



ANDHRA PRADESH POWER FINANCE CORPORATION LTD.





Message from the Managing Director

Dear Members,

Welcome to the 20th Annual General Meeting of the Company!

On behalf of the Andhra Pradesh Power Finance Corporation Limited, I thank each of our stakeholders for having reposed confidence in the Management of the Company during the financial year 2019-20.

The whole nation is going through a rough phase having got severely affected with COVID-19 pandemic and appreciation should be accorded for the fact that the citizens are taking umpteen care to ensure that their family and themselves are safe from this pandemic. However, it is to be noted that extra care and cautiousness shall be continued until COVID-19 is weeded out in its entirety from the globe.

Wear Mask, Stay Home and Stay Safe!!

During the year under review, particularly the fourth quarter, the economic activity has slowed down due to COVID-19 pandemic. However, we are glad to inform you that the net profits of the Company have risen significantly during the financial year under review and the management of the Company making their best attempts to ensure that the business improves in the present financial year 2020-21.

During the financial year, the management of the Company decided to array into the business of "Loan-based Funding" apart from its "Bifurcated Bond Servicing" model. For this purpose, the Company has decided to take loans from various banks and other financial institutions.

We once again thank you for reposing confidence on us and helping us drive the business to new and greater heights and hope to present improved performance in the times to come.

With Best Wishes!!

K V V Satyanarayana, IRAS. Managing Director





TABLE OF CONTENTS

29

30

37

42

43

46

SECTION 1 • Corporate Overview

Board of Directors	9
Road Map	11
Performance at a Glance	22
Financial Parameters	24
Key performance indicators	2.5

SECTION 2 Forms & Reports

BOD's Report 2019-20

Annexure to Form MR-3

FORM A0C-2

Notice

SECTION 3 • Financial Statements

Auditor's Report	49
C & AG Report	60
Balance Sheet	63
Profit and Loss Account	65
Cash-Flow Statement	67
Notes to the Accounts	69

SECTION 4 Shareholder Corner

Proxy Form	85
Polling Paper	86
Attendance Slip	87
Route Map for Venue to 20th AGM	89
Note	90

Extract of Annual Return (Form No. MGT-9)

Secretarial Audit Report (Form No. MR-3)



SECTION 1

Corporate Overview





Sri. Shamsher Singh Rawat, IAS
Principal Finance Secretary
Chairman and Director
DIN: 06927486



Dr. N Srikant, IASDirector, APPFCL, CMD, AP Transco
DIN: 02426762



Sri. B. Sreedhar, IAS
Director, APPFCL, MD, AP Genco
DIN: 02591298



Dr. K V V Satyanarayana, IRASSpecial Secretary, Finance Dept
Managing Director
DIN: 08076027



Sri .K V N Chakradhara Babu, IAS Director, APPFCL, JMD, AP Transco DIN: 08772842



Smt. S Nagalakshmi, IAS Director, APPFCL, CMD, APEPDCL DIN: 07741194

GOVERNMENT OF ANDHRA PRADESH ABSTRACT

Appointments – APPFC – Reconstitution of Board – Orders – Issued.

ENERGY (OP. A3) DEPARTMENT

G.O.RT. NO. 82 Dated: 21.07.2019

Read:-

The MD (FAC), APPFCL, Vijayawada, LR. No. MD/AO/APPFCL /2019, dated : July, 2019 **O R D E R:**

1.Government, hereby re-constitute the Board of Andhra Pradesh Power Finance Corporation Limited, Vijayawada, with following members: -

Sri. S.S. Rawat, Principal Finance Secretary - Chairman
Sri Srikant Nagulapalli, Secretary, Energy - Director
Sri B. Sridhar, MD GENCO - Director
Sri K V N Chakradhara Babu, JMD, APTRANSCO - Director
Sri K.V.V. Satyanarayana, Special Secretary, Finance Department – MD (FAC) – Director

- 2. Sri K.V.V. Satyanarayana, IRAS is placed in full additional charge of the post of Managing Director, A.P. Power Finance Corporation, Vijayawada until further orders relieving Sri K Seetarama Raju from full additional charge.
- 3. The Managing Director (FAC), A.P. Power Finance Corporation Limited, Vijayawada shall take further action.

(BY ORDER AND IN THE NAME OF THE GOVERNER OF ANDHRA PRADESH)

Sd/-SRIKANT NAGULAPALLI SECRETARY TO GOVT

To

The Managing Director(FAC), A.P. Power Finance Corporation Limited, Vijayawada. Sri K.V.V.Satyanarayana,IRAS, Special Secretary to Govt, Finance Dept. The Officers concerned

FILE NO. ENE01/405/2019-OP

Copy to:

The Chairman & Managing Director, APTRANSCO, Vijayawada. The Chairman & Managing Director, APSPDCL, Tirupati.

The Chairman & Managing Director, APEPDCL, Vijayawada. The Managing Director, APGENCO, Vijayawada.

The Public Enterprises Department. The Finance Department.

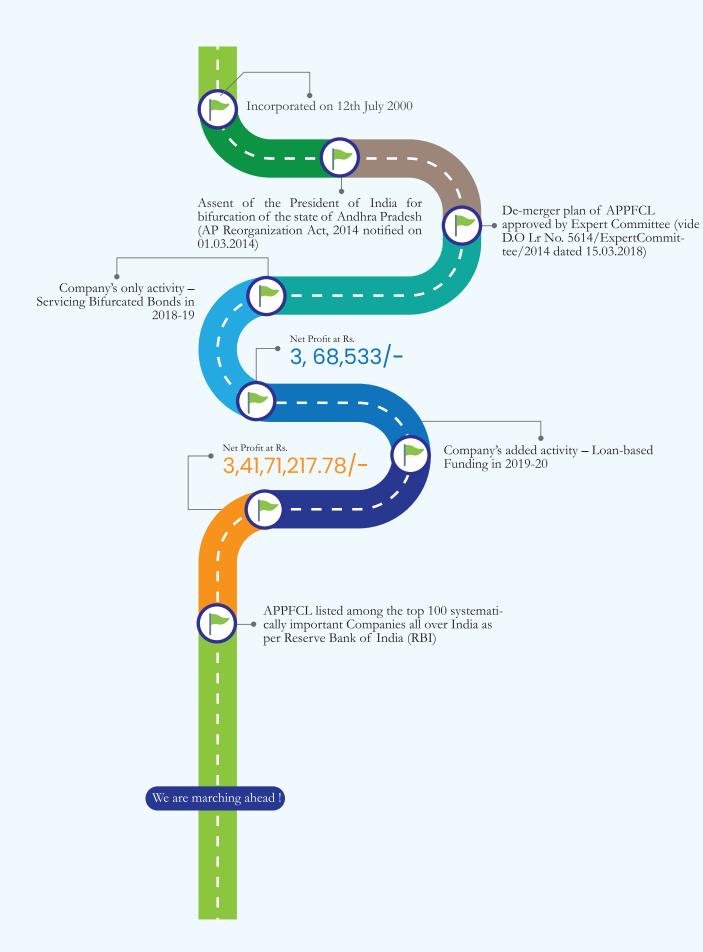
The P.S to Spl C.S Principal Secretary to Chief Minister. The OSD to Chief Secretary to Government.

The P.S. to Minister, Energy, EFS&T Department

The P.S. to Secretary to Government, Energy Department. SF/Sc

//FORWARDED BY ORDER// SECTION OFFICER

ROAD MAP





ABOUT THE COMPANY

PREFACE:

Year 2000: Incorporation of the Company

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

The Company presently has an authorized equity share capital of Rs. 30,00,00,00,000/- (Rupees Three Thousand Crores and a Paid-up equity share capital of the Company is Rs. 305,97,40,100/-(Rupees Three Hundred and Five Crores Ninety Seven Lakhs Forty Thousand and One Hundred)

The Company was incorporated to carry out the following activities:

- 1. To acquire shares or to provide long term finance to any enterprise wholly engaged in the business of developing maintaining and operating of power, including but not limited to a Generating, Transmission, Distribution facility, or any infrastructure facility, as specified in section 10(23)(G) of the Income Tax Act, 1961 or any amendment or modifications thereto.
- To subscribe for, underwrite, purchase, or otherwise acquire and to hold, dispose of and deal with the shares, stocks, securities appoint date of evidences of indebtedness, or right to participate in profits or other similar documents issued by any government authority, corporation or body or by any company or body of persons and any option or right in respect thereof.

- 3. To undertake and render financial consultancy, escort services, financial syndication and other services including planning, managing, organizing, arranging, financing, conducting, sponsoring and hosting of feasibility studies, research activities, seminars, conventions, conferences, exhibitions, Annual General Meetings, round table conferences, summit meetings etc on its own, in association with, as joint ventures for and on behalf of central government, state governments, their departments, government corporations, multilateral financial institutions like world bank, IFC, Asian Development Bank etc, national and international financial institutions, autonomous bodies, corporations etc engaged in the field of finance or other sectors including but not limited to energy.
- 4. To mobilize funds with competitive interest rates by issuing medium to long term (10 to 20 years) Bonds and availing Loans from Scheduled Commercial Banks and Inter Corporate Deposits from other Government Corporations for onward lending to Power Generating Companies and Power Distribution companies owned by Govt. of AP to finance their infrastructure and working capital needs.

Major Developments:

Year 2014: Notification of Andhra Pradesh Re-organization Act, 2014

The Act was notified for the purpose of bifurcation of the originally formed state of Andhra Pradesh into a new state of Andhra Pradesh and the state of Telangana with the territories falling within each of the said states. The Act also stressed on the points of apportionment of Assets and Liabilities, Employees working for Public Sector Undertaking and Corporations. It was mentioned in the nineth schedule of the Act that APPFCL is one of the corporations or entity.

Excerpt:

The Andhra Pradesh Reorganization Act,2014 (hereinafter called the "Act") was notified by the Government of India on the first day of March, 2014. Vide Section 3 of the Act, "On and from the appointed day, there shall be formed a new State to be known as the State of Telangana comprising the following territories of the existing State of Andhra Pradesh, namely:—

Adilabad, Karimnagar, Medak, Nizamabad, Warangal, Rangareddi, Nalgonda, Mahbubnagar, Khammam (but excluding the revenue villages in the Mandals specified in G.O.Ms. No. 111 Irrigation & CAD (LA IV R&R-I) Department, dated the 27th June, 2005 and the revenue villages of Bhurgampadu, Seetharamanagaram and Kondreka in Bhurgampadu Mandal) and Hyderabad districts, and thereupon the said territories shall cease to form part of the existing State of Andhra Pradesh".

Vide <u>Section 4</u> of the Act, "On and from the appointed day, the State of Andhra Pradesh shall comprise the territories of the existing State of Andhra Pradesh other than those specified in section 3".

As per <u>Section 5 (1)</u> of the Act, "On and from the appointed day, Hyderabad in the existing State of Andhra Pradesh, shall be the common capital of the State of Telangana and the State of Andhra Pradesh for such period not exceeding ten years".

As per Section 5 (2) of the Act, "After expiry of the period referred to in sub-section (1), Hyderabad shall be the capital of the state of Telangana and there shall be a new capital for the state of Andhra Pradesh".

Vide Section 2 (a) of the Act, "appointed day" means the day which the Central Government may, by notification in the Official Gazette, appoint. Accordingly, The Central Government has, in its notification S.O.655 E dated 4th March 2014, specified the second day of June 2014, as the appointed day for the purpose of the Act, when the new State of Telangana and the residuary State of Andhra Pradesh came into existence.

As per <u>Section 2(h)</u> of the Act, "population ratio", in relation to the States of Andhra Pradesh and Telangana, means the ratio of 58.32:41.68 as per 2011 Census.

As per <u>Section 47 (3)</u> of the Act, "The apportionment of assets and liabilities shall be subject to such financial adjustment as may be necessary to secure just, reasonable and equitable apportionment of the assets and liabilities amongst the successor States".

As per Section 53 (1) of the Act, "The assets and liabilities relating to any commercial or industrial undertaking of the existing State of Andhra Pradesh, where such undertaking or part thereof is exclusively located in, or its operations are confined to, a local area, shall pass to the State in which that area is included on the appointed day, irrespective of the location of its headquarters:

Provided that where the operation of such undertaking becomes inter-State by virtue of the provisions of Part II, the assets and liabilities of –

- a. The operational units of the undertaking shall be apportioned between the two successor States on location basis; and
- b. The headquarters of such undertaking shall be apportioned between the two successor States on the basis of population ratio".

Vide Section 53 (2), "Upon apportionment of the assets and liabilities, such assets and liabilities shall be transferred in physical form on mutual agreement or by making payment or adjustment through any other mode as may be agreed to by the successor States". Vide Section 62 of the Act, "Where, immediately before the appointed day, the existing State of Andhra Pradesh is liable as guarantor in respect of any liability of a registered co-operative society or other person, that liability shall, —

- a. if the area of operations of such society or persons is confined to the territories which, as from that day, are the territories of either of the States of Andhra Pradesh or Telangana, be a liability of that State; and
- b. In any other case, be apportioned between the successor States on the basis of population ratio or in any other manner as may be agreed to by the successor States".

As per Section 68 (1) of the Act, "The companies and corporations specified in the Ninth Schedule constituted for the existing State of Andhra Pradesh shall, on and from the appointed day, continue to function in those areas in respect of which they were functioning immediately before that day,



ection 2

ection 3 Financial Statements

ection 4 Shareholder Corner



subject to the provisions of this section".

Vide <u>Section 68 (2)</u> of the Act, "The assets, rights and liabilities of the companies and corporations referred to in sub-section (1) shall be apportioned between the successor States in the manner provided in section 53". APPFCL is one of the Corporation / entity mentioned in the Ninth Schedule of the Andhra Pradesh Reorganisation Act.

Section 82 provides that on and from the appointed day, the employees of State Public Sector Undertakings, corporations and other autonomous bodies shall continue to function in such undertaking, corporation or autonomous bodies for a period of one year and during this period the corporate body concerned shall determine the modalities for distributing the personnel between the two successor States.

INSTRUCTIONS OF THE GOVERNMENT OF ANDHRA PRADESH

Special Chief Secretary, Industries & Commerce Department, Government of Andhra Pradesh in Letter No.3685/INF (SRC)/2014 dated 13.03.2014, has convened a meeting at 11:30 am on 18.03.2014 in GA Conference Hall, AP Secretariat on the distribution of Assets and Liabilities in connection with Reorganisation of the State. During the meeting the following points have been explained to all the government undertakings participated.

Each entity to prepare the list of assets and liabilities of the respective Government undertaking separately for the state of Andhra Pradesh and also for the state of Telangana. There will be assets and liabilities that are relevant to districts which are distinct to one state and there will be assets and liabilities should be based on the latest audited accounts/balance sheet of the organization.

As per Section 68 of AP Reorganisation Act 2014, the companies and corporations specified in ninth schedule constituted for the existing state of Andhra Pradesh shall, on and from the appointed day, continue to function in those areas in respect of which they were functioning immediately before that day. Before "Appointed Day" each entity specified in the Ninth schedule should have two distinct units catering to two states so that the activities in both states are carried out distinctly,

without any break in delivery of services after the appointed day.

As per Section 68 of AP Reorganisation Act, 2014, the assets, rights and liabilities of the companies and corporations shall be apportioned between the successor states in the manner provided in Section 53. Before the "Appointed Day" each entity specified in the ninth schedule should have two distinct lists of assets and liabilities, including employees, relating to the two states according to the terms of section 48 to 53. All entities have to ensure that the latest audited accounts are available and this will be the basis for determining assets and liabilities.

Each entity will be preparing a scheme of demerger as per Companies Act or Section 21 of the AP Societies Registration Act or Section 21 of the AP Co-operative Societies Act. Scheme of demerger has to be submitted to present state Government through the parent department. Once Scheme of demerger is approved by present state government, assets, liabilities and employees have to be transferred to the new entity. GOI may issue guidelines as per section 71.

The Corresponding new entity has to be created and registered in the new Telangana state after the appointed date.

Every entity should hire a consultant to help in preparation of the demerger scheme. The present auditors of the entity can be entrusted with this task. If the present auditors are not competent to prepare the demerger scheme, consultants may be hired. In view of the shortage of time, Consultants may be hired and the terms and conditions of such consultant be informed to PE Department.

Year 2014-17: Demerger Proposal

AAPFCL was included in Schedule IX of AP Reorganization Act, 2014 and subsequently a demerger proposal was slated to have two distinct entities carrying out the proposed activity in the respective territory. APPFCL was demerged into two units and Telangana State Power Finance Corporation Limited was established for the state of Telangana. Demerged APPFCL continued to carry out the business of providing to FOUR distribution Companies.

APPFCL, prior to the "Demerger" or "Reconstitution of the state of A.P" have issued Debentures and the same were listed on the Stock Exchange.

"The Demerger Plan" which was prepared on the basis of G.O Ms.No.28 ENERGY(CC) Dept. dated 30.05.2014 and was submitted to the Expert Committee on 15.04.2015 along with Audited accounts for the period 01.04.2014 to 01.06.2014. "Demerger Plan" was approved by the Expert Committee vide D.O. Lr. No.5614/Expert Committee/2014 Date: 15-3-2018."

Consequent to the reorganization of the state of A.P, The state of Andhra Pradesh paid 40.46% of the principal and interest amounts as against the state of Telangana which has paid the balance 59.54% as per G.O.Ms No. 28.

Excerpts from the Demerger Plan:

As Andhra Pradesh Power Finance Corporation Limited is included in Schedule IX of AP Reorganization Act, 2014, the following proposal was taken up and approved

i. Upon enactment of the AP Reorganisation Act, 2014, the erstwhile State of Andhra Pradesh was bifurcated into the State of Telangana and the residuary State of Andhra Pradesh. As a consequence, each of the Companies and corporations specified in the Ninth Schedule to the Act should have two distinct units so that the activities in both the States are carried out distinctly.

- ii. The AP Power Finance Corporation Ltd, (APPFCL), being one of the entities specified in the Ninth Schedule, has to be demerged into two units as required by the AP Reorganisation Act, 2014.
- iii. The function of Distribution of Power was carried out in the undivided State of Andhra Pradesh by the four Distribution Companies i.e Central Power Distribution Company Limited (CPDCL), Northern Power Distribution Company Limited (NPDCL), Eastern Power Distribution Company Limited (EPDCL) and Southern Power Distribution Company Limited (SPDCL).
- iv. As the main function of APPFCL is to provide finance to these four Distribution Companies, the funds raised through issue of bonds have been transferred to APPCC and the same have been allocated given to the AP DISCOMs by the APPCC (as Specified at Para nos 18.3 to 18.6.1). Accordingly, the assets (equivalent to the Cash transferred to the respective DISCOMs in the respective States) as well as the liability equivalent to the cash already given to the respective DISCOMs, as stated above has been allocated to the two states (as stated at Para 18.6.2 and 18.6.3). Such countervailing asset and liability amount to 99.51% of the total asset / liability value.
- v. Balance asset / liability comprising 0.49 % of the total assets / liability are allocated to the two new states based on the population ratio as stipulated in various provisions of the AP Reorganisation Act, 2014.
- vi. The provisions of the AP Reorganisation Act, 2014 effecting the demerger exercise, instructions of the Special Chief Secretary, Industries & Commerce Department, Government of Andhra Pradesh on the distribution of Assets and Liabilities, present activities of APPFCL, the status of Assets and Liabilities as on the date of demerger and their allocation between the two new states and other allied issues involved in the demerger of APPFCL are presented in the APPFCL Demerger Proposal.
- vii. Telangana State Power Finance Corporation Ltd. (TSPFCL) was incorporated on 01/07/2014.



Section 3 Financial Statements Section 4 Shareholder Corner



- viii. Based on the Energy (CC) Department GO Ms No. 28 Dated 30-05-2014, the Demerger Proposal has been made.
- viii. As advised by the Hon'ble Chairperson of the Expert Committee in their meeting dated 14th June 2017, the verification of the books of the erstwhile APPFCL and the four DISCOMs of the combined AP State for the Financial years 2004-05, 2010-11, 2011-12 and 2012-13 was carried out.
- viii. From the above verification of books, it was noted that the actual funds recorded in the books of TS DISCOMs are less by Rs 41.90 Crores as compared to the allocation in. GO Ms No. 28 dated 30th May 2014.
- xi. As per the directions of the Expert Committee, in the meeting dated 22nd July 2017, the Demerger Proposal was reworked to reflect the actual figures.
- xii. The said amount of Rs 41.90 Crores referred in point no. 'x' above has been considered in the Revised Demerger Proposal enclosed herewith as directed by the expert committee and revised demerger as approved in 149th Board Meeting on 26.07.2017 is submitted.
- xiii. The expert committee vide Lr. No. 3685/INF(SRC)2014, Dt. 15-09-2017 to APPFC to place revised demerger in Board and invite MD/TSPFC to present their dissent note if any. Accordingly, the 151st Board Meeting was scheduled on 23.10.2017 and MD/TSPFC was invited.
- xiv. MD/TSPFC attended through video conference and sent their dissent note to the Revised Demerger plan stating that to amend the Demerger plan as division of Assets and Liabilities based on the population ratio.
- xv. Board discussed the Revised Demerger plan along with all the dissent notes of the TSPFCL Managing Director in detail.
- xvi. The Board has resolved that the Final Demerger plan, which was prepared on the basis of G.O.Ms.No.28 Energy (CC) Dept dated 30.05.2014 and G.O.Ms.No.134 Finance (DCM II) Dept dated 31.05.2014 and approved in the 149th Board Meeting held on 26-07-2017 and submitted to Expert Committee on the

- 149th Board Meeting held on 26-07-2017 and submitted to Expert Committee on 01-08-2017 is final and the Dissent Notes of TSPFCL are not acceptable. The dissent note of TSPFC is however taken note of by the Board
- xvii. The board has decided to submit the final Demerger plan along with the TSPFC dissent note to the Expert Committee.

Year 2017-18: Servicing Bifurcated Bonds

APPFCL from the time of its establishment has been into servicing bonds and post demerger, the Company continued to service the bifurcated bonds. APPFCL, for the purpose of lending money to DISCOMs, lends money from the Government of Andhra Pradesh and such money goes under.

circulation at varied rate of interest including but not limited to the rate of interest of loans provided by the Government of Andhra Pradesh.

The FOUR major power distribution customers are APGENCO, APTRANSCO, APSPDCL and APEPDCL.

Year 2019-20: Loan-based funding

Unsecured Bonds and Term Ioan

The Company had raised funds through private placement of "APPFC BONDS" in the earlier a total fund of Rs. 4,000.00 Crores have been raised by the Company through the issue of Bond Series I/2019.

The common features of the various series of bonds are as under:

I. The Bonds carry with them an unconditional and irrevocable guarantee, for the due repayment, both interest and principal, of the Government of AP.



I. 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.

The table below depicts the details of the bonds issued by the Company along with its status as at the end of the financial year:

SERIES	ISIN Number	Name of the Instrument	Issue Date/Date of Allotment	Date of Redemption	Utilization of Issue Proceeds
1/2005	INE847E08CY9	8.15% UNSECURED REDEEMABLE DEBENTURES.	30-03-2005	29-03-2020	The placement of Bonds is to support and augment the resources for financing
1/2005	INE847E08CZ6	8.15% UNSE- CURED REDEEM- ABLE DEBEN- TURES.	04-04-2005	03-04-2020	the power sector reforms in the state of Andhra Pradesh. The funds would form a part of fund raising for the on-going reforms in the power sector in the state of Andhra Pradesh
I/2010 - Option A	INE847E09011	8.49% UNSECURED NON-CONVERT- IBLE, TAXABLE BONDS.	15-11-2010	15-11-2020	The purpose of the present issue is to support/augment the resources for Power Sector in the State of Andhra Pradesh
I/2010 - Option B	INE847E09029	8.74% UNSECURED NON-CONVERT- IBLE, TAXABLE BONDS.	15-11-2010	15-11-2022	The purpose of the present issue is to support/augment the resources for Power Sector in the State of Andhra Pradesh
I/2011 - Option A	INE847E08DJ8	9.10% UNSECURED NON-CONVERT- IBLE, TAXABLE BONDS.	15-12-2011	15-12-2021	The purpose of the present issue is to support/augment the resources for Power Sector in the State of Andhra Pradesh.
I/2011 - Option B	INE847E08DK6	9.60% UNSECURED NON-CONVERT- IBLE, TAXABLE BONDS.	15-12-2011	15-12-2023	The purpose of the present issue is to support/augment the resources for Power Sector in the State of Andhra Pradesh.
II/2011 – Option A	INE847E08DL4	9.85% UNSECURED NON-CONVERT- IBLE, GOVERN- MENT GUARAN- TEED TAXABLE BONDS.	30-01-2012	30-01-2022	The purpose of the present issue is to support/augment the resources for Power Sector in the State of Andhra Pradesh.



SERIES	ISIN Number	Name of the Instrument	Issue Date/Date of Allotment	Date of Redemption	Utilization of Issue Proceeds
II/2011 - Op- tion B	INE847E08DM2	9.97% UNSECURED NON-CONVERT- IBLE, GOVERN- MENT GUARAN- TEED TAXABLE BONDS.	30-01-2012	30-01-2024	The purpose of the present issue is to support/augment the resources for Power Sector in the State of Andhra Pradesh.
I/2012 – Option A	INE847E08DN0	9.50% UNSECURED GOVERMENT GUARANTEED TAXABLE BONDS SERIES-1/2012.	08-06-2012	08-06-2022	The purpose of the present issue is to support/augment the resources for Power Sector in the State of Andhra Pradesh.
I/2012 – Option B	INE847E08DO8	9.64% UNSECURED GOVERNMENT GUARANTEED TAX- ABLE BONDS.	08-06-2012	08-06-2024	The purpose of the present issue is to support/augment the resources for Power Sector in the State of Andhra Pradesh.
II/2012	INE847E08DP5	9.75% UNSECURED GOVERNMENT GUARANTEED TAX- ABLE BONDS.	18-07-2012	18-07-2022	The purpose of the present issue is to support/augment the resources for Power Sector in the State of Andhra Pradesh.
III/2012	INE847E08DQ3	9.75% UNSECURED GOVERNMENT GU- RANTEED TAXABLE BONDS.	09-11-2012	09-11-2022	The bonds are being issued towards dues of DISCOMS to APGENCO

Section 2

The following are the details of the listed debentures as at the end of the financial year:

SI. No.	Debentures	No-Lien Account Number	Account Status
1	11/2000	52117469464	Running A/c
2	1/2002	52117469442	Closed
3	11/2002	52117474699	Closed
4	1/2004	52117479176	Running A/c
5	1/2005	52117479165	Running A/c
6	1/2010	62167470827	Running A/c
7	1/2011	62213387439	Running A/c
8	1/2012	62235605816	Running A/c
9	II/2012	62247099961	Running A/c
10	III/2012	62265296302	Running A/c

The Company complies with all the regulatory requirements under the Companies Act, 2013, SEBI Regulations applicable to the Company and the REBI Regulations, as is modified from time to time. APPFCL obtained term loan from the banks to the tune of Rs. 5000 Crores supported with the guarantee from the Government of Andhra Pradesh vide G.O. Ms No. 38 dated 29.11.2019, G.O.Ms No. 42 dated 31.12.2019 and G.O.Ms No. 01 dated 23.01.2020

CREDIT RATING

APPFCL has obtained certificate of rating from three prime agencies i.e., CRISIL Limited, ICRA Limited and Brickwork Ratings India Private Limited. The rating for the Bonds issued (details as provided earlier) by APPFCL are provided by CRISIL Limited and ICRA Limited. The ratings for the Bank term loans of the Company are provided by Brickwork Ratings India Private Limited.

The Credit Rating for the Bonds and the Bank term loan for APPFCL as provided by the credit rating agencies is detailed below:

Rating - CRISIL LTD

Name of the Credit Rating Agency	Amount (in Crores)	Rating
CRISIL LTD	3,862.9	CRISIL D (REAFFIRMED)

About CRISIL LTD:

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is India's foremost provider of ratings, data, research, analytics and solutions, with a strong track record of growth, culture of innovation and global footprint. It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers. It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

CRISIL Ltd has given rating to the following Debentures:

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs. In Crore)	Rating
INE847E08CY9	Bond Series I/2005		597.20	CRISIL D		
INE847E08CZ6	1/ 2000	04-Apr-2005		03-Apr-2020		CRISIL D
INE847E09011	Bond Series	15-Nov-2010	8.49%	15-Nov-2020	1053.30	CRISIL D
INE847E09029	1/2010	15-Nov-2010	8.74%	15-Nov-2020		CRISIL D
INE847E08DK6	Bond Series I &	15-Dec-2011	9.60%	15-Dec-2023	898.30	CRISIL D
INE847E08DJ8	II/2011		9.10%	15-Dec-2021		CRISIL D
INE847E08DL4		30-Jan-2012	9.85%	30-Jan-2022		CRISIL D
INE847E08DM2			9.97%	30-Jan-2024		CRISIL D
INE847E08DN0	Bond Series	08-Jun-2012	9.50%	08-Jun-2022	314.10	CRISIL D
INE847E08D08	1/2012		9.64%	08-Jun-2024		CRISIL D
INE847E08DP5	Bond Series II/2012	18-Jul-2012	9.75%	18-Jun-2022	1000.00	CRISIL D

Rating - ICRA LTD

Name of the Credit Rating Agency	Amount (in Crores)	Rating
ICRA LIMITED	4,053.3	ICRA D (REAFFIRMED)



About ICRA Limited:

ICRA Limited (formerly Investment Information and Credit Rating Agency of India Limited) was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency. Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange.

ICRA Ltd has given rating to the following Debentures:

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE847E09011	NCD programme	Nov 15, 2010	8.49%	Nov 15, 2020	42.0	[ICRA]D
INE847E09029	NCD programme	Nov 15, 2010	8.74%	Nov 15, 2022	1,011.3	[ICRA]D
INE847E08DK6	NCD programme	Dec 15, 2011	9.60%	Dec 15, 2023	149.2	[ICRA]D
INE847E08DJ8	NCD programme	Dec 15, 2011	9.10%	Dec 15, 2021	5.0	[ICRA]D
INE847E08DM2	NCD programme	Jan 30, 2012	9.97%	Jan 30, 2024	586.9	[ICRA]D
INE847E08DL4	NCD programme	Jan 30, 2012	9.85%	Jan 30, 2022	157.2	[ICRA]D
INE847E08D08	NCD programme	Jun 08, 2012	9.64%	Jun 08, 2024	249.4	[ICRA]D
INE847E08DN0	NCD programme	Jun 08, 2012	9.50%	Jun 08, 2022	64.7	[ICRA]D
INE847E08DQ3	NCD programme	Nov 09, 2012	9.75%	Nov 09, 2022	1,787.6	[ICRA]D

Rationale used by ICRA LTD. & CRISIL LTD.

The reaffirmation of the rating for Andhra Pradesh Power Finance Corporation Limited's (APPFCL) non-convertible debenture at [ICRA]D and [CRISIL]D considers the delays in the servicing of the rated bonds because of the dispute between Telangana State Power Finance Corporation (TSPFC) and APPFCL regarding the distribution of assets and liabilities, following the bifurcation of the erstwhile state of Andhra Pradesh (AP) in June 2014. The timely servicing of the instrument is likely to remain uncertain till the final resolution of the ongoing dispute between the two states.

Rating - Brickworks Ratings India Private Limited

Name of the Credit Rating Agency	Amount (in Crores)	Rating
BRICKWORK RATINGS INDIA PVT. LTD.	9,741.33	BWR A (CE) STABLE

Brickwork Rating (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI offers rating services on Bank Loans, NCD, Commercial Papers, Fixed Deposits, Securitised paper, Security Receipts, etc. Brickwork Ratings is accredited by the RBI as an External Credit Assessment Institution for providing bank loan ratings for the borrower. BWR has rated over 9413 Bank Loans, both working capital and term loans.

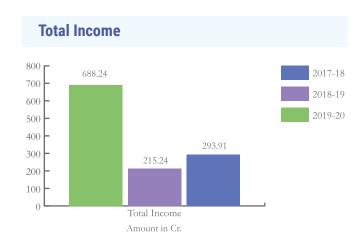
Brickwork has carried out 'Mid Term Review' on the company and has given their rating. The ratings are valid for 12 months from the date of Mid Term Review i.e., on 27th October, 2020.

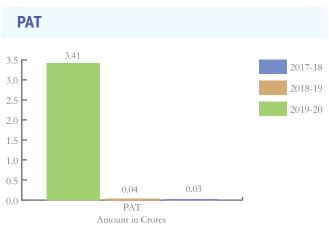
Brickwork has given ratings for the following Bank Loans:

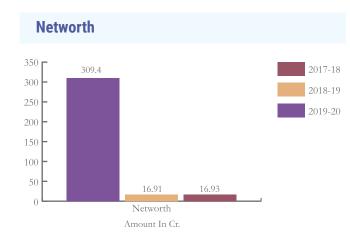
Name of the Bank	Name of Facility	Tenure	Previous Limits (Mar 2020)	Present Limits (Oct 2020)
Andhra Bank	Term Loan	Long Term	1,500	1,500
Canara Bank	Term Loan	Long Term	2,000	2,000
State Bank of India	Term Loan	Long Term	1,500	1,500
Bank of India	Term Loan	Long Term	-	3,000
Total sanctioned			5,000	8,000
Total proposed			4,741.33	1,741.33
Total amount rated			9,741.33	9,741.33

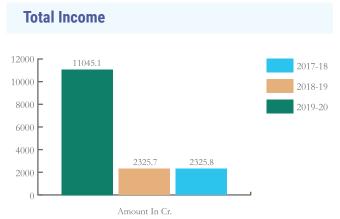












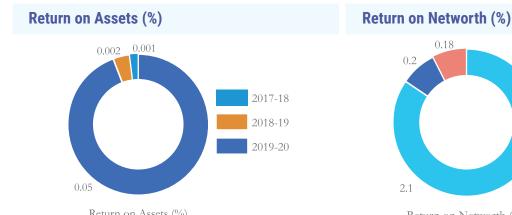


2017-18

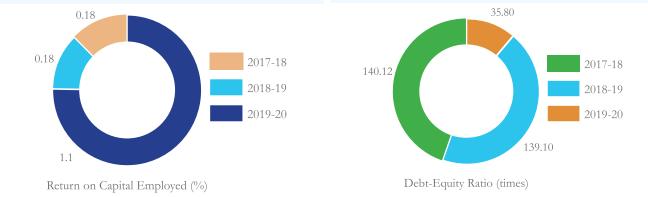
2019-20

Section 1

PERFORMANCE AT A GLANCE











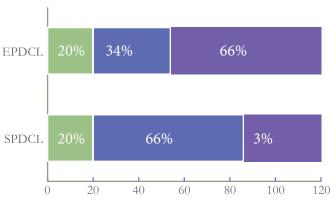
FINANCIAL PARAMETERS

Amount in Crores

Particulars	As on 31/03/2020 (As per Ind AS)	As on 31/03/2019 (As per Ind AS)	As on 31/03/2018 (As per Ind AS)			
Assets						
Financial Assets						
Cash and cash equivalents	-	0.00	0.00			
Bank Balance other than above	256.00	30.76	2.09			
Derivative financial instruments	-	-	-			
Receivables						
(I) Trade Receivables	142.99	51.48	47.43			
(II) Other Receivables	0.13	-	-			
Loans	11,052.60	2,325.70	2,325.80			
Non-financial Assets						
Inventories	-	-	-			
Current tax assets (Net)	0.13	0.15	0.13			
Deferred tax Assets (Net)	-	0.00	-			
Property, Plant and Equipment	0.00	0.00	0.00			
Total Assets	11,451.84	2,408.09	2,375.45			
Liabilities and Equity						
Liabilities						
Financial Liabilities						
Payables						
(I)Trade Payables	-	-	-			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises"	95.70	65.10	32.70			
Debt Securities	6,045.10	2,325.70	2,325.80			
Borrowings (Other than Debt Securities)	5,000.00	-	-			
Non-Financial Liabilities						
Current tax liabilities (Net)	1.27	0.01	-			
Provisions	0.04	0.03	0.02			
Deferred tax liabilities (Net)	-	-	-			
Other non-financial liabilities(to be specified)	0.33	0.32	-			
Equity						
Equity Share capital	305.97	16.91	16.91			
Other Equity	3.43	0.01	0.02			
Total Liabilities and Equity	11,451.84	2,408.09	2,375.45			

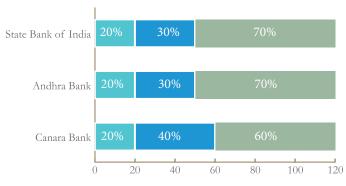
KEY PERFORMANCE INDICATORS

Loan Sanctioned Amount for the FY 2020-21 -**Sector wise**



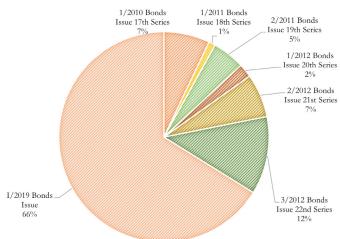
During the year 2019-20, Andhra Pradesh Power Finance Corporation Limited has sanctioned loan amount of Rs. 5,007.50 Crores of which an amount of Rs. 3,307.50 Crores were sanctioned to AP Southern Power Distribution Company Limited which accounts to 66% of the total loan amount and an amount of Rs. 1,700 Crores were sanctioned to AP Eastern Power Distribution Company Limited which accounts for 34% of the total loan amount sanctioned.

Loans Availed



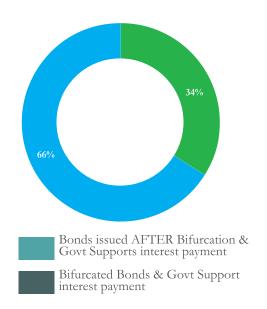
During the year 2019-20, Andhra Pradesh Power Finance Corporation Limited has availed total loan of Rs. 5,000 Crores of which an amount of Rs. 2,000 Crores were availed from Canara Bank which accounts to 40% of the total loan availed, an amount of Rs. 1,500 Crores were availed from State Bank of India which accounts for 30% of the total loan amount availed and another amount of Rs. 1.500 Crores were availed from Andhra Bank which accounts for 30% each of the total loan amount availed.

APPFCL - Debentures as on 31st March 2020



The outstanding debentures as on 31st March 2020 along with the Series is provided in the chart. APPFCL, prior to demerger, issued Listed Debentures (listed with the national stock exchange) to the Public. The Debentures were bifurcated pursuant to the recommendation provided by the "Expert Committee" i.e., as per the population ratio between APPFCL and TSPFCL

APPFCL - Debentures as on 31st March 2020



This chart depicts the Debentures issued by the Company prior to and post bifurcation of the State.



The total Debentures outstanding as on 31st March 2020 is Rs. 6,045.10 Crores.

Debentures amounting to Rs. 2045.10 Crores were bifurcated bonds (shared between AP and TS State), which amounts to 34% of the total outstanding debentures. Debentures amounting to Rs. 4000 Crores were issued after bifurcation of AP and TS State, which amounts to 66% of the total debentures.

NOTE: The Debentures issued are supported by Government Guarantee.

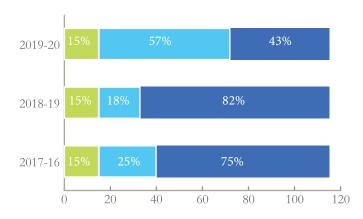
The Chart depicts the comparison of total expenses of the company for the last 3 years (2019-20, 2018-19 and 2017-18). The expenses have increased from Rs. 215.21 Crores in the year 2018-19 to Rs. 683.56 Crores in the year 2019-20 due to increase in the interest paid on term loans and bonds.

Total Revenue



The Total Revenue includes "Interest Income from the DISCOMs." APPFCL provided Loans to DISCOMs in the year 2019-20 at a RoI of 9%. Bank Loans were also availed in the year 2019-20 at RoI of 7 to 7.5%. The difference in the rate of interests increased the revenues of the Company.

Total Expenses



SECTION 2

Forms & Reports



Notice is hereby given that the Adjourned 20th Annual General Meeting of the Members of Andhra Pradesh Power Finance Corporation Limited will be held on Monday, the 22nd day of February, 2021 at 12:30 P.M in the Chambers of Special Chief Secretary to Govt., Finance Department, 2nd Building, A.P Secretariat, Velagapudi, Guntur Dist., to transact the following business.

ORDINARY BUSINESS:

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

1. To receive, consider and adopt the Revised Audited Balance Sheet as at 31st March 2020, the Revised Statement of Profit & Loss and Cash Flow Statement of the Company for the financial year ended as on that date, together with Directors Report, Revised Statutory Auditors Report, Secretarial Auditors Report and Comments of Comptroller and Auditor General of India and adoption of the following resolution as an Ordinary Resolution:

"RESOLVED THAT the members of the Company be and hereby approve the revised Audited Balance Sheet of the Company as on 31st March, 2020, the revised Statement of Profit & Loss and the revised Cash flow statement for the year ended as on that date together with the Directors' Report, the Revised Auditors' Report, the Secretarial Audit Report and Comments of the Comptroller and Auditor General of India for the F.Y. 2019 - 2020."

2. To consider the appointment of Mr. Suryanarayanamurthy & Co., Chartered Accountants, Hyderabad as statutory auditor of the Company for the financial year 2020-21, as appointed by the Comptroller & Auditor General and to fix the remuneration thereof.

"RESOLVED THAT pursuant to the Provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, the members of the Company consent for the

appointment of M/s. Suryanarayanamurthy & Co, Chartered Accountants, Hyderabad as statutory auditors of the Company for the financial year 2020-21 and as appointed by the Comptroller and Auditor General at a remuneration of Rs.75,000/- plus GST as applicable, in addition to actual reasonable out of pocket expenses."

By Order of the Board

Andhra Pradesh Power Finance Corporation Limited

Sd/-Managing Director APPFCL, Vijayawada

Place: Vijayawada Date: 08.02.2021

Notes:

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



DIRECTORS REPORT

Dear Members

The Board of Directors take pleasure in presenting before you, the Twentieth (20th) Director's Report for the financial year 2019-20.

Financial Results for the year 2019 – 20 are summarized as under:

PARTICULARS	2019-2020 (Rs.in Cr)	2018-2019 (Rs. in Cr)
Revenue and Other Income – Receipts from Govt. of A.P	688.25	215.24
Total Expenses	683.55	215.20
Profit before Tax	4.69	0.039
Provision for Taxation	1.27	0.003
Profit after Tax	3.41	0.036

Reserves

An amount of Rs. 3,42,50,769.78 as approved by the Board has been transferred to Reserves.

Particulars	Amount
Securities Reserve	-
Reserve Fund – As per RBI Guidelines	68,34,243.56/-
General Reserve	-
Net Surplus (After Transfer to Reserve Fund)	2,74,16,526.22/-
Total	3,42,50,769.78/-
DIVIUEIIU	

The Company has not declared any dividends during the financial year 2019-2020.

Adoption of INDIAN ACCOUNTING STANDARDS (IND AS):

The Company has adopted Ind AS for the Financial Year ended 31st March 2020. Accordingly, the financial statements have been prepared in accordance with the recognition and measurement principles of Ind AS prescribed under section 133 of the Companies Act, 2013 read with relevant

rules issued thereunder. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with relevant rules thereunder and directions issued by the RBI (collectively referred to as "Previous GAAP"). Results and financial figures for the corresponding period prepared under Previous GAAP stated in this Board Report and its attachments/annexures have been restated to Ind AS.

State of Company's affairs

APPFCL is a Government Company established vide G.O.Ms. No. 54 Energy (Power–III) dated 19-05-2000 (CIN: U40109AP2000SGC107482) under the Companies Act, 1956 and commenced the business on 13-7-2000 with 100% ownership by Government of Andhra Pradesh. APPFCL has registered with Reserve Bank of India (RBI) as Non-Banking Finance Company (NBFC) with effect from 25.8.2000.

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

Change in the State of Company's Affairs

There has been no change in the business of the Company during the financial year ended 31st March 2020. However, APPFCL, so far has been servicing bifurcated bonds and starting this financial year, APPFCL has obtained bank term loans to provide for finance needs of the Companies in the power sector within the state of Andhra Pradesh.

Deposit

The Company is registered with the reserve bank of India as a Non-Banking Financial Company – Non-Deposit Taking – Systematically Important (NBFS-ND-SI). Abiding by the principle, The Company has not accepted any public deposits during the year 2019-20.

Extract of Annual Return

The Extract of the Annual Return in Form MGT-9 is made available as an Annexure - 1 to this report and is placed on the website of the Company i.e., www.appfcl.com

Contracts and arrangements with related parties

The Company has not entered any transactions with Related Parties. The disclosure of particulars of contracts/arrangements entered by the Company with related parties pursuant to Section 188(1) of the Companies Act, 2013 including the arm's length transactions under the third proviso thereto has been enclosed along with this report as (Annexure -2)

Directors

The following are the Directors on Board as at 31st March 2020:

a	Sri S.S. Rawat, IAS – Chairman	
b	Dr. K.V.V. Satyanarayana, IRAS – Managing Director	
С	Dr. N. Srikant, IAS – Director	
d	Sri B. Sreedhar, IAS – Director	
е	Sri K.V.N. Chakradhara Babu, IAS – Director	
f	Smt. S. Nagalakshmi, IAS – Director	

The Directors on Board of your Company are liable for transfers as per the Government orders (GOs). In such a scenario, the Board gets re-constituted with appointment, Change in Designation and resignation of the Directors as and when a GO is released. The Board of Directors of APPFCL were reconstituted vide G.O Rt. No. 82 Energy (OP.A3) dated 21/07/2019 (provided under the section "Board of Directors")

Directors and Key Managerial Personnel

The Board of Directors of the Andhra Pradesh Power Finance Corporation Limited were reconstituted vide G.O Rt. No. 82 Energy (OP.A3) dated 21/07/2019.

Following are the Directors on Board as on 21/07/2019:

a	Sri S.S. Rawat, IAS – Chairman
b	Dr. K.V.V. Satyanarayana, IRAS – Managing Director
С	Dr. N. Srikant, IAS – Director
d	Sri B. Sreedhar, IAS – Director
е	Sri K.V.N. Chakradhara Babu, IAS – Director
f	Smt. S. Nagalakshmi, IAS – Director

During the year 2019-20, the Company did not appoint Company Secretary (CS) and Financial Officer (CFO).

Policy on Director's Appointment, Remuneration and Other Details:

Pursuant to article 31 of the articles of association of the Company, the Government of Andhra Pradesh has a right to nominate and appoint Managing Director and other Directors of the Company. Non-executive Directors are paid sitting fees for attending the Board and Committee meetings and the sitting fee paid are pursuant to the applicable provisions of Section 197 of the Companies Act, 2013.

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

Committees of the Board

Audit Committee

The Audit Committee comprises of Directors. The details are as given below:-

a	Sri S.S. Rawat, IAS – Chairman
b	Dr. K.V.V. Satyanarayana, IRAS – Managing Director
С	Dr. N. Srikant, IAS – Director
d	Sri B. Sreedhar, IAS – Director
е	Sri K.V.N. Chakradhara Babu, IAS – Director
f	Smt. S. Nagalakshmi, IAS – Director



Meetings of the Board

The Board of Directors met FIVE times during the year.

SI No.	Name of the Director	BM No. 159 08.08.2019	BM No. 160 08.08.2019	BM No. 161 06.12.2019	BM No. 162 12.02.2020	BM No. 163 28.02.2020
1.	Sri . S S Rawat, IAS	Present	Present	Present	Present	Present
2.	Dr. K V V Satyanarayana, IRAS	Present	Present	Present	Present	Present
3.	Dr. N. Srikant, IAS	Present	Present	Present	Present	Present
4.	Sri . B Sreedhar, IAS	Present	Present	LoA	LoA	Present
5.	Sri . K V N Chakradhara Babu, IAS	Present	Present	LoA	Present	Present
6.	Smt. S Nagalakshmi, IAS	Present	Present	Present	Present	LoA

Committees of the Board

Audit Committee The Audit Committee comprises of three Directors. The details are as given below:-

- a. Sri. S S Rawat, IAS
- b. Sri. K V V Satyanarayana, IRAS
- c. Dr. N Srikant, IAS
- d. Sri. B Sreedhar, IAS
- e. Sri. K V N Chakradhara Babu, IAS
- f. Smt S Nagalakshmi, IAS

The Audit Committee met TWO times during the financial year

S No.	Name of the Member	ACM 1/2019-20 08.08.2019	ACM 2/2019-20 12.02.2020
1.	Mr. S S Rawat, IAS	Present	Present
2.	Dr. N. Srikant, IAS	Present	Present
3.	Mr. B Sreedhar, IAS	Present	LoA
4.	Mr. K V N Chakradhara Babu	Present	Present

Corporate Social Responsibility Committee

Your Company has not crossed any of the threshold limits as specified under section 135 of the Companies Act, 2013. Hence, The Company did not have the requirement to form the CSR Committee.

Annual General Meeting

AGM	Date & Day	Time	Location	Special & Ordinary Resolution
17th Adjourned	27th March 2018 - Tuesday	01: 00 PM	A.P Secretariat	Ordinary Resolution:
18th	27th November 2018 - Tuesday	12: 30 PM	A.P Secretariat	Ordinary Resolution:
19th	12th February 2020 - Wednesday	01: 30 PM	A.P Secretariat	Ordinary Resolution:

Directors' Responsibility Statement

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

- In the preparation of the Annual Accounts, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2020 and of the profit /loss of the company for that period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a 'going concern' basis.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Internal Financial Controls

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

Comments from C&AG for the FY 2019-20

The Comptroller and Auditor General of India has issued its Comments on the financial statements for the Financial Year 2019 – 20 vide No. PAG(Au)/ AP/AMG-PSUs(Power)/APPFCL/AA/2019-20/3 dated 29/04/2021. A copy of the same was forwarded to all the shareholders/debenture holders for their perusal and record. Comments of C&AG are given as Annexure to this report.

Instances of fraud, if any reported by the auditors

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

Details of significant & material order passed by the regulators, court & tribunals

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

Material changes and commitments affecting financial position between the end of the financial year and date of the report

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

Disclosure under Sexual Harassment of Women at Workplace

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

Auditors

Statutory auditors

M/s Suryanarayana Murthy & Co., Chartered Accountants, Vijayawada were appointed as Statutory Auditors for the Financial Year 2019-20 by the Comptroller and Auditor General of India, in exercise of the powers conferred by Section 139 of the Companies Act, 2013 vide Letter No./ CA.V/COY/ANDHRA PRADESH, APPFIN (1)/1993 dated 29/05/2020.

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



Section 2
Forms & Reports

Section 3 Financial Statements Section 4 Shareholder Corner



Further, the office of Comptroller Auditor General of India has appointed M/s Survanarayana Murthy & Co. as Statutory Auditor of APPFCL for the financial year 2020-21 vide letter No. No./CA. V/ COY/ANDHRA PRADESH, APPFIN(1)/1382 dated 03/09/2020 at a remuneration of Rs. 75000/-. In this regard, the Company has received a certificate from the auditors of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued there under. The member's approval is sought for the appointment of the auditor for the financial year 2020-21 (Refer to the "Notice" enclosed as a part of the Annual Report).

Internal Auditors

M/s. Sagar and Associates, Chartered Accountants, Hyderabad was appointed to carry out the internal audit procedure as Internal Auditors of the Company for the Financial Year 2019-20.

M/s Siva Chirumamilla & Associates, Chartered Accountants, Vijayawada has been appointed as Internal auditors for the financial year 2020-21 in the 169th Board Meeting of the Company held on 30.12.2020.

Secretarial auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company needs to appoint a Practicing Company Secretary (PCS) in case where the paid up capital of the Company exceeds Rs. 300 Crores.

The Company in the 168th Board Meeting appointed S.R. Vattikuti & Associates as Secretarial Auditor for the Financial Year 2019-20 and 2020-21 as per the terms and conditions specified in the Companies Act, 2013.

Following are the observations of the Secretarial Auditor

i. Non-compliance of section 96 of the Companies Act, 2013. There is a delay of 135 days in convening Annual General Meeting for the Financial Year 2019-20.

- ii. Non-compliance of Section 173(1) of the Companies Act, 2013. There is a gap of more than 120 days between two consecutive meetings of the Board. The Company has not convened any Board Meeting during the first quarter of the financial year.
- iii. Non-compliance of Section 203 of the Companies Act, 2013. The Company has not appointed Chief Financial Officer and Company Secretary. However, the Company has appointed CFO from 07/09/2020 and CS from 23/07/2020.
- iv. Non-compliance of Section 125 of the Companies Act. 2013. There is a delay in transfer of unclaimed principal and interest amount of Rs. 6,45,624/- to Investor Education and Protection Fund.
- v. Non-compliance of section 179(3) of the Companies Act, 2013. The Company has borrowed monies by passing circular resolutions and subsequently ratified in the next board meeting.
- vi. Delay and Non-filing of certain periodical forms with the Registrar of Companies, Andhra Pradesh.



Sl. No.	Secretarial Audit Comments	Reply by the Management
1	Non-compliance of section 96 of the Companies Act, 2013. There is a delay of 135 days in convening Annual General Meeting for the Financial Year 2019-20.	The 18th Annual General Meeting of APPFCL for the financial year 2017-18 was conducted on 27th November, 2018 and the 19th Annual General Meeting of APPFCL for the financial year 2018-19 was conducted on 12th February, 2020. There is more than 15 months' gap between the 2 AGM. And also the Board of APPFCL was reconstituted on 21/07/2019 vide GO No. 82 (Copy attached to the Director's report). After the Board was reconstituted, the Company was unable to appoint Company Secretary (CS) in the year 2019. Hence, due to non-appointment of CS, the Company was unable to request the Registrar of Companies (ROC) for extension of time in conducting the AGM. Default in holding the AGM is not a cognizable offence and it can be compounded u/s 441 of the act. The Company will follow the procedure of Compounding as a good governance practice.
2	Non-compliance of Section 173(1) of the Companies Act, 2013. There is a gap of more than 120 days between two consecutive meetings of the Board. The Company has not convened any Board Meeting during the first quarter of the financial year.	There shall not be a gap of 120 days between 2 consecutive meetings of the Board. The Board of APPFCL was reconstituted on 21/07/2019 vide GO No. 82 (Copy attached to the Director's report). After the reconstitution of Board, advertisements were given in various websites relating to vacancy and appointment of Company Secretary in APPFCL. However, the Company couldn't find the right candidate during the year 2019. But the Company appointed Company Secretary in the year 2020. Due to reconstitution of the Board in the year 2019, the Board Meeting was not held during the first quarter of the financial year 2019-20. Default in holding the Board Meeting is not a cognizable offence and it can be compounded u/s 441 of the act. The Company will follow the procedure of Compounding as a good governance practice.
3	Non-compliance of Section 203 of the Companies Act, 2013. The Company has not appointed Chief Financial Officer and Company Secretary. However, the Company has appointed CFO from 07/09/2020 and CS from 23/07/2020.	During the year 2019-20 Company Secretary and Chief Financial Officer were not appointed. However, the Company has appointed CFO from 07/09/2020 and CS from 23/07/2020.
4	Non-compliance of Section 125 of the Companies Act. 2013. There is a delay in transfer of unclaimed principal and interest amount of Rs. 6,45,624/- to Investor Education and Protection Fund.	The Board would like to furnish that, approval or consent for transfer of Rs. 2,42,004/- to the Investor or Education and Protection Fund was given in the 159th Board Meeting of the Company 8th August 2019. Therefore, Rs. 2,42,004/- out of Rs. 6,45,624/- were transferred to IEPF A/c in the month of September 2020. The Company is waiting for bank confirmation for transferring the balance amount of Rs. 4,03,620 to IEPF A/c.

SI. No.	Secretarial Audit Comments	Reply by the Management	
5	Non-compliance of section 179(3) of the Companies Act, 2013. The Company has borrowed monies by passing circular resolutions and subsequently ratified in the next board meeting.	The Board would like to communicate that, as per the above provisions, all the loans taken from the Bank for the purpose of operation of the company, would henceforth be approved by the ALCO Committee (Asset-Liability Committee) framed as per the RBI Guidelines. The Powers of the Board has been delegated to the ALCO Board and Board Resolution has been taken in the 169th Board Meeting held on 30th December 2020. The Board of ALCO Committee are as follows: • Dr. K.V.V. Satyanarayana, IRAS – Managing Director (08076027) • Shri N. Srikanth, IAS – Director (02426762) • Shri Nagalakshmi, IAS – Director (07741194)	
6	Delay and Non filing of certain periodical forms with the Registrar of Companies, Andhra Pradesh.		

Report on Performance Evaluation of the board, committees and individual directors

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

Hence, the above is not applicable for the company.

Acknowledgement

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

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

Place: Vijayawada Sd/- Sd/

Date: 22/02/2021 Sri S.S. Rawat, IAS Dr. K.V.V. Satyanarayana, IRAS

Chairman Managing Director



Annexure - 1 FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2020 [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	U40109AP2000SGC107482
ii	Registration Date	12.07.2000
iii	Name of the Company	Andhra Pradesh Power Finance Corporation Limited
lv	Category / Sub-Category of the Company	Public Company / Limited by Shares / State Government Company
V	Address of the Registered office and contact details	# 48-12-16, 2nd Floor, East wing, Vidyut Soudha,, Gunadala Vijayawada, Krishna, Andhra Pradesh, India, 520004
vi	Whether listed company Yes / No	Yes (Bonds are Listed)
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

SI. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company	
1	Finance activity	6592	100.00	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section					
	No Holding, Subsidiary and Associate Companies									

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I. Category-wise Share Holding

Category of Share- holders	No. of Sh	ares held at th			No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) Indian									
a) Individu- al/ HUF	0	0	0	0	0	0	0	0	0



Section 1 Section 2 Forms & Reports

Section 3 Section 4
Financial Statements Shareholder Corner

Category of Shareholders	No. of Sh	ares held at th	ne beginning o	of the year	No. o	No. of Shares held at the end of the year			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	year
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	16,91,401	16,91,401	100	0	305,97,401	305,97,401	100	1708.99%
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other.	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	16,91,401	16,91,401	100	0	305,97,401	305,97,401	100	1708.99%
(2) Foreign									
a) NRIs - Individ- uals	0	0	0	0	0	0	0	0	0
b) Other - Indi- viduals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total share- holding of Promoter (A) = (A)(1)+(A)(2)	0	16,91,401	16,91,401	100	0	305,97,401	305,97,401	100	1708.99%
B. Public Share- holding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt. (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (spec- ify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of S	hares held at	the beginning	of the year	No.	No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
b) Individuals										
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0	0	0	0	0	0	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0	
c) Others (specify)	0	0	0	0	0	0	0	0	0	
Sub-total (B) (2):-										
Total Public Shareholding (B) = (B)(1) + (B)(2)	0	0	0	0	0	0	0	0	0	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	0	16,91,401	16,91,401	100	0	305,97,401	305,97,401	100	1708.99%	

(*) - Pursuant to G.O Ms.No.28, Energy Department, Govt. of A.P dated 30.05.2014

Shareholding of Promoters:

II. Category-wise Share Holding

SI. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholdin	% change in share-		
		No. of Shares	% of total Shares of the company	%of Shares ledged/ encum- bered to total shares	No. of Shares	% of total Shares of the com- pany	%of Shares ledged/ encum- bered to total shares	
1	Governor of Andhra Pradesh	16,91,394	100.00	0	305,97,401	100.00	0	(*)
2	Nominees of Governor of Andhra Pradesh (9 nos.)	7	negligible	0	7	negligible		
	Total	16,91,401	100.00	0	305,97,401	100.00	0	0

(*) -Pursuant to G.O Ms.No.28, Energy Department, Govt. of A.P dated 30.05.2014

Section 1 Corporate Overview

Section 2
Forms & Reports

Section 3 Financial Statements Section 4 Shareholder Corner

- III. Change in Promoters' Shareholding (please specify, if there is no change): NIL The Company is a State Government company and 100% shareholding is held by Governor of Andhra Pradesh. There are changes in Nominees of Governor of Andhra Pradesh which will not be considered as change in Promoters.
- IV. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL
- V. Shareholding of Directors and Key Managerial Personnel: The Company is a State Government company and 100% shareholding is held by Governor of Andhra Pradesh. There are changes in Nominees of Governor of Andhra Pradesh which will not be considered as change in Promoters.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in crores)

	Secured Loans excluding deposits	Unsecured Loans (APPFC Bonds)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due		2,325.70		2,325.70 - -
Total (i+ii+iii)	-	2,325.70	-	2,325.70
Change in Indebtedness during the financial year • Addition • Reduction	5,000.00	4,000.00 (280.60)	-	9,000.00 (280.60)
Net Change	-	-	-	-
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	5,000.00 - -	6,045.10 - -	- - -	11,045.10 - -
Total (i+ii+iii)	5,000.00	6,045.10	-	11,045.10

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SI No.	Name of the MD/WTD and Manager		Remuneration (Amount in Rs.)					Ceiling as per Act
		Gross salary	Stock option	Sweat Equity	Com- mission	Others	Total	
1	Sri. Dinesh Parichuri, IRS	1,82,880	Nil	Nil	Nil	Nil	1,82,880	Not Applicable
2 Dr. K.V.V Satyanarayana, IRAS		2,06,557	Nil	Nil	Nil	Nil	2,06,557	Not Applicable
TOTAL	TOTAL							

B. Remuneration to other directors:

SI No.	Name of the Director		Remuneration (Amount in Rs.)					
		Fee for at- tending board/ committee meetings	Commission	Others	Total			
A.INDEF	PENDENT / NON EXECUTIVE DIRECTORS							
1	Dr. N. Srikant, IAS	1000	Nil	Nil	1000			
2	Sri B. Sreedhar, IAS	1000	Nil	Nil	1000			
4	Sri K.V.N. Chakradhara Babu, IAS	1000	Nil	Nil	1000			
5	Smt. S. Nagalakshmi, IAS	833	Nil	Nil	833			
TOTAL	TOTAL							

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: NIL

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Туре	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)			
A. COMPANY								
Penalty								
Punishment			NIL					
Compounding								
B. DIRECTORS								
Penalty								
Punishment			NIL					
Compounding								
C. OTHER OFFICERS	IN DEFAULT							
Penalty								
Punishment	NIL							
Compounding								

Place: Vijayawada Date: -22/02/2021 For and on behalf of the Board Sd/-(S. S. Rawat, IAS) Chairman

Section 1 Corporate Overview

Section 2
Forms & Reports

Section 3 Financial Statements Section 4 Shareholder Corner

Annexure - 2 FORM NO. AOC.2

EXTRACT OF ANNUAL RETURN

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

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

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

Place: Vijayawada Date: 22/02/2021 For and on behalf of the Board Sd/(S. S. Rawat, IAS)
Chairman

Form No. MR-3 Secretarial Audit Report For the Financial Year ended 31st March, 2020

(Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and remuneration Personnel) Rules, 2014)

To
The Members,
Andhra Pradesh Power Finance Corporation Limited,
CIN: U40109AP2000SGC107482,
48-12-16, 2nd Floor, East Wing,
Vidyut Soudha, Gunadala, Vijayawada,
Krishna, Andhra Pradesh – 520004.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to goof corporate practices by **ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED** (hereinafter referred as the "Company"). Secretarial Audit was conducted in manner that provided us a reasonable basis for evaluating the corporate conducts statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representations during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the "Financial year" ended on 31st March 2020, (i.e. from 1st April 2019 to 31st March 2020) compiled with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

- 1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st march, 2020 according to the provisions of
 - A. Companies Act, 2013 (the "Act") and the rules made thereunder.
 - B. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
 - C. The Depositors Act, 1996 and the Regulations and Bye Laws framed thereunder:
 - D. Foreign Exchange management Act, 1999 and the rules and regulations made thereunder: to the extent of Foreign Direct investment, Overseas Direct investment and External Commercial Borrowings:
 - E. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992("SEBI Act"):
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011:- Not Applicable
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015: Not Applicable.
 - iii. The Securities and Exchange Board of India (issue of Capital and Disclosure requirements) Regulations, 2009;

Section 3 Financial Statements Section 4 Shareholder Corner



- i. The Securities and Exchange Board of India (Employee Stock Option Scheme and employee Stock Purchase Scheme) Guidelines 1999:- Not Applicable.
- ii. (v) The Securities and Exchange Board of India (Issuing and Listing of Debt Securities) Regulations, 2008;
- vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: Not Applicable.
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations , 2009:- Not Applicable and
- viii. The Securities and Exchange Board of India (Buy back of Securities) Regulations , 1998:-Not Applicable
- F. The Reserve Bank of India Act, 1934 and Regulations framed thereunder for Non-Banking Financial Companies.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- ii. SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

II. Further report that:

In our opinion, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

- i. Non-Compliance of Section 96 of the Companies Act 2013, There is a delay of 135 days in convening Annual general Meeting for the Financial year 2019-20.
- ii. Non-Compliance of Section 173(1) of the Companies Act 2013 There is a gap of more than 120 days between two consecutive meetings of the Board. the Company has not convened any board meeting during the first quarter of the financial year.
- iii. Non-Compliance of Section 203 of the Companies Act 2013 The company has not appointed Chief Financial officer (CFO) and Company Secretary (CS) during the period under review. However, the Company has appointed CFO and CS on 07/09/2020 and 23/07/2020 respectively.
- iv. Non-Compliance of Section 125 of the Companies Act 2013 There is a delay in transfer of unclaimed principal and interest amount of Rs.6,45,624/- to Investor and Education and protection Fund.
- v. Non-Compliance of Section 179(3) of the Companies Act 2013 The Company has borrowed monies by passing circular resolutions and subsequently ratified in the next board meeting.
- vi. Delay and non-filing of certain periodical forms with the Registrar of Companies Andhra Pradesh.
- III. The Board of Directors of the Company us duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- III. I further report that based on the information received and representation provided to us, there are adequate systems and processes in the company that commensurate with the size and operations of the company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.
- IV. I further report that during the audit period there was no other event action having major bearing on the Company's affairs in the pursuance of the above referred laws, rules, regulations, guidelines, and

Place: Hyderabad Date: 24.12.2020

For S R Vattikuti & Associates **Company Secretaries**

Sd/-Srinivasa RaoVatikuti **Proprietor** C.P.No. 13966 UDIN: F010949B001638311

This Report is to be read with our letter of even date which is attached as Annexure-A and forms an integral part of this Report.



Annexure-A

To,
The Members,
ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED
Our report of even date is to be read along with this letter.

- 1. Maintenance of Statutory and other records are the responsibility of the management of the company, Our responsibility is to express an opinion on these records based on our audit.
- 2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and our report is not covering observations comments/ weakness already pointed out by the other Auditors.
- 4. Company was following system of obtaining reports from other departments to ensure compliance with applicable laws, rules, regulations and guidelines.
- 5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examine was limited to the verification of procedures on test basis.
- 6. The Secretarial Audit report is neither an assurance as to the future viability of the company not of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad Date: 24.12.2020 For S R Vattikuti & Associates Company Secretaries

Sd/-Srinivasa RaoVatikuti Proprietor C.P.No. 13966 UDIN: F010949B001638311

SECTION 3

Financial Statements





INDEPENDENT AUDITOR'S REPORT - REVISED

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 (which implies Revised Ind AS financial statements wherever mentioned) of M/s. Andhra Pradesh Power Finance Corporation Limited ("the Company"), which comprises the Balance Sheet as at 31st March 2020, 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 financial statements, including a summary of significant accounting policies and other explanatory information.

Based on the observations of the Comptroller and Auditor General of India additions and revision to above mentioned Ind AS financial statements have been done. Further we have reviewed and revised our audit report.

In our opinion and to the best of our information and according to the explanations given to us, the 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 31st March 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for 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.

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.



Section 2 Section 3
Forms & Reports Financial Statements

Section 4 Shareholder Corner



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.

KAM Title

(a) Transition to Ind AS accounting framework

KAM Description

The company has adopted Ind AS from 1st April 2019 with an effective date of 1st April 2018 for such transition. For periods upto and including the year ended 31stMarch 2019, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended 31st March 2020, together with the comparative financial information for the previous year ended 31st March 2019 and the transition date Balance sheet as at 1st April 2018 have been prepared under Ind AS.

The transition has involved significant change in the company's policies and processes for financial reporting, including generation of supportable Information and applying estimates to interalia determine impact of Ind AS on accounting and disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions.

In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.

Our Response

Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new frame work.

Evaluated the exemptions and exceptions allowed by the Ind As and applies by the Management in applying the first time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date.

Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.

Tested the disclosures prescribed under Ind AS.

(b) Provision for standard assets

KAM Description

The Company has not provided for provision on standard assets as per the prudential norms prescribed by the Reserve bank of India for NBFC'S. We determined this to be key audit matter due to the inherent limitations in estimation of profit for the year.

Management has supported the non-provision on standard assets due to lack of adequate profits to absorb the provisions.

Our Response

Our audit procedures included, among others, evaluating the profits of the company as per the prudential norms prescribed by the Reserve Bank of India for Non Banking Financial Companies. We assessed the adequacy and the level of estimation involved.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The other information comprises the information included in Annual report, but does not include the Standalone Ind AS financial statements and our auditors' report thereon. The Company's Board of Directors is responsible for the other information.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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



Section 2 Sect Forms & Reports Fin

Section 3 Financial Statements Section 4 Shareholder Corner



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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies
 Act, 2013, we are also responsible for expressing our opinion on whether the company has
 adequate internal financial controls system in place and the operating effectiveness of such
 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 consolidated Ind AS financial statements for the financial year ended March 31, 2020 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.

Other Matter

- a. As per Sec 203(1) of Companies act 2013, The Appointment of Company Secretary (CS) and Chief Financial Officer(CFO)is mandatory for public companies having paid-up capital more than 10 Crores. As the paid-up capital is more than 10 crores, the company needs to appoint Company Secretary and Chief Financial Officer which was done after the balance sheet date.
- b. Attention is invited to Paragraph(g) of Presentation and disclosures in financial Statements of Notes on accounts wherein the company has not considered an amount of Rs 41.90 Crores as outstanding in Debt securities disclosed under Financial Liabilities and the same amount in Loans and Advances to A.P Discoms as receivables under Financial Assets as per the reasons explained in the said paragraph.

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

Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) order, 2016("the order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the order.

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 No. G.S.R. 463E dated 5th June, 2015 from the Ministry of Corporate Affairs, Government Companies are exempt from the applicability of the provisions of Sec. 164(2) of the Act. Consequently these provisions are not applicable to this 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. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 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:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There has been an occasion during the year in delay of transfer Rs.6,45,624/- to the Investor Education and Protection Fund having bond series of 1/2002-2,21,124/-,2/2002-20,880/- and 2/2000-4,03,620/-. Amount of Rs.6,45,624/- is still pending as at Audit Report date. The management is in the process of transferring the amount.

For Suryanarayanamurthy& CO

Chartered Accountants Firm Reg.No.004301S

Sd/
D.DURGA PRASAD
Partner
Membership No. 027984

Place: Vijayawada Date: 22.02.2021

"Annexure A" to the independent Auditors Report

Referred to in paragraph I under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone Ind AS financial statements of the Company for the year ended 31st March 2020

- i. In respect of the fixed assets of the Company:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. These Fixed assets have been physically verified by the management at reasonable intervals, no material discrepancies were noticed on such verification.
 - c. The company does not have any immovable properties.
- ii. The company does not have any inventory so this clause is not applicable to the company.
- iii. In respect of loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered by the clause 76 of section 2 of the Companies Act,2013:
 - a. In our opinion and according to the information and explanations given to us, the company has not granted any loan so this clause is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted any loans to directors and has not made any investments.
- v. In our opinion and according to the information given to us, the Company has issued bonds to the outsiders.
- vi. As per Cost Records and Audit rules, 2014 company engaged in the generation transmission and distribution of electricity is liable for maintaining Cost Records and Cost Audit. Company's activities does not comprises of generation of electricity. It is registered as NBFC for providing loans and advances to AP DISCOM'S POOL account by way of issuing bonds. Therefore, cost audit is not applicable for the company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been regular in depositing the undisputed statutory dues including Income-tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues where ever applicable to it with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Income Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.
 - c. Details of dues of Income Tax which have not been deposited as at 31st March 2020 on account of dispute are given below.



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

- viii. The Company has taken loans or borrowings from financial institutions and banks were applied for the purpose for which those were raised.
- ix. In our opinion, Based upon audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- x. In our opinion, based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xi. In our opinion and according to the information and explanations given to us the company is not a Nidhi Company. Therefore, the said clause is not applicable to the Company.
- xii. Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013.
- xiii. According to the information and explanation given to us and based on our examination of records of the company, the company has made private placement of shares aggregating to Rs. 2,89,06,00,000/-during the year under review and has complied to the requirements of the section 42 of the Companies Act, 2013.
- xiv. In our opinion, based upon the audit procedures performed and information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected by him.
- xv. In our opinion, the company is registered as NBFC under section 45-1A of the Reserve Bank of India Act, 1934 as Investment company

For Suryanarayanamurthy& CO

Chartered Accountants Firm Reg.No.004301S

Sd/
D.DURGA PRASAD
Partner
Membership No. 027984

Place: Vijayawada Date: 22.02.2021

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 31 March 2020 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 (TCAI'). 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 Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to 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 with reference to these standalone Ind AS financial statements 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 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Suryanarayanamurthy& CO

Chartered Accountants Firm Reg.No.004301S

Sd/
Place: Vijayawada
Date: 22.02.2021
Partner
Membership No. 027984

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 2020.

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:

SI. No.	Description	Observation
1	Whether the Company has system in place to process all the accounting 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/writeoff of debts/loans/interest etc made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated	As per 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 received /receivable for specific schemes from central/state 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 the company receives reimbursement of interest payable to bond holders from state government and the same is properly utilized/accounted.

Place: Vijayawada Date: 22.02.2021 For Suryanarayanamurthy& CO
Chartered Accountants
Firm Reg.No.004301S

Sd/
D.DURGA PRASAD
Partner
Membership No. 027984



C & AG AUDIT REPORT



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

NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT FOR THE YEAR ENDED 31stMARCH,2020

To
The Board of Directors,
ANDHRA PRADESH POWER FINANCE CORPORATIONLIMITED

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 31.03.2020.
- 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 2019-2020.
- 4. The Company has complied with the Prudential norms relating to, income recognition, accounting standards, asset classification and provisioning for Bad and Doubtful debts in terms of Non-Banking Financial Company Systemically ImportantNon-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, from time to time in so far as the same are applicable to the Company except for provision on standard assets.
- 5. The company is generally regular in filing Asset Liability management-1 (ALM-1) and NBS-7 quarterly returns to RBI.

For Suryanarayanamurthy& CO

Chartered Accountants Firm Reg.No.004301S

Sd

D.DURGA PRASAD

Partner

Membership No. 027984

Place: Vijayawada Date: 22.02.2021

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT) ANDHRA PRADESH, HYDERABAD – 500004.

No.PAG (Au)/AP/AMG-PSUs(power)/APPFCL/AA/2019-20/3,

Date:29/04/2021

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

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the financial statements of APPFCL, Vijayawada for the year ended 31 March 2020.

I am to forward herewith comments of the Comptroller and Auditor General of India un under Section 143 (6) (b) of the Companies Act, 2013 on the financial statements of APPFCL, Vijayawada for the year ended 31 March 2020 for necessary action.

- 1. The date of placing of Annual Report for the year 201-20 together with the financial statements, comments of the Comptroller and Auditor General of India and independent auditor's report before the shareholders of the company along with a copy of the proceedings of the meeting held in the regard may be furnished.
- 2. The date of forwarding the Annual Report and financial statements of the company for the year 2019-20 together with the auditor's report and comments of the Comptroller and Auditor General of India to the State Government for being placed before the Legislature of Andhra Pradesh and date of placement of the same before the State Legislature may be intimated.
- 3. Ten copies of the Annual Report for the year 2019-20 may be furnished in due course. PDF copy of the Annual Report may also be furnished for our record.

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

Encl: As stated Yours faithfully,

Sd/Sr. Deputy Accountant General (AMG-II)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF APPFCL, VIJAYAWADA FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of financial statements of Andhra Pradesh Power Finance Corporation Limited, for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is 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(0) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 22 February 2021 which supersedes their earlier Audit Report dated 07 December 2020.

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 31st March 2020 under section 143(6) 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 inquires of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision made in the financial statements by the management, as indicated in the Note No.13 of the financial statements, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditor's report under section 143(6) (b) of the Act.

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

Sd/Place: Hyderabad (HEMA MUNIVENKATAPPA)
Date:29.04.2021 Accountant General (Audit)



(Amounts in Rs.) ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED PART I: IND AS BALANCE SHEET (REVISED) **Particulars** Note As on 31.03.2020 As on 31.03.2019 As on 31.03.2018 (As per Ind AS) (As per Ind AS) No. (As per Ind AS) 2 3 **ASSETS** (1) **Financial Assets** Cash and cash equivalents (a) 4,595.00 12,825.00 2 (b) Bank Balance other than 2,55,99,87,153.48 30,75,66,491.00 2,08,52,301.00 (a) above Derivative financial instruments (c) (d) Receivables (I) Trade Receivables 3 1,42,98,67,769.00 51,48,11,312.00 47,42,99,151.00 (II) Other Receivables 4 12,54,388.00 5 (e) Loans 1,10,52,60,00,000.00 23,25,70,00,000.00 23,25,80,00,000.00 (f) Investments Other Financial assets (to be specified) (g) (2) **Non-financial Assets** (a) Inventories Current tax assets (Net) 12,64,041.00 14,59,742.00 13,31,059.00 (b) 2,352.00 (c) Deferred tax Assets (Net) (d) **Investment Property** (e) Biological assets other than bearer plants (f) Property, Plant and Equipment 2.00 11,434.00 30.324.00 **Total Assets** 1,14,51,83,73,353.48 24,08,08,55,926.00 23,75,45,25,660.00 LIABILITIES AND EQUITY LIABILITIES (1) **Financial Liabilities** Derivative financial instruments (a) **Payables** (b) (I)Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors 7 95,69,80,480.00 65,10,48,490.00 32,73,84,785.00 other than micro enterprises and small enterprises (II) Other Payables (i) total outstanding dues of micro enterprises and small enterprises total outstanding dues of creditors other than micro enterprises and small enterprises

					(Amounts in Rs.)		
	ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED						
	PART I : IND AS BALANCE SHEET (REVISED)						
	Particulars Note As on 31.03.2020 As on 31.03.2019 As on 31.03.2 No. (As per Ind AS) (As per Ind AS) (As per Ind AS)						
	1		2	3	4		
(c)	Debt Securities	8	60,45,10,00,000.00	23,25,70,00,000.00	23,25,80,00,000.00		
(d)	Borrowings (Other than Debt Securities)	8	50,00,00,00,000.00				
(2)	Non-Financial Liabilities						
(a)	Current tax liabilities (Net)	9	1,26,84,029.00	72,648.00			
(b)	Provisions	10	3,97,374.70	2,70,135.00	2,89,756.00		
(c)	Deferred tax liabilities (Net)	11	-	-	-		
(d)	Other non-financial liabilities (to be specified)	12	33,20,600.00	32,45,000.00	-		
(3)	EQUITY						
(a)	Equity Share capital	13	3,05,97,40,100.00	16,91,40,100.00	16,91,40,100.00		
(b)	Other Equity	14	3,42,50,769.78	79,553.00	2,88,981.00		
	Total Liabilities and Equity		1,14,51,83,73,353.48	24,08,08,55,926.00	23,75,45,25,660.00		

For ANDHRA PRADESH POWER FINANCE **CORPORATION LTD**

For Suryanarayana Murthy & Co., **Chartered Accountants** FRN 004301S

> Sd/-(D.DURGA PRASAD) Partner Membership No. 027984

Place: VIJAYAWADA Date: 22.02.2021

Sd/-V ABHINAYA COMPANYSECRETARY

Sd/-M RAMANA REDDY **CHIEF FINANCIAL OFFICER**

Sd/-Dr.K V V SATYANARAYANA, IRAS MANAGING DIRECTOR



(Amounts in Rs.)

	ANDHRA PRADESH POWER FINANCE			
	PART II : STATEMENT OF PROFIT/LOSS & OTHER CO	Note No.	For the year end- ed 31.03.2020 (As per Ind AS)	For the year ended 31.03.2019 (As per Ind AS)
	Revenue from operations		(est per sua se)	(to per marroy
(i)	Interest Income	15	6,87,63,97,383.79	2,14,95,02,783.00
(ii)	Dividend Income		-	-
(iii)	Rental Income		-	-
(iv)	Others (to be specified)	16	60,88,930.00	29,87,452.00
(I)	Total Revenue from operations		6,88,24,86,313.79	2,15,24,90,235.00
(II)	Other Income (to be specified)		-	-
(III)	Total Income (I+II)		6,88,24,86,313.79	2,15,24,90,235.00
	Expenses			
(i)	Finance Costs	17	6,80,44,19,090.79	2,14,82,32,570.00
(ii)	Fees and commission expense		-	-
(iii)	Employee Benefits Expenses	18	3,89,437.00	1,82,880.00
(iv)	Depreciation, amortization and impairment		11,432.00	18,890.00
(vi)	Others expenses (to be specified)	19	3,07,66,411.22	36,59,411.00
(IV)	Total Expenses (IV)		6,83,55,86,371.01	2,15,20,93,751.00
(V)	Profit / (loss) before exceptional items and tax (III-IV)		4,68,99,942.78	3,96,484.00
(VI)	Exceptional items		-	-
(VII)	Profit/(loss) before tax (V -VI)		4,68,99,942.78	3,96,484.00
(VIII)	Tax Expense: (1) Current Tax (2) Deferred Tax		1,27,28,725.00	27,951.00
(IX)	Profit / (loss) for the period from continuing operations(VII-VIII)		3,41,71,217.78	3,68,533.00
(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)		3,41,71,217.78	3,68,533.00
(XIV)	Other Comprehensive Income			
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Subtotal (A)		-	-

				(Amounts in Rs.)
	ANDHRA PRADESH POWER FINANCE C	ORPOI	RATION LIMITED	
	PART II : STATEMENT OF PROFIT/LOSS & OTHER COMP	REHENS	IVE INCOME (REVISED)	
	Particulars	Note No.	For the year end- ed 31.03.2020 (As per Ind AS)	For the year end- ed 31.03.2019 (As per Ind AS)
	(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		3,41,71,217.78	3,68,533.00
	Income for the period)			
(IVX)	Earnings per equity share (for continuing operations)			
	Basic (Rs.)		1.12	0.22
(XVII)	Diluted (Rs.) Earnings per equity share (for discontinued operations)		1.12	0.22
(XVII)				
	Basic (Rs.) Diluted (Rs.)			
	Diluted (No.)			
(XVIII)	Earnings per equity share (for continuing and discontinued operations)			
	Basic (Rs.)		1.12	0.22

See Accompanying notes to Financial Statements As Per Our Report Of Even Date

For ANDHRA PRADESH POWER FINANCE **CORPORATION LTD**

For Suryanarayana Murthy & Co., **Chartered Accountants** FRN 004301S

Diluted (Rs.)

Sd/-(D.DURGA PRASAD) Partner Membership No. 027984

Place: VIJAYAWADA Date: 22.02.2021

Sd/-**V ABHINAYA COMPANY SECRETARY**

Sd/-M RAMANA REDDY **CHIEF FINANCIAL OFFICER**

0.22

Sd/-Dr.K V V SATYANARAYANA, IRAS MANAGING DIRECTOR



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED #48-12-12,2nd Floor,East Wing,Vidyut Soudha, Gunadala,Vijayawada - 520004 CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020 (Revised) **Particulars** Note For the year end-For the year ended No. ed 31.03.2020 31.03.2019 (As per Ind AS) (As per Ind AS) 31-03-2020 31-03-2019 31-03-2018 **CASH FLOW FROM OPERATING ACTIVITIES** A. 3,41,71,217.78 (2,88,981)Net Profit/(loss) after tax as per Statement of 3,68,532.90 **Profit and Loss Adjusted For:** Depreciation & Assets written off 18,889.52 11,432.00 18,890 Deferred Tax Liability/(Asset) 2,351.52 Interest Earned on Fixed Deposits with Banks <u>-12,44,324.00</u> 12,70,213.00 (13,52,927)and IT Refund Operating profit before working capital changes 3,29,38,325.78 8,85,142.11 (16,23,018)**Adjusted For:** (Increase)/Decrease in current maturities of Non-Cumulative Bonds and Advances Receiv-10,00,000.00 (39,50,00,000) (Increase)/Decrease in Receivables from AP 17,69,99,567.00 3,65,89,211.00 (32,56,99,388)(Increase)/Decrease in Other Current Assets and Financial Assets 1,09,31,12,359.77 40,51,633.33 20,02,604 Increase/(Decrease) in Bonds outstanding 37,19,40,00,000.00 -10,00,000.00 39,50,000.00 Increase/(Decrease) in Bank Loans 50,00,00,00,000.00 (Increase)/Decrease in Advances to AP Power Utilities -87,26,90,00,000.00 Increase/(Decrease) in Trade Payables & Other 31,87,46,210.70 32,69,61,732.32 32,88,44,097 **Financial Liabilities** (Increase)/Decrease in Net Current Assets -67,23,66,582.07 28,73,20,887.99 (39,38,57,895) Net Cash Flow from Operating Activities (A) -63,94,28,256.29 28,64,35,745.88 (39,54,80,913) B. CASH FLOW FROM INVESTING ACTIVITIES (Increase)/Decrease in Net Investments Interest Received 12,44,324.00 12,70,213.00 13,52,927 Net Cash Flow from Investing Activities (B) 12,44,324.00 12,70,213.00 13,52,927 C. **CASH FLOW FROM FINANCING ACTIVITIES:** Increase/(Decrease) in Equity Share Capital 2,89,06,00,000.00 Net Cash Flow from Investing Activities (B) 2,89,06,00,000.00 Net (Decrease)/ Increase in Cash and Cash 2,25,24,16,067.71 28,67,05,958.88 7,55,134.00 equivalents (A+B+C) Add: Cash and Cash Equivalents at the beginning 30,75,71,084.00 2,08,65,126.00 2,01,09,992.00 the year 30,75,71,083.88 Cash and Cash Equivalents at the end of the 2,55,99,87,151.71 2,08,65,126.00 year **Reconciliation of Cash & Cash Equivalents**

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED							
#48-12-12,2nd Floor,East Wing,Vi	idyut Soudha, Gunadala,	Vijayawada - 520004					
CASH FLOW STATEMENT FOR	R THE YEAR ENDED 31st	MARCH 2020 (Revised)					
Particulars Note For the year end- No. ed 31.03.2020 31.03. (As per Ind AS) (As per Ind AS)							
	31-03-2020	31-03-2019	31-03-2018				
Cash in Hand	12,104.00	4,595.00	12,825.00				
Cash at Bank	-						
a) In Current Account	2,55,98,19,313.23	28,75,22,033.00	8,48,589.00				
b) In No-Lien Account	1,51,559.00	44,456.00	3,712.00				
c) In Deposit Account / DSRE Account and No Lien Accounts	<u>4,175.48</u>	2,00,00,000.00	2,00,00,000.00				
Total Cash & Cash Equivalents at the end of the	2,55,99,87,151.71	30,75,71,084.00	2,08,65,126.00				

As Per Our Report Of Even Date

For Suryanarayana Murthy & Co., Chartered Accountants FRN 004301S

> Sd/-(D.DURGA PRASAD) Partner Membership No. 027984

Place: VIJAYAWADA Date: 22.02.2021 For ANDHRA PRADESH POWER FINANCE CORPORATION LTD

Sd/-V ABHINAYA COMPANY SECRETARY Sd/-M RAMANA REDDY CHIEF FINANCIAL OFFICER

Sd/-Dr.K V V SATYANARAYANA, IRAS MANAGING DIRECTOR



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

	#48-12-12,2nd Floor,East Wing,Vidyut Soudha, Gunadala,Vijayawada - 520004						
	NOTES TO ACCOUNTS FOR IND AS BALANCE SHEET (Revised)						
	Particulars	31-03-2020	31-03-2019	31-03-2018			
Note 2	Cash and Cash Equivalents						
	Balances with Scheduled Bank						
	In Current Account with SBI	2,55,98,19,313	28,75,22,033	8,48,589			
	In Deposits Account with SBI	-	2,00,00,000	2,00,00,000			
	In Service Tax No - Lien Account SBI	1,51,559	24,456	3,712			
	In Bond Servicing No - Lien Account SBI	3,237	10,000	-			
	In Debt Service Reserve No - Lien Account SBI	940	10,000	-			
	Cash on Hand	12,104	4,595	12,825			
		255,99,87,153	30,75,71,084	2,08,65,126			
Note 3	Trade Receivables Considered Good - Secured						
	Receivables from AP Govt	14,59,36,723	32,29,36,290	32,29,36,290			
	Interest Receivable on Loans to AP Power Utilities	128,39,31,046	18,79,28,425	18,79,28,425			
	Interest Receivable from Fixed Deposit	-	10,960	13,085			
	Prepaid Expenses	-	2,643	10,562			
	Advances to Credit Rating Agency	-	27,50,000	-			
	Mat Credit	-	42,345.00	-			
	Input GST	-	11,40,649	-			
		142,98,67,769	51,48,11,312	47,42,99,151			
Note 4	OTHER RECEIVABLES						
	Receivable from TS Government	12,54,388					
		12,54,388	-	-			
Note 5	FINANCIAL ASSETS						
	Loans						
	Loans and Advances to AP Discom's - From Banks & Owner Funds	50,07,50,00,000	-	-			
	Loans and Advances to AP Discom's - Through Issue of Bonds	60,45,10,00,000	23,25,70,00,000	23,25,80,00,000			
		110,52,60,00,000	23,25,70,00,000	23,25,80,00,000			
Note 6	CURRENT TAX ASEETS (NET)						
	TDS Receivable	12,64,041	14,59,742	13,31,059			
		12,64,041	14,59,742	13,31,059			



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

#49 12 12 2nd Floor Foot Wing Vidyut Soudho Cunadala Vijayawada F20004					
#48-12-12,2nd Floor,East Wing,Vidyut Soudha, Gunadala,Vijayawada - 520004 NOTES TO ACCOUNTS FOR IND AS BALANCE SHEET (Revised)					
	Particulars	31-03-2020	31-03-2019	31-03-2018	
Note 7	Payables	31-03-2020	31-03-2019	31-03-2010	
Hote 7	De-merger Proposal Preparation Charges	_	_	36,031	
	Payable			30,031	
	Payable/Receivable from TS Govt	-	17,57,45,179	32,73,48,754	
	Interest Accrued but not due on bonds	95,69,80,480	18,79,28,425-	-	
	Interest on bonds - TG Payable	-	28,73,69,000	-	
	Interest on Bonds payable	-	5,886	-	
		95,69,80,480	65,10,48,490	32,73,84,785	
Note 8	FINANCIAL LIABILITIES				
	i) Debt Securities				
	1/2005 Bonds Issue 16th Series	-	,38,70,00,000	2,38,70,00,000	
	1/2010 Bonds Issue 17th Series	4,27,00,00,000	4,68,90,00,000	4,68,90,00,000	
	1/2011 Bonds Issue 18th Series	62,10,00,000	62,10,00,000	62,10,00,000	
	2/2011 Bonds Issue 19th Series	3,01,00,00,000	3,01,00,00,000	3,01,10,00,000	
	1/2012 Bonds Issue 20th Series	1,27,10,00,000	1,27,10,00,000	1,27,10,00,000	
	2/2012 Bonds Issue 21st Series	4,04,60,00,000	4,04,60,00,000	4,04,60,00,000	
	3/2012 Bonds Issue 22nd Series	7,23,30,00,000	7,23,30,00,000	7,23,30,00,000	
	I/2019 Bonds Issue	40,00,00,00,000	-	-	
	Sub Total (A)	60,45,10,00,000	23,25,70,00,000	23,25,80,00,000	
	ii) Borrowings Other than Debt Securities				
	State Bank of India	15,00,00,00,000	-	-	
	Andhra Bank	15,00,00,00,000	-	-	
	Canara Bank	20,00,00,00,000	-	-	
	Sub Total (B)	50,00,00,00,000	-	-	
	Total (A+B)	110,45,10,00,000	23,25,70,00,000	23,25,80,00,000.00	
Note 10	PROVISIONS		50.050	1.10.000	
	Folio Maintenance Charges Payable	-	59,850	1,10,383	
	E TDS Filing fee Payable	-	4.500	4,050	
	Professional/Consultancy	- 0.000	4,500	F 400	
	Service tax/GST Consultancy Charges Payable	9,000	4,500	5,400	
	Internal Audit Fee Payable	21,600	21,600	21,600	
	Statutory Audit Fee Payable	67,500	67,500	67,500	
	Outsourcing Staff Salaries Payable	18,188	21,359	21,384	
	Managing Director Remuneration Payable	111,224	-	-	
	Telephone and Internet Expenses Payable	-	-	318	

37,000

30,380

30,380

Vehicle Hire Charges Payable



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

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

NOTES TO ACCOUNTS FOR IND AS DALANCE SHEET (Davised)

	NOTES TO ACCOUNTS FOR IND AS BALANCE SHEET (Revised)						
	Particulars	31-03-2020	31-03-2019	31-03-2018			
	Tax Audit Fee Payable	4,500	4,500	5,000			
	GST Payable	665	180	1,260			
	TDS Payable	127,698	19,618	18,989			
	Travelling Expenses Payable	-	-	3,492			
	Printing and Stationary expenses payable	-	31,900	-			
	Provision for Standard assets						
	Office maintenance expenses payable	-	4,248	-			
		3,97,375	2,70,135	2,89,756			
Note-11	Deferred Tax						
	Tax effect of items constituting deferred tax						
	Arising on Account of timing difference in Depreciation	-	2,352	-			
	Opening Deferred Tax Asset	-	-	-			
		-	2,352	-			
Note 12	OTHER FINANCIAL LIABILITIES						
	Payable to APPCCL	32,45,000	32,45,000	-			
	Karvy Computershare Pvt. Ltd	59,850	-	-			
	One Legal Bay LLP	15,750	-	-			
		33,20,600	32,45,000	-			

For ANDHRA PRADESH POWER FINANCE **CORPORATION LTD**

For Suryanarayana Murthy & Co., **Chartered Accountants** FRN 004301S

> Sd/-(D.DURGA PRASAD) Partner Membership No. 027984

Place: VIJAYAWADA Date: 22.02.2021

Sd/-V ABHINAYA **COMPANY SECRETARY**

Sd/-M RAMANA REDDY **CHIEF FINANCIAL OFFICER**

Sd/-Dr.K V V SATYANARAYANA, IRAS MANAGING DIRECTOR



Andhra Pradesh Power Finance Corporation Limited : Statement of Changes in Equity (Revised)						
Note 13						
Equity:						
Particulars				As on 31.03.2020 (As per Ind AS)	As on 31.03.2019 (As per Ind AS)	As on 31.03. 2018 (As per Ind AS)
Authorised Capit	al:					
	uity shares of Rs.1			30,00,00,00,000	30,00,00,00,000	30,00,00,00,000
	ed & Paid up Cap					
31.03.2020	-	0/- each fully paid		3,05,97,40,100	16,91,40,100.00	16,91,40,100.00
16,91,401 Equity 31.03.2019	Shares of Rs. 100	/- each fully paid a	as on			
Note 14						
Particulars	Securities Premium	Special Re- serves - Re- serve as per RBI	General Reserve	Surplus/(Deficit)	Comprehensive Income	Total
Balance as on 01.04.2018	-	-	-	-2,88,981.00	-	-2,88,981.00
Profit After tax during the period to 31.03.2019	-	-	-	3,68,533.00	-	3,68,533.00
Changes in Fair value of Loans and Advances	-	-	-	-	-	-
Actuarial Gain/ loss on Gratuity	-	-	-	-	-	-
Amount Spent for CSR	-	-	-	-	-	-
Equity Dividend (Including Div- idend Distribu- tion Tax)	-	-	-	-	-	-
Transfer from Surplus Ac- count	-	-	-	-	-	-
Transfer to Spe- cial Reserve	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-
Transfer to Reserve Fund	-	-	-	-	-	-
Balance as on 31.03.2019	-	-	-	79,552.00	-	79,552.00
Profit After tax during the period to 31.03.2020	-	68,34,243.56	-	2,73,36,974.22	-	3,41,71,217.78



Particulars	Securities Premium	Special Re- serves - Re- serve as per RBI	General Reserve	Surplus/(Deficit)	Comprehensive Income	Total
Changes in Fair value of Loans and Advances	-	-	-	-	-	-
Acturial Gain/ loss on Gratuity	-	-	-	-	-	-
Amount Spent for CSR	-	-	-	-	-	-
Equity Dividend (Including Div- idend Distribu- tion Tax)	-	-	-	-	-	-
Transfer from Surplus Ac- count	-	-	-	-	-	-
Transfer to Spe- cial Reserve	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-
Transfer to Reserve Fund	-	-	-	-	-	-
Balance as on 31.03.2020	-	68,34,243.56	-	2,74,16,526.22	-	3,42,50,769.78

For Suryanarayana Murthy & Co., Chartered Accountants FRN 004301S

> Sd/-(D.DURGA PRASAD) Partner Membership No. 027984

Place: VIJAYAWADA

Date: 22.02.2021

For ANDHRA PRADESH POWER FINANCE **CORPORATION LTD**

Sd/-**V ABHINAYA COMPANY SECRETARY**

Sd/-M RAMANA REDDY **CHIEF FINANCIAL OFFICER**

Sd/-Dr.K V V SATYANARAYANA, IRAS

MANAGING DIRECTOR



	PARTICULARS	As on 31-03-20 As on 31-03		
		Rs.	Rs.	
Note 15	Revenue from Operations		<u> </u>	
	a) Interest Income	6,87,63,97,384	2,14,95,02,783	
		6,87,63,97,384	2,14,95,02,783	
Note 16	Other Income			
	Grant in Aid	60,65,360	29,87,452	
	Interest on IT refund	23,570	-	
		60,88,930	29,87,452	
Note 17	Finance Cost			
	Interest on Bonds	6,02,27,04,205	2,14,82,32, 570	
	Interest on Loans from Banks	78,17,14,886.00		
		6,80,44,19,091	2,14,82,32,570	
Note 18	Employee Benefit Expenses			
	MD Remuneration	3,89,437	1,82,880	
		3,89,437	1,82,880	
Note 19	Other Expenses			
	Trustee Fees	17,14,452	12,66,018	
	NSE Listing Fee	2,47,800	1,06,717	
	ROC Filing Fee	35,800	56,000	
	E- TDS Filing Fee	3,000	11,150	
	Custodial Service Fee paid to CDSL & NSDL	1,54,425	77,476	
	Consultant & Professional Charges	1,20,000	76,000	
	Stamp Duty Charges	31,00,900		
	Directors Sitting Fee	3,833	9,750	
	Upfront Fees on Bank Loan	1,77,00,000		
	Printing & Stationery	16,669	68,674	
	Compensation Expenses	-	22,500	
	Rating charges	42,78,000		
	Transaction Advisor Fees	4,80,000		
	Postage & Courier	4,700	5,982	
	Vehicle Hire Charges	4,41,684	3,72,000	
	Travelling Expenses	98,238	25,166	
	Telephone & Internet Expenses	2,114	1,209	
	Folio Maintenance Charges	66,500	38,783	
	Office Maintenance	1,65,763	19,914	
	Bank Charges	22,760	11,801	
	Advertising charges	-	4,24,744	
	Company Secretary Charges	1,76,000	-	
	Website Maintenance	10,448	7,483	

NOTES TO IND AS PROFIT AND LOSS ACCOUNT (Revised)				
PARTICULARS	As on 31-03-20	As on 31-03-19		
	Rs.	Rs.		
Outsourcing Staff Salaries	2,18,931	2,21,022		
Service Tax/GST Consultancy Charges	-	60,000		
GST input amount	14,03,394	-		
Credit Information Expenses	20,000	20,000		
Grant in Aid Expenses	-	5,67,522		
Income Tax Appeal Fees	-	10,000		
IT Stay Application Fees	-	500		
Professional Fees- Legal Services	1,77,000	75,000		
Auditors Remuneration				
For Statutory Auditors	75,000	75,000		
For Internal Auditors	24,000	24,000		
For Tax Auditors	5,000	5,000		
	307,66,411	36,59,411		

For ANDHRA PRADESH POWER FINANCE **CORPORATION LTD**

For Suryanarayana Murthy & Co., **Chartered Accountants** FRN 004301S

> Sd/-(D.DURGA PRASAD) Partner Membership No. 027984

Sd/-V ABHINAYA **COMPANY SECRETARY**

Sd/-M RAMANA REDDY **CHIEF FINANCIAL OFFICER**

Place: VIJAYAWADA Date: 22.02.2021

Sd/-Dr.K V V SATYANARAYANA, IRAS MANAGING DIRECTOR



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

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

Presentation and Disclosures in Financial Statements:

A. Significant Accounting Policies:

a. Basis of Preparation and Presentation:

Statement of Compliance

I. The financial statements have been prepared as a going concern in accordance with the Indian Accounting Standard ('Ind AS') for the first time, 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). The Financial Statements of the previous year ended 31st March 2019 which was previously prepared in accordance with accounting standards notified under section 133 of the Companies Act 2013, read with Para 7 of the Companies (Accounts) Rules 2014 (herein referred to as Previous GAAP) have been now restated and regrouped as per Ind AS to provide Comparability. The date of Transition to Ind AS being 1st April,2018, the financial statements for the year ended 31st March 2018 prepared under previous GAAP has now been restated and regrouped as per Ind AS as on 1st April 2018.

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 certain financial instruments that are measured at fair value at the end of the each reporting period.

- a. The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- b. The Receipts in the form of Interest for the payment of Interest on bonds and Interest on Loans given to AP Discoms of Rs.687.64 Crores (Previous year: Rs.214.82crore), and Reimbursement of expenses incurred by the company on behalf of the Government Rs. 60.89 Lakhs (previous year: Rs. 29.87 Lakhs) have been depicted separately both under 'Finance Income' and under 'Non Finance income' respectively in the Statement of Profit & Loss, which is met/reimbursed by the Government of AP to the company on actual basis.

b. Revenue Recognition:

1. 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 carrying the 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.

c. 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.

d. 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.

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.

(i) 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.



(ii) Measurement

Financial Instruments:

a. 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 was measured at amortized cost, since it satisfies the both the conditions specified above.

e. 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 equipment's 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.

However, the value of fixed assets during the current financial year was shown at nominal amount, due to depreciation amount provided to the extent of Rs. 11,432/-

f. <u>Depreciation</u>:

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.

g. <u>Unsecured bonds and term loans:</u>

Unsecured Bonds: Rs. 6,087.00 Crores (Previous year Rs. 2,325.70Crores) and Term Loans from Banks of Rs. 5,000.00 Crores (Previous year: NIL)

- i. The Company has raised funds through private placement of "APPFC BONDS" in the earlier years under the various series, but during the current year, funds of Rs. 4,000.00 Crores have been raised by the Company through the issue of Bond Series I/2019. The common features of the various series of bonds are as under:
- ii. The Bonds carry with them an unconditional and irrevocable guarantee, for the due repayment, both interest and principal, of the Government of AP.
- iii. The redemption of the Bonds/repayment to the bond holders is governed by a "STRUCTURED MECHANISM", through a Tripartite Agreement among the company, Government of Andhra Pradesh and State Bank of India Trustees to the Bond holders, 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 Term Loans of Rs. 5,000 Crores from the banks was 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, and G.O. Ms. No. 01, Dated: 23.01.2020.

NOTE: 1

1. Outstanding of APPFC Bonds at the end of year under different series as follows:

SI. No.	APPFC Bonds Series	Amount Outstanding (Rs. In crore) as on		Bonds (Rs. In crore) as on Rate (%)	Interest Pay- able	Tenure in Years	Put/Call Option due at The end of
		31-03-2020	31-03-2019				
1	1/2005	-	238.70	8.15	Annual	15	12th Year
2	1/2010	17.00	17.00	8.49	Semi Annual	10	7th Year
		451.90	451.90	8.74		12	10th Year
3	1/2011	2.10	2.10	9.10	Semi Annual	10	7th Year
		60.00	60.00	9.60		12	10th Year
4	2/2011	63.50	63.60	9.85	Semi Annual	10	7th Year
		237.50	237.50	9.97		12	10th Year
5	1/2012	26.30	26.30	9.50	Semi Annual	10	7th Year
		100.80	100.80	9.64		12	10th Year
6	2/2012	404.60	404.60	9.75	Semi Annual	10	7th Year
7	3/2012	723.30	723.30	9.75	Semi Annual	10	7th Year
8	1/2019	4000.00	-	10.32	Quarterly	10	NA

During the year, APPFCL has redeemed Bond Series 1/2005 of Rs.238.70Croresas per G.O.RT.No.10 dated 07/02/2020.

2.

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

3. Loan to AP DISCOMs':

The funds mobilized up to 31-03-2020 through issue of Bonds, by way of Loans from banks and from Owner Funds i.e., through issue of equity shares amounting to Rs. 11,094.50 crore(Rs.2,325.70 crore as at 31-03-2019) have been deployed by way of "Loan to AP DISCOMs".



Particulars	As on 31-03-2020 (Rs. in Crore)	As on 31-03-2019 (Rs. in Crore)	As on 31-03-2018 (Rs. in Crore)
Financial Assets: -Loan to DISCOMs -Call Option	11094.50	2260.10 65.60	2325.80
Total:	11094.50	2325.70	2325.80
Current Assets: Other Current Assets	NIL	NIL	NIL
Total:	11,094.50	2,325.70	2,325.80

4. All receivables including the receivables from the AP Government DISCOMs' are subject to confirmation and reconciliation from the respective parties.

5. Managerial Remuneration:

Particulars	Managing Director		
	2019-20 Rs.	2018-19 Rs.	2017-18 Rs.
Salaries, Allowances			
Contribution to Provident Fund and welfare fund		-	-
Others – Additional Charge allowance to Managing Director	3,89,437.00	1,82,880.00	1,78,480.00

6. Contingent Liabilities:

Particulars	As at 31.03.2020 Rs.	As at 31.03. 2019 Rs.
Claims against the company, not acknowledged as the debts (A.Y- 2013-2014)	Nil	55,34,560
Claims against the company, not acknowledged as the debts (A.Y-2012-2013)	2,15,37,500	2,15,37,501
Estimated amount of contracts remaining to be executed on Capital account and not provided for	Nil	Nil

- 7. As per Expert Committee Report the total bond liability as on 31st March, 2020 was Rs.5,405.80 Crores as against this the share of APPFCL was Rs.2,087.00Crores and the share of TSPFCL was Rs.3,318.80 Crores. APPFCL is providing service to TSPFCL and all the bonds are in the possession of APPFCL. The interest on the share of TSPFCL, is being paid by TSPFCL to APPFCL for making payment to bond holders.
- 8. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, wealth Tax, Sales tax, Customs Duty, Excise Duty, Goods and Service Tax and cess were in arrears as at 31-03-2020 for a period of more than Six months from the date they become payable. The corporation has filed an appeal in Telangana High court against order of Income tax Appellate Tribunal, Hyderabad Bench "A", Hyderabad in I.T.A No.27/HYD/2016 (for A.Y 12-13) bearing the Income Tax Demand due to Non-Deduction of TDS on interest on application money (Rs.4,93,77,480/-) paid to various organizations and hence the corporation has not provided for the demand in the Accounts on 31/03/2019. The corporation has filed appeal against the order of Income Tax Officer 1(2) for A.Y 2013-14 in CIT (A)-1, Hyderabad on 26.04.2016 bearing the Income Tax



Demand due to Non-Deduction of TDS on interest on application money (Rs.1,31,22,260/-) paid to various organizations, however, the assessment for the A.y.2013-14 was reverted to the Income Tax Officer Ward 1(3), where the proceedings were dropped by the department based on the information submitted vide Order dated 30.12.2019 and hence the corporation has not provided for the demand in the Accounts on 31/03/2020.

9. Following are the bank accounts reflected in the Books of Accounts and the same is reconciled as on 31.03.2020 by the management:

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

- 10. With respect to the G.O.RT.No.10 ,dated 30.01.2019, Government has sanctioned an amount of Rs.11,85,753/- towards 3rd quarter payment of put option of series 2/2011 bonds(Rs.10,32,653/-) in respect of Sangitha Bihani's Court Case of Rs.1,53,100/- respectively. But the company has paid interest amount of Rs.1,49,081 for 4 years 10 months 2 days to Sangitha Bihani but actual period for which payment due is 5 years 10 months 2 days.
- 11. 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), worth of Rs.66.43 Crores in Visakhapatnam District and 34.8 Acres in Nellore District to a total extent of Rs.101.31 Crores at Book Value to Andhra Pradesh Power Finance Corporation Limited. However, 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 end of Financial year ended 31st March, 2020.
- **12.** Reconciliation between previous GAAP and Ind AS

i. Equity Reconciliation

Particulars	Notes	31st March,2019	1st April,2018
Equity as per previous GAAP		1 6,92,19,653.00	16,88,51, 119.00
On application of Effective interest rate method			
Financial Assets (net of income/expense)		-	-
Financial Liabilities (net of Income/ Expense)		-	-
Others		-	-
Equity as per Ind AS		16,92,19,653.00	16,88,51,119.00

(ii) Total Comprehensive Income reconciliation for the year ended 31st March 2019

Particulars	Notes	31st March,2019
Profit as per previous GAAP		3,68,533.00
Adjustments increasing / (decreasing) net profit after tax as reported in the previous GAAP:		
Amortization of net income under EIR method for Financial Assets		
Amortization of expenses under EIR method for Financial Liabilities		
Financial assets / liabilities measured at Fair Value through Profit & Loss		
Items reclassified into OCI		
Tax adjustments on the above items		
Net Profit after tax as per Ind AS		
Other Comprehensive Income		
Total Comprehensive Income as per Ind AS		3,68,533.00

- **13.** The Comments/Audit Enquiries raised by the C & AG Auditors were considered in preparation and finalization of Books of Accounts.
- 14. Previous year figures are regrouped, rearranged or readjusted, where necessary.

For ANDHRA PRADESH POWER FINANCE CORPORATION LTD

For Suryanarayana Murthy & Co., Chartered Accountants FRN 004301S

> Sd/-(D.DURGA PRASAD) Partner Membership No. 027984

Place: VIJAYAWADA Date: 22.02.2021 Sd/-V ABHINAYA COMPANY SECRETARY Sd/-M RAMANA REDDY CHIEF FINANCIAL OFFICER

Sd/-Dr.K V V SATYANARAYANA, IRAS MANAGING DIRECTOR

SECTION 4

Shareholder Corner







ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

CIN: U40109AP2000SGC107482

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

20th Annual General Meeting – February 22, 2021 MGT – 11 PROXY FORM

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

Name of the Member(s) :				
Registered address:				
E-Mail Id:				
Folio No/Client Id:				
DP Id:				
I/We, being a Member (s) Members ofappoint			1	eby
1. Name:				-
Email Id:	_		_	
2. Name:				
Email Id:				
3. Name:				
Email Id:	Signature: _		or failing him	L
as my/our proxy to attend and vote (on General Meeting of the Company to be hel Special Chief Secretary to Government, Figure Tourn District and at any adjournment the Secretary to Government of Tourn District and at any adjournment the Adoption of Financial Statements a financial year ended March 31, 2020 2. To fix remuneration of M/s Suryanar No 004301S) appointed as Statutory	d on Monday, 22 inance Departmentereof in respect and Report of B - Ordinary Resolution ayana Murthy &	and February 2021 at 12:30 pm ent, 2nd Building, A.P. Secreta of such resolutions indicated oard of Directors and Audit aution. Co., Chartered Accountants (E	at Chambers ariat, Velagapu below tors thereon,	of idi, for
Signed	this	_ day of 2021	•	
Signature of the Shareholder: Signature of Proxyholder(s):			Affix Revenue Stamp	

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





ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

CIN: U40109AP2000SGC107482

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

20th Annual General Meeting – February 22, 2021 MGT – 12

POLLING PAPER

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

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

S.No	Resolution No	Matter of resolution	No of Shares	I assent to the resolution	I Dissent to the resolution
1	1	Adoption of Financial Statements and Report of Board of Directors and Auditors thereon, for financial year ended March 31, 2021 – Ordinary Resolution			
2	2	To fix remuneration of M/s Suryanarayana Murthy & To consider the appointment of Mr. Suryanarayana Murthy & Co., Chartered Accountants, Hyderabad as statutory auditor of the Company for the financial year 2020-21, as appointed by the Comptroller & Auditor General and to fix the remuneration thereof- Ordinary Resolution			

Place: VIJAYAWADA Signature of the Shareholder / Proxy

Date: 22.02.2021





ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

CIN: U40109AP2000SGC107482

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

20th Annual General Meeting – February 22, 2021 Attendance Slip

Regis	tered Fo	olio No	o. / DI	PIDN	o. / Cl	ient II) No.:								
Num	ber of s	shares	held												
I here	eby reco	ord my ary to (presen Govern	ce at th	ne 20th Financ	Annu:	al Geno artmer	eral Me nt, 2nd	eeting o	of the (Compa	ıny at (Chamb	ers of	Special
	e of the			roxy						Sig	nature	of the	e meml	per / p	roxy
	Please file	-		_			ver at th	e entran	ice of th	he meetin	ig hall.	Member	rs are re	equested	to bring



BOARD OF COMPANY

Mr. Shamsher Singh Rawat, IAS	Chairman
Dr. K V V Satyanarayana, IRAS	Managing Director
Dr. N Srikant, IAS	Director
Mr. KVN Chakradhara Babu, IAS	Director
Mr. B Sreedhar, IAS	Director
Ms. S. Nagalakshmi, IAS	Director

Company Secretary & Compliance Officer

Smt. V. Abhinaya, CS, CMA, 48-12-16, 2nd Floor,

East Wing, Vidyut Soudha, Gunadala, Vijayawada, Andhra Pradesh-520004.

Chief Financial Officer

Mr. M. Ramana Reddy, CFO, 48-12-16, 2nd Floor, East Wing,

Vidyut Soudha, Gunadala, Vijayawada,

Andhra Pradesh-520004.

Statutory Auditor

M/s. Satyanarayana & Associates,

Chartered Accountants,

G-1, B-Block, Matrusri Apartments, Hyderguda, Hyderabad – 500029.

Secretarial Auditor

M/s. SR Vattikuti & Associates,

Company Secretaries,

#208, Nalanda Complex,

Raj Bhavan Quarters Road, Somajiguda,

Hyderabad – 500082.

Internal Auditor

Sagar & Associates,

Prem nagar, Hyderabad – 500004

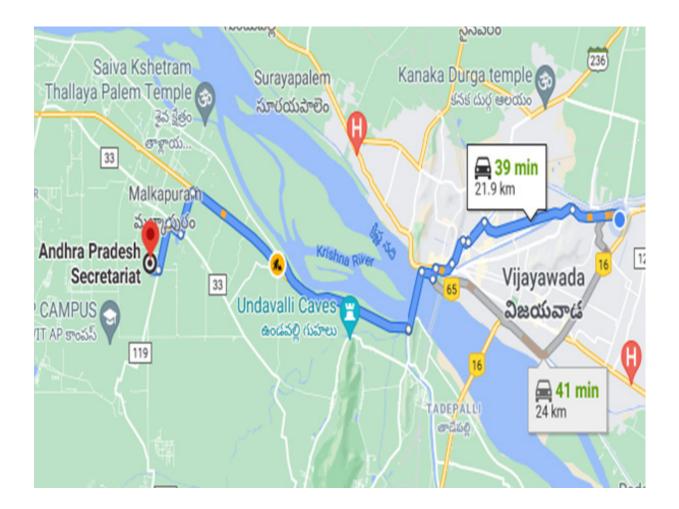
SBICAP Trustee Company Limited,

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

Karvy Fintech Private Limited,

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

Route Map for Venue to 20th AGM





Notes			



Notes		



Notes