237.50	9.97		12	10 th Year
4	1/2012	26.30	26.30	9.50	Semi Annual	10	7 th Year
		100.80	100.80	9.64		12	10 th Year
5	2/2012	404.60	404.60	9.75	Semi Annual	10	7 th Year
6	3/2012	723.30	723.30	9.75	Semi Annual	10	7 th Year



7	1/2020	1640.55	1789.70	8.2	Quarterly	10	NA
8	2/2020	2000.00	2000.00	8.2	Quarterly	8	NA
9	3/2020	251.90	251.90	8.2	Quarterly	8	NA
10	4/2020	383.00	383.00	7.5	Quarterly	8	NA

During the year, APPFCL has completely redeemed Listed Bond Series 1/2011 option A (ROI 9.10%) amounting to Rs.2.10 Crores on 15th December 2021 vide GO Rt. No. 167 dated 19th November, 2021.

During the year, APPFCL has partially redeemed Listed Bond Series 1/2011 option B (ROI 9.60%) amounting to Rs. 1.20 Crores on 15th December 2021 vide GO Rt. No. 174 dated 06th December, 2021.

During the year, APPFCL has completely redeemed Listed Bond Series 2/2011 option A (ROI 9.85%) amounting to Rs. 63.50 Crores on 30th January 2022 vide GO Rt. No. 4 dated 17th January, 2022.

During the year, APPFCL has partially redeemed Listed Bond Series 2/2011 option B (ROI 9.97%) amounting to Rs. 40.50 Crores on 30th January 2022 vide GO Rt. No. 4 dated 17th January, 2022.

During the year, APPFCL has partially redeemed Unlisted Bond Series 1/2020 (ROI 8.20%) amounting to Rs. 49.71 Crores on 20th July 2021, Rs. 49.71 Crores on 20th October 2021 and Rs. 49.71 Crores on 20th January 2021 vide GO Rt. No. 74 dated 16th June, 2021, GO Rt. No. 132 dated 09th October, 2021 and GO Rt. No. 180 dated 17th December, 2021.

vi. Outstanding amount of APPFC term loans at the end of year as follows:

BANK NAME	SANCTIONED DATED	LOAN AVAILED AMOUNT	OUTSTANDING	OVERDUES	Latest ROI	TENURE OF THE LOAN
SBI Bank loan	17.12.2019	1500.00	1405.75	NIL	7.55%	2yrs moratorium, 32 quarterly instalments commencing from 3rd Quarter of FY 2021-22
UNION BANK	31.12.2019	1500.00	1499.62	NIL	7.25%	3yrs moratorium, 48 quarterly instalments commencing from 31.01.2023
Canara Bank	15.02.2020	600.00	1999.53	NIL	7.50%	3yrs moratorium, within 12 years in 48 quarterly instalment period
Canara Bank	17.03.2020	1400.00		NIL		
Bank of India	09.04.2020	2000.00	2952.25	NIL	7.35%	3yrs moratorium, 12 years in 48 quarterly instalment period



Bank of India	30.09.2020	1000.00		NIL	7.25%	1yr moratorium, 11 years in 44 Quarterly instalment period
Bank of Baroda	11.12.2020	750.00	1499.29	NIL	7.30%	2yrs moratorium, within 8 years in 32 quarterly instalments
Bank of Baroda	14-10-2021	750.00		NIL	7.35%	2yrs moratorium, within 8 years in 32 quarterly instalments
INDIAN OVERSEAS BANK	27.08.2021	500.00	499.99	NIL	7.45%	2yrs moratorium, within 8 years in 32 quarterly instalments
TOTAL BANK LOANS		10000.00	9856.43			

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.

I. Loan to AP DISCOMs:

The funds mobilized up to 31-03-2022 through issue of Bonds, by way of Loans from banks and from Owner Funds i.e., through issue of equity shares have been deployed by way of "Loan to AP DISCOMs" to the extent of Rs. 18,349.79 Crores (Rs. 16,303.45 Crores as at 31-03-2021).

Particulars	As on 31-03-2022 (Rs. in Crore)	As on 31-03-2021 (Rs. in Crore)	As on 31-03-2020 (Rs. in Crore)
Financial Assets:			
-Loan to DISCOMs	18,349.79	16,303.45	11,052.60
-Call Option	-	-	-
Total :	18,349.79	16,303.45	11,052.60
Current Assets:			
Other Current Assets	NIL	NIL	NIL
Total :	18,349.79	16,303.45	11,052.60



J. Managerial Remuneration:

Particulars	Managing Director		
	2021-22 Rs.	2020-21 Rs.	2019-20 Rs.
Salaries, Allowances	--	--	--
Contribution to Provident Fund and welfare fund	--	--	--
Others – Additional Charge allowance to Managing Director	4,09,120.00	3,43,216.00	3,89,437.00

K. Contingent Liabilities:

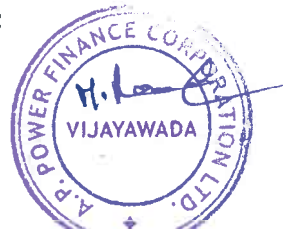
Particulars	As at 31.03.2022	As at 31.03.2021
	Rs.	Rs.
Income tax claims against the company not acknowledged as debts (AY 2012-13)	2,15,37,500	2,15,37,500
Trustee fees – SBICAP (TS Share)	4,67,233	4,67,233

- L.** As per Expert Committee Report the total bifurcated bond liability, after redeeming Bonds amounting to Rs.1250.26 Crores from the date of bifurcation to till the end of the current financial year, as on 31st March, 2022 was Rs. 4,644.34 Crores, of which share of APPFCL is Rs. 1,879.10 Crores and the share of TSPFCL is Rs. 2,765.24 Crores.

The Expert Committee for Approval of the Demerger Proposals of Government Companies/Corporations/Entities in the Schedule IX of AP Reorganisation 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 organisation Act, 2014.

- M.** 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 31-03-2022 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 on 31st March, 2022

- N.** Following are the bank accounts reflected in the Books of Accounts and the same is reconciled as on 31.03.2022 by the management:



SL NO	Particulars	A/C No.
01	Current Account with SBI	52117468653
02	APPFCL Bond Servicing Account Series 1/2019.	38356342256
03	No Lien Account – Series I, II,III & IV/ 2020	38356359860
04	No-Lien A/C	62443536820
05	Bank of India – Escrow A/c	860520110000534
06	Bank of Baroda – Escrow A/c	26360200007815
07	Canara Bank – Escrow A/c	2985201000189
08	Andhra Bank – Escrow A/c	119211100003059
09	No Lien Account – Series II/2000	52117469464
10	No Lien Account – Series I/2002	52117469442
11	No Lien Account – Series II/2002	52117469699
12	No Lien Account – Series I/2004	52117479176
13	No Lien Account – Series I/2005	52117479165
14	No Lien Account – Series I/2010	62167470827
15	No Lien Account – Series I/2011 & II/2011	62213387439
16	No Lien Account – Series I/2012	62235605816
17	No Lien Account – Series II/2012	62247099961
18	No Lien Account – Series III/2012	62265296302
19	State Bank of India – Escrow A/c.	39004894121

O. With respect to 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 66.43 Acres in Visakhapatnam District and 34.88 Acres in Nellore District to a total extent of AC.101.31 Cts at Book Value to Andhra Pradesh Power Finance Corporation Limited. However, the issue is still pending and the assets were not transferred 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, 2022.

P. Payable/Receivable from Telangana Government:

Amount received from Telangana State Govt. are used for the Telangana state share of interest payment on outstanding amount of debentures as recommended by the Expert Committee. In the FY 2021-22, the Receivables from TS Govt. amounts to Rs. 12,55,278.

Q. Inter-Corporate Deposits:

To achieve the objectives of the company, the company has invited funds from various Government Corporations in the form of Inter Corporate Deposits (ICDs) for the financial year 2021-22 at the rate of interest range from 5.5% to 8% and tenor also ranging between less than 6 months to 10 years and above.

Following is the statement showing the outstanding ICDs by the company as on 31st March, 2022:



Depositor Name	Year	Deposited Amount	Deposited Date	Tenure	Roi
ANDHRA PRADESH URBAN DEVELOPMENT FUND INVESTMENT FUND	2020	1,25,00,00,000	11.09.2020 & 14.09.2020	1 year	6%
ANDHRA PRADESH POLLUTION CONTROL BOARD	2020	1,00,00,00,000	29.09.2020	1 year	6%
Secretary CEO APBOCWW Board VIJAYAWADA	2020	1,44,00,00,000	17.10.2020	1 year	6%
APSPDCL P & G TRUST	2020	1,70,00,00,000	Rs. 110 Crs of 05.12.2020, Rs. 10 Crs 07.12.2020 & Rs. 50 Crs 09.12.2020	5 to 10 years	7.5%
APSPDCL P & G TRUST	2021	6,49,00,00,000	Rs. 80 Cr 12.01.2021, Rs. 80 Cr 10.02.2021 & Rs. 86 Cr 04.03.2021, Rs. 75 Cr 12.04.2021, Rs. 65 Cr 11.05.2021, Rs. 83 Cr 04.06.2021, Rs. 80 Cr 02.07.2021 & Rs. 100 Cr 05.08.2021	5 to 10 years	7.5%
APEPDCL P & G TRUST	2021	2,20,00,00,000	Rs. 120 Cr 12.05.2021, Rs. 50 Cr 17.06.2021 & Rs. 50 Cr 06.08.2021	10 years & above	8%
AP Solar Power Corp. Limited	2022	4,53,00,00,000	04.03.2022	10 years & above	5.75%
Total		18,61,00,00,000			

APPFCL has obtained guarantee from GoAP to the extent of Rs. 1308 crores only as against outstanding ICDs of Rs. 1861 crores resulting deficit guarantee of Rs. 553 crores.

R. Transfer to Investor Education Protection Fund:

During the financial year the company has not transferred any amount to IEPF fund. However, interest amounting to Rs. 46,45,660 remaining unpaid beyond 7 years which is yet to be transferred to IEPF fund.

S. 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 Vidyt 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 unutilised 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 wide 175th board meeting held on 21.07.2022 for conversion of the amount into equity share capital.



T. 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, 2022:

Sl. No.	Bank Name	Receipt No.	Date	Amount (Excluding Interest)
1	Bank Of India - 1st Deposit	BOI/VJA/APPFCL/2020-21:04	05-10-2020	13,26,00,000.00
2	Bank Of India - 2nd Deposit	BOI/VJA/APPFCL/2020-21:03	05-10-2020	6,25,00,000.00
3	Bank Of India - 3rd Deposit	BOI/VJA/APPFCL/2020-21:02	05-10-2020	41,75,00,000.00
4	Bank Of Baroda - 1st Deposit	BOB:BENVIJ:ADV:APPFCL:2020-21:01	21-12-2020	4,60,00,000.00
5	Indian Overseas Bank - 1 st Deposit	Letter	19-06-2021	6,90,00,000.00
6	Bank Of Baroda - 2 nd Deposit	Receipt	13-08-2021	4,68,00,000.00
7	Punjab National Bank - 1 st Deposit	Letter	24-08-2021	6,20,00,000.00
8	Bank Of Baroda - 3 rd Deposit	Receipt	20-09-2021	4,60,00,000.00
9	Union Bank	Receipt	28-09-2021	7,79,00,000.00
10	Central Bank of India	CBI-VIJ:BENZCI : 332	26-10-2021	6,00,00,000.00
11	Bank Of India - 4 th Deposit	Receipt	27-10-2021	92,00,000.00
12	Bank Of India - 5 th Deposit	Letter	08-02-2022	22,73,00,000.00
13	Bank Of India - 6 th Deposit	Receipt	08-02-2022	70,000.00
TOTAL DSRA DEPOSITS FOR THE FY 2021-22				125,68,70,000.00

U. 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 Tier I - 7%)
31 st March, 2020	12 % (Min Tier I - 8%)
31 st March, 2021	13 % (Min Tier I - 9%)
31 st March, 2022	15 % (Min Tier I - 10%)

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 on March 31, 2022
I.	Tier I Capital	537.59 crores
II.	Tier II capital (Provision on Standard Assets)	73.40 crores
III.	Total Capital	610.99 crores
IV.	Risk Weighted Assets	4,189.14 crores
V.	Tier I capital funds or core capital to risk weighted assets ratio (Core CRAR)	13%
VI.	Tier II capital	2%
VII.	Total capital funds to risk weighted assets ratio (CRAR)	15%

The company has maintained CRAR at 15%. Hence, the company has complied with the CRAR requirement as per the RBI roadmap of 15% as on 31st March, 2022.

- V. APPFCL has incurred an aggregate amount of Rs.31,29,846 (Rs.29,67,544 as on 31-03-2021) on behalf of TSPFCL towards their share of common expenses on Bonds. However, such amount is not shown as recoverable from TSPFCL in the books of APPFCL.

W. Calculation of Current Tax Liability (Net) for the FY 2021-22:

Particulars	Amount (Rs.)
Advance Income Tax and TDS (A)	35,46,50,778
Tax Deposited on income tax demands under protest (B)	-
Total Current Tax Assets (C)=(A+B)	35,46,50,778
Provision for Income Tax (D)	40,18,28,578
Net Current Tax Liability (E)=(D-C)	4,71,77,800

- X. "A.P."/ "AP" mentioned in this Financial Statements shall be read as "Andhra Pradesh".
Y. 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: 22055839APOJTI3123

Place : Vijayawada
Date : July 22, 2022

For and on behalf of Board of Directors

Dr. K. V. V. Satyanarayana, IRAS
Managing Director
(DIN: 08076027)

B. Sreedhar, IAS
Director

M Ramana Reddy
Chief Finance Officer

V Abhinaya
Company Secretary

