



Sri Nara Chandra Babu Naidu

Hon'ble Chief Minister
Andhra Pradesh



Sri. Gottipati Ravi Kumar

Hon'ble Minister for Energy
Govt. of Andhra Pradesh



Vision & Mission Statement

Vision

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

Mission

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



SUPER SEED POWER SUPERCEDE GROWTH

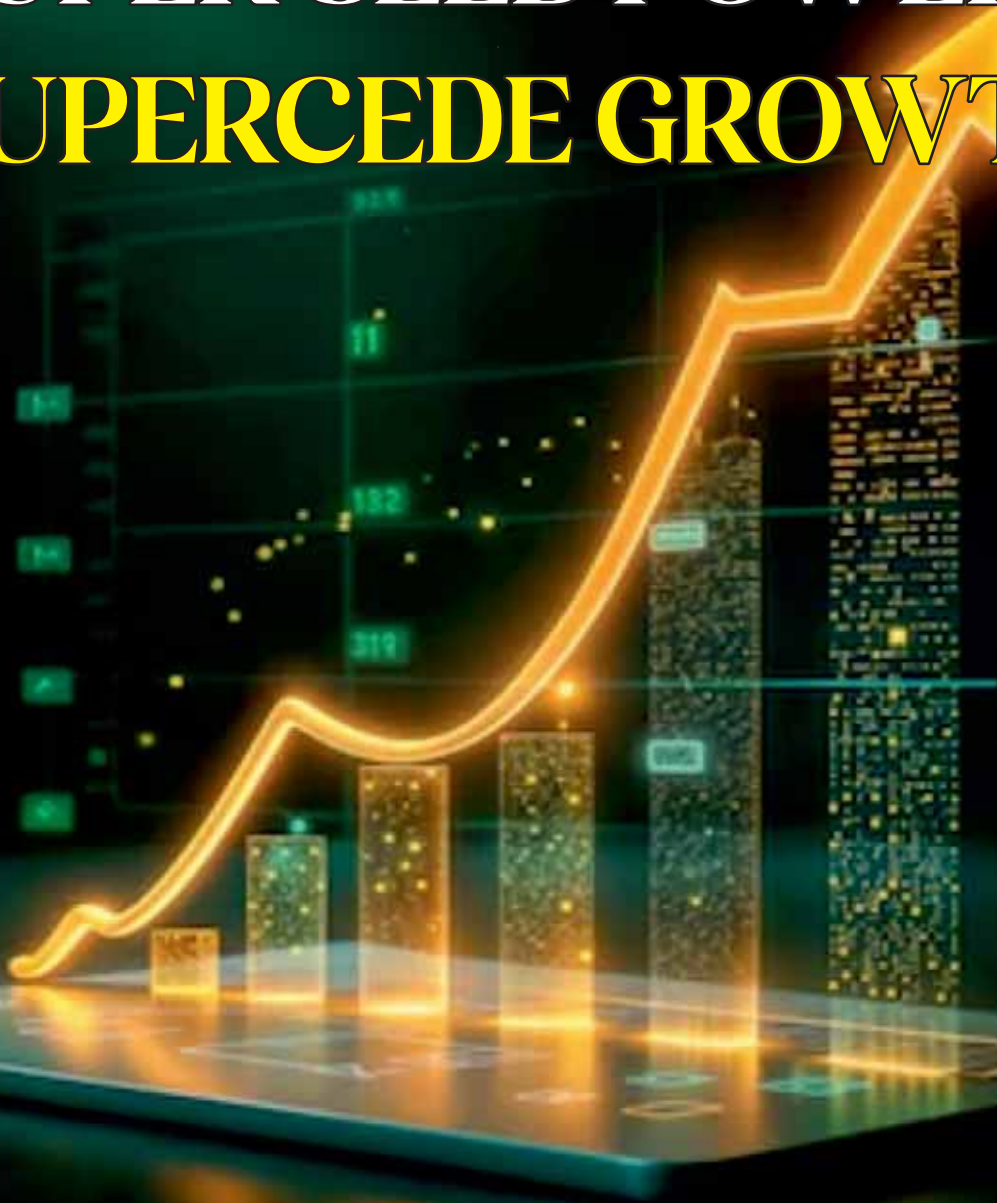


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Message from the Chairman

As we gather for the 24rd Annual General Meeting of Andhra Pradesh Power Finance Corporation Limited (APPFCL), I am delighted to report a remarkable year of resilience and excellence. Despite navigating unprecedented challenges, our Company has posted outstanding financial results, a testament to our team's dedication and perseverance.

At APPFCL, we firmly believe that robust Corporate Governance is the cornerstone of our success. By upholding the highest standards of integrity, transparency, and accountability, we foster a culture of trust and confidence among our stakeholders.

As a debt-listed entity, we have ensured unwavering compliance with the Companies Act, 2013, SEBI's Listing Obligations, and RBI regulations. Our governance framework is bolstered by rigorous policies, procedures, and internal controls, prioritizing the interests of our investors and stakeholders.

I extend my sincerest gratitude to our stakeholders, including Commercial Banks, RBI, SEBI, C&AG, Statutory Auditors, Internal Auditors, and the Registrar of Companies, for their invaluable support and guidance.

As we embark on a new journey, APPFCL remains committed to excellence, innovation, and sustainable growth. We look forward to your continued support in our pursuit of greater heights.

Thank you.

Peeyush Kumar, IAS
Chairman



Message from the Managing Director

"Dear Members,

As we gather for the 24th Annual General Meeting of Andhra Pradesh Power Finance Corporation Limited (APPFCL), I am pleased to report that our Company has delivered a financial performance for the year 2023-24.

Our net profit has decreased to ₹139.65 crores, as compared to ₹192.72 crores in the previous year. Our net worth has also risen sharply to ₹872.50 crores, demonstrating our commitment to financial stability and growth.

We have successfully introduced innovative financing solutions, including Inter-Corporate Deposits (ICDs) and Non-Convertible Debentures, which have benefited not only our Company but also the power sector in Andhra Pradesh.

Our Asset Under Management (AUM) has grown steadily to ₹13,479.26 Crores, driving a significant increase in our financial performance.

We have maintained a robust Capital Adequacy Ratio (CRAR) of 26.87% as of March 31, 2024.

I would like to express my sincere appreciation to our Managing Director, Smt M Janaki, and the entire APPFCL team for their tireless efforts and dedication to excellence.

I also thank our shareholders, bondholders, debenture holders, deposit holders, and all stakeholders for their continued trust and confidence in APPFCL.

Thank you.

Smt M Janaki, IAS
Managing Director



Corporate Overview

Section 1

Board of Directors

The Board members of APPFCL as at 31st March 2024 are:

1. **Sri Peeyush Kumar, IAS**–Chairman and Director (DIN:)-08292856
Principal Finance Secretary.
2. **Smt M. Janaki, IAS**, –Managing Director (DIN:)-07944835,
Secretary, Finance Department, A.P.
3. **Sri KVijayanand, IAS** -Director/ APPFCL (DIN:02138144)
Special Chief Secretary to Govt./ Energy Department., A.P.
4. **Sri KVN Chakradhara Babu, IAS** – Director/ APPFCL(DIN:08504821)
MD/ APGenco
5. **Sri I. Prudhvitej, IAS**, –Director/ APPFCL(DIN:09388333),
CMD, APEPDCL

The Andhra Pradesh Power Finance Corporation Limited (APPFCL) has undergone a change in leadership, with Smt. Janaki, IAS, Secretary to Government, Finance Department, taking additional charge as Managing Director, replacing Dr. K.V.V.Satyanarayana, IRAS, as per Government Order No. 85, dated July 23, 2024.

As a specialized financial institution, APPFCL focuses on providing financial assistance to:

- DISCOMs (Distribution Companies) for power distribution infrastructure development
- Supporting the financial requirements of DISCOMs for efficient power distribution
- Enhancing the liquidity of DISCOMs through short-term and long-term financing
- Facilitating the implementation of power sector reforms in Andhra Pradesh

As for the liability of Directors on the Board, they are indeed liable for transfers as per Government Orders issued from time to time.

Senior Management

In line with the Company's strategic growth initiatives, the organizational structure was revamped at the 173rd Board of Directors meeting held on October 21, 2021. To drive business excellence and scalability, the management decided to augment the senior leadership team with seasoned professionals and enhance the responsibilities of existing employees.

Key Appointment

Notably, **Sri M V S N Murthy**, a retired banker and former Chief Financial Officer of Andhra Pradesh State Financial Services Corporation Limited (APSFSCCL), was appointed as the Company's Chief Risk Officer during the financial year 2021-22. Sri Murthy brings a wealth of experience and expertise to the Company, including:

- **Risk Management Expertise** : Proven track record in managing risk and compliance in the financial services sector.
- **Financial Acumen** : Extensive experience in financial planning, budgeting, and forecasting, which will enhance the Company's financial decision-making.
- **Leadership Skills** : A seasoned leader with a strong ability to motivate and guide cross-functional teams.
- **Industry Insights** : Deep understanding of the financial services sector, including regulatory requirements and industry trends.
- **Strategic Perspective** : Ability to think strategically and drive business growth through innovative solutions.

Sri Murthy's appointment is expected to significantly strengthen the Company's risk management framework, financial planning, and leadership capabilities, ultimately driving business excellence and growth.



Board of Directors



Sri Peeyush Kumar, IAS
Chairman and Director
Principal Finance Secretary
(DIN:)- 08292856

Sri Peeyush Kumar is a distinguished Indian Administrative Service (IAS) officer from the 1997 batch of the Andhra Pradesh cadre. He has held various key positions, showcasing his exceptional leadership and administrative skills.

Current Designation:

Sri Peeyush Kumar has been re-designated as Principal Secretary to Chief Minister and O.S.D, AP Bhavan, New Delhi, with immediate effect, as per the Government Order (G.O. Rt. No. 1364) dated 06.08.2024.

Previous Roles:

Some of his notable roles include:

Notable Roles and Achievements

- **Principal Secretary to Government (FAC):** Demonstrated exceptional leadership skills, fostering collaborative relationships with stakeholders and driving strategic initiatives.

- **Additional Secretary, Department of Commerce, Ministry of Commerce & Industry:** Played a pivotal role in shaping trade policies, promoting economic growth, and enhancing India's competitiveness in the global market.

- **Special Chief Secretary to Government, Finance Department:** Currently serving in this position, where he oversees the finance department's operations, strategic direction, and fiscal policy framework.

Throughout his career, Sri Peeyush Kumar has:

- **Fostered Public-Private Partnerships:** Successfully collaborated with private sector entities, leveraging their expertise to drive infrastructure development, improve service delivery, and enhance citizen experience.

- **Driven Administrative Reforms:** Implemented transformative initiatives, streamlining processes, and enhancing transparency, accountability, and efficiency in governance.

- **Nurtured Talent and Leadership:** Mentored and guided teams, fostering a culture of innovation, entrepreneurship, and continuous learning, and developing the next generation of leaders.
- **Enhanced Citizen Engagement:** Spearheaded initiatives to promote citizen participation, feedback, and Grievance Redressal, ensuring that governance is responsive, inclusive, and citizen-centric.



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

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

Our balance sheet reveals a formidable financial standing, with total financial assets reaching Rs. 13,537 Crores in FY 2023-24. This includes a diversified portfolio of cash equivalents, receivables, loans, and other financial instruments, showcasing a resilient and well-managed asset base. Simultaneously, meticulous liability management is evident, with total liabilities of Rs. 12,664 Crores, showcasing a balanced and sustainable approach.

Our profit and loss statement echoes a tale of robust revenue generation, prominently led by interest income, culminating in a total revenue of Rs. 1,211 Crores. This exemplifies the pivotal role we play in sustaining the financial health of the power utilities within the state. Expenses, totaling Rs. 1041 Crores, have been prudently managed, ensuring efficiency without compromising on the quality of our services. Finance costs, fees, and other operational expenditures have been meticulously scrutinized to optimize resource utilization.

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

maintaining our pivotal role in fueling the power infrastructure of our state.

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



K.V.N. Chakradhar Babu, IAS
MD/APGenco
Director,
DIN:08504821

I am glad to note the remarkable financial performance of APPFCL during the fiscal year 2023-24. It is a great pride to acknowledge the significant strides made by the organization, as is reflected in the substantial growth and achievements.

The year 2023-24 has been a landmark year for APPFCL, showcasing a commendable net profit of Rs.140 Cr., a notable decrease from the previous year's Rs.53Cr. This achievement is indicative of the unwavering commitment to excellence and strategic financial management. Furthermore, the increase in net worth to Rs. 852.50 Cr. in FY 2023-24, up from Rs.733 Cr. in FY 2022-23 is a testament to the healthy financial strategies and operational efficiency.

The committed growth in Asset under Management, reaching a total of Rs.13,479.26 Crores, has been a root cause of success, contributing to a significant rise in total revenue. This impressive growth trajectory is a strong demonstration of APPFCL's capability ineffectively managing and expanding its financial portfolio.

Meticulous approach of the MD and board of directors towards in come generation, resulting in a total income of Rs.1,196 Cr., reflects proactive and dynamic business acumen. The strategic allocation of resources and the efficient handling of financial costs, further highlight our financial prudence.

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

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



Sri I. Prudhvitej, IAS
Director (Finance)
APSPDCL
DIN: 09388333

Early Life and Education:

- Born in Dwaraka Tirumala, Andhra Pradesh
- Secured AIR 1 in IIT-JEE exam in 2011
- Graduated in Electrical Engineering from IIT Bombay

Career:

- Received job offer from Samsung, South Korea with Rs 70 lakh annual salary
- Earned Aditya Birla Scholarship during IIT days
- Returned to India in 2016 to pursue a career in civil services
- Secured AIR 24 in UPSC exam and joined Indian Administrative Service (IAS)

Current Role:

- Chairman and Managing Director of Andhra Pradesh Eastern Power Distribution Company Limited (APEPDCL)
- Played key role in facilitating cost-effective power procurement as Joint Managing Director of APTRANSCO
- Currently serves as Director on the Board of Andhra Pradesh Power Finance Corporation Limited (APPFCL)

Legacy:

- Inspires countless aspirants through his journey and insights shared on platforms like Quora and social media.



Smt M Janaki, IAS
Secretary, Finance Dept.
Managing Director
DIN: 07944835

M. Janaki is a distinguished IAS officer from the 2005 batch of the Andhra Pradesh cadre. Her career is marked by notable appointments, including:

- Director, Ministry of Housing and Urban Affairs: She served in this role as a Central Staffing Scheme (CSS) post.
- Director, Central Vigilance Commission (CVC): Janaki was appointed to the CVC on a lateral shift basis, initially for a period up to September 11, 2021, with an extension up to September 11, 2023.
- Additional Secretary (JS level), Central Vigilance Commission (CVC) : She was prematurely repatriated to her parent cadre in June 2023.
- Collector & District Magistrate, Nellore : Janaki has also held this role in the past.

Current Role

As Secretary to Government, Finance Department, Smt. Janaki oversees the financial management of the state. Additionally, she has taken on the role of Managing Director, The Andhra Pradesh Power Finance Corporation Limited (APPFCL), as per Government Order No. 85, dated July 23, 2024.

We are honored to have Smt. M. Janaki, IAS, as part of our organization, and we look forward to her continued leadership and expertise.

Road Map



About the Company

Preface:

Andhra Pradesh Power Finance Corporation limited (APPFCL) was established as a Government Company vide G.O.Ms. No. 54 Energy (Power- III) dated 19-05-2000 under the Companies Act, 1956 (CIN:U40109 AP2000SGC107482) and

Commenced business on 13th July, 2000 with 100% ownership by the Government of Andhra Pradesh. APPFCL is also registered with **Reserve Bank of India (RBI) as Non-Banking Finance Company (NBFC) – NDSI (Non-Deposit Taking Systematically Important) Company** with effect from 25th August, 2000.

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

As at 31st March, 2024, The Company has an Authorized Share Capital of Rs.30,00,00,00,000 (Rupees Three Thousand Crores) and Paid up Share Capital of Rs.3,50,92,46,800 (Rupees Three Fifty Crores n i n e t y t w o Lakhs Forty s ix Thousand and eight Hundred only)

Quick Glance:

Andhra Pradesh Power Finance Corporation Limited
Incorporated under Companies Act, 1956 on the 12th July 2000
Commenced business on 13th July, 2000
100% ownership by the Government of Andhra Pradesh
Registered with RBI as NDSI-NBFC
Falls under Middle Layer of RBI's Scale Based Regulation (SBR)
Registered and Corporate Office- No. 48-12-16, 2nd Floor, East wing, Vidut Soudha, Gunadala, Vijayawada - 520004
Andhra Pradesh
Authorized Share Capital is Rs.3000 Crores and Paid-up Share Capital is Rs. 350.92 Crores as at 31st March 2024.

Operational Highlights during the year 2023-24

- **Inter Corporate Deposits:** APPFCL, with a view to assist in building the infrastructure facilities for the power sector in the State of Andhra Pradesh decided to accept the surplus and temporary funds of other Government Companies in the form of "Inter Corporate Deposits" in addition to the term loans availed from banks and issuance of NCDs. The Board of the Company decided to offer ICD's with a minimum deposit of Rs. 1,00,000/-, minimum tenor of 1 year and maximum tenor of 10 years and above at an Interest rate more than the rates offered by the nationalized banks and it varies from 6.5% to 8% based on the tenor.

As at 31st March 2024, the Company accepted Inter Corporate Deposits to the tune of Rs.2,084 Crores i.e., Rs. 6 Crores added during FY 2023-24 to a total amount of Rs.2,078 Crores as at 31st March 2023.

- **Asset under Management (AUM):** The Assets under Management represents the loans and advances given to Power Generating Companies and Power Distribution companies owned by Govt. of Andhra Pradesh in order to cater their financial need in infrastructure and working capital requirements

The AUM as on March 31, 2024 is Rs. 13,97,458.61 Lakhs.

→ **Loan Book:** The loan books are represented by debt securities, bank loans and ICDs. The Company has accepted Inter Corporate Deposits amounting to Rs. 6 Cr during the year and has redeemed the Bonds, repaid part of the loan to State Bank of India Rs. 243.93 Crores, and accepted New SBI Term Loan 750 Crores, Bank of India Rs. 337.85 Crores, Union Bank of India Rs.136.53 Crores and Bank of Baroda to the extent of Rs.164.40 Crores, and Canara Bank to the extent of Rs.175.01 Crores, Indian Overseas Bank of India Rs.34.69 Crores there by decreasing the loan books of the Company to Rs. 9289.29 Crores during the Financial year as against Rs. 9631.72 Crores during FY 2022-23.



Income : Despite increasing Bank interest rates & challenging market conditions, the Company has demonstrated resilience in its financial performance during FY 2023-24. Although the total income has decreased from Rs. 1574.33 Cr in FY 2022-23 to Rs. 1196.02 Cr in FY 2023-24, the Company's ability to adapt and navigate uncertainty is a testament to its strength. The decline in income is largely attributed to external factors, and the Company remains committed to exploring new opportunities and optimizing its operations to drive growth. Receipts from Govt of Andhra Pradesh continue to support the Company's debt repayment obligations, while investments in bank deposits have generated additional income.

Profits : The Company has reported a net profit of Rs. 139.64 Crores for the year ended 31st March 2024. The net profit for the current year has decreased by Rs. 53.08 Crores, representing a decline of approximately 28% from Rs. 192.72 Crores in the previous year. This decline is primarily attributed to the increase in bank interest rates, which has resulted in higher borrowing costs for the Company. Despite the rise in bank interest rates, the Company has maintained its lending rates, thereby absorbing the impact of increased interest expenses. This decision was taken considering that the borrowers are our sister concerns, namely APSPDCL, APEPDCL, APGENCO and APPDCL, and the Company has prioritized supporting these entities over passing on the increased interest burden. The Company remains committed to exploring new opportunities and optimizing its operations to drive growth and profitability.

Policies of the Company : Inline with the Company's objective towards increasing stakeholder's value, the Company has framed various policies.

- » **Risk Management Policy:** The Risk Management Policy was drafted as per RBI Master Guidance and Circular DNBR. PD. 008 /03.10.119/2016-17 dated September 01, 2016.

Risk Management Policy has been prepared in away that the frame work/clauses of the policy would attempt to identify the key events / risks impacting the objectives of the Company and also an attempt to implement relevant risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.

- » **Asset Liability Management Policy (ALM) :** The ALM policy was drafted as per RBI Master Guidance and Circular DBOD No. BP. BC. 94/ 21.04.098/ 98.

Asset and liability management (ALM) is a practice to mitigate financial risks resulting from a mismatch of assets and liabilities by strategically matching assets and liabilities. This helps the Company to achieve greater efficiency and profitability while also reducing the unseen risks and concerns that the Company may face at any time. Some of the most common risks faced by APPFCL and addressed by ALM are interest rate risk and liquidity risk.

Loan Policy: The Loan Policy was drafted as per RBI Master Guidance and Circular DBR. No.Dir.BC.10/13.03.00/2015-16. This policy document on Loans & Advances outlines the guiding principles in respect of formulation of various products offered by APPFCL, the terms and conditions governing the conduct of account, the delegated power to the committee/officials and other terms & conditions applicable to such loans. It is expected that this policy will impart greater transparency in dealing with individual customers and create awareness among customers.

- » **Grievance Redressal Policy:** The Grievance Redressal Policy was drafted as per RBI Master Guidance and Circular DBOD.No. LegBC.81/09.07.005/2007-8. The purpose of the policy is to ensure "zero complaints" against the Company with regard to non-payment or delay in interest/principal



payments with regard to debentures, failure to ensure transparency in loan agreement, terms and conditions of loan and Fair Practices Code not followed.

- » **Fair Practices Code :** The Fair Practices Code was drafted as per RBI Master Guidance and Circular DNBR (PD) CC.No. 054/03.10.119/2015-16. The Board approved the policy in its 173rd Meeting held on 21st day of October, 2021. It is to be noted that the main business activity of the Company and being an NBFC is to extend loans and in the

process of attracting more number of borrowers, there could be instances where the Company may resort to practices that gives undue advantage and can infringe on the benefits of the borrower. In order to protect the rights of the borrowers, present or future and to provide transparency and clarity to the borrowers with regard to the transactions carried out with the Company, the "Fair Practices Code" policy was drafted and approved by the Management of the Company.

Credit Rating:

CRISIL Ratings Limited has reaffirmed the credit rating of the Bonds issued by Andhra Pradesh Power Finance Corporation Limited (APPFCL). The rating reflects the delays in servicing obligations and continued uncertainty regarding division of assets and liabilities between the States of Andhra Pradesh and Telangana following bifurcation.

CRISIL Ratings has reaffirmed the long-term rating of '**CRISIL D**' on the outstanding bonds of the Company. The rating continues to factor in instances of delays in interest payments, including a recent occurrence in June 2024, and non-adherence to the designated T-structure payment mechanism.

Post bifurcation of the erstwhile State of Andhra Pradesh, obligations on the rated bonds are jointly met by APPFCL and Telangana State Power Finance Corporation (TSPFC). While APPFCL has generally made timely payments, delays from TSPFC and non-invocation of the guarantee by the trustee have impacted servicing timelines.

Liquidity for servicing the bonds remains dependent on receipt of funds from the respective State Governments through budgetary allocations.

Details of Instruments Rated by CRISIL

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Level	Rating
INE847E09029	Bond	15-Nov-2010	8.74%	15-Nov-2022	1011.3	Complex	CRISIL D
INE847E08DK6	Bond	15-Dec-2011	9.60%	15-Dec-2023	149.2	Complex	CRISIL D
INE847E08DP5	Bond	18-Jul-2012	9.75%	18-Jul-2022	1000	Complex	CRISIL D

Details of Rating Withdrawn

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Level	Status
INE847E08DM2	Bond	30-Jan-2012	9.97%	30-Jan-2024	586.9	Complex	Withdrawn
INE847E08DO8	Bond	08-Jun-2012	9.64%	08-Jun-2024	249.4	Complex	Withdrawn

Rating History (Last Three Years)

Instrument	Type	Outstanding Amount (Rs. Crore)	2024	2023	2022	2021
Bond	LT	2996.8	CRISIL D	CRISIL D	CRISIL D	CRISIL D



Key Rating Drivers

- Continued lack of clarity on division of liabilities between Andhra Pradesh and Telangana.
- Delays in servicing obligations due to dependence on joint funding structure.
- Failure of designated payment structure (T-10 mechanism).
- Non-invocation of guarantee by the trustee despite delays.
- Liquidity constraints arising from delay in fund flows.

Key Financial Indicators (as disclosed in Rating Rationale)

Particulars	Unit	FY 2024	FY 2023	FY 2022
Total Assets	Rs. Crore	13,568	14,322	18,539
Total Income	Rs. Crore	1,211	1,582	1,583
PAT	Rs. Crore	140	193	150
Gearing	Times	14.4	18.1	33.2
Return on Assets	%	1.00	1.17	0.86

ICRA

ICRA Limited has assigned a rating of “[ICRA]D;” to the Bond Programme of Andhra Pradesh Power Finance Corporation Limited (APPFCL). The rating action reflects the movement of the rating to the Issuer Not Cooperating category based on best available information.

The rating continues to consider the structural and sectoral challenges faced by the Company following the bifurcation of the erstwhile State of Andhra Pradesh, particularly with regard to the distribution of assets and liabilities between APPFCL and Telangana State Power Finance Corporation (TSPFC). APPFCL continues to engage with stakeholders for resolution of legacy matters and remains committed to strengthening its financial profile and servicing mechanisms going forward.

APPFCL, incorporated by the Government of Andhra Pradesh, plays a key role in financing the power sector in the State and operates as a Non-Banking Financial Company registered with the Reserve Bank of India. The Company reported a provisional Profit After Tax of Rs. 99.1 crore during H1 FY2024, reflecting continued operational activity in supporting the power sector.

Details of Instruments Rated by ICRA

ISIN	Instrument	Date of Issue	Coupon Rate	Maturity	Amount Rated (Rs. Crore)	Rating
INE847E09011	Bond Programme	15-Nov-2010	8.49%	15-Nov-2020	42.0	[ICRA]D;
INE847E09029	Bond Programme	15-Nov-2010	8.74%	15-Nov-2022	1,011.3	[ICRA]D;
INE847E08DK6	Bond Programme	15-Dec-2011	9.60%	15-Dec-2023	149.2	[ICRA]D;
INE847E08DJ8	Bond Programme	15-Dec-2011	9.10%	15-Dec-2021	5.0	[ICRA]D;
INE847E08DM2	Bond Programme	30-Jan-2012	9.97%	30-Jan-2024	586.9	[ICRA]D;
INE847E08DL4	Bond Programme	30-Jan-2012	9.85%	30-Jan-2022	157.2	[ICRA]D;
INE847E08DO8	Bond Programme	08-Jun-2012	9.64%	08-Jun-2024	249.4	[ICRA]D;
INE847E08DN0	Bond Programme	08-Jun-2012	9.50%	08-Jun-2022	64.7	[ICRA]D;
INE847E08DQ3	Bond Programme	09-Nov-2012	9.75%	09-Nov-2022	1,787.6	[ICRA]D;

Rating Summary

Instrument	Amount Rated (Rs. Crore)	Current Rating	Rating Action
Bond Programme	4,053.30	[ICRA]D;	Moved to Issuer Not Cooperating Category

Rating History (Last Three Years)

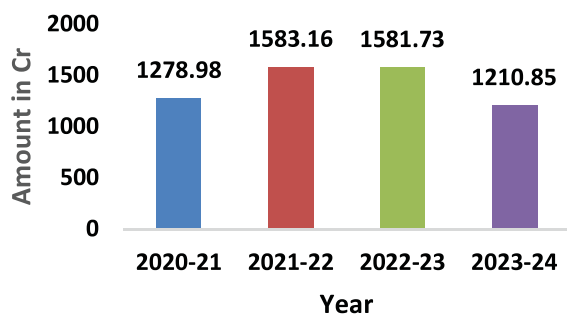
Instrument	FY2024	FY2023	FY2022	FY2021
Bond Programme (Long Term)	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D

Despite structural sectoral challenges arising from state bifurcation and legacy liabilities, APPFCL continues to play a strategic role in financing the power sector in Andhra Pradesh. The Company remains focused on improving stakeholder coordination, enhancing operational transparency, and strengthening financial discipline. Resolution of inter-state matters and continued government support are expected to provide stability to the Company's credit profile over the medium term.

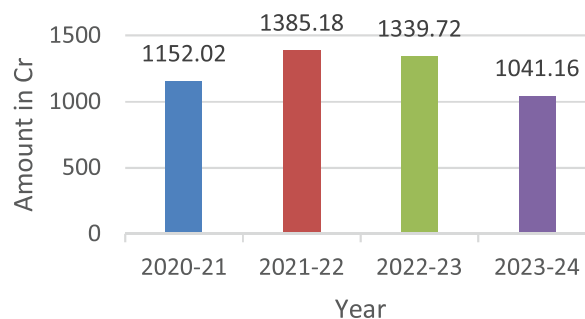


Performance at a Glance

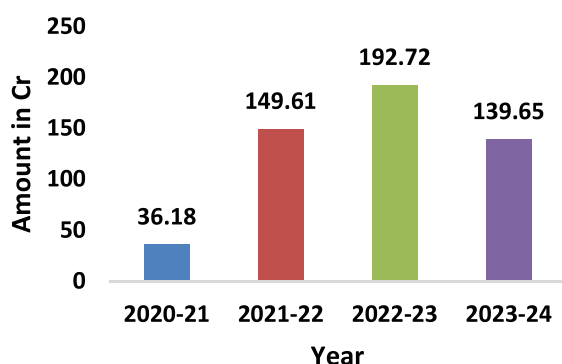
Total Income



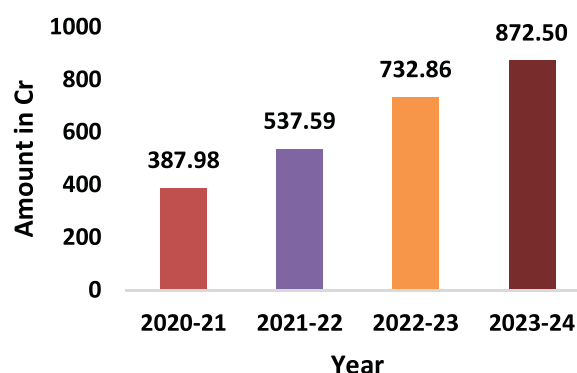
Total Expenses



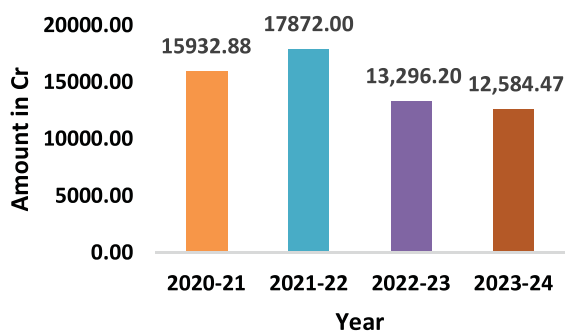
Profit After Tax



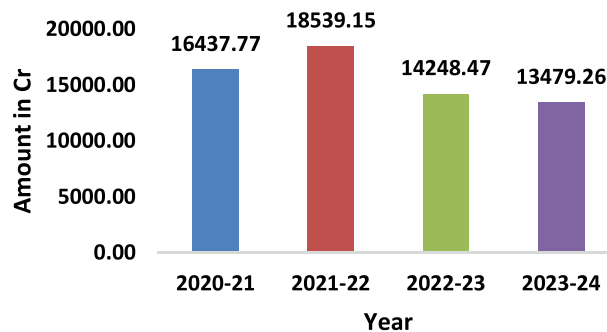
Networth



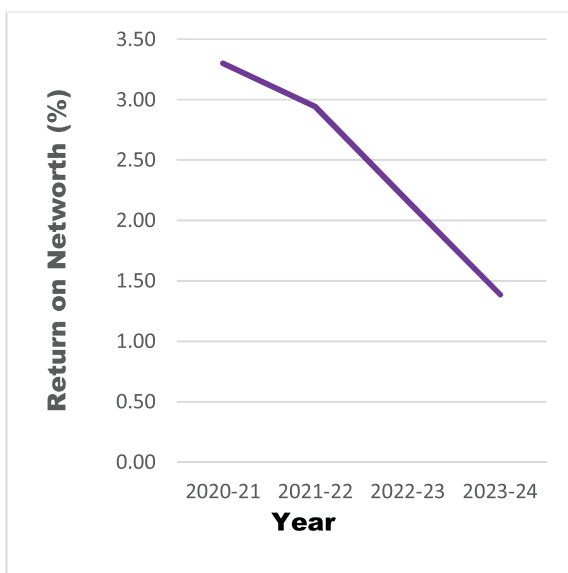
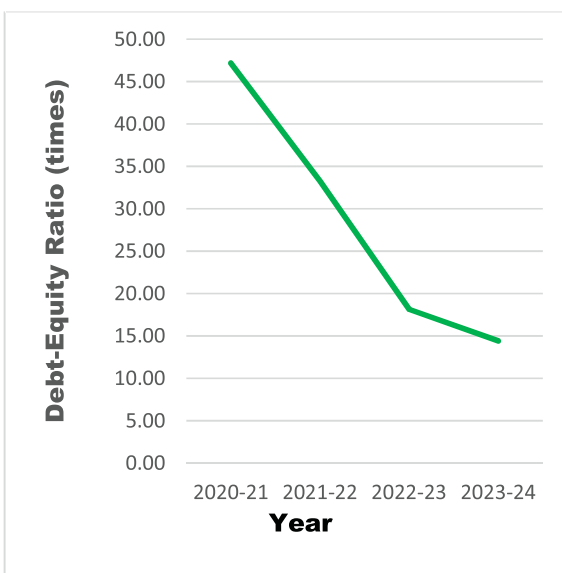
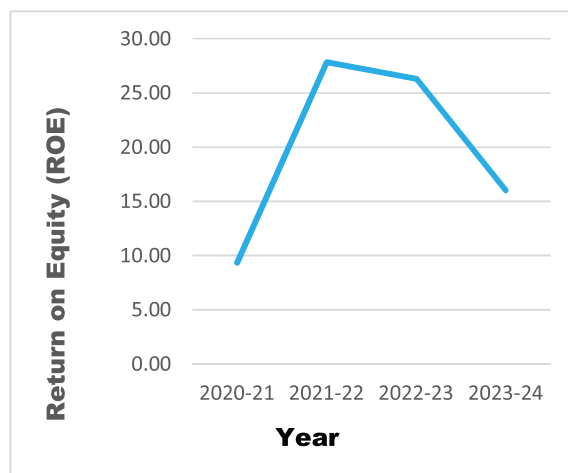
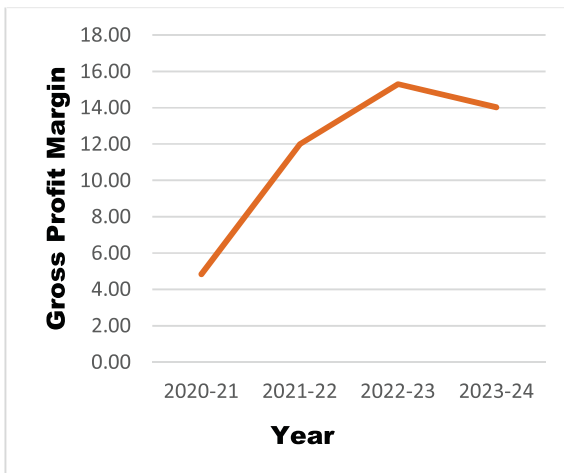
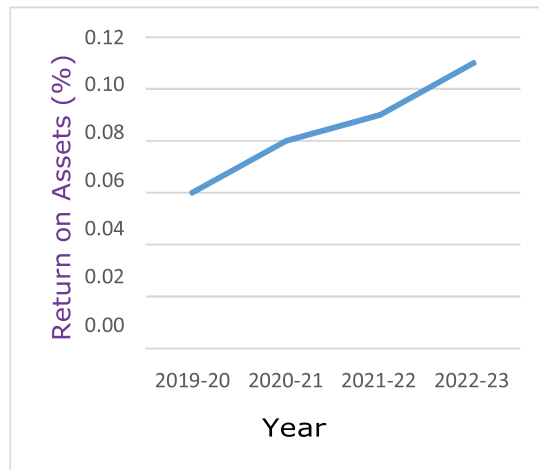
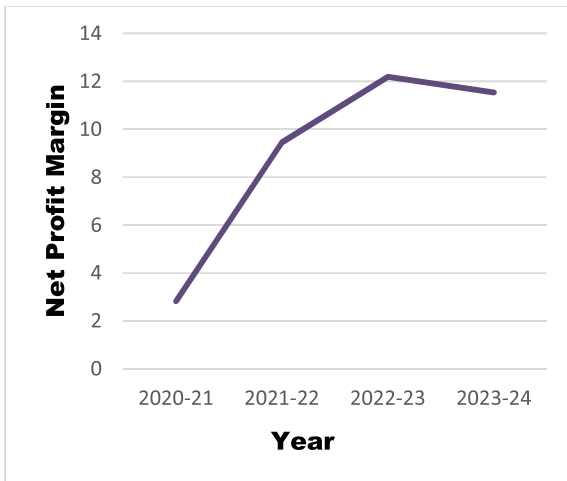
Loan Book



Asset Under Management



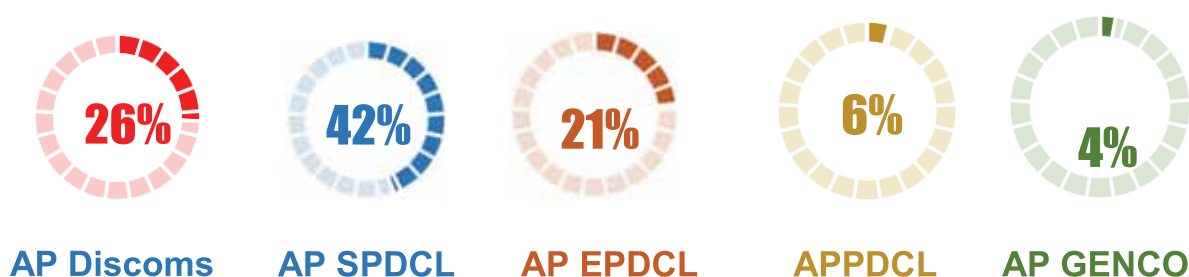
Key Performance Indicators:-



Key Performance Indicators

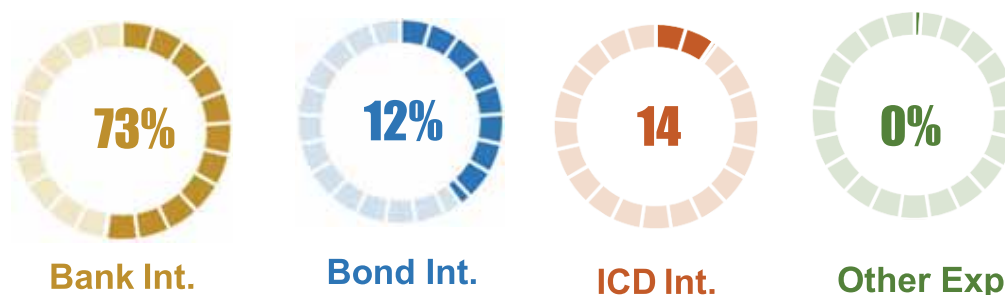
Income/Revenue for the FY 2023-24

Your Company has earned Total Revenue of Rs. 1,196.02 Cr during the Financial Year 2023-24. Out of the total amount of Rs. 1,196.02 Cr, your Company has earned an income of Rs. 496.81 Cr from APSPDCL, Rs. 254.23 Cr from APEPDCL, Rs.76.22 Cr from APPDCL, Rs. 52.62 Cr from APGENCO and Rs. 316.15 Cr from the Government of Andhra Pradesh. The split up of revenue earned by your Company, represented as percentage (%) is given in the graph below



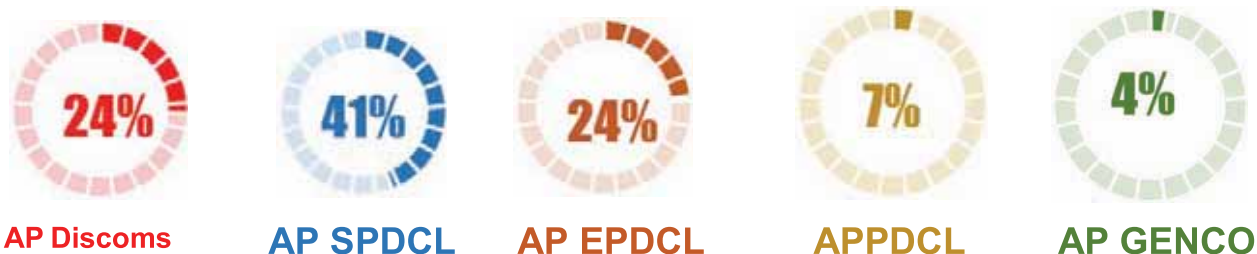
Expenses for the FY 2023-24

Your Company has incurred an Expense of Rs. 1,061.99 Cr during the Financial Year 2023-24. Out of the total amount of Rs. 1,061.99 Cr, Finance Cost constituted 100% of the total expenses and the Other Expenses constituted only 0% of the total expenses. Finance Cost includes Interest paid on Debentures, ICD holders and Bank Term Loans. Interest paid to Debenture holders constitute 12%, ICD holders constitute 14%, and Bankers constitute 73% of the total expense. The split up of the expenses incurred by your Company, represented as percentage(%) is given in the graph below

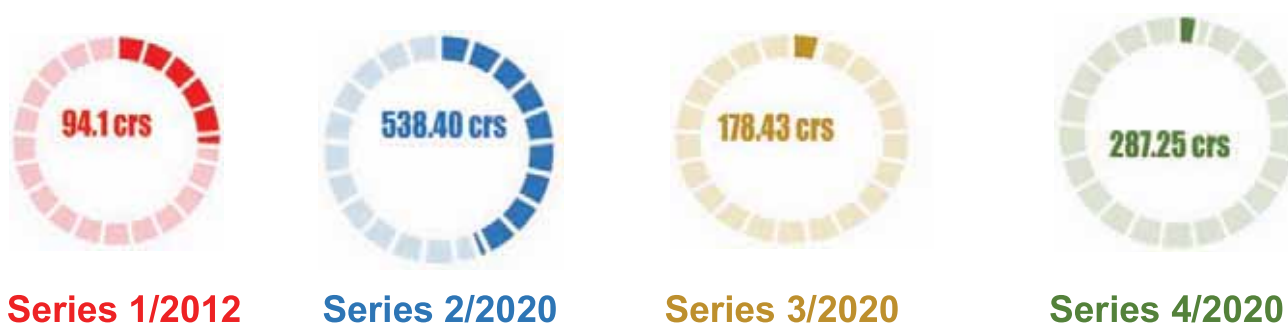


Loans & Advances for the FY 2023-24

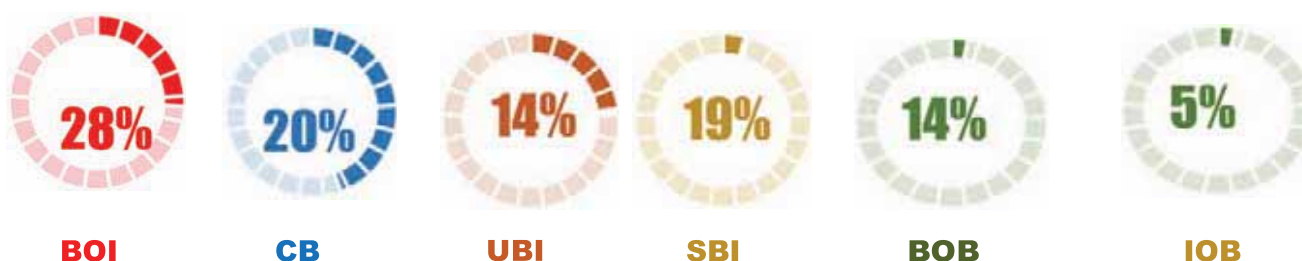
The Assets Under Management of your Company is represented by the Loans advanced to the Power Utility Companies. Your Company has advanced Rs. 5,451.79 Cr to APSPDCL, Rs. 3,131.51 Cr to APEPDCL, Rs. 581.00 Cr to APGENCO, Re. 854.44 Cr to APPDCL and Rs. 3,123.81 to SPDCL & EPDCL before the bifurcation of the State of Andhra Pradesh. The loans & advances given to the customers as represented in percentage (%) are given in the graph below

**Outstanding Debt Securities for the FY 2023-24**

The Debentures issued by your Company consists of Listed and Unlisted Non-Convertible Debentures issued prior and subsequent to the bifurcation of the State of Andhra Pradesh. The list of Debentures with their ISIN and closing balances are given in page no..... The Outstanding debt securities as on 31st March, 2024 are given in the graph below

**Term Loans from Banks for the FY 2023-24**

The total outstanding loans 9289.29 Crs as at 31st March 2024 as a percentage (%) is represented in the graph below



Financial Parameters

				Rs In (Crores)
Particulars	As on 31.03.2024 (As per Ind AS)	As on 31.03.2023 (As per Ind AS)	As on 31.03.2022 (As per Ind AS)	As on 31.03.2021 (As per Ind AS)
ASSETS				
Financial Assets				
Cash and cash equivalents	-	-	-	-
Bank Balance other than above	22.87	2.66	11.34	31.36
Derivative financial instruments	-	-	-	-
Receivables				
(I) Trade Receivables	371.80	295.51	215.92	149.53
(II) Other Receivables	-	-	-	-
Loans	13142.55	13901.19	18276.40	16238.23
Non-financial Assets				
Inventories	-	-	-	-
Current tax assets (Net)	31.10	49.21	35.46	18.65
Deferred tax Assets (Net)	-	-	-	-
Property, Plant and Equipment	0.00	0.00	0.02	0.00
Total Assets	13,568.32	14,248.47	18,539.15	16,437.77
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables				
(I) Trade Payables	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	45.52	-	-
Debt Securities	1211.18	1586.48	6154.56	6,411.00
Borrowings (Other than Debt Securities)	11373.29	11,709.72	11,717.44	9,521.88
Non-Financial Liabilities				
Current tax liabilities (Net)	31.30	50.79	40.53	26.04
Provisions	-	-	-	-
Deferred tax liabilities (Net)	0.00	0.00	0.00	0.02
Other non-financial liabilities(to be specified)	80.05	125.66	89.04	90.86
EQUITY				
Equity Share capital	350.92	348.37	348.37	348.37
Other Equity	521.58	381.93	189.21	39.60
Total Liabilities and Equity	13,568.32	14,248.47	18,539.15	16,437.77

Forms & Reports

Section 2

Shorter Notice

Notice is hereby given that the 24th Annual General Meeting (AGM) of the Members of Andhra Pradesh Power Finance Corporation Limited will be held on Thursday the 6th day of Mar, 2025 at 5:00 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:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2024, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended on that date of the Company together with Directors Report, Statutory Auditors Report, Secretarial Auditors Report and Comments of Comptroller and Auditor General of India.

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

"RESOLVED THAT the Audited Balance Sheet of the Company as on 31st March, 2024 the Statement of Profit & Loss and Cash flow statement for the year ended as on that date together with the Directors' Report, the Auditors' Report, the Secretarial Audit Report and Comments of the Comptroller and Auditor General of India for the F.Y. 2023 - 2024 as laid before the members at this meeting be and are hereby adopted."

2. To consider appointment of M/S Mushty & Co., Chartered Accountants Vijayawada as Statutory Auditors of the Company for the financial year 2024-25, as appointed by the Comptroller & Auditor General of India and to fix 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 Mushty & Co., Chartered Accountants Vijayawada as the Statutory Auditor of the Company from the conclusion of this AGM till the conclusion of next AGM (for the financial year 2024-25) 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."

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Sd/-

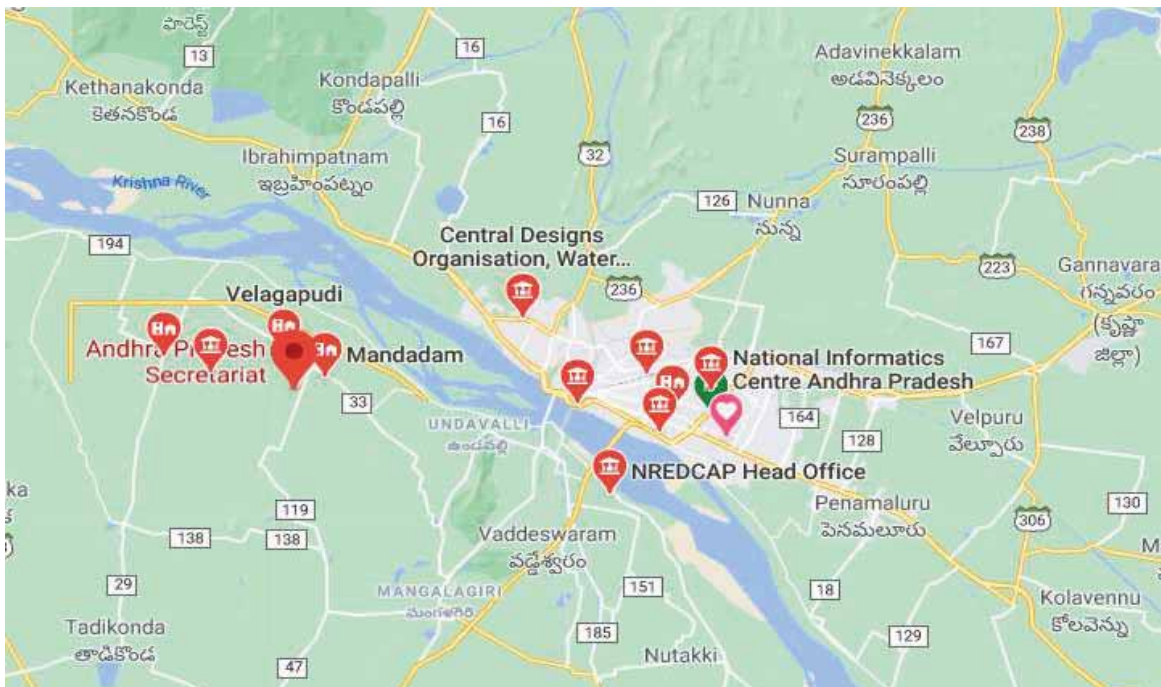
M JANAKI, IAS
Managing Director



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, must be submitted at the registered address of the company, not less than forty-eight hours before the commencement of the annual general meeting.
3. Members/proxies/authorized representatives should bring the duly filed attendance slip enclosed with the notice of annual general meeting to attend the meeting.
4. Route map of the annual general meeting venue is annexed with notice.

Route Map – 24th AGM of APPFCL:



FORM No. 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]

CIN : U40109AP2000SGC107482
 Name of the Company : The Andhra Pradesh Power Finance Corporation Limited.
 Registered Office : #48-12-16, 2nd Floor, East Wing, Vidyut Soudha, Gunadala, Vijayawada – 520004, Andhra Pradesh appfcl@gmail.com | www.appfcl.com

Name of the Member:

Registered Address:

E-Mail Id:

Folio No / Client Id:

DP ID:

I /We, being the member (s) of _____ shares of the above-named Company, hereby appoint

1. Name of the Member:

Registered Address:

E-mail Id:

Signature: or failing him

2. Name of the Member:

Registered Address:

E-mail Id:

Signature: or failing him

3. Name of the Member:

Registered Address:

E-mail Id:

Signature: or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to held on 6th March, 2025 at the Registered Office of the Company.

- To receive, consider and adopt the Audited Balance Sheet as at 31st March 2024, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended on that date of the Company together with Directors Report, Statutory Auditors Report, Secretarial Auditors Report and Comments of Comptroller and Auditor General of India.**



DIRECTORS' REPORT

Dear Members

The Board of Directors is pleased to present the 24th Annual Report of the business and operations of Andhra Pradesh Power Finance Corporation Limited (APPFCL) together with the Audited Financial statements for the year ended 31st March 2024.

1. STATE OF COMPANY'S AFFAIRS

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

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

The Listed Bonds issued by the Company prior to demerger of the erstwhile state of Andhra Pradesh will be finally redeemed in 2024. APPFCL has been servicing the principal & interest in respect of loans obtained from Banks to the tune of Rs. 10,750 Crores until their complete redemption by the year 2038. M/s. APPFCL has received funds from the Government Corporations by way of issue of Inter Corporate Deposits to the tune of Rs. 6 Crores during the financial year 2023-24 under review.

2. CHANGE IN THE STATE OF COMPANY'S AFFAIRS

There has been no change in the nature of business of the Company during the financial year ended 31st March 2024

3. FINANCIAL RESULTS FOR THE YEAR 2023-2024

3.1 Standalone Results:

PARTICULARS	2023-24 (Rs.in Crores)	2022-2023 (Rs.in Crores)
Revenue and Other Income	1210.85	1581.77
Total Expenses	1041.17	1339.72
Profit Before exceptional items	169.68	242.05
Impairment of Financial Asset	-	-
Profit before Tax	169.68	242.05
Provision for Taxation	30.04	49.33
Profit after Tax	139.64	192.72

3.2 Income:

The total income of the Company has decreased marginally during FY 2023-24. The Company also earned a meagre amount of interest on bank deposits where the surplus funds were invested

3.3 Ratios:

As at the year ended March 31, 2024



- The Return on Assets, which measures the profitability in relation to the total assets, stood at 1.03%
- The Return on Net Worth measures the profitability in relation to the Net Worth which stood at 160%
- The Interest Coverage Ratio measures your company's ability to handle its outstanding debt and it stood at 0.16 times.
- The Debt-Equity Ratio evaluates your company's financial leverage which stood at 1.45 times and
- The Liquidity Ratio measures your company's ability to pay short-term obligations or those due within one year and it stood at 0.69 times

3.4 Provision on Standard Assets:

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

4. RESERVES

An amount Rs. 139.64 Crores proposed by the Board has been transferred to Reserves including the reserve fund transferred pursuant to the RBI guidelines.

Particulars	Amount
Securities Reserve	-
Reserve Fund – As per RBI Guidelines	30.04 Crores
General Reserve	-
Net Surplus (After Transfer to Reserve Fund)	139.64 Crores
Total	139.64 Crores

5. FINANCE

During FY 2023-24, the Company met its funding requirements through a combination of Short Term debt (comprising Inter-Corporate Deposits ("ICDs") and Long Term debt (comprising Non-Convertible Debentures ("NCDs") and Bank Loans).

Following table re presents the short-term and long-term debts:

Outstanding Debts	Rs. in Crores
Term Loans from Banks	9289.29
Non-Convertible Debentures	1098.18
Inter-Corporate Deposits	2084.00
TOTAL	12471.47

6. DIVIDEND

In order to conserve the resources for further growth of the Company, the Directors on Board of APPFCL do not recommend payment of any Dividend on the Equity Shares for FY 2023-24.

7. CHANGES IN SHARE CAPITAL

There has been no change in Equity share capital during the financial year 2023-24.

8. CREDIT RATING

During the financial year, The ratings for the Bonds issued by APPFCL are provided by India Ratings and Research (Ind-Ra) and the ratings for the Bank term loans of the Company were provided by India Ratings and Research (Ind-Ra). The current ratings assigned by India Ratings and Research are as follows:

Bank loan : IND A(CE)/Stable for INR 750 lakhs and INR 90,165.95 lakhs.

Proposed bank loan : Provisional IND A(CE)/Stable for INR 62,334.05 lakhs.

The credit rating assigned by India Ratings and Research (Ind-Ra) reflects the company's strong financial position and its ability to meet its debt obligations. The rating is based on a thorough analysis of the company's financial statements, business model, and industry trends.

The IND A(CE)/Stable rating indicates a high degree of creditworthiness and a low risk of default. This rating will enable the company to access funds from banks and other financial institutions at competitive interest rates.

The proposed bank loan with a provisional rating of IND A(CE)/Stable is subject to the execution of certain documents and the occurrence of certain steps. Once these conditions are met, the rating will be finalized.

The company's strong credit rating is a testament to its sound financial management and its commitment to meeting its debt obligations. It will also enhance the company's reputation in the financial markets.

9. EXTRACT OF ANNUAL RETURN

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

10. DEPOSIT

Andhra Pradesh Power Finance Corporation Limited (APPFCL) is registered with RBI as a Non-Banking Financial Company – Non Deposit Taking – Systematically Important (NBFC-ND-SI). The Company has not accepted any public deposits during the year 2023-24.

11. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

12. DIRECTORS

The following are the Directors on Board as on 31st March 2024:

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



The Directors on Board of your Company are liable for transfers as per the Government Order released from time to time. Pursuant to the G.O.R.T No. 42 dated 13.03.2024, Smt. Vijaya Krishnan, IAS Director, Social Welfare Department as a Woman Director and promoter/subscriber /shareholder of APPFCL in the place of Smt. T Vanaja Executive Director (Technical) (Rtd.), APSPDCL, Tirupathi.

13. KEY MANAGERIAL PERSONNEL

Sri. M. Ramana Reddy continues to be the Chief Financial Officer of the Company. The company is appointed K Pavan Kumar as a Company Secretary and Compliance for the financial year 2023-24.

Accordingly, Pursuant to the provisions of Section 203 of the Companies Act, 2013, the following persons are the Key Managerial Personnel of the Company as at 31st March, 2024:

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

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

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

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

15. MEETINGS OF THE BOARD

The Board of Directors met FOUR times during the year.

Sl	Name of the director	BM No.179 28-06-2023	BM No.180 22-08-2023	BM No.181 25-10-2023	BM No.182 06-12-2023	BM No.183 30-01-2024
01	Sri S.S. Rawat, IAS	Present	Present	Present	Present	Present
02	Dr.K.V.V. Satyanarayana, IRAS	Present	Present	Present	Present	Present
03	Sri KVijayanand, IAS	Present	Present	Present	Present	Present
04	Sri B.Sreedhar, IAS	Present	Present	LoA	LoA	Present
05	Sri V.N.Babu, CMA&CS	Present	Present	Present	Present	Present

16. COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee comprises the following members:

1. Sri K Vijayanand, IAS.
2. Sri KVN Chakradhara Babu, IAS
3. Sri. V N Babu

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

The Audit Committee met FOUR times during the financial year.

SI	Name of the Member	ACM 1/2023 28.06.2023	ACM 2/2023 25-10-2023	ACM 3/2023 06.12.2023	ACM 4/2024 30.01.2024
01	Dr. K.Vijayanand, IAS	-	Present	Present	Present
02	Sri B.Sreedhar, IAS	Present	-	-	Present
03	Sri.VN Babu	Present	Present	Present	Present

Dr. KVV Satyanarayana, IRAS, Managing Director was invited to attend the Audit Committee Meetings during the year 2023-24.

Corporate Social Responsibility Committee

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

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

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

The Company obtained a Certificate from M/s Kunda & Associates, Chartered Accountants, for the amount to be spent towards Corporate Social Responsibility (CSR) and it was submitted that a total amount of Rs.3,29,05,548/- towards CSR for the financial year 2023-24. During the year company has spent Rs. 32.91 Lakhs as CSR details of spending 32.91 amount

Accordingly, a Certificate was obtained from M/s Kunda & Associates, Chartered Accountants, for the amount to be spent towards CSR and it was submitted that a total amount of Rs. 3,29,05,548/- for FY 2023-24

Corporate Social Responsibility Committee was formed with the approval of the Board resolution by circulation dated on 13th March 2024 and the following members were appointed as the members of the Committee:

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

Risk Management Committee (RMC)

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

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

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

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

Asset Liability Management Committee (ALCO)

The RBI introduced the Asset- Liability Management (ALM) System, as a part of the Risk Management and control Systems in banks. ALM Policy is aimed at managing the liquidity and interest rate risks. The company majorly depends on borrowings from banks as well ICDs from AP Govt. owned entities for funding its activities. The funds mobilised through these sources at different times have different costs in accordance with movement of interest rates in the market. In the absence of due analysis and proper monitoring of interest rates on borrowings vis a vis loans, it can have adverse impact on the bottom line of the company. It is necessary to address interest rate risk as well, as a part of the Company's risk management.

Further, as per RBI Master Directions & Circular vide DBOD No. BP. BC. 94/ 21. 04. 098/ 98, the Company drafted Asset Liability Management (ALM) Policy and the same was approved in the 167th Board Meeting held on 07th September, 2020. The policy was revised in the 173rd Board Meeting held on 21st October, 2021.

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

Sl. No.	Name of the Member	ALM 1/2023 28.06.2023	ALM 2/2023 25.10.2023	ALM 3/2023 06.12.2023	ALM 4/2024 30.01.2024
01	Dr. KVV Satyanarayana, IRAS	Present	Present	Present	Present
02	Sri. V N Babu, Director	Present	Present	Present	Present
03	Sr. M V S N Murthy	-	-	Present	Present
04	Sri M. Ramana Reddy, Chief Financial officer	Present	Present	Present	Present

Grievance Redressal Committee (GRC)

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

During the year under review, the Grievance Redressal Committee Meeting met once on the 25th day of October 2023 with the following members being present:

S No.	Name of the Member	GRC 1/2023 25.10.2023
1.	Dr. K V V Satyanarayana, IRAS	Chairman
2.	Smt. V Abhinaya, CGO	Member - Secretary
3.	Sri. Ramana Reddy, CFO	Member



Credit Committee (CC)

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

During the year under review, the Credit Committee Meeting was held ONCE on the 25th day of October 2023 with the following members being present:

S No.	Name of the Member	CC 1/2023	25.10.2023
1.	Dr. K V V Satyanarayana, IRAS		Present
2.	Sri. M V S N Murthy, CRO		Present
3.	Sri. Ramana Reddy, CFO		Present
4.	Sri Siddharth CS		Present

17. STAKE HOLDERS' RELATIONSHIP COMMITTEE:

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

Stake holders Relationship Committee was formed with the approval of the Board in its meeting held on 06th December 2023 and the following members were appointed as the members of the Committee:

1. Sri. K Vijayanand, IAS - Chairman
2. Sri KVN Chakradhara Babu, IAS - Member
3. Sri V. N. Babu – Member

18. INTERNAL FINANCIAL CONTROLS

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

19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

20. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. In the preparation of the Annual Accounts, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;



- ii. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2024 and of the profit /loss of the company for that period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a 'going concern' basis.
- v. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

21. AUDITORS

Statutory auditors

M/s Mushty & Co., Chartered Accountants were appointed as the Statutory Auditors for the Financial Year 2023-24 by the Comptroller and Auditor General of India, vide Letter No.PAG(Audit)/AP/AuditFees/2023-24/12-2024/478 dated 20th March 2024

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

Comments from C&AG for the FY 2023-24

The Comptroller and Auditor General of India has issued its Comments on the financial statements for the Financial Year 2023 - 24 vide No.Lr.No.PAG (Au)/AP/AMG-II/TSC-I/APPFCL-FY24/72 Dated 10th January 2025

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

Internal Auditors

M/s. Kunda & Associates, Chartered Accountants, Vijayawada were appointed as Internal Auditors of the Company for the Financial Year 2023-24.

Secretarial auditor

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

The Company has appointed ASN Associates, Company Secretaries as Secretarial Auditor for the Financial Year 2023-24 as per the terms and conditions specified in the Companies Act, 2013.

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

22. UNCLAIMED AMOUNT

There has been no amount transferred to IEPF during the financial year 2023-24.

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

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

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

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

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

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

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

26. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT 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.

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

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

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

Acknowledgement

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

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

Place: Vijayawada
Date : 06.03.2025

Sd/-
Sri Peeyush Kumar, IAS,
Principal Finance Secretary

Sd/-
Smt M Janaki, IAS
Secretary, Finance Dept.
Managing Director



Annexure – 1

FORM No. AOC.2

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

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

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

Place: Vijayawada

Date : 06.12.2023

For and on behalf of the Board

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



CERTIFICATION ON CORPORATE GOVERNANCE

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

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

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

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

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

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

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

Place: Visakhapatnam
Date: 06-12-2023

For ASN Associates
Company Secretaries
Sd/-

Name: K Surendra
Partner
M. No. 34205
CP. No. 12732
UDIN. AO34205E002872691



FORM NO. MR.3**FOR THE FINANCIAL YEAR ENDED 31.03.2024
SECRETARIAL AUDIT REPORT**

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

To,

The Members,

ANDHRA PRADESH POWER FINANCE CORPORATION LIMIED

CIN:U40109AP2000SGC107482

48-12-16, 2nd Floor,

East Wing, Vidyut Soudha,

Gunadafa, Vijayawada-520004,

Andhra Pradesh, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED** (CIN:U40109AP2000SGC107482) (here-in-after called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, We here by report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31 March, 2024, complied with the Statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED for the Financial Year ended on 31st March, 2024 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the Rules made there under;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Take overs) Regulations, 2011; (Not applicable to the Company during the audit Period)
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not applicable to the Company during the audit Period)



- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit Period)
 - d) The Securities and Exchange Board of India (Listing obligations and disclosure Requirements) Regulations 2015 and the Listing Agreements entered in to by the Company with the Stock Exchanges; SEBI & NSE served notices regarding non-disclosure of information and other issues, however, the company has replied. (Not applicable to the Company during the audit Period)
 - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999-not applicable as the Company has not issued any Employee Stock Option Scheme.
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period)
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during the audit period)
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-Not applicable,
 - i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998-Not applicable as the Company did not buy back its equity shares during the financial year under review, and
 - j) The Reserve Bank of India Act, 1934 and regulations framed thereunder for Non-Banking Financial Companies.
2. We are of the opinion that the Management has complied with the following Laws specifically applicable to the Company:
 - (a) The Payment of Wages Act, 1936
 - (b) The Minimum Wages Act, 1948
 - (c) Employees Provident Funds and Miscellaneous Provisions Act, 1952
 - (d) The Payment of Bonus Act, 1965
 - (e) The Payment of Gratuity Act, 1972
 - (f) The Contract Labour (Regulation & Abolition) Act, 1970
 - (g) The Child Labour (Prohibition & Regulation) Act, 1986
 - (h) The Industrial Employment (Standing Order) Act, 1946
 - (I) The Employee Compensation Act, 1923
 - (j) Information Technology Act, 2000 and the Rules made there under.
3. We have also examined compliance with the applicable Clauses of the following:
 - Secretarial Standards issued by The Institute of Company Secretaries of India.
4. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:



- i. Non-Compliance of Section 125 of the Companies Act 2013 There is a delay in transfer of unclaimed principal and interest amount to Investor and Education and protection Fund.
- ii. Non-Compliance of Section 203 of the Companies Act, 2013 regarding non appointment of Company Secretary for more than six months, however, during the month of March, 2024 has appointed.
- iii. Non-Compliance of Section 149(1) of the Companies Act, 2013 regarding non appointment of Woman Director for more than six months.

We further report that:

- a) The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Changes in the composition of the Board of Directors which took place during the period under review are in accordance with the provisions of the Companies Act, 2013.
- b) Adequate notices given to all Directors to schedule the Board Meetings, agenda and detailed notes on Agenda were sent at least Seven Days in advance either by way of hand delivery or through e-Mail communication, and a system exists for seeking and obtaining further information and clarifications on the Agenda Items before the meeting and for meaningful participation at the meeting.
- c) As per the Minutes of the Meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous/with requisite majority and no dissenting views have been recorded.
- d) We report that there is scope to improve the systems and processes in the Company to be commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- e) We further report that in view of the size and operations of the company, the systems and processes adopted in the company are inadequate to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company is advised to put in place an integrated Legal Compliance Management System with periodical reporting to the Board.
- f) We have relied on the representation made by the Company and its Officers for systems and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

For MS RAO & ASSOCIATES

Place: Hyderabad
Date: 31.01.2025

Company Secretaries
Sd/-
CS Srinivasa Rao Mandarapu
Proprietor
M.No.F13315,CP:22557
Peer Review No:3626/2023
UDIN:F013315F003836794

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



'Annexure A'

To,

The Members,

M/s. ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

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

Vidyut Soudha, Gunadala, Vijayawada, - 520004.

Andhra Pradesh, India.

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

1. Maintenance of Secretarial Record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. The Compliance by the Company of applicable financial laws like Direct and Indirect Tax Laws and maintenance of financial record and books of accounts have not been reviewed in this audit since the same have been subject to review by Statutory Financial Audit and other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For MS RAO & ASSOCIATES

Place: Hyderabad

Date: 31.01.2025

Company Secretaries

Sd/-

CS Srinivasa Rao Mandarapu

Proprietor

M.No.F13315,CP:22557

Peer Review No:3626/2023

UDIN:F013315F003836794



Financial Statements

Section 3

Revised Independent Auditors' Report

To

The Members of The

Andhra Pradesh Power Finance Corporation Limited

Report on the Audit of the Standalone

Financial Statements.

Consequent to the reply of the Managing Director of the company, dated October 24, 2024, having taken a substantial time of around 50 days by responding to the provisional comments of CAG Letter No. PAG (Audit)/AMG-II/TSC-1/APPFCL-FY24/72 /2024/328 Dt. 29/8/2024, with replies to the provisional comments having specific replies to the provisional comments 11 and 12 12, **"It is submitted that the company complies with Master Directions"**, indicating a positive attitude to comply with provisioning of Rs.13,142.55 crores as such mentioned in the said provisional comments, having no request to drop any of the provisional comments raised by the CAG letter referred above, in which case, our report required inevitable revision of our unmodified opinion to adverse opinion, despite unmodified opinion could be expressed when the company had expressed the hardship of compliance, that was absent in writing, despite the said hardship and difficulty the were expressed on April 29, 2024, in the board meeting held by the company in which we were present having been invited to the said meeting as special invitee coupled with consequent hearings with bankers of to the company being stakeholders company in May 2024 having been organized by the CFO of that time from time to time. with revisions that resulted in unmodified audit report now being revised/modified. Accordingly, revised/modified as mentioned below, that is, unmodified opinion to adverse opinion.

1. Adverse Opinion

We have audited the accompanying Standalone. Financial Statements of the **Andhra Pradesh Power Finance Corporation Limited** ('the Company'), which comprise the Balance Sheet of March 31, 2024, the Statement Profit and Comprehensive

As of Loss (including Other Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and Notes to the Standalone Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013("the Act") in the manner so required and do not give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit (including the of other comprehensive income), changes in equity and its cash flows for the year ended on that date for non-compliance to the provisioning mentioned in in the *provisional comments 11 and 12 of the CAG Letter No.PAG (Audit)/AMG-II/TSC-1/APPFCL- FY24/72 /2024/328 Dt. 29/8/2024 till date* [[withdrawal



of our earlier opinion that "except for the hardship and impossibility caused by unfair and unbridled reductions in the SLR from around 38 percent in 1986 to around 18 percent of what it is today with insufficient availability of funds for the state governments in India including the Government of AP for the most with non-availability of G-SEC dated funding for the development of states in India defeating the basic purposes of RBI's establishment for price stability, that was by, steady and consistent escalation of power tariffs coupled with absence of modern framework for changing complex economic environment of India leveraging Finance and Banking sectors to gain unfair soaring advantages coupled with accelerated inflation at the cost of India Public at large in the essential and sensitive power sector building accelerated cyclic interests since 1986 coupled with the establishment of this company as SPV since 2000 for financing and funding energy sector in AP, till date pushing the Government of AP dues to APGENCO, APPDCL, APSPDCL AND APEPDCL that were noncurrent telescoped in current receivables under (accelerated cyclic funding since more than two decades outstanding, which was in short, non-available for immediate recovery coupled with uncertain time of recovery) and go beyond three months which was normal time permitted to power utilities consumer by whom the dues were removed if not paid within this normal period of three months, that was hardship or impossibility to comply with the RBI guidelines, and the said non-compliance is inevitable necessity for the public interest benefits expected to avoid adverse consequences that could only be overcome the RBI move by fair increase of SLR making sufficient availability of funds to state governments including Government of Andhra Pradesh stipulating a condition that the future dues to the energy sector by the state government not to exceed three months by a fair and reasonable consensus amnesty for the state governments at large. including Government of Andhra Pradesh having substantial full ownership in the company by the Reserve Bank of India being the lender of the last resort for the Government of Andhra Pradesh, so to say in short for all the state governments along with Central Government and Reserve Bank of India being Fair Regulator of Indian Economy at large there sort to the considering sensitivities in the energy sector to make sufficient availability of funds through G- SEC dated securities at the earliest by adjusting SLR for safeguarding sensitive power sector in earliest which to whole absence may have pervasive effect to of the banking and finance sector, with substantial impairment provisioning, affecting and denting the profitability of finance and banking sectors at large, in say, when sector was energy retarding profits and mounting losses despite substantial increases in revenues coupled soaring tariffs to the public of AP and India at large by the RBI as mentioned, with non-current receivables from the state short to in was in governments and central governments that were more than one year (which were to be paid within three months by normal power utilities consumer) were being recognized unfairly as current receivables by all state governments and central governments.)"] **which indicated that the company had no hardship to comply to the provision in gas mentioned in of the said provisional comments 11 and 12 of the said letter, and in absence compliance the assets of the company were overstated by Rs. 13,142.55 crores.**

2. Basis for Adverse Opinion

We conducted our audit under the Standards on Auditing (SAS) specified under Section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company under the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI")



together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made there under. We have fulfilled our other ethical responsibilities under these requirements and the ICAI's 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 Financial Statements. That was, On close examination of financial statements of the related party borrowers to the company, APGENCO, APPDCL, APSPDCL, AND APEPDCL have recognized receivables outstanding more than one year were found treated as current assets while so the same were noncurrent assets in which case there would be no current assets or current receivables as such exceeding current liabilities were found pledged with the company or absence of prime securities or complete erosion of value of securities or to say in short non-availability of sufficient current receivables, that are erosive requiring 100 percent provisioning of the loan portfolio to the said recoverable borrowers aggregated to Rs.13,142.55 crores that being doubtful and loss assets, was not found provided on attached financial statements of the company.

3. Emphasis of Matter

We draw attention to the loan portfolio assets made to related parties. APGENCO, APPDCL, APSPDCL, AND APEPDCL of the Standalone Financial Statements regarding the provision of impairment allowance in respect of loan assets, letter of comfort and guarantees issued by the Government of Andhra Pradesh. The Company has recognized expected credit loss in respect of loan assets, letter of comfort, and guarantee as required under Ind AS 109, based on documents provided by the credit/audit committee constituted by the Company from time to time, that is, the Board of Directors of the Company as such considering the size and the nature of the business of the company. Since the calculation parameters require certain technical and professional expertise that was absent, we could not rely upon the basis of determination of impairment allowance in so far as it relates to technical aspects/parameters considered by the said credit/audit committee and management's judgment on the same. However on close examination of the related party borrowers to the company, APGENCO, APPDCL, APSPDCL AND APEPDCL have recognized receivables outstanding more than one year were found treated as current assets while so the same were noncurrent assets in which case there would be no current assets or current receivables as such exceeding current liabilities were found pledged with the company or absence of prime securities or complete erosion of the prime value of securities or to say in short non availability of sufficient current receivables, that are erosive in nature. [[withdrawal of earlier opinion that "requiring Regulator RBI intervention as mentioned in the para 1 above for compliance to the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts despite there was Guarantee by the Government of the Andhra Pradesh considering the RBI Guidelines unless and until there is Government of India

Guarantee only ((RBI/2023-24/06 dated DOR. STR. REC. 3/21.04.048 / 2023-24 April 1 2023)). However, there is an impossibility to comply with the said master circulars for the reasons mentioned under para 1 for our unmodified opinion for the public interest and to avoid adverse consequences in the sensitive energy sector. So, our opinion is unmodified in this matter not to treat the whole loan assets to the Related Parties APGENCO, APPDCL, APSPDCL AND APEPDCL that erosive for compliance with IRAC norms of the Regulator RBI that is impossible for the sake of public interest and to avoid adverse consequences,

which is inevitable necessity to avoid further for the public interest benefits expected and to avoid, adverse consequences in energy sector by a fair and reasonable consensus for amnesty between the State Governments including Government of Andhra Pradesh having substantial full ownership in the company. and the Reserve Bank of India being the lender of the last resort for the Government of Andhra Pradesh, so to say in short for all the state governments along with Central Government and Reserve Bank of India being believed as Dogs of Indian Economy sensitivities energy sector adjusting SLR to the extent necessary arranging G-SEC dated securities to state governments which in absence may have pervasive effect to whole of the banking and finance sector requiring substantial soaring impairment provisioning, affecting and denting the profitability of finance and banking sectors at large, in short to say, when energy sector was in losses, with non-current receivables from the state governments and central governments that were more. than one year were being recognized unfairly as current receivables mostly by all state governments and central governments coupled with unbridled power tariff escalations that was denting power tariff stability in the state of Andhra Pradesh."]] requiring 100 percent provisioning of the loan portfolio to the said recoverable borrowers aggregated to Rs.13,142.55 crores that being doubtful and loss assets.

4. Key Audit Matters

Key audit matters (KAM) are those matters. that, in our professional judgments, were of most significance in our audit of these Standalone Financial Statements of the current period. matters addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. RBI/DNBS/2016-17/48 Master Direction DNBS. PPD.03/66.15.001/2016-17 September 29, 2016.

2. (RBI/2023-24/06DOR. STR. REC. 3/21.04.048/2023-24 Dated April 1 2023).

The statutory auditors must examine whether prudential to income recognition, accounting standards, asset classification, and provisioning for bad and doubtful debts are complied with by the aforesaid master circulars of the RBI, in which case, **[[withdrawal of earlier opinion that "there is an impossibility of complying with the said master circulars for the reasons mentioned under the para 1, Unmodified Opinion"]]** the company expressed to the CAG letter No. PAG (Audit)/AMG-II/TSC-1/APPFCL-FY24/72 /2024/328 Dt. 29/8/2024, that, "it is submitted that the company complies with the RBI Master Directions", responding to the provisional comments to the said letter, that was, that the company complies with the 100 percent provisioning recoverable Rs.13,142.55 crores, that was found absent borrowings amount in gof to in the attached financial statements, that was to say, assets of the company were overstated by Rs.13,142.55 crores.

Further, Government of Andhra Pradesh having substantial ownership in the company and also in the loan receiving related parties of the company, APPDCL, APGENCO, APSPDCL AND APEPDCL, or in short recoverable borrowers or borrowings to the company may have to pay all the receivables. outstanding for more than six months or at least all the outstanding receivables that were more than one year as on March 31, 2024 immediately that were unfairly classified as current assets or current receivables (which were noncurrent receivables hard to be received or not available with the Government of Andhra Pradesh building up loans burdening the Pradesh people Andhra progressive



inflation pressure or power tariff escalations on energy consumers) on

Namely of APGENCO, with the and the financial statements of the borrowers, APSPDCL APPDCL, APEPDCL, (for which interests burden for these amounts were paid by the borrowers shifting the same to the consumers of these borrowers building soaring and consistent inflation or progressive escalations in power tariffs coupled with slow down or say constraints in the sufficient supply of utility services energies at large in Andhra Pradesh which including

Renewable may have cost reductions in due course if implemented) and in absence. there is likelihood of default by the borrowers, in which case considering the sensitivity of the borrowers, it is necessary for the State Governments including the Government of Andhra Pradesh and the Reserve Bank of India, being the lender of last resort for the State Governments in India including the Government of Andhra Pradesh to reach dated a consensus in amnesty immediately to replace all the guarantees issued by the State Governments including the Government of Andhra Pradesh now by issue of G-Sec securities OI state development loans, shifting the present Government of Andhra Pradesh guarantees for G-Sec dated securities or State Development Loans by general pardon on past activities, where ever considered necessary or in any other way as the State Governments including the Government of Andhra Pradesh and Reserve Bank of India deem fit at the earliest by a reasonable adjustment in SLR making reasonable and sufficient funds available to clear cyclic long outstanding dues. Outstanding since more than two decades in India, in absence there could be severe. risk of soaring inflation burden on economy of Andhra Pradesh. through progressive coupled scalated power tariffs stoppages of energies in due course of time.

It is further to say that all the state governments along with the Central Government and Reserve Bank of India being Dogs of the Indian Economy at large may have to reach a fair and reasonable consensus in amnesty by afore-mentioned solutions considering the sensitivities in the energy sector which in absence may have pervasive effect to the whole of the and substantial banking finance sector requiring impairment provisions, affecting and denting the profitability of finance and banking sectors at large, in short, to say when energy sector was in retarding profits and soaring losses despite increases in the revenues of the energy sector through progressively escalated power tariffs, with non-current receivables from the state governments and central governments that were more than one year when the normal period of recovery from utility consumers was not to exceed three months were being recognized unfairly as current receivables due from all state. governments and central government.

5. Information Other Than The Standalone

Financial Statements And Auditor's Report

Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annexures to Report, Management Analysis, Business the Director's Discussion Responsibility and Report, and Report on the Standalone Financial Statements and our

Corporate Governance but does not include auditors' report thereon. The above-referred information is expected to be made available to us after the date of this Auditor's report.

Our opinion on the Standalone 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 Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially information, if we conclude that the reisa material misstatement therein, we are required to communicate the matter to those

charged with governance appropriate actions, if required.

6. Responsibilities Of Management And Those

Charged With Governance For The Standalone

Financial Statements

The Company's Board of Directors is responsible for the matters. stated in Section 134 (5) of the Act concerning the preparation of these Standalone Financial Statements that **do not give a true and fair view of the financial position, financial comprehensive income), changes in equity and cash flows of the Company under the Ind AS and other accounting principles generally accepted in India.** This responsibility also includes maintenance of adequate accounting records. under the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities selection and accounting application of appropriate policies; making judgments and estimates. that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view. and are free from material, misstatement, records, the Standalone Financial Statements, whether due to fraud or error. In preparing management and the Board of Directors are 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 management either intends to liquidate the concern basis unless of accounting Company or to cease operations or has no realistic alternative but to do so. The Board of Directors is also responsible for over seeing financial the Company's reporting process. Management of the company declined to furnish any written Management Representation Letter for us on their responsibilities as such necessary for our consideration that the company all management representations what ever could continue as a going concern. Further mentioned hereinafter were oral and the said representations may be taken back by unfair the management of the company later in absence of any management representation in writing that is the standard consistent practice of this company having found no management representation letter in writing till date.

7. Auditor's Responsibilities for the Audit of The Standalone Financial Statements

Our objectives are to obtain reasonable assurance, about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to report that

includes our fraud or error and to issue an auditor's opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted under 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 based on these Standalone Financial Statements. As part of an audit under SAS, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material. 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 to design audit procedures that are appropriate in the circumstances. Under Section 143 (3) (1) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness used and of the accounting related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis reasonable ness of accounting estimates and of accounting and, based on the audit uncertainty exists related to events or evidence obtained, whether a material conditions that may cast significant doubt on the Company's ability to continue as a material uncertainty exists, are going concern. If, we conclude, that a required to draw attention in our auditor's Standalone Financial Statements or, if such report to the related disclosures in the disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of However, future our auditor's report. 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 Financial Statements, including the disclosures, and whether the Standalone represent the Financial Statements underlying transactions. and events in a manner that achieves fair presentation.

Materiality is magnitude of misstatement in the Standalone Financial Statements aggregate, economic that, individually make it decisions knowledge able in probable that the of a of user the reasonably Financial Statements may be influenced. We consider factors in (i) Planning the scope of our quantitative materiality and qualitative audit work and in evaluating the results of our work: and (ii) evaluating the effect of any identified misstatements in the Financial Statements.

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 current period and are therefore the audit of the Financial Statements of 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 matter circumstances, we determine that a should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to out weigh the public interest benefits of such communication.

We are unable to keep the requirement of 100 percent provisioning of loan portfolios to related parties of the company APGENCO, APPDCL, APSPDCL, AND APEPDCL not being communicated consequent to the replies of the company to the provisional comments 11 and 12 of the CAG Letter No.PAG (Audit)/AMG-II/TSC-1/APPFCL- FY24/72/2024/328 Dt. 29/8/2024.

8. Report On Other Legal And Regulatory requirements

- I. As required by the Companies (Auditor's Report) Order, 2020 (the Order), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 and based on such examination of the books and records of the Company as we considered appropriate and according to information and explanation given we statement on the give in Annexure-A a matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. The Comptroller and Auditor General of India has issued the directions indicating the areas to be examined in terms of sub-section 5 of Section 143 of the Act, the compliance of which is set out in "Annexure. B".
- III. As required by Section 143 (3) of the Act, we report that: were
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief necessary for the purposes 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 Standalone. Balance Sheet, the Standalone Statement of Profit and Loss. Income), (including Other Comprehensive the Standalone Statement of Changes. in Equity, and the Standalone Statement of Cash flows, dealt with by this Report agree with the books of account;
 - d) In our opinion and to the best of our information and explanation given to us, the aforesaid Standalone Financial Statements comply with the Ind AS specified. under Section 133 of the Act read with relevant rules;
 - e) As per notification number G.S.R. 463 (E) dated June 5, 2015, issued by the Ministry of Corporate Affairs, Section 164 (2) of the Act regarding the disqualifications of Directors does not apply to the Company, since it is a Government Company;
 - f) Concerning the adequacy of the internal financial controls over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure C";
 - g) As per notification number G.S.R. 463 the (E) dated June 5, 2015, issued by Ministry of Corporate Affairs, Section 197 of the Act regarding remuneration to the Director does not apply to the Company, since it is a Government Company; and



- h) Concerning the other matters to be included in the Auditors' Report under Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has not disclosed the impact of pending litigation that was the notices issued by the dated 12-SEPTEMBER-2024 SBI CAP TRUSTEE COMPANY LTD demanding outstanding, NCD amounts aggregated Rs.1,927.9 crores along with the response interest there on and trustee fees on its financial position in its Standalone Financial Statements, communicating to us by to the notices by any documentary evidence of reply till date whether the said demands are probable, likely or remote with disclosure despite we have expressed a considered opinion that the same could be remote, in absence of any documentary evidence of their reply till the issue of this audit report we have to treat the same as either probable or likely Refer to having impact on the company-Refer to Note 40 to the Standalone Financial Statements to the extent disclosed;
 - ii. The Company has made provision, as required under the applicable law except required under RBI master circulars or accounting material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, be required to transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person (s) or entity (ies), including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company. (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. **However, our opinion is that the ultimate beneficiary is the Government of Andhra Pradesh making their dues to the related parties APGENCO, APPDCL APSPDCL, AND APEPDCL for being carried forward to uncertain periods further causing course or escalated power tariffs benefitting private power sector companies at large in due innuendo acts by the of difficult to be identified. So also, power sector units in the private sector.**
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which either are material individually or in the aggregate) have been received by the Company from any person (s) or entity (lies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly indirectly, lend or invest in other persons. or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement.
- v. Neither interim nor final dividend was found paid or declared during the year by the management of the company. vi. Proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 concerning using accounting software for maintaining its books of account which has certain features. e.g. edit log, etc. as enumerated in the aforesaid proviso applies to the Company with effect from April 1, 2023. In this respect audit trial time required with stamping and date of adjustments in Tally based software used was absent, despite e-office approvals being followed for approvals of spending expenses and other transactions. Therefore, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 applies for the financial year ending March 31, 2024, to the extent of non-compliance with audit trial in tally-based software.
- IV. Previous statutory auditors of the company were communicated while accepting the engagement of ourselves as statutory auditors of the Company required under CA Regulations and in their response such previous auditors did not mention their audit fees unpaid which was found on our examination of the books of account. could not deal on the subject since the previous statutory auditors have not sought. our assistance on the subject, in writing except by oral telephonic communications. It was found on record that the standalone. financial statements for the accounting year 2022-23 were made available to the erstwhile statutory auditors in July 2023 coupled with the belated submission of financial statements to the SEBI that resulted in penalties from the SEBI that caused the conflict for unpaid audit fees. to immediately preceding statutory auditor while hearings from the management during our audit. We found no default of the previous statutory auditors for filing belated returns to SEBI by the management of the company. Previous statutory auditors had come out in the writing of their concerns by email in the month ending October 24. This is an unfair trade practice of the company, either to withhold audit fees and their other related travel expenses coupled with lower fees pushing the auditors with hardship to avoid detailed and sufficient examination of their books. of account having a surreptitious attitude of hiding the careless conduct of the management at their comfort and convenience. In this respect, we have made a legitimate communication to the management of the company with information to the CAG Authorities on the same suggesting to them their necessary intervention if possible.

For Mushty And Co(005501s)
Chartered Accountants

Sd/-

Mushty Sreeram
Dr Sreeram Mushty
Proprietor, M No 200273
PREVIOUS UDIN: 24200273BKEIXB8924
UDIN: 24200273BKEIYH5621



Annexure – “A” to the Auditors’ Report

to the

Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para I under the heading 'Report on other Legal Regulatory Requirements' of our report of even date to The Members of Andhra Pradesh Power Finance Corporation Limited on the Standalone Financial Statements for year ended March 31, 2024)

To the best of our information and the best of our knowledge according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) Concerning the Company's Property, Plant and Equipment, and Intangible Assets:
 - (a) (A) The Company has maintained proper showing full particulars, including quantitative details and situation of Property, Plant, and Equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars, of intangible assets.
 - (b) Based on the information and explanation given us, the Company's carries out the physical verification of Property, Plant, and Equipment once a year. In our opinion, the Management frequency of physical verification reasonable having regard to the size of the Company and nature of its explained to us, no material discrepancies. were noticed by the management on such physical verification.
 - (c) Based on our examination of the records of the Company we report that the title deeds, comprising all immovable properties of land and buildings which are freehold of the were NIL, are held in the name of the balance sheet date. Company as Further, in respect of immovable properties of land and buildings that have been taken. on lease, the lease agreements are in the name of the Company.
 - (d) The Company has not revalued any of its Property, Plant, and Equipment (including Right of Use assets) and intangible assets during the year.
 - (e) As informed to us, no proceedings have been initiated or are pending against the Company as of the date of the Balance Sheet for holding any benami property under the Benami Transactions (Prohibition) 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) Non-Banking Financial Company and does not have any inventory. Thus, clause 3 (ii) (a) of the Companies (Auditor's Report) Order, 2020 is not applicable. (b) The Company as such has no working capital loans over five crore rupees made during the year.
- (iii) During the year, the Company has made investments in (nil), provided guarantees, and granted loans/advances like loans, secured/unsecured to companies, firms, limited liability partnerships, and other parties. In this regard, we report hereunder:
 - (a) The Company is a registered NBFC with the Reserve Bank of India with the principal business of giving loans. hence clause 3 (iii) (a) of the Order is not applicable.

- (b) In our opinion, the investments made(nil), guarantees provided, if any, and the terms and conditions of the grant of all loans and advances like loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) Being a registered Non-Banking Financial Company (NBFC), the Company grants its loans on stipulated terms and conditions for repayment principal and interest. In respect of Loan assets except for credit-impaired assets, the repayments of principal amounts and receipts of interest are generally regular as per stipulation.
- (d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days are under Telangana Power Finance Corporation dues that were more than 90 days for being guarantor by the company, which was referred to in the Note No.32 of the Notes of Account to the Balance Sheet. The Company takes steps for recovery of the principal and interest as per its defined procedures, which in our opinion reasonable.

The same has not been recognized as income a matter of prudence. as per the practices of the Company.

- (e) Reporting under clause 3 (iii) (e) of the Order is not applicable, since the principal business of the Company is to give loans.
 - (f) To the best of our knowledge and according to information and explanation given to us, the Company has not granted any loans or advances like loans either repayable on demand or without specifying any terms or period of repayment. Hence, reporting under clause 3(iii) (f) is not applicable.
- (iv) In our opinion and according to the information and explanation given to us the Company has not given any loan or given any guarantee OI provided any security in contravention of Section 185 of the companies Act, 2013 to the extent applicable to the Company.

Further in our opinion and according to information and explanation given to us, the Company being a Non-Banking Financial Company (NBFC), the Company is exempt from Section 186 of the Companies Act, 2013 and relevant rules in respect of loans & guarantees. In respect of investments, the Company has complied with the provisions of Section 186(1) of the Companies Act, 2013.

- (v) According to information and explanations given to us, the Company has not accepted any deposit from the public to which directives issued by the Reserve Bank of India and the provisions of Sections 73. to 76 or any other relevant provisions of the Companies Act, 2013 and rules made there under are applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, for any of the services rendered by the Company. Accordingly, clause 3 (vi) of the Companies (Auditor's Report) Order 2020 does not apply to the Company.
- (vii) In respect of statutory dues, based on information and explanations given to us and based on our examination of the records of the Company, we report that: (a) The Company is regular in depositing with appropriate Authorities, undisputed statutory dues including Goods and Services Tax, Provident Fund, Insurance, State Employees' Income Tax, Service Tax, and other statutory



dues as applicable to it and there is no undisputed amount payable in respect of dues described

Above outstanding for more than six months from the date they become payable as on March 31, 2024, as per the accounts of the company. (b) According to the information us and as and explanations given to certified by the management on which we have relied, the disputed statutory dues. aggregating to NIL have been deposited/ on account of disputes/ deposited protest and the matters are pending before appropriate authorities as detailed. below : NIL

- (viii) As per the information to explanation given under and us there were no transactions relating to previously unrecorded income that have surrendered or disclosed as income during been the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to information and explanations given to us, the Company has not defaulted in repayment of loans other borrowing or on the payment interest thereon to any lender except on guarantees made to Telangana Power Finance Corporation referred to in Note No 32 of the Notes defaulter or of on Account to the Financial Statements.
- (b) According to the information and explanations given to us the Company has not been declared a wilful by any bank or financial institution or government or any government authority.
- (c) As per the information and explanations given to us, the term loans. were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, no funds raised on a short-term basis have been used for long-term purposes by the Company other than temporary usage pending receipts According from to sources.
- (e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.
- (f) According to the information and explanations given to us, we report that the Company has not raised loans during the year on the pledge of securities. held in its subsidiaries, joint ventures, or associate companies.
- (x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. (b) According to information and explanations given to us and based on our examination of the records. Placement convertible of the Company, the Company has not made any preferential allotment. or private of shares or debentures during the year.
- (xi) (a) To the best of our knowledge and according to the information explanations given to us, no fraud by the Company or any fraud on the Company has and been noticed or reported during the year.
- (b) As informed to us, no report under sub-section (12) the of Section 143 of Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report. (c) We have been informed by the management no whistle-blower complaints have been received by that Company during the year.



- (xii) According to the information and explanation given to us the Company is nota Nidhi Company. Hence the Nidhi Rules, to the Accordingly, clause 3 (xii) of the Companies2014 do not apply (Auditor's Report) Order 2020 does not apply to the Company.
- (xiii) According information explanations given to us and based on our examination of the records of the Company, all transactions with the related parties comply with Sections 177 and 188 of the Companies Act, 2013 where applicable. The details have been disclosed in the Financial Statements as per the requirement of the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business. (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing, and extent of our audit procedures.
- (xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash. transactions with its directors or persons connected with its directors, and hence. provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) (a) The Company is a Non- Banking Financial Company and has obtained registration under Section 45-IA of the Reserve Bank of India Act, 1934. The registration number issued to the Company is B-09-00266 dated 25-08-2000.
- (b) According to the information and explanations given to us, the Company has not conducted any non banking financial or housing finance activities without a valid certificate of registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us, the Company is not a core investment company (CIC) as defined in the regulations. made by the Reserve Bank of India, hence reporting under clause 3 (xvi) (c) of the order is not applicable.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies. (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi) (d) of the order is not applicable.
- (xvii) Based on our examination of the records of the Company, the Company has not incurred any cash losses in the financial year and in the immediately proceeding financial year.
- (xviii) There has been no resignation of statutory auditors of the Company during the year.
- (xix) based on the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, it has come to our attention, which causes us to believe that material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within one year from the balance. date unless and until long out standings of the Government of AP dues to APGENCO, APPDCL, APSPDCL, AND APEPDCL are realized and in absence the company has Sheet to borrow to defer the Government of Andhra the Pradesh dues through guarantees of



Government of Andhra Pradesh by progressive circular funding. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3 (xx) (a) of the Order is not applicable for the year. (b) In respect of ongoing projects, the company has transferred Corporate Social the Responsibility unspent (CSR) amount as of the Balance Sheet date to a special account, within thirty days from the end of the financial year in compliance with Section 135 (6) of the Companies Act.

For Mushty And Co(005501s)
Chartered Accountants

Sd/-

Mushty Sreeram
Dr Sreeram Mushty
Proprietor, M No 200273
PREVIOUS UDIN: 24200273BKEIXB8924
UDIN: 24200273BKEIYH5621



Annexure – “B” to the Auditors’ Report

to the

Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para II under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Andhra Pradesh. Power Finance Corporation Limited on the Standalone Financial Statements for the year ended March 31, 2024)

As required under Section 143 (5) of the concerning the companies Act 2013 directions issued by The Comptroller & Auditor General of India, we report that:

Directions/Queries rose as directions to answer

1. Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions out side IT system on the integrity of the account's along with the financial implications, if any, may be stated.

Ans: Yes, the Company has a system in place to process all the accounting transactions trial through the IT system, through e-office software with satisfactory audit however under Tally Software with no sufficient audit trial but was not enabled with a digital signature for the year but was under process to enable the same in the current year. Based on the verification carried out by us during our audit and based on the information and explanations given to us we have not come across any instance having significant implications on the integrity of accounts.

2. Whether there is any restructuring of an existing loan or cases of waiver/ write-off of debts/ loans/ interest etc. made by alender to the company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.

Whether such cases are properly accounted for? (In case, lender is a Government Company, is also then this direction applicable for statutory auditor of Lender Company)

Ans: There is no such case and the Company is reasonably regular in servicing its debts and borrowing obligations except on guaranteed loans to Telangana Governed Note No.32 of Notes on Account to the financial statements. However, progressive circular funding through progressive loans is found to defer the dues of the Government of Andhra Pradesh to APGENCO, APPDCL, APSPDCL, AND APEPDCL that are non-available funds from the Government of Andhra Pradesh coupled with electricity tariff escalations consistently for every three quarters in a year and less when formation despiteloans could not be raised by the company or otherwise from the inception of the company these loans are consistently backed by Government of AP guarantees that are of no use when the primary receivables or dues are mostly not. available when examined with RBI master directions mentioned in the principal audit report under Key Matters.

3. Whether funds (grants/subsidy etc.)received/ receivable for specific schemes. from Central/ State Government or agencies were properly accounted its for/ utilised as per its term and conditions? List the cases of deviation.

Ans: NIL



4. Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if approved; whether, theany, for the Company is finalized and accounting treatment as per the plan and the suitably detailed disclosures are given. Deviations may be stated.

Ans: Guarantees for the State Government of Andhra Pradesh and State Government of Telangana were not bifurcated which caused the company as a defaulter for the non- payment of dues of the State Government of Telangana and Telangana Power Finance Corporation Limited which dented the ratings of the company. Details were made financial available in the note 32 to the standalone statements. Further, no satisfactory reply as such was found made by the management of the company to the notices of demand dated 12-SEPTEMBER-2024 made by the SBICAP TRUSTEE COMPANY LTD to date for the NCDS aggregated to Rs.1927.9 crores along with interests thereon and trustee fees.

5. Whether the Company has complied with the directions issued by the Reserve Bank of India for:

- Non-Banking Finance Companies (NBFCs);
- Classification of non-performing assets; and
- Capital adequacy norms for NBFCs.

Ans: It was mentioned by the company that "the company complies with the RBI Master "Directions" to the provisional comments 11 and 12 of CAG Letter No. PAG (Audit)/AMG-II/TSC-1/ APPFCL-FY24/72/2024/328Dt.29/8/2024[[withdrawal of this opinion that "There was hard ship and impossibility in compliance with the said directions for the public interest expected and to avoid adverse consequences as mentioned in paragraphs 1 to 4 of our audit report".]] which indicated that the company had no hardship to comply to the provisioning as mentioned in the provisional comments 11 and 12 of the said letter, and in absence of the said compliance the assets of the company were overstated by Rs.13,142.55 crores. No provisioning or compliance as such mentioned in the said provisional comments were found in the standalone financial statements approved on April 29, 2024, or subsequently revising the approved financial statements by the Board on April 29, 2024, for the year ended March 31, 2024, to date.

6. Whether the Company has a system to ensure that loans were secured by adequate security free from encumbrances and have first charge on the mortgaged assets. Further instances of undue delay in the disposal of seized units may be reported.

Ans: The company was mostly dependent on the Government of AP guarantees as there. were quite long outstanding receivables from the Government of AP to the APGENCO, APPDCL, APSPDCL, AND APEPDCL that were more than one year telescoped in current. receivables under the current assets when the normal period of recovery from utility consumers was around three months only and neither the company nor any of the related parties APGENCO, APPDCL, APSPDCL, AND APEPDCL had invoked any Guarantee of the Government of Andhra Pradesh to date for the public interest expected and to avoid adverse consequences except granting an extension of moratorium periods or exploring possibilities for extending additional loans through borrowings from the commercial banks at large building gap profits in the Company for borrowings from the commercial banks for the continuity of energy sector in the public interest expected and to avoid adverse

consequences in the sensitive energy sector. In short, the company is an outsourced wing of finance to APGENCO, APPDCL, APSPDCL, AND APEPDCL granting a sufficient extension of time for the Government of Andhra Pradesh dues to APGENCO, APPDCL, APSPDCL, AND APEPDCL indefinitely found with substantial outstanding beyond three years. not saved by laws of limitation as doubtful but were not being provided as such for the public interest expected and to avoid adverse consequences in the sensitive energy sector. In short, earning loans. through progressive circular funding is mentioned above.

The ultimate beneficiaries are the Government of Andhra Pradesh coupled with inherent cartels behind by the conduct of innuendo hard to be proved and the private sector power units at large with soaring inflation at the risk of people in the state of Andhra Pradesh.

7. Whether the introduction of any scheme for settlement of dues and extensions thereto complied with policy/ guidelines of Company/ Government.

Ans: In short, the company is an outsourced wing of finance to APGENCO, APPDCL, APSPDCL, AND APEPDCL granting a sufficient extension of time for the Government of Andhra Pradesh dues to APGENCO, APPDCL, APSPDCL, AND APEPDCL indefinitely by progressive circular funding mentioned above. found with substantial outstanding beyond three years. not saved by laws of limitation as doubtful. but were not being provided for the public. interest expected and to avoid adverse consequences in the sensitive sector.

For Mushty And Co(005501s)
Chartered Accountants

Sd/-

Mushty Sreeram
Dr Sreeram Mushty
Proprietor, M No 200273
PREVIOUS UDIN: 24200273BKEIXB8924
UDIN: 24200273BKEIYH5621



Annexure-C to the Auditor's Report

to the

Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para III (f) under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Andhra Pradesh Power Finance Corporation Limited on the Standalone Financial Statements for the year ended March 31, 2024).

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Standalone financial statements of Andhra Pradesh Power Finance Corporation Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

1. 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 the Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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 Act.

2. AUDITORS' RESPONSIBILITY

our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone 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 sub-section 10 of Section 143 of the Act, to the extent applicable to an audit of internal financial controls. 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 were established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that 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 judgement, including the assessment of the risks of material misstatement of the Standalone 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.

3. 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 Standalone 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 permit preparation of Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of the Management of the Company; and (3) provide reasonable assurance regarding prevention or timely detection unauthorised acquisition, of use, disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

4. 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 to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree compliance with the policies or procedures may deteriorate. of

5. OPINION

In our opinion, the Company has, in all material respects, an internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 Mushty And Co(005501s)
Chartered Accountants

Sd/-

Mushty Sreeram
Dr Sreeram Mushty
Proprietor, M No 200273
PREVIOUS UDIN: 24200273BKEIXB8924
UDIN: 24200273BKEIYH5621



Non-Banking Financial Companies Auditors' Report for the year ended March 31, 2024

Before the Board of Directors

Andhra Pradesh Power Finance Corporation Limited

Vidyut Soudha, Vijayawada-520004

We have audited the accompanying Standalone Financial Statements of **Andhra Pradesh Power Finance Corporation Limited** ('the Company'), which comprise the Balance Sheet as of March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the standalone financial statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

As required by the "Non-Banking Financial Companies Auditor's 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 Company, and according to the explanations given to us for the audit, we report that:

1. The Company is engaged in the business of a Non-Banking Financial Institution, having a valid certificate of registration issued by Reserve Bank of India vide No. 09.00266 dated 25-08-2000. Further, Company is entitled to continue to hold such registration in its terms of asset/income pattern as of 31.03.2024.
2. The Company has not accepted any public deposits during the financial year 2023-24.
3. The financial statements of the Company for the year 2023-24 have been prepared under the recognition and measurement principles of Indian Accounting Standards. (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under. Accordingly, the Company is following Board approved methodology for computation of Impairment Allowance towards provisioning for its loan. assets and classification thereof, that is not satisfactory. In view of regulatory compliance of the Companies Act, 2013 for the adoption of a mechanism for the preparation of financial statements, the Company is required to make provision of impairment loss as per Ind AS 109 and the Board of Directors was unable to follow the Prudential norms relating to income recognition, asset classification, provisioning (IRACP norms) for Bad and Doubtful debts in terms of Directions 2016 [[withdrawal of this opinion that "having hardship and impossibility to comply the said IRAC for the reasons mentioned by us under theandpara 1 to 4, UNMODIFIED OPINION for the public interest benefits expected and to avoid adverse consequences in the sensitive. energy sector in the state of Andhra Pradesh"']] despite the company having found replied that "It is submitted that the company complies with RBI's Master Directions" to provisional comments 11 and 12 of the CAG Letter No. PAG (Audit)/ AMG- II/ TSC-1/ APPFCL- FY24/72/2024/328 Dt. 29/8/2024, that was found absent, that was to say, No provisioning or compliance as such mentioned in the said provisional comments were found in the standalone. financial statements approved on April 29, 2024, or subsequently revising the approved financial statements by the Board on April 29, 2024, for the year ended March 31, 2024, to date.



4. As per the information and explanation given to us, the statement of capital funds, risk assets/exposures, and risk asset ratio (DNBS 03 return) has been filed by the Company for all the quarters of FY based on provisional financial results, including CRAR of respective quarters, drawn on the date of filing within the stipulated period, in compliance with RBI norms. Further, CRAR based on audited financial statements for the year ended 31.03.2024 could not be recognized as correctly arrived at, and further. compliance with the minimum CRAR by RBI is not satisfactory as the had to make company provisioning of the recoverable borrowings. from their related party recoverable borrowers namely, APGENCO, APPDCL, APSPDCL AND APEPDCL.

In conclusion, Government of Andhra Pradesh. having substantial ownership in the company and also in the loan receiving related parties of the company, APGENCO, APPDCL, APSPDCL AND APEPDCL, or in short borrowers to the company may have to pay all the receivables outstanding for more. than six months or at least all the outstanding receivables that were more than one year as on March 31, 2024 immediately that were unfairly classified as noncurrent assets on the financial statements of the borrowers, namely APGENCO, AND APSPDCL APEPDCL, (for which interests burden for these amounts were paid by the borrowers' shifting the same to the consumers of these borrowers building soaring inflation or to say in short unbridled escalation of power tariffs coupled with slow down or say constraints in the sufficiency to the constraints in the supply of utility services including large in renewable energies at Andhra Pradesh) and in absence there is likelihood of default by the borrowers, in which case considering the sensitivity of the borrowers, it is necessary for the Government of Andhra Pradesh and the APPDCL, the it Reserve Bank of India, being the lender of last resort for of Government Andhra Pradesh to reach a consensus in amnesty immediately to replace all the guarantees issued by the Government of Andhra Pradesh now by issue of G-Sec dated securities or state development loans, shifting the present Government of Andhra guarantees for G-Sec dated securities or State Development Loans by general pardon on past activities, at the earliest, by the adjustment of SLR by the RBI in absence there could be severe risk of soaring economy of Andhra Pradesh coupled with stoppages of energies inflation burden on in due course of time.

For Mushty And Co(005501s)
Chartered Accountants

Sd/-

Mushty Sreeram
Dr Sreeram Mushty
Proprietor, M No 200273
PREVIOUS UDIN: 24200273BKEIXB8924
UDIN: 24200273BKEIYH5621



Statutory Auditors' Certificate (SAC)

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

S.no	Particulars	Details
1	Name of the company	Andhra Pradesh Power Finance Corporation Limited
2	Certificate of Registration No.	N-09.00266
3	Registered office Address	#40-12-16, 2nd Floor, East Wing, Vidyut Soudha, Gunadala, Vijayawada, Krishna District- 520004
4	Corporate office Address	#40-12-16, 2nd Floor, East Wing, Vidyut Soudha, Gunadala, Vijayawada, Krishna District- 520004
5	The company has been classified by RBI as: an investment Company/Loan company/ AFC/NBFC-MFI/NBFC-Factor/IFC/ IDF-NBFC)	NBFC
6	Net Owned Fund (in Rs. Crore) (Calculation of the same is given in the Annexure A)	872.50
7	Total Assets (in Rs. Crore)	13568.32
8	Asset-Income pattern: (in terms of RBI Press Release 1998-99/1269 dated April 8, 1999) a)% of Financial Assets to Total Assets b)% of Financial income to Gross, Income (NBFC -Factor/NBMH/AFC/ IFC may also report separately below)	a) 99.77 b) 11.53
9	Whether the company was holding any Public Deposits, as on March 31, 2024 ? If Yes, the amount in Rs. Crore	No
10	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (in terms of Sec. 45-IC of the RBI Act, 1934).	Yes
11	Has the company received any FDI? If Yes, did the company comply with the minimum Capitalization norms for the FDI?	No



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

This statement is prepared based on the attached financial statements of the company that are necessary to be modified. In terms of Chapter II of the Master Direction- Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, a separate report to the Board of Directors of the company has been prepared. I have read and understood Chapter III of the Master Direction- Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016.

For Mushty And Co(005501s)
Chartered Accountants

Sd/-

Mushty Sreeram
Dr Sreeram Mushty
Proprietor, M No 200273
PREVIOUS UDIN: 24200273BKEIXB8924
UDIN: 24200273BKEIYH5621



Annexure – A

Sl. No.	Capital Funds – Tire I	(Rs. In Crores)
1	Paid up Equity Capital	350.92
2	Pref Shares to be compulsorily converted in to equity	-
3	Free Reserves	
	a. General Reserve	
	b. Share Premium	
	c. Capital Re serves	
	d. Debenture Redemption Reserve	
	e. Capital Redemption Reserve	
	f. Credit Balance in P&L Account	377.09
	g. Other free reserves	
4	Special Reserves	144.47
	Total of 1 to 4	872.50
5	Less: i. Accumulated balance of loss	
	ii. Deferred Revenue Expenditure	
	iii. Deferred Tax Assets (Net)	
	iv. Other intangible Assets	
	Owned Funds	872.50
6	Investment in shares of	-
	i. Companies in the same group	
	ii. Subsidiaries	
	iii. Wholly Owned Subsidiaries	
	iv. Other NBFCs	
7	Book value of debentures, bonds outstanding loans and advances, bills purchased and is counted (including H.P. and lease finance) made to, and deposits with	
	i. Companies in the same group	
	ii. Subsidiaries	
	iii. Wholly Owned Subsidiaries/Joint Ventures Abroad	
8	Total of 6 and 7	-
9	Amount in item 8 in excess of 10% of Owned Fund	-
10	Net Owned Fund	872.50

For Mushty And Co(005501s)
Chartered Accountants

Sd/-

Mushty Sreeram
Dr Sreeram Mushty
Proprietor, M No 200273
PREVIOUS UDIN: 24200273BKEIXB8924
UDIN: 24200273BKEIYH5621



C & AG AUDIT REPORT



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



Lr. No. PAG(AU)/AP/AMG-II/TSC-I/APPFC-FY24/72-2024/526 Date : November 2023

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

Sub : Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of Andhra Pradesh Power Finance Corporation Limited (APPFCL) for the year ended 31 March 2024-reg.

I am to forward herewith Comments of the Comptroller and Auditor General of India (C&AG) under Section 143(6)(b) of the Companies Act, 2013 on the financial statements of APPFCL for the year ended 31 March 2024 for necessary action.

2. The date of placing the Comments of C&AG along with Financial Statements and Revised Auditors' Report dated 06.11.2024 in Annual General Meeting (AGM) before the shareholders. of the Company may please be communicated along with copy of the proceedings of the AGM. 3. The date of forwarding the Annual Report of the Company containing Financial Statements along with Revised Auditors' Report and Comments of C&AG to the Government of Andhra Pradesh for the year ended 31 March 2024 for being laid before the State Legislature may also be intimated. Copy of the letter from the Legislature Secretariat indicating date on which Annual Report is laid before State Legislature may also be intimated.

4. Five copies of the Annual Report of the Company for the year 2023-24 may be furnished to this Office.

5. Management Letter containing deficiencies in internal controls on financial reporting noticed during Supplementary Audit of the accounts of the Company for the year is issued separately.

Encl:Asabove

Yours faithfully

Sd/-

Deputy Accountant General/ AMG-II

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

Website: www.cag.gov.in/ag/andhra-pradesh

e-mail: agauandhrapradesh@cag.gov.in



C & AG AUDIT REPORT



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



Lr. No. PAG(AU)/AMG-II/ TSC-I/APPFCL-FY24/72-2024/ 527 Date : November 2023

To

The Managing Director,

M/s. Andhra Pradesh Power Finance Corporation Limited,

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

Gunadala, Vijayawada, Krishna District

Andhra Pradesh-520004

Sub : Management Letter - Deficiencies in internal controls noticed during Supplementary Audit of Financial Statements of Andhra Pradesh Power Finance Corporation Limited (APPFCL) for the year ended 31 March 2024.

The following audit observations issued during Supplementary Audit of the Financial Statements of APPFCL for the year ended 31 March 2024 under Section 143(6) of the Companies Act 2013 are not pursued through CAG comments based on the replies / assurances of the Management:

- a) As per Para-N of General instruction of preparation of Balance Sheet under Division-III of Schedule-III to the Act, Inter Corporate Deposits (ICDs) shall be disclosed separately under 'Financial Liabilities' as a separate line item as 'Deposits' on the face of Balance Sheet. However, the Company disclosed the ICDS as a part of 'Borrowings' on the face of Balance Sheet resulting in non-compliance with the provisions of the Act 2013 with consequent overstatement of Borrowings (Other Debt Securities) and understatement of Deposits. This also indicates either inadequate internal controls or lack of compliance with internal controls on financial reporting. Hence, the Management may ensure compliance with the provisions of the Companies Act to avoid such misstatements while preparing the financial statements for the year 2024-25.
- b) Though RBI norms of Prudential Framework for the Resolution of Stressed Assets require the Company to mandatorily disclose the information relating to amount and the number of loan assets restructured under Notes to Accounts, the same was not disclosed by the Company. This indicates either inadequate internal controls or lack of compliance with internal controls on financial reporting. Hence, the Management may ensure necessary disclosures as per the RBI guidelines while preparing the financial statements for the year 2024-25 in line with assurance to the provisional comment.
- c) No disclosure of the nature of CSR activities and details of Related Party Transactions about CSR activities was made in the financial statements, deviating from provisions of Para 10 (vi) of



General Instructions for preparation of Profit and Loss Statement under Division-III of Schedule III to the Act. This indicates either inadequate internal controls or lack of compliance with internal controls on financial reporting. Hence, the Management may ensure necessary disclosures as per the Schedule-III to the Companies Act 2013 while preparing the financial statements for the year 2024-25 in line with assurance to the provisional comment.

d) The amount of Special Reserve (28487.11 lakh) and Retained Earnings (43670.48 lakh) shown in Note-18 (Other Equity) did not match with the corresponding figures disclosed in the Statement of Changes in Equity (SOCE) since Special Reserve and Retained Earnings under Note-18 were shown lower by 5960.52 lakh and excess by 25960.52 lakh respectively indicating misstatement of presentation. Hence, as per assurance of the Management, disclosures to that extent in Note-18 may be rectified while printing the annual report for the 2023-24.

e) Note-23 on the face of the Statement of profit and loss under Line item Impairment of financial assets disclosed (-) 2082.90 lakh, whereas Note-23 to accounts did not contain any corresponding and supporting figures. This omission indicates either inadequate internal controls or lack of compliance with internal controls on financial reporting. Hence, the Management should ensure necessary disclosure under Note-23 in line with assurance to rectify while printing the annual report for the year 2023-24.

f) As per para-17 of Ind AS-24 (Related party disclosures), an entity shall disclose Key Management Personnel (KMP) compensation in total for each of the categories mentioned therein. However, such disclosure in respect of KMP as defined in Section 2(51) of the Act was not found in the notes to accounts. This omission indicates either inadequate internal controls or lack of compliance with internal controls on financial reporting. Hence, the Management should ensure necessary disclosures as per Indian Accounting Standards while preparing the financial statements for the year 2024-25 as per assurance to the provisional comment.

g) The Statement of Changes in Equity shows the Authorized share capital of the Company as 23000 lakh as against actual Authorized share capital of 23,00,000 lakh as on 31.03.2024. Similarly, the number of Authorized and paid-up shares were incorrectly disclosed as 3000 and 351 as against 30,00,00,000 and 3,50,92,468 respectively as on 31.03.2024. Incorrect disclosures indicates either inadequate internal controls or lack of compliance with internal controls on financial reporting. Hence, the Management should ensure necessary rectifications as per its assurance in annual report for the year 2023-24.

h) As per Section 203(1) of the Companies Act, 2013, read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company having a paid-up share capital of ten crore rupees or more shall have whole-time key managerial personnel. Further, as per Section 134 (1) of the, the financial statements are required to be signed inter-alia by the company secretary wherever appointed. Though the paid-up share capital of the Company was 350.92 crore as on 31 March 2023, exceeding the threshold limit, no signature of the full-time company secretary of the Company was found on the financial statements for the year resulting in violations to provisions of the Act. This also attracts the Company liable for penalties under the Act. Hence, the Management should ensure compliance to the provisions of Companies



Act 2013 while preparing the financial statements for the year 2024-25.

- i) Under Note-11 forming part of the financial statements, date of redemption of Debt security bearing ISIN No. INE847E08DW1 was mentioned as 01.09.2023 instead of 01.09.2033. Hence, the same may be rectified in annual report for the year 2023-24, as per assurance.
 - j) Under Schedule-2 of Notes forming part of the financial Statements, Note-27, 28 & 29 were repeated twice within the same financial statements indicating misstatement of presentation. Hence, the same needs correction to avoid duplication of Note-27, 28 & 29 in Annual report of the Company for 2023-24, as per assurance of the Management.
 - k) Though Balance Sheet and the Statement of Profit and Loss for the year ended 31 March 2024 indicate that accompanying Notes-3 to 66 form an integral part of the financial statements, Notes 61-66 are not available in the financial statements. Hence, the same needs correction in the financial statements at the time of printing of Annual Report of the Company for 2023-24, as per assurance of the Management.
 - l) Under Note-41, the figures of amount given in the table are mentioned in rupees (₹) instead of indicating the currency and denomination as Rs. in lakh. Hence, the same needs rectification while printing the annual report for the year 2023-24 as per assurance.
 - m) As per Para-15 B of the RBI's Master Direction all non-deposit taking NBFCs with asset size of 10,000 crore and above shall adhere to the guidelines on Liquidity Coverage Ratio (LCR) including disclosure standards as provided in Annex III to the RBI's Master Direction. However, Note-46 (b) disclosed only LCR as 156.83% as at 31 March 2024 without other disclosures specified by the RBI's Master Direction, indicating non-compliance with the said circular. This indicates either inadequate internal controls or lack of compliance with internal controls on financial reporting. Hence, the Management, in line with its assurance, should ensure disclosures in the Financial statements as per the RBI's Master Direction to rectify the misstatement by omission of disclosure.
2. The above issues/observations on deficiencies in internal controls on financial reporting and errors in financial statements may be kept in view while preparing Annual Report for 2023-24 and financial statements for the year 2024-25. Further, Point-wise reply / action taken by the Management may be furnished to this Office while submitting accounts of the Company for the year 2024-25 for Supplementary Audit.
 3. Receipt of this letter may please be acknowledged.

Yours faithfully

Sd/-

Deputy Accountant General/ AMG-II

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

Website: www.cag.gov.in/ag/andhra-pradesh

e-mail: agauandhrapradesh@cag.gov.in

email: psu.anp.au@cag.gov.in



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024.

The preparation of financial statements of Andhra Pradesh Power Finance Corporation Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their ***Revised Audit Report dated 06.11.2024 which supersedes their earlier Audit Report dated 30.05.2024.***

1, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary audit of the financial statements of Andhra Pradesh Power Finance Corporation Limited for the year ended 31 March 2024 under Section 143(6)(a) of the Act. This Supplementary audit has been carried out independently without access to the working papers. f the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and the Company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the Statutory Auditors to give effect to some of my audit observations raised during the Supplementary Audit.

In addition, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

A. Comments on Profitability

Statement of Profit and Loss

Expenses

Fee and Commission Expenses (Note-22): Rs.NIL

1. The above does not include Rs.160 crore liability towards the Guarantee commission, which is payable to the Government of Andhra Pradesh (GoAP) as per the extant Government Orders in respect of the government guarantee sanctioned for the loans already availed by the Company, until end March 2022. This resulted in understatement of the 'Fee and Commission Expenses' and 'Other Financial Liabilities' by 2160 crore each with consequent overstatement of the Profit for the year by the same amount.



B. Comments on Financial Position

Liabilities and Equity

Liabilities

Non-Financial Liabilities

Current Tax Liabilities (Note-14): Rs.3,130.18 lakh

2. As per Para-12 of Ind AS-12 (Income taxes) read with Schedule-III to the Act, the Company shall disclose the net amount of current tax assets and current tax liabilities in the financial Statements. Instead of exhibiting Rs. 21.16 lakh net current tax liability, the Company has recognized the same separately under Non-financial assets (Rs. 23109.02 lakh) and Non-financial Liabilities (Rs. 3130.18 lakh). Non-Compliance with Ind AS-12 and the Act resulted in overstatement of Current Tax asset and Current Tax Liability by Rs. 3109.02 lakh each. Comments on Disclosure

C. Comments on Disclosure

3. As per Para 4 of the Tripartite Agreement dated 29.12.2011 read with Schedule IV thereto; Government of Andhra Pradesh (GoAP) would make available requisite funds to the Company for service the Bonds, in case the Company (APPFC) is not able to service the Bonds and stands as Guarantor accordingly. During the year, the Company recognized income of Rs. 2316.15 crore (Note-19) towards interest receipts from the GOAP towards servicing of bonds (Note-34 (A) to accounts). Though the GOAP was neither a borrower of the Company nor was there any principal loan outstanding from the GOAP (Note-6), the Company did not disclose the reason/ basis for receiving the interest from the GOAP and the nature of the income to the extent of Rs. 2316.15 crore. Hence, the correctness of classification and the accounting treatment could not be ascertained in audit.

D. Comments on Auditor's Report

4. Clause-VII(b) of CARO 2020 stipulates for reporting on 'Statutory dues which have not been deposited on account of any dispute', whereas the compliance statement of the Statutory Auditors with reference to the clause VII (b) in Annexure-A to the Revised Independent Auditors Report dated 06.11.2024 stated that Statutory dues aggregating to NIL have been deposited on the account of disputes. Rather the Auditors shall report on the amount not deposited because of disputes as on reporting date as per Clause-VII(b) of CARO 2020. Though a case (ITTA 58/2017) filed by the Income Tax Department against the Company regarding assessed tax liability of Rs. 2.15 crore for the Assessment Year 2012-13 (June 2024) was pending in the Hon'ble High Court of AP (now being dealt by Telangana High Court), no mention was made in the Auditors Report about the amount 'not deposited' in respect of such disputed statutory dues. Hence, the Independent Auditors Report is deficient to that extent.

5. The Statutory Auditors of the Company shall comply with the Directions/Sub-directions issued by CAG u/s 143(5) of the Act r/w terms and conditions for appointment of the Auditor by CAG u/s 139(5) of the Act and submit the action taken thereon and its impact on the financial statement of the Company. However, the compliance statement of the Auditors in Annexure-B to Revised Auditors Report dated 06.11.2024 was found incomplete as no compliance was available in respect of some of the Sub-directions such as status on revalidating the bankguarantees, and the details and purpose of loans raised by the Company where payment of Principal or Interest or both met by the State Government and the purpose for which funds were utilized, etc., Hence, the Independent Auditors Report is deficient to that extent.

6. Since the Company was a registered NBFC (Non-Banking Financial Company) u/s 451A of RBI Act, 1934, the Auditors shall report on the matters described in Para No 3 of RBI Master direction RBI/DNBS/2016-17/48 dated 29.09.2016. However, no reporting was done in the Auditors Report in respect of (a) meeting the net owned fund requirement by the Company as required by RBI Master Direction RBI/DNBR/2016-17/45, and (b) status of passing of board resolution for non-acceptance of public deposit indicating non-compliance with the RBI notification, etc. **Thus, the Independent Auditor's Report is found deficient to that extent.**

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

Place: Vijayawada
Date: 07.01.2025

Sd/-
(C. M. Singh)
Principal Accountant General
(Audit)



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

#48-12-16, 2nd Floor, East Wing, Vidyut Soudha, Gunadala, Vijayawada, Krishna District - 520004,
Andhra Pradesh, India. Tel. 0866-2429226, Cell: 8897493344

E-mail: appfcl@gmail.com, Website: www.appfcl.com, CIN: U40109AP2000SGC107482

C & AG Comment	Reply of the Management of the Company
A. Comments on Profitability Statement of Profit and Loss Expenses Fee and Commission Expenses (Note-22): NIL 1. The above does not include Rs.160 crore liability towards the Guarantee commission, which is payable to the Government of Andhra Pradesh (Govt. AP) as per the extant Government Orders in respect of the government guarantee sanction for the loans already availed by the Company, until end of March 2022. This resulted in understatement of the 'Fee and Commission Expenses' and Other Financial Liabilities' by Rs. 160 Crores each with consequent overstatement of the Profit for the year by the same amount.	It is submitted that the Guarantee commission payable to the Government is based on the position of loans as on 31/12/2021, which covers all the loans of the company for the entire period of repayment i.e repayable up to 31/01/2035, on various dates. The proportionate amount of commission accrued and payable to the Government is advised by Finance Department, AP Secretariat, from time to time. Based on their last advice, Rs.40 Crore has been paid towards the Guarantee commission so far, which is the proportionate amount payable to the Government. In view of the above the para may kindly dropped
B. Comments on Financial Position Liabilities and Equity Liabilities Non-Financial Liabilities Current Tax Liabilities (Note-14): 3,130.18 lakh 2. As per Para-12 of Ind AS-12 (Income taxes) read with Schedule-III to the Act. the Company shall disclose the net amount of current tax assets and current tax liabilities in the financial Statements. Instead of exhibiting Rs. 21.16 lakh net current tax liability. the Company has recognized the same separately under Non-financial assets (Rs.3109.09 lakh) and Non-Financial Liabilities (Rs.3130.18 lakh). Non-Compliance with Ind AS-12 and the Act resulted in overstatement of Current Tax asset and Current Tax Liability by Rs.3109.02 lakh each.	The audit observation is noted. It is submitted that the necessary disclosure will be made from the financial statements of FY 2024-25 onwards. In view of the above the para may kindly dropped

C. Comments on Disclosure. 3. As per Para 4 of the Tripartite Agreement dated 29.12.2011 read with Schedule IV thereto Government of Andhra Pradesh (Govt. AP) would make available requisite funds to the Company for service the Bonds. in case the Company (APFCL) is not able to service the Bonds and stands as Guarantor accordingly. During the year, the Company recognized income of Rs.316.15 crore (Note-19) towards interest receipts from the Govt. AP towards servicing of bonds (Note-34 (A) to accounts). Though the Govt. AP was neither a borrower of the Company nor was there any principal loan outstanding from the Govt. AP (Note-6), the Company did not disclose the reason / basis for receiving the interest from the Govt. AP and the nature of the income to the extent of Rs.316.15 crore. Hence, the correctness of classification and the accounting treatment could not be ascertained in audit.

It is clarified that, under item 34(A)(b) of Schedule-1 of Disclosures, the mechanism of servicing interest and repayment of principal on Debt Securities out of the monies transferred by the Government of Andhra Pradesh to the company pursuant to the obligations undertaken by Govt. of AP, under Tripartite Agreement, which provides clarity in this regard.

We request you to kindly consider and drop the para

D. Comments on Auditor's Report 4. Clause-VII(b) of CARO 2020 stipulates for reporting on 'Statutory dues which have not been deposited on account of any dispute', whereas the compliance statement of the Statutory Auditors with reference to the clause VII (b) in Annexure- A to the Revised Independent Auditors Report dated 06.11.2024 stated that Statutory dues aggregating to NIL have been deposited on the account of disputes. Rather the Auditors shall report on the amount not deposited because of disputes as on reporting date as per Clause-VII(b) of CARO 2020. Though a case (ITTA 58/2017) filed by the Income Tax Department against the Company regarding assessed tax liability of Rs. 2.15 Crores for the Assessment Year 2012-13 (June 2024), was pending in the Hon'ble High Court of AP (now being dealt by Telangana High Court), no mention was made in the Auditors Report about the amount not deposited' in respect of such disputed statutory dues. Hence, the independent. Auditors Report is deficient to that extent.

It is submitted that the company has disclosed under item 40 - Contingent Liabilities of Schedule- 1 of Disclosures, "Income Tax Claims against the company not acknowledged as debts (AY2012-13)"-Rs.215.38 lac as on 31/3/2024.

We request you to kindly consider and drop the para



5. The Statutory Auditors of the Company shall comply with the Directions/Sub-directions issued, by CAG u/s 143(5) of the Act r/w terms and conditions for appointment of the Auditor by CAG u/s 139 (5) of the Act and submit the action taken thereon and its impact on the financial statement of the Company. However, the compliance statement of the Auditors in Annexure-B to Revised Auditors 'Report dated 06.11.2024 was found incomplete as no compliance was available in respect of some of the Sub-directions such as status on re validating the bank guarantees, and the details and purpose of loans raised by the Company where payment of Principal or Interest or both met by the State Government and the purpose for which funds were utilized. etc., Hence, the independent Auditors Report is deficient to that extent.

The Statutory Auditor is requested to incorporate necessary references.

In view of the above the para may kindly dropped

6. Since the Company was a registered NBFC (Non-Banking Financial Company) u/s 451 A of RBI Act, 1934, the Auditors shall report on the matters described in Para No 3 of RBI Master direction RBVDNBS/2016-17/48 dated 29.09.2016. However, no reporting was done in the Auditors Report in respect of (a) meeting thenet owned fund requirement by the Company as required by RBI Master Direction RBI/DNBR/2016-17/45, and (b) status of passing of board resolution for non-acceptance of public deposit indicating non-compliance with the RBI notification. etc. Thus, the Independent Auditor's Report is found deficient to that extent.

The Statutory Auditor is requested to incorporate necessary modifications in the audit report.

In view of the above the para may kindly dropped

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Balance Sheet as at March 31, 2024

Rs in Lakhs

	Particulars	Note No.	As at March 31, 2024 (As per Ind AS)	As at March 31, 2023 (As per Ind AS)
	ASSETS			
(1)	Financial Assets			
(a)	Cash and cash equivalents	3	1,907.55	187.55
(b)	Bank Balance other than Cash and cash equivalents	4	379.17	78.37
(c)	Receivables	5		
	(i) Trade receivables		2,509.10	16,681.67
	(ii) Other receivables		-	-
(d)	Loans	6	13,14,255.01	13,97,458.61
(e)	Other Financial assets	7	34,670.84	12,859.45
	Total Financial Assets (1)		13,53,721.67	14,27,265.64
(2)	Non-financial Assets			
(a)	Current tax assets	8	3,109.02	4,919.95
(b)	Property, Plant and Equipment	9	1.05	1.47
	Total Non Financial Assets (2)		3,110.08	4,921.42
	Total Assets (1+2)		13,56,831.74	14,32,187.06
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	Financial Liabilities			
(a)	Payables	10		
	(I) Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,734.43	4,551.73
	(ii) Other Payables		-	-
(b)	Debt Securities	11	1,21,118.33	1,58,648.33
(c)	Borrowings (Other than Debt Securities)	12	11,37,329.49	11,70,972.46
(d)	Other financial liabilities	13	-	12,300.00
	Contingent provisions against standeard assets	13	5,257.02	7,339.92
	Total Financial Liabilities (1)		12,66,439.27	13,53,812.45
(2)	Non-Financial Liabilities			
(a)	Current tax liabilities	14	3,130.18	5,079.48
(b)	Provisions	15	12.20	9.59
(c)	Deferred tax liabilities (Net)	16	0.03	0.03
	Total Non-Financial Liabilities (2)		3,142.41	5,089.11
(3)	Equity			
(a)	Equity Share capital	17	35,092.47	35,092.47
(b)	Other Equity	18	52,157.59	38,193.04
	Total Equity (3)		87,250.06	73,285.51
	Total Liabilities and Equity (1+2+3)		13,56,831.74	14,32,187.06
			-0.00	-0.00
	Corporate information	1		
	Significant accounting policies	2		
	Accompanying notes forming an integral part of the financial statements	3 to 66		

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Mushty & Co.
Chartered Accountants
FRN 55015

Sd/-
Dr.Sreeram Mushty
Proprietor
Membership No. 200273
UDIN: 24200273BKKEIWY6305

Place : Vijayawada
Date : 30-05-2024

For and on behalf of Board of Directors

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

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

Sd/-
M. Ramana Reddy
Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Statement of Profit and Loss for the year ended March 31, 2024

		Rs in Lakhs		
	Particulars	Note No.	For the year ended March 31, 2024 (As per Ind AS)	For the year ended March 31, 2023 (As per Ind AS)
(I)	REVENUE FROM OPERATIONS			
(i)	Interest Income	19	1,21,084.75	1,58,172.85
	Total Revenue from operations (I)		1,21,084.75	1,58,172.85
(II)	Other Income	20	-	4.09
(III)	Total Income (I+II)		1,21,084.75	1,58,176.93
(IV)	EXPENSES			
(i)	Finance Costs	21	1,06,031.77	1,32,510.58
(ii)	Fees and commission expense	22	-	1,000.00
(iii)	Impairment on Financial Assets	23	-2,082.90	-
(iv)	Employee Benefits Expenses	24	54.71	51.20
(v)	Depreciation and amortization	25	0.41	0.99
(vi)	Others expenses	26	112.28	409.57
	Total Expenses (IV)		1,04,116.28	1,33,972.33
(V)	Profit/(Loss) before tax (III -IV)		16,968.48	24,204.60
(VI)	Tax Expense:			
	(1) Current Tax		3,003.92	4,933.14
	(2) Deferred Tax		-0.01	-0.11
	Total Tax Expense(VI)		3,003.92	4,933.02
(VII)	Profit / (Loss) for the period from continuing operations(V-VI)		13,964.56	19,271.58
(VIII)	Profit/(Loss) from discontinued operations		-	-
(IX)	Tax Expense of discontinued operations		-	-
(X)	Profit/(Loss) from discontinued operations(After tax) (VIII-IX)		-	-
(XI)	Profit/(Loss) for the period (VII+X)		13,964.56	19,271.58
(XII)	Other Comprehensive Income			
	(A) (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Subtotal (A)		-	-
	(B) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income (A + B)		-	-
(XIII)	Total Comprehensive Income for the period (XI+XII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		13,964.56	19,271.58
(XIV)	Earnings per equity share(for continuing operations)			
	Basic (Rs.)		39.79	54.92
	Diluted (Rs.)		39.79	54.92
	Corporate information	1		
	Significant accounting policies	2		
	Accompanying notes forming an integral part of the financial statements	3 to 66		

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Mushty & Co.
Chartered Accountants
FRN 5501S

Sd/-
Dr.Sreeram Mushty
Proprietor
Membership No. 200273
UDIN: 24200273BKEIWWY6305

Place : Vijayawada
Date : 30-05-2024

For and on behalf of Board of Directors

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

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

Sd/-
M. Ramana Reddy
Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Statement of Changes in Equity for the year ended March 31, 2024

a) Equity Share Capital

Rs in Lakhs

Particulars	As at March 31, 2023		Issued during the Year 2023-		As at March 31, 2024	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital:						
Equity shares of Rs.100/- each	30,00,00,000	3,00,000.00	-	-	30,00,00,000	3,00,000.00
Issued, Subscribed & Fully Paid up Capital:						
Equity Shares of Rs. 100/- each	3,50,92,468	35,092.47	-	-	3,50,92,468	35,092.47
Total	3,50,92,468	35,092.47	-	-	3,50,92,468	35,092.47
Particulars	As at March 31, 2022		Issued during the Year 2022-		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital:						
Equity shares of Rs.100/- each	30,00,00,000	3,00,000.00	-	-	30,00,00,000	3,00,000.00
Issued, Subscribed & Paid up Capital:						
Equity Shares of Rs. 100/- each	3,50,92,468	35,092.47			3,50,92,468	35,092.47
Total	3,50,92,468	35,092.47			3,50,92,468	35,092.47

Terms and Rights attached to Equity Shares

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

b) Other Equity

Particulars	Reserves and Surplus		Total
	Special Reserves	Retained Earnings	
As at April 1, 2022	6,567.16	12,354.30	18,921.46
Profit for the year 2022-23	-	19,271.58	19,271.58
Transfer from Retained Earnings	4,900.21	-	4,900.21
Transfer to Special Reserves	-	-4,900.21	-4,900.21
As at March 31, 2023	11,467.37	26,725.66	38,193.04
Profit for the year 2023-24	-	13,964.56	13,964.56
Transfer from Retained Earnings	2,980.26	-	2,980.26
Transfer to Special Reserves	-	-2,980.26	-2,980.26
As at March 31, 2024	14,447.64	37,709.96	52,157.59

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Mushty & Co.

Chartered Accountants

FRN 5501S

Sd/-

Dr.Sreeram Mushty

Proprietor

Membership No. 200273

UDIN: 24200273BKEIWY6305

Place : Vijayawada

Date : 30-05-2024

For and on behalf of Board of Directors

Sd/-

Dr. K.V.V.Satyanarayana, IRAS

Managing Director

DIN NO: 08076027

Sd/-

V.N Babu

Director

DIN No: 08772842

Sd/-

M. Ramana Reddy

Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Cash Flow Statement for the year ended 31st March 2024

Rs in Lakhs

PARTICULARS		For the year ended March 31, 2024	For the year ended March 31, 2023
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax as per Statement of Profit and Loss	16,968.48	24,204.60
	<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
	Depreciation & Assets written off	0.41	0.99
	Finance Cost	1,06,031.77	1,32,510.58
	Impairment loss allowance	(2,082.90)	-
	Operating profit before working capital changes	1,20,917.76	1,56,716.17
	<i>Adjustments For:</i>		
	(Increase)/Decrease in Receivables from AP Govt	-	-
	(Increase)/Decrease in Receivables	10,994.55	(15,712.35)
	(Increase)/Decrease in Other Financial Assets	(21,811.39)	7,763.12
	(Increase)/Decrease in Current Tax Assets	(0.03)	(0.28)
	Increase/(Decrease) in Bonds outstanding	(37,530.00)	(4,56,807.50)
	Increase/(Decrease) in Inter Corporate Deposits	600.00	21,700.00
	Increase/(Decrease) in Bank Loans	(34,242.97)	(22,471.38)
	(Increase)/Decrease in Advances to AP Power Utilities	83,203.61	4,37,521.22
	Increase/(Decrease) in Other Financial Liabilities	(9,142.06)	12,411.87
	Increase/(Decrease) in Provisions	2.60	0.06
	Increase/(Decrease) in Trade Payables	(1,817.31)	(4,342.24)
	Cash Generated from/(Used in) operations	1,11,174.76	1,36,778.68
	Finance cost paid	(1,06,031.77)	(1,32,510.58)
	Income tax paid	(3,122.18)	(5,391.45)
	Net Cash Flow from Operating Activities (A)	2,020.80	(1,123.35)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	(Purchase)/Sale of Fixed Assets	-	(0.27)
	Net Cash Flow from Investing Activities (B)	-	(0.27)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Increase/(Decrease) in Equity Share Capital	-	255.07
	Net Cash Flow from Financing Activities (C)	-	255.07
	Net (Decrease)/ Increase in Cash and Cash equivalents (A+B+C)	2,020.80	(868.56)
	Add: Cash and Cash Equivalents at the beginning the year	265.91	1,134.47
	Cash and Cash Equivalents at the end of the year	2,286.72	265.91
	Reconciliation of Cash & Cash Equivalents		
	Cash on Hand		-
	Cash at Bank		
	a) In Current Account	1,871.71	129.98
	b) In Lien Accounts	379.17	78.37
	c) Escrow Accounts	35.85	57.57
	Total Cash & Cash Equivalents at the end of the year	2,286.72	265.91

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Mushty & Co.

Chartered Accountants

FRN 5501S

Sd/-

Dr.Sreeram Mushty

Proprietor

Membership No. 200273

UDIN: 24200273BKIEWY6305

Place : Vijayawada

Date : 30-05-2024

For and on behalf of Board of Directors

Sd/-

Dr. K.V.V.Satyanarayana, IRAS

Managing Director

DIN NO: 08076027

Sd/-

V.N Babu

Director

DIN No: 08772842

Sd/-

M. Ramana Reddy
Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

Note 3: Cash and Cash Equivalents

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Cash on Hand	-	-
(ii) Balances with Scheduled Bank		
a. In Current Account with SBI	1,871.71	129.98
b. In Escrow Accounts	35.85	57.57
Total	1,907.55	187.55

Note 4: Bank Balance other than Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Lien Accounts with SBI		
a. Lien Account - 62265296302	0.00	0.00
b. Lien Account - 38356359860	0.00	13.07
c. Lien Account - 38356342256	-	-
d. Lien Account - 62213387439	11.46	11.47
e. Lien Account - 62235605816	12.19	12.19
f. Lien Account - 52117479165	23.24	23.25
g. Lien Account - 62167470827	3.21	14.39
h. Lien Account - 52117469464	329.07	1.84
i. Lien Account - 52117474699	-	-
j. Lien Account - 52117469442	-	-
k. Lien Account - 52117479176	-	-
l. Lien Account - 62443536820	0.00	2.16
Total	379.17	78.37

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Mushty & Co.

Chartered Accountants

FRN 5501S

Sd/-

Dr.Sreeram Mushty

Proprietor

Membership No. 200273

UDIN: 24200273BKEIWY6305

Place : Vijayawada

Date : 30-05-2024

For and on behalf of Board of Directors

Sd/-

Dr. K.V.V.Satyanarayana, IRAS

Managing Director

DIN NO: 08076027

Sd/-

V.N Babu

Director

DIN No: 08772842

Sd/-

M. Ramana Reddy
Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

Note 6 : Loans

Pursuant to the provisions specified under Division III - Schedule III to the Companies Act, 2013

Particulars	Current Year: 2023-24				Current Year: 2022-23			
	At Fair Value		Designated at fair value through profit or loss	Sub-Total	At Fair Value		Designated at fair value through profit or loss	Sub-Total
	Through Other Comprehensive Income	Through profit or loss			Through Other Comprehensive Income	Through profit or loss		
	1	2	3	4	1	2	3	4
Loans								
(A)								
(i) Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-
(ii) Loans repayable on Demand								
(iii) Term Loans	13,14,255.01	-	-	-	13,14,255.01	-	-	-
(iv) Leasing	-	-	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-	-	-
(vi) Others	-	-	-	-	-	-	-	-
Total (A) - Gross	13,14,255.01	-	-	-	13,14,255.01	-	-	-
Less: Impairment loss allowance								
Total (A) - Net	13,14,255.01	-	-	-	13,14,255.01	-	-	-
(B)								
(i) Secured by tangible assets								
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-
(iii) Covered by Bank/ Government Guarantees	13,14,255.01	-	-	-	13,14,255.01	-	-	-
iv) Unsecured	-	-	-	-	-	-	-	-
Total (B) - Gross	13,14,255.01	-	-	-	13,14,255.01	-	-	-
Less: Impairment loss allowance								
Total (B) - Net	13,14,255.01	-	-	-	13,14,255.01	-	-	-
(C) (I)								
Loans in India								
(i) Public Sector	13,14,255.01	-	-	-	13,14,255.01	-	-	-
(ii) Others	-	-	-	-	-	-	-	-
Total (C) - Gross	13,14,255.01	-	-	-	13,14,255.01	-	-	-
Less: Impairment loss allowance								
Total (C) (I) - Net	13,14,255.01	-	-	-	13,14,255.01	-	-	-
(C) (II)								
Loans outside India	-	-	-	-	-	-	-	-
Less: Impairment loss allowance								
Total (C) (II) - Net	-	-	-	-	-	-	-	-
Total C (I) and C (II)	13,14,255.01	-	-	-	13,14,255.01	-	-	-

Foot Note:

Loans	31-03-2024	31-03-2023
a. Loans and Advances to APEPDCL *	3,13,151.19	2,97,037.33
b. Loans and Advances to AP GENCO	58,100.00	58,100.00
c. Loans and Advances to APPDCL	85,444.13	81,075.00
d. Loans and Advances to APSPDCL **	5,45,179.02	5,88,684.75
e. Loans and Advances to AP Discom's -	3,12,380.67	3,72,561.53
Total (d)=(a+b+c)	13,14,255.01	13,97,458.61
e. Less: Impairment Loss allowance	-	-
Net total (d-e)	13,14,255.01	13,97,458.61

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Muthy & Co.

Chartered Accountants

FRN 55015

Sd/-

Dr. Sreeram Muthy

Proprietor

Membership No. 20073

UDIN: 24200273BKEIWIY6305

Place : Vijayawada

Date : 30-05-2024

For and on behalf of Board of Directors

Sd/-

Dr. K.V.V. Satyanarayana, IRAS

Managing Director

DIN NO: 08076027

Sd/-

V.N Babu

Director

DIN NO: 0877842

Sd/-

M. Ramana Reddy

Chief Financial Officer

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

Note 7: Other Financial Assets

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Receivable from Telanagana State Government	12.55	12.55
CDSL Fee Receivable - TSPFCL	0.37	0.37
NSDL Fee Receivable - TSPFCL	0.37	0.37
NSE Listing Fee Receivable - TSPFCL	0.89	0.89
DSRA- Fixed Deposits with Banks	34,647.91	12,836.51
Security Deposit	8.00	8.00
APCOS PD Account	0.70	0.66
Temporary Advance	0.05	0.10
Total	34,670.84	12,859.45

Note 8: Current Tax Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Tax 2022-23	-	-
Advance Tax 2023-24	2,994.00	4,850.00
TDS Receivable 2022-23	-	-
TDS Receivable 2023-24	114.71	69.67
GST Cash Ledger	0.31	0.28
Total	3,109.02	4,919.95

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date
For Mushty & Co.
Chartered Accountants
FRN 5501S

Sd/-
Dr.Sreeram Mushty
Proprietor
Membership No. 200273
UDIN: 24200273BKEIWY6305

Place : Vijayawada
Date : 30-05-2024

For and on behalf of Board of Directors

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

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

Sd/-
M. Ramana Reddy
Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

Note : 9 Property Plant and Equipment (PPE)

Rs in Lakhs

Particulars	Property, Plant and Equipment				
	Computers	Office Equipments	Furniture & Fixures	Computer Software	Total
I. Gross block - at cost					
As at April 1, 2022	1.76	0.84	0.00	0.50	3.10
Additions	-	0.27	-	-	0.27
Deductions	-	-	-	-	-
As at March 31,2023	1.76	1.11	0.00	0.50	3.38
Additions					
Deductions					
As at March 31,2024	1.76	1.11	0.00	0.50	3.38
II. Accumulated Depreciation					
As at April 1, 2022	0.74	0.13	-	0.05	0.92
Charge For the Period	0.59	0.23	-	0.17	0.99
Disposals					
As at March 31,2023	1.33	0.36	-	0.22	1.91
Charge For the Period	0.22	0.11		0.08	0.41
Disposals					
As at March 31,2024	1.54	0.47	-	0.30	2.32
III. Net Block [I-II]					
As at March 31,2024	0.22	0.64	0.00	0.20	1.05
As at March 31,2023	0.43	0.75	0.00	0.28	1.47

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Mushty & Co.
Chartered Accountants
FRN 5501S

Sd/-
Dr.Sreeram Mushty
Proprietor
Membership No. 200273
UDIN: 24200273BKEIWIY6305

Place : Vijayawada
Date : 30-05-2024

For and on behalf of Board of Directors

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

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

Sd/-
M. Ramana Reddy
Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

Note 10: Trade Payables

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,734.43	4,551.73
Total	2,734.43	4,551.73
(II) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total	-	-

Note 10.1 Ageing of Trade Payables

Particulars	As at March 31, 2024				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3	Total
(i) MSME					
(ii) Others	2,684.21	-	-	50.85	2,735.05
(iii) Disputed Dues - MSME	-	-	-	-	
(iv) Disputed Dues - Others					
Total	2,684.21	-	-	50.85	2,735.05
Particulars	As at March 31, 2023				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3	Total
(i) MSME					
(ii) Others	4,487.90	-	-	63.84	4,551.73
(iii) Disputed Dues - MSME	-	-	-	-	
(iv) Disputed Dues - Others					
Total	4,487.90	-	-	63.84	4,551.73

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Mushty & Co.

Chartered Accountants

FRN 5501S

Sd/-

Dr. Sreeram Mushty

Proprietor

Membership No. 200273

UDIN: 24200273BKKEIWIY6305

Place : Vijayawada

Date : 30-05-2024

For and on behalf of Board of Directors

Sd/-

Dr. K.V.V. Satyanarayana, IRAS

Managing Director

DIN NO: 08076027

Sd/-

V.N Babu

Director

DIN No: 08772842

Sd/-

M. Ramana Reddy

Chief Financial Officer





ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

Note 11: Debt Securities

Pursuant to the provisions specified under Division III - Schedule III to the Companies Act, 2013

Particulars	ISIN	Rate of Interest	Date of Redemption	Current Year: 2023-24				Previous Year: 2022-23			
				Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
(A)				1	2	3	4 = 1+2+3	1	2	3	4 = 1+2+3
Liability component of compound financial instruments											
Others (Bonds / Debenture etc.)				1,21,118.33			1,21,118.33	1,58,648.33	-	-	1,58,648.33
1/23-24 Bonds	INE847708DW1	7.50%	01-09-2023	11,300.00			11,300.00	-			-
1/2011 Bonds - Option B	INE847E08DK6	9.60%	15-12-2023	-			-	5,880.00			5,880.00
2/2011 Bonds - Option B	INE847E08DM2	9.97%	30-01-2024	-			-	19,700.00			19,700.00
1/2012 Bonds - Option B	INE847E08DO8	9.64%	08-06-2024	9,410.00			9,410.00	9,410.00			9,410.00
2/2020 Bonds [Refer foot note (b)]	INE847E08DI7	8.20%	29-04-2028	53,840.42			53,840.42	66,508.75			66,508.75
3/2020 Bonds	INE847E08DU5	8.20%	12-05-2028	17,842.92			17,842.92	22,041.25			22,041.25
4/2020 Bonds	INE847E08DV3	7.50%	18-08-2028	28,725.00			28,725.00	35,108.33			35,108.33
Total (A)				1,21,118.33			1,21,118.33	1,58,648.33	-	-	1,58,648.33
Debt securities in India	-	-	-	1,21,118.33			1,21,118.33	1,58,648.33	-	-	1,58,648.33
Debt securities outside India	-	-	-	-			-	-	-	-	-
Total (B) to tally with (A)	-	-	-	1,21,118.33			1,21,118.33	1,58,648.33	-	-	1,58,648.33

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Mushty & Co.

Chartered Accountants

FRN 55015

Sd/-

Dr. Sreeram Mushty

Proprietor

Membership No. 200273

UDIN: 24200273BKWIWY6305

Place : Vijayawada

Date : 30-05-2024

For and on behalf of Board of Directors

Sd/-

Dr. K.V.V. Satyanarayana, IRAS

Managing Director

DIN NO: 08076027

Sd/-

V.N Babu

Director

DIN No: 08772842

Sd/-

M. Ramana Reddy

Chief Financial Officer

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

Note 12: Borrowings Other than Debt Securities

Pursuant to the provisions specified under Division III - Schedule III to the Companies Act, 2013

Rs in Lakhs

Particulars	Current Year: 2023-24				Previous Year: 2022-23			
	Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	4 = 1+2+3	1	2	3	4 = 1+2+3
(a)Term loans:-	9,28,929.49			9,28,929.49	9,63,172.46	-	-	9,63,172.46
(i)from banks	9,28,929.49			9,28,929.49	9,63,172.46	-	-	9,63,172.46
State Bank of India	1,78,075.89			1,78,075.89	1,27,469.82	-	-	1,27,469.82
Union Bank of India	1,34,139.80			1,34,139.80	1,47,793.33	-	-	1,47,793.33
Canara Bank	1,82,403.69			1,82,403.69	1,99,904.80	-	-	1,99,904.80
Bank of Baroda	1,31,216.39			1,31,216.39	1,47,656.25	-	-	1,47,656.25
Bank of India	2,56,239.94			2,56,239.94	2,90,024.88	-	-	2,90,024.88
Indian Overseas Bank	46,853.78			46,853.78	50,323.39	-	-	50,323.39
(ii)from other parties	-			-	-	-	-	-
(b)Deferred payment liabilities	-			-	-	-	-	-
(c) Loans from Related Parties	-			-	-	-	-	-
(d) Finance lease obligations	-			-	-	-	-	-
Term Loan Payable During the year	-			-	-	-	-	-
(e)Liability component of compound financial instruments	-			-	-	-	-	-
(f)Loans repayable on demand:-	2,08,400.00			2,08,400.00	2,07,800.00	-	-	2,07,800.00
(i)from banks	-			-	-	-	-	-
(ii)from other parties - Inter Corporate Deposits	2,08,400.00			2,08,400.00	2,07,800.00	-	-	2,07,800.00
AP Buildings and Other Construction workers Welfare Board	14,400.00			14,400.00	14,400.00	-	-	14,400.00
AP Pollution Control Board	10,000.00			10,000.00	10,000.00	-	-	10,000.00
AP Southern Power Distribution Corporation Limited Pension & Gratuity	47,400.00			47,400.00	95,900.00	-	-	95,900.00
AP Urban Development Fund	12,500.00			12,500.00	12,500.00	-	-	12,500.00
AP Eastern Power Distribution Corporation Limited Pension & Gratuity	30,100.00			30,100.00	30,100.00	-	-	30,100.00
AP Solar Power Corporation	40,000.00			40,000.00	40,000.00	-	-	40,000.00
AP Eastern Power Distribution Corporation Limited PF Trust	4,900.00			4,900.00	4,900.00	-	-	4,900.00
AP Law Department	600.00			600.00				
AP Central Power Distribution Corporation Limited Pension & Gratuity	48,500.00			48,500.00	-			
(g) Other loans (specify nature)	-			-	-	-	-	-
Total (A)	11,37,329.49			11,37,329.49	11,70,972.46	-	-	11,70,972.46
Borrowings in India	11,37,329.49			11,37,329.49	11,70,972.46	-	-	11,70,972.46
Borrowings outside India	-			-	-	-	-	-
Total (B) to tally with (A)	11,37,329.49			11,37,329.49	11,70,972.46	-	-	11,70,972.46

Foot Note:

(i) The repayment of Term Loans of Rs.9289.29 crores (Previous Year Rs. 9631.72 crores) raised from Banks is guaranteed by the State Government of Andhra Pradesh vide G.O. Ms. No 38 dated 29-11-2019, G.O. Ms. No. 42 dated 31-12-2019, G.O. Ms. No 01 dated 23-01-2020, G.O. Ms. No 12 dated 31-03-2020, G.O. Ms. No 24 dated 28-09-2020, G.O. Ms. No 27 dated 08-12-2020, G.O. Ms. No. 8 dated 21-08-2021, G.O. Ms. No. 16 dated 11.10.2021 And G.O.Ms.No:26 dated 16-03-2024.

(ii) Company has obtained guarantee from GoAP to the extent of Rs. 1,30,800 Lakhs only as against outstanding ICDs of Rs. 2,08,400 Lakhs resulting deficit guarantee coverage of Rs. 77,600 Lakhs.

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Mushty & Co.
Chartered Accountants
FRN 5501S

Sd/-
Dr.Sreeram Mushty
Proprietor
Membership No. 200273
UDIN: 24200273BKEIWIY6305

Place : Vijayawada
Date : 30-05-2024

For and on behalf of Board of Directors

Sd/-
Dr. K.V.V.Satyannarayana, IRAS
Managing Director
DIN NO: 08076027

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

Sd/-
M. Ramana Reddy
Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

Note 13: Other financial liabilities**Rs in Lakhs**

Particulars	As at March 31, 2024	As at March 31, 2023
Contingent provisions against standeard assets	5,257.02	7339.92
	5,257.02	7339.92
Payable to AP Genco Provident Fund and Gratuity Trust	-	11,300.00
Guarantee Commision payable to AP Government	-	1,000.00
Total	-	12,300.00

Note 14: Current Tax Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Income Tax FY 2023-24	3,000.03	-
Provision for Income Tax FY 2022-23	-	4,933.14
CGST 9%	0.03	0.03
IGST	0.23	0.23
SGST 9%	0.03	0.03
TDS Payable	129.81	145.79
GST TDS	0.05	0.25
Total	3,130.18	5,079.48

Note 15: Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Professional Charges Payable	4.27	2.98
Guest House Expenses Payable	5.14	3.95
Salaries Payable	0.52	0.23
Other Payables	2.28	2.43
Total	12.20	9.59

Note 16: Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Tax effect of items constituting deferred tax		
Arising on account of timing difference in depreciation	-0.01	0.03
Total	-0.01	0.03

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Mushty & Co.

Chartered Accountants

FRN 5501S

Sd/-

Dr.Sreeram Mushty

Proprietor

Membership No. 200273

UDIN: 24200273BKEIWY6305

Place : Vijayawada

Date : 30-05-2024

For and on behalf of Board of Directors

Sd/-

Dr. K.V.V.Satyanarayana, IRAS

Managing Director

DIN NO: 08076027

Sd/-

V.N Babu

Director

DIN No: 08772842

Sd/-

M. Ramana Reddy

Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

Note 17: Equity Share Capital

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

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised Capital		
30,00,00,000 Equity shares of Rs. 100 each	3,00,000	3,00,000
Issued subscribed and fully paid up		
3,50,92,468 (March 31, 2022: 3,50,92,468) Equity shares of Rs. 100 each	35,092.47	35,092.47
Total Equity	35,092.47	35,092.47

17.2 Terms and rights attached to equity shares

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

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

Particulars	In Numbers	Amount
As at April 01, 2022	3,48,37,401	34,837.40
Shares issued during the year	2,55,067	255.07
As at March 31, 2023	3,50,92,468	35,092.47
Shares issued during the year	-	-
As at March 31, 2024	3,50,92,468	35,092.47

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of Shares	% of Equity Share Capital	No of Shares	% of Equity Share
Governor Of Andhra Pradesh (Promoter)	3,50,92,462	99.99%	3,50,92,462	99.99%

Note 18 : Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
(A). Special Reserve		
Balance at the beginning of the year	11,467.37	6,567.16
Add: Transfer from Retained Earnings	-2,980.26	4,900.21
Balance at the end of the year	8,487.11	11,467.37
(B) Retained Earnings		
Balance at the beginning of the year	26,725.66	12,354.30
Add: Profit for the Year	13,964.56	19,271.58
Less: Transfer to Special Reserve	2,980.26	-4,900.21
Balance at the end of the year	43,670.48	26,725.66
Total [A+B]	52,157.59	38,193.04

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Mushty & Co.

Chartered Accountants

FRN 5501S

Sd/-

Dr.Sreeram Mushty

Proprietor

Membership No. 200273

UDIN: 24200273BKEIYW6305

Place : Vijayawada

Date : 30-05-2024

For and on behalf of Board of Directors

Sd/-

Dr. K.V.V.Satyanarayana, IRAS

Managing Director

DIN NO: 08076027

Sd/-

V.N Babu

Director

DIN No: 08772842

Sd/-

M. Ramana Reddy
Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

Note 19: Interest Income

Rs in Lakhs

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest on Loans	-	1,19,601.77	-	-	1,57,453.12	-
Interest on deposits with banks	-	1,482.98	-	-	719.73	-
Total	-	1,21,084.75	-	-	1,58,172.85	-

Note 20: Other Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Pre-closing Charges	-	3.26
Miscellaneous Income	-	0.82
Total	-	4.09

Note 21: Finance Cost

Rs in Lakhs

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on Inter Corporate Deposits	-	15,340.96	-	14,089.70
Interest on borrowings	-	77,788.58	-	72,899.96
Interest on debt securities	-	12,852.53	-	43,546.28
Other Interest Expense	-	49.71	-	1,974.64
Total	-	1,06,031.77	-	1,32,510.58

Note 22: Fees and Commission expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Guarantee Commission Fee	-	1,000.00
Total	-	1,000.00

Note 23: Impairment on Financial Liabilities

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	On financial Liabilities measured at fair value through OCI	On financial liabilities measured at amortised cost	On financial Liabilities measured at fair value through OCI	On financial liabilities measured at amortised cost
Loan Assets	-	-	-	-
Total	-	-	-	-

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Mushty & Co.
Chartered Accountants
FRN 5501S

Sd/-
Dr. Sreeram Mushty
Proprietor
Membership No. 200273
UDIN: 24200273BKEIWY6305

Place : Vijayawada
Date : 30-05-2024

For and on behalf of Board of Directors

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

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

Sd/-
M. Ramana Reddy
Chief Financial Officer



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Notes forming part of Financial Statements

Note 24: Employee Benefit Expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Staff Salary	54.71	51.20
Staff Welfare Expense	-	-
Total	54.71	51.20

Note 25: Depreciation and Amortization

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation	0.41	0.99
Total	0.41	0.99

Note 26: Other Expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Audit Fee		
Audit Expenses	0.12	0.21
Internal Audit Fee	0.71	0.71
Statutory Audit Fees	0.89	0.89
Secretarial Audit Fees	1.13	0.59
Tax Audit Fees	0.18	0.18
Listing Compliance Fee	7.97	20.69
Professional Fee	4.69	13.98
Corporate Social Responsibility Expenses	-	214.22
Guest House Expense	64.79	54.18
Repairs and Maintenance	0.33	0.37
Office Expense	8.64	5.57
Vehicle Hire Expense	4.89	12.87
Rates and Taxes	0.04	0.04
ROC Charges	0.71	0.37
Other Expenses	2.28	2.86
Interest, Late fees and Penalties	14.92	81.85
Total	112.28	409.57

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Mushty & Co.

Chartered Accountants

FRN 5501S

Sd/-

Dr.Sreeram Mushty

Proprietor

Membership No. 200273

UDIN: 24200273BKEIWY6305

Place : Vijayawada

Date : 30-05-2024

For and on behalf of Board of Directors

Sd/-

Dr. K.V.V.Satyanarayana, IRAS

Managing Director

DIN NO: 08076027

Sd/-

V.N Babu

Director

DIN No: 08772842

Sd/-

M. Ramana Reddy

Chief Financial Officer



Schedule-1

1. Corporate Information:

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

Schedule-2

1. Significant Accounting Policies

(i) Basis of Preparation and Presentation

(a) Statement of Compliance

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

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

(b) Accounting Convention:

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

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

(c) Revenue Recognition:

As per Ind AS 109, interest income from financial assets is recognized on an accrual basis using effective interest rate method (EIR). The effective interest rate method is the rate that



exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts paid or received) through the expected life of the financial instrument to the carrying amount on initial recognition.

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

(d) Finance Costs

As per Ind AS 109, finance cost i.e. interest expense from financial liabilities is recognized on accrual basis using effective interest rate method (EIR). The effective interest rate method is the rate that exactly discounts estimated future cash payments (including all interest payments and guarantee commission) through the expected life of the financial instrument to the carrying amount on initial recognition.

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

(e) Financial Instruments:

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

(f) Financial Assets/Liabilities

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

Classification of financial instruments

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

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

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

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

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

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

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

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

27. Property, Plant and Equipment:

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

Cost:

Property, plant and 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. Company does not hold any immovable property.

28. Depreciation:

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

29. Impairment of Financial Assets**Loan assets**

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

Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date.

Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that does not have objective evidence of impairment.

Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.



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

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

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

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

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

Note to Accounts:

30. Following are the bank accounts reflected in the Books of Accounts and the same is reconciled as on 31.03.2024 by the management:

SL NO	Particulars	A/C No.
1	Current Account with SBI	52117468653
2	Lien Account-SBI	62443536820
3	Bank of Baroda - Escrow A/c	26360200007815
4	Canara Bank - Escrow A/c	2985201000189
5	Andhra Bank - Escrow A/c	119211100003059
6	Bank of India - Escrow A/c	860520110000534
7	Indian Overseas Bank - Escrow A/c	117802000000821
8	Lien Account-SBI - Series III/2012	62265296302
9	Lien Account-SBI - Series II,III & IV/ 2020	38356359860
10	Lien Account-SBI - Series I/2011 & II/2011	62213387439
11	Lien Account-SBI - Series I/2012	62235605816
12	Lien Account-SBI - Series I/2005	52117479165
13	Lien Account-SBI - Series I/2010	62167470827
14	Lien Account-SBI - Series II/2000	52117469464

31. Impairment Reserve

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

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

32. Provision on standard Assets/Impairment Loss

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

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

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

Rs In lakhs		
Particulars	As at March 31, 2024	As at March 31, 2023
Aggregate amount of advance	13,14,255.00	13,97,458.61
Provision required @ 0.40% on above	5257.02	5,589.83
Provision maintained	5257.02	7,339.92



33. Comparison between provision required as per RBI Income Recognition, Asset Classification and Provisioning norms (IRACP) and Impairment Allowance as per Ind-AS2023-24(Rs in lakhs)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Outstanding amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Performing Assets							
Standard	Stage 1	13,14,255.00	13,14,255.00	-	13,14,255.00	5,257.02	(5257.02)
	Stage 2	-	-	-	-	-	-
Sub Total (1)		13,14,255.00	13,14,255.00	-	13,14,255.00	5257.02	(5257.02)
Non-Performing Assets							
Substandard Assets	Stage 3	-	-	-	-	-	-
Doubtful Assets							
Up to 1 Year	Stage 3	-	-	-	-	-	-
1 to 3 Years	Stage 3	-	-	-	-	-	-
More than 3 Years	Stage 3	-	-	-	-	-	-
Subtotal for doubtful assets		-	-	-	-	-	-
Loss Assets	Stage 3	-	-	-	-	-	-
Sub-total for NPA (2)		-	-	-	-	-	-
Total Loan Assets[1+2]		13,14,255.00	13,14,255.00	-	13,14,255.00	5257.02	(5257.02)
Other items which are in scope of Ind-AS 109 but not covered under IRACP norms		-	-	-	-	-	-
Sub-Total (3)		-	-	-	-	-	-
Total [1+2+3]		13,14,255.00	13,14,255.00	-	13,14,255.00	5257.02	(5257.02)

2023-24(Rs In lakhs)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Outstanding amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Performing Assets							
Standard	Stage 1	13,97,458.61	13,97,458.61	5 -	13,97,458.61	5,589.83	(5589.83)
	Stage 2	-	-	-	-	-	-
Sub Total (1)		13,97,458.61	13,97,458.61	-	13,97,458.61	5,589.83	(5589.83)
Non-Performing Assets							
Substandard Assets	Stage 3	-	-	-	-	-	-
Doubtful Assets							
Up to 1 Year	Stage 3	-	-	-	-	-	-
1 to 3 Years	Stage 3	-	-	-	-	-	-
More than 3 Years	Stage 3	-	-	-	-	-	-
Subtotal for doubtful assets		-	-	-	-	-	-
Loss Assets	Stage 3	-	-	-	-	-	-
Sub-total for NPA (2)		-	-	-	-	-	-
Total Loan Assets[1+2]		13,97,458.61	13,97,458.61	-	13,97,458.61	5,589.83	(5589.83)
Other items which are in scope of Ind-AS 109 but not covered under IRACP norms		-	-	-	-	-	-
Sub-Total (3)		-	-	-	-	-	-
Total [1+2+3]		13,97,458.61	13,97,458.61	-	13,97,458.61	5,589.83	(5589.83)

27. Loan to AP DISCOMs:

The funds mobilized up to 31-03-2024 by way of Bonds, term loans from banks, inter corporate deposits and Own Funds i.e., through issue of equity shares have been deployed by way of "Loan to AP DISCOMs" to the extent of Rs. 13,14,255 Lakhs (Rs. 13,97,458.61 Lakhs as at 31-03-2023).

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Assets:		
-Loans and Advances to APEPDCL	3,13,151.18	2,97,037.33
-Loans and Advances to AP GENCO	58,100.00	58,100.00
-Loans and Advances to APPDCL	85,444.13	81,075.00
-Loans and Advances to APSPDCL	5,45,179.02	5,88,684.75
-Loans and Advances to AP Discom's Receivable from Govt. of AP (Bonds)	3,12,380.67	3,72,561.53
-Call Option		
Total:	13,14,255.00	13,97,458.61
Current Assets:		
Other Current Assets	-	-
Total:	13,14,255.00	13,97,458.61

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

35. Receivable from Telangana Government:

The principal and interest payable on outstanding Bonds, in respect of the share of Telangana State, are remitted by the Telangana State Government for payment to ultimate beneficiaries as per the recommendations of the Expert Committee. In this connection, The outstanding dues/default payment by the Telangana State Government to the bondholders as of the date towards the principal/interest payment on APPFC Bonds Series is Rs. 1,83,517.95 lakhs. Further, The amount due from the Telangana State Government on the common expenditure for servicing of Bonds to APPFCL is Rs. 45.47 Lakhs (Previous Year Rs. 45.06 Lakhs) as of 31.03.2024.

36. DSRA:

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



Following are the details of DSRA deposits of the company as on 31st March, 2024:Rs In Lakhs

Sl. No.	Bank Name	Receipt No./Acc.No.	Receipt Date	Renew Date	Amount (Including Interest)
1	Bank of India - 1st Deposit	A/C No. 860545110004875	03-11-2023	03-11-2024	2,869.32
2	Bank of India - 2nd Deposit	A/C No. 860556110001102	02-02-2023	02-05-2024	1,134.98
3	Bank of India - 3rd Deposit	A/C No. 860556110001159	18-05-2023	18-05-2024	1,061.55
4	Bank of India - 4 th Deposit	A/C No. 860556110001103	02-02-2023	01-05-2024	5,945.23
5	Bank of Baroda - 1st Deposit	Receipt No. 0408152	01-07-2022	02-07-2023	214.52
6	Bank of Baroda - 2nd Deposit	Receipt No. 0408157	02-07-2022	03-07-2023	214.67
7	Bank of Baroda - 3rd Deposit	Receipt No. 0408162	04-07-2022	05-07-2023	186.76
8	Bank of Baroda - 4 th Deposit	Receipt No: 0408165	06-07-2022	07-07-2023	175.07
9	Bank of Baroda - 5 th Deposit	Receipt No: 0408166	07-07-2022	08-07-2023	173.38
10	Bank of Baroda - 6 th Deposit	Receipt No: 0408247	01-09-2022	09-03-2024	100.27
11	Bank of Baroda - 7 th Deposit	Receipt No: 0408260	06-09-2022	06-09-2023	954.87
12	Bank of Baroda - 8 th Deposit	Receipt No: 203275	12-04-2023	12-04-2024	792.15
13	Bank of Baroda - 9 th Deposit	26360300028136	31-10-2023	31-10-2024	34.87
14	Bank of Baroda - 10 th Deposit	26360300028150	04-11-2023	04-11-2025	491.88
15	Bank of Baroda - 11 th Deposit	26360300028326	13-12-2023	13-12-2024	2391.47
16	Bank of Baroda - 12 th Deposit	26360300028335	14-12-2023	14-12-2024	152.73
17	Canara Bank of India - 1st Deposit	145000451972/1	30-12-2023	30-12-2024	3771.56
18	Canara Bank of India - 2nd Deposit	145000451972/2	04-01-2024	04-01-2025	1880.35
19	Indian Overseas Bank - 1 st Deposit	Receipt No: 0435815	08-06-2021	08-06-2024	208.18
20	Indian Overseas Bank - 2nd Deposit	Receipt No: 0435824	09-06-2021	09-06-2024	208.15
21	Indian Overseas Bank - 3rd Deposit	Receipt No: 0435820	08-06-2021	08-06-2024	208.12
22	Indian Overseas Bank - 4 th Deposit	Receipt No: 0435825	10-06-2021	10-06-2024	173.41
23	Indian Overseas Bank - 5 th Deposit	Receipt No: 0916066	18-07-2023	04-10-2024	189.31
24	Indian Overseas Bank - 6 th Deposit	Receipt No: 0916067	19-07-2023	05-10-2024	189.28
25	Indian Overseas Bank - 7 th Deposit	Receipt No: 0916069	20-07-2023	06-10-2024	189.24
26	Indian Overseas Bank - 8 th Deposit	Receipt No: 0916070	21-07-2023	07-10-2024	189.20
27	Indian Overseas Bank - 9 th Deposit	Receipt No: 0916073	24-07-2023	10-10-2024	189.09
28	Indian Overseas Bank - 10 th Deposit	Receipt No: 0916079	25-07-2023	11-10-2024	189.06
29	Indian Overseas Bank - 11 th Deposit	Receipt No: 0916081	26-07-2023	12-10-2024	189.02
30	Indian Overseas Bank - 12 th Deposit	Receipt No: 0916087	27-07-2023	13-10-2024	42.00
31	State Bank of India - 1st Deposit	A/C No. 42568490315	30-12-2023	30-12-2024	3052.13
32	State Bank of India - 2nd Deposit	A/C No. 42585734352	04-01-2024	04-01-2025	2552.28
33	State Bank of India - 3rd Deposit	A/C No. 42820613445	22-03-2024	29-03-2024	220.30
34	Union Bank of India	Receipt No: 449141	30-09-2021	30-09-2024	21.40
35	Union Bank of India	Receipt No: 440858	04-01-2024	06-02-2025	69.06
36	Union Bank of India	Receipt No: 449848	14-12-2023	14-12-2024	968.76
37	Union Bank of India	Receipt No: 449856	30-12-2023	30-12-2024	3054.29
Total DSRA deposits as at March 31, 2024					34,647.91

37. Debt Securities and Term Loans:

As on March 31, 2024, aggregate outstanding amount of Bonds is Rs.1,09,818.33 Lakhs (Previous year Rs.1,58,648.33 Lakhs) and aggregate outstanding amount of term loans from banks is Rs.9,28,929.49 Lakhs (Previous year: 9,63,172.46 Lakhs).

A) Debt Securities (Bonds):

- (i) The Company has raised funds through private placement of "BONDS" in the earlier years under various series, but during the current year 2023-24 the Company has not raised funds through issue of Bonds. The common features of the various series of bonds issued earlier are as under:
 - (a) The bonds carry an unconditional and irrevocable guarantee by Government of Andhra Pradesh for repayment of both interest and principal.
 - (b) The redemption of the Bonds/repayment to the bond holders is governed by a "STRUCTURED MECHANISM", through a tripartite agreement among the company, Government of Andhra Pradesh and State Bank of India – Trustees to the Bond holders, which assures budgetary support from Government of Andhra Pradesh (GoAP) for servicing the bonds. The payment of outstanding interest on bonds and repayment of principal amount of bonds are met/paid by the company by way of transfer of funds into the designated lien account out of the monies transferred by the Government of Andhra Pradesh to the company pursuant to the obligations undertaken by it under the said Tripartite Agreement.
 - (c) Company has also raised funds by issuing bonds on its own and repayment of principle and interest on such bonds will be serviced by the company itself.
- (ii) Outstanding amount of Bonds at the end of year under different series is as follows:

(Rs in lakhs)

Sl. No.	Bond Series	Amount Outstanding as at		Coupon Rate(%) p.a.	Interest Payable	Tenure in Years	Put/Call Option due at the end of
		March 31, 2024	March 31, 2023				
1	1/2010	-	-	8.74	Semi Annual	12	10 th Year
2	1/2011	-	5,880.00	9.60	Semi Annual	12	10 th Year
3	2/2011	-	19,700.00	9.97	Semi Annual	12	10 th Year
4	1/2012 (Option A)	-	-	9.50	Semi Annual	10	7 th Year
5	1/2012 (Option B)	9,410.00	9,410.00	9.64	Semi Annual	12	10 th Year
6	2/2012	-	-	9.75	Semi Annual	10	7 th Year
7	3/2012	-	-	9.75	Semi Annual	10	7 th Year
8	1/2020	-	-	8.2	Quarterly	10	NA
9	2/2020	53,840.42	66,508.75	8.2	Quarterly	8	NA
10	3/2020	17,842.92	22,041.25	8.2	Quarterly	8	NA
11	4/2020	28,725.00	35,108.33	7.5	Quarterly	8	NA
Total		1,09,818.33	1,58,648.33				



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

Bond Series	Coupon rate(%)	Due Date of Redemption	Redemption date	Redemption Amount	GO No./Date	Remarks
(a) Government of Andhra Pradesh Bonds[Principal and interest serviced by GoAP]						
APPFCL BONDS	9.00	30.06.2023	30.06.2023	6440.00	68/22.06.2023	Partial Redemption
APPFCL BONDS	9.00	31.08.2023	31.08.2023	1562.50	90/25.08.2023	Partial Redemption
APPFCL BONDS	9.00	30.09.2023	29.09.2023	4167.00	102/20.09.2023	Partial Redemption
APPFCL BONDS	9.00	30.11.2023	04.01.2024	1562.50	119/22.11.2023	Partial Redemption
APPFCL BONDS	9.00	31.12.2023	30.12.2023	4167.00	131/21.12.2023	Partial Redemption
APPFCL BONDS	9.00	31.03.2024	30.03.2024	4167.00	41/13.03.2024	Partial Redemption
1/2011 Option B	9.60	15-12-2023	15-12-2023	5880.00	126/08.12.2023	Full redemption
2/2011 Option B	9.50	30-01-2024	30-01-2024	19700.00	10/25.01.2024	Full redemption
2/2020	8.20	29.04.2023	28.04.2023	3167.08	49/24-04-2023	Partial redemption
2/2020	8.20	29.07.2023	28.07.2023	3167.08	77/20.07.2023	Partial redemption
2/2020	8.20	29.10.2023	29.10.2023	3167.08	108/12.10.2023	Partial redemption
2/2020	8.20	29.01.2024	29.01.2024	3167.08	7/22.01.2024	Partial redemption
3/2020	8.20	12.05.2023	12.05.2023	876.25	53/05.05.2023	Partial redemption
3/2020	8.20	12.08.2023	11.08.2023	876.25	83/04.08.2023	Partial redemption
3/2020	8.20	12.11.2023	10.11.2023	876.25	115/08.11.2023	Partial redemption
3/2020	8.20	12.02.2024	12.02.2024	876.25	23/08.02.2024	Partial redemption
Sub Total (a)				63819.32		
(b) APPFC Own Bonds [Principal and interest services by own funds]						
3/2020	8.20	12.05.2023	12.05.2023	173.33		
3/2020	8.20	12.08.2023	11.08.2023	173.33	-	Partial redemption
3/2020	8.20	12.11.2023	10.11.2023	173.33	-	Partial redemption
3/2020	8.20	12.02.2024	12.02.2024	173.34	-	Partial redemption
4/2020	7.50	18.05.2023	18.05.2023	1,595.83	-	Partial redemption
4/2020	7.50	18.08.2023	18.08.2023	1,595.83	-	Partial redemption
	7.50	18.11.2023	17.11.2023	1,595.83	-	Partial redemption
4/2020	7.50	18.02.2024	16.02.2024	1,595.83	-	Partial redemption
Sub Total (b)				7076.65		
Grand Total [a+b]				70,895.97		

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

B) Term Loans from Banks:

- The repayment of Term Loans of Rs. 9,28,929.49 Lakhs (Previous Year Rs. 9,63,172.46 Lakhs) raised from Banks is guaranteed by the State Government of Andhra Pradesh vide G.O. Ms. No 38 dated 29-11-2019, G.O. Ms. No. 42 dated 31-12-2019, G.O. Ms. No 01 dated 23-01-2020, G.O. Ms. No 12 dated 31-03-2020, G.O. Ms. No 24 dated 28-09-2020, G.O. Ms. No 27 dated 08-12-2020, G.O. Ms. No. 08 dated 21-08-2021, G.O. Ms. No. 16 dated 11.10.2021 and G.O.M.S. No.26 dated 16-03-2024.
- Outstanding amount of term loans is as follows:(Rs. In Lakhs)

BANK NAME	SANCTIONED DATED	LOAN AVAILED AMOUNT	OUTSTANDING as at		OVERDUES on March 31,2024	Latest ROI	TENURE OF THE LOAN
			March 31, 2024	March 31, 2023			
SBI Bank loan	17.12.2019	1,50,000.00	1,03,076.01	1,27,469.82	-	9.05%	2yrs moratorium, 32 quarterly instalments commencing from 3rd Quarter of FY 2021-22
	19-03-2024	75,000.00	74,999.88	-	-	9.05%	2yrs moratorium, 52 quarterly instalments commencing from 3rd Quarter4 of FY 2025-26
UNION BANK of India	31.12.2019	1,50,000.00	1,34,139.80	1,47,793.32	-	8.70%	3yrs moratorium, 48 quarterly instalments commencing from 31.01.2023
Canara Bank	15.02.2020	60,000.00	1,82,403.69	1,99,904.80	-	9.10%	3yrs moratorium, 48 quarterly instalments commencing from 31.01.2023
	17.03.2020	1,40,000.00					
Bank of India	09.04.2020	2,00,000.00	2,56,239.94	2,90,024.88	-	8.60%	3yrs moratorium, 48 quarterly instalments commencing from 30.04.2023
	30.09.2020	1,00,000.00				8.70%	1yr moratorium, 44 Quarterly instalments commencing from 30.12.2021
Bank of Baroda	11.12.2020	75,000.00	13,12,16.38	1,47,656.25	-	8.75%	2yrs moratorium, 32 quarterly instalments commencing from 31.12.2023
	14-10-2021	75,000.00				8.70%	2yrs moratorium, 32 quarterly instalments commencing from 31.10.2023
INDIAN OVERSEAS BANK	27.08.2021	50,000.00	46,853.78	50,323.39	-	8.70%	2yrs moratorium, 32 quarterly instalments commencing from 31.08.2023
TOTAL BANK TERM LOANS		10,75,000.00	9,28,929.48	9,63,172.46			

38. Inter-Corporate Deposits:

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

The outstanding status of Inter Corporate Deposits as on March 31, 2024 is as detailed below: (Rs in lkhs)



Depositor Name	Year of Deposit	Deposits outstanding as at		Deposited /Renewal date	Tenure	Latest ROI
		March 31, 2024	March 31, 2023			
AP Buildings and other Construction workers Welfare Board.	2020-21	14,400.00	14,400.00	Deposited on 17.10.2020 Latest Renewed on 17.10.2023	1 year	6.00%
AP Pollution Control Board	2020-21	10,000.00	10,000.00	Deposited on 29.09.2020 Latest Renewed on 29.09.2023	1 year	7.00%
AP Southern Power Distribution Corporation Limited Pension and Gratuity Trust (Bifurcated Bonds APSPDCL - 474 Crs. , APCPDCL 485 Crs)	2020-21	14,600.00	14,600.00	Deposited Rs. 1,000.00 Lakhs on 07.12.2020, Rs. 5,000.00 Lakhs on 09.12.2020, & Rs. 8,600.00 Lakhs on 04.03.2021.	10 years	7.50%
	2021-22	32,800.00	32,800.00	Deposited Rs. 6,500.00 Lakhs on 11.05.2021, Rs. 8,300.00 Lakhs on 04.06.2021, Rs. 8,000.00 Lakhs on 02.07.2021 & Rs. 10,000.00 Lakhs on 05.08.2021	10 years	7.50%
AP Central Power Distribution Corporation Limited Pension and Gratuity Trust (Bifurcated Bonds APSPDCL - 474 Crs. ,APCPDCL 485 Crs)	2023-24	19,000.00	19,000	Received Rs.48500.00 laksh on 28-04-2023	10 years	7.50%
		8,000.00	8,000		10 years	8.00%
		7,500.00	7,500.00		10 years	8.00%
		14,000.00	14,000		10 years	7.50%
AP Eastern Power Distribution Corporation Limited Pension and Gratuity Trust	2021-22	22,000.00	22,000.00	Deposited Rs. 12,000.00 Lakhs on 12.05.2021, Rs. 5,000.00 Lakhs on 17.06.2021 & Rs. 5,000.00 Lakhs on 06.08.2021	10 years	8.00%
	2022-23	5,000.00	5000	Deposited on 01.09.2022	10 years	7.50%
	2022-23	3,100.00	3,100.00	Deposited Rs. 2,000.00 Lakhs on 06.09.2022, & Rs. 1,100.00 Lakhs on 10.11.2022	5 years	7.50%
AP Urban Development Investment Fund	2020	12,500.00	12,500.00	Deposited Rs. 1,250.00 Lakhs on 11.09.2020 and latest renewed on 11.09.2022 & Deposited Rs. 6,250.00 Lakhs on 14.09.2020 and latest renewed on 14.09.2023.	1 year	6.00%
Depositor Name	Year of Deposit	Deposits outstanding as at		Deposited /Renewal date	Tenure	Latest ROI
		March 31, 2024	March 31, 2023			
AP Solar Power Corporation	2021-22	40,000.00	40,000.00	-	10 years	7.00%
AP Eastern Power Distribution Corporation Limited PF Trust	2022-23	3,000.00	3,000.00	Deposited on 01.09.2022	10 years	7.50%
	2022-23	1,900.00	1,900.00	Deposited on 10.11.2022	5 years	7.50%
ANDHRA PRADESH STATE ADVOCATE WELFARE TRUST	2023-24	60,000.00	-	Deposited Rs. 60,000.00 Lakhs on 20-09-2023	10 years	5.50%
Total		2,08,400.00	2,07,800.00			

Note:

(i) Company has obtained guarantee from GoAP to the extent of Rs. 1,30,800 Lakhs only as against outstanding ICDs of Rs. 2,08,400 Lakhs resulting deficit guarantee coverage of Rs. 77,600 Lakhs.

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

39. Calculation of Current Tax Liability (Net) for the FY 2023-24:

(Rs in lacs)

Particulars	Amount
A. Current Tax Assets (Refer Note 7)	
(i) Advance Income Tax paid (FY 2023-24)	2994.00
(ii) TDS Receivable (FY 2023-24)	114.71
Total (A)	3,108.71
B. Current Tax Liability (Refer Note 13)	
(i) Provision for Income Tax (FY 2023-24)	3004.19
Total (B)	3004.19
Net Current Tax Liability(A-B)	-104.52

40. Fees and commission:

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

GoAP has extended guarantee to APPFCL for mobilization of funds by raising term loans/bonds from financial institutions/banks for on onward lending to the power sector utilities/DISCOMs of AP State Government for an aggregate amount of Rs. 15,74,133.00 lakhs [vide G.O.Ms.No.35/30.10.2018 amended to G.O.Ms.No.28/05.09.2019 of Rs. 5,00,000.00 Lakhs, G.O.Ms.No.32/23.09.2019 of Rs. 4,74,133.00 Lakhs and G.O.Ms.No.10/30.03.2020 of Rs. 6,00,000 Lakhs] for which the company has to pay guarantee commission of Rs. 31,482.66 Lakhs [i.e., 2% of guaranty amount] as per GO Ms.No.446 dated 29.09.2003. Whereas the GoAP has ascertained guarantee commission of Rs. 20,000.00 Lakhs only for guarantees given in respect of loans availed by the company till 31.12.2021 vide their letter bearing no. FIN01-BUGT0MISC/40/2021-CDM (C.No: 1602730) dated 22.03.2022. GoAP has directed to pay guarantee commission of Rs.3,000 lakhs in the FY 2021-22 vide letter no. FIN01-BUGT0MISC/40/2021-CDM (C.No:1602730) dated 24.03.2022 and accordingly company has paid Rs.3,000 lakhs on 31.03.2022.

GoAP has further directed to pay additional guarantee commission of Rs. 1,000.00 Lakhs for the current FY 2022-23 vide letter no. FIN01-BUGT0MISC/40/2021-CDM(C.No:1602730) dated 23.05.2023. Accordingly company has provided Rs.1,000 lakhs as guarantee commission during the FY 2022-23 had paid on 24-05-2023 and 750 crs vide Go.Ms.No:26 dated 16-03-2024 the amount may have to be paid in the subsequent years

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

During the financial year the company has transferred Rs. 14, 45,210.00(Previous Year – Rs. NIL) to IEPF fund. Further the company is required to transferred sum of Rs. 5,49,686.00 (Previous year Rs. 14, 45,210.00) to IEPF fund after March, 31st 2024 that was on 23-05-2024.



29. Managerial Remuneration:

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

(Rs in laks)

Particulars	Amount for the FY	
	2023-24 Rs.	2022-23 Rs.
Salaries, Allowances	-	-
Contribution to Provident Fund and welfare fund	-	-
Others – Additional Charge allowance to Managing Director	4.01	4.01

43. Contingent Liabilities:

(Rs in laks)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax claims against the company not acknowledged as debts (AY 2012-13)	215.38	215.38
Trustee fees – SBICAP (TS Share)	3.44	4.67
Fines Levied by the NSE for delay in compliance pertaining to regulation 52(1),52(4) 31-03-2022 and 52(1) as on 30-06-2023 of the SEBI LODR Reg,2015	7.49	-

44. Earnings per Share (EPS):

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

(Rs in laks)

Particulars	Amount for the year ended	
	March 31, 2024	March 31, 2023
Net profit attributable to equity holders (Rs.)	1,39,64,37,081	1,92,71,57,573
Weighted average no. of equity shares of basic earnings per share.	3,50,92,468	3,50,92,468
Weighted average no. of equity shares of diluted earnings per share.	3,50,92,468	3,50,92,468
Earning per Equity Share:		
a) Basic earnings per Share (Rs.)	39.79	54.92
b) Diluted earnings per share (Rs.)	39.79	54.92

45. Corporate Social Responsibility (CSR)

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

(Rs in lakhs)

Particulars	Amount for the FY	
	2023-24	2022-23
A. Shortfall at the beginning of the year	-	43.86
B. Gross Amount required to be spent during the year	329.06	170.36
C. Amount spent during the year	-	214.22
D. Shortfall at the end of the year [A+B-C]	329.06	-
E. Previous year shortfall Spent in the Current year	-	43.86
F. Excess amount to be carried forward	-	-

The company has identified Projects for Rs. 329.06 Lakhs for being spent as CSR and awarded the projects. However the actual payment had been made in the FY 2024-25.

27. As per expert committee report, the total bifurcated bond liability, after deducting the amount of Bonds redeemed from the date of bifurcation of erstwhile State of Andhra Pradesh till March 31,2024 is Rs.1,98,730 Lakhs of which the share of APPFCL is Rs. 9410 Lakhs and the share of TSPFCL is Rs. 1,89,320 Lakhs.

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

28. Except for the matters stated hereunder, according to the information, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Goods and Service Tax and cess were in arrears as at 31-03-2024 for a period of more than six months from the date they become payable. The Company has filed an appeal in Telangana High Court against order of Income Tax Appellate Tribunal, Hyderabad Bench "A", Hyderabad in I.T.A. No. 27/HYD/2016 (for AY 2012-13) bearing the Income Tax demand due to Non-Deduction of TDS on interest on application money of Rs. 4,93,77,480/- paid to various organizations and hence the corporation has not provided for the demand in the books as at 31st March, 2024.
29. The Government of AP vide G.O. Ms.No.39 & G.O.Ms.No.4, dated 02nd December, 2019 and dated 10th February, 2020 respectively, Government of Andhra Pradesh has passed order for transfer of Assets from Power Utilities to Andhra Pradesh Power Finance Corporation Limited and for transfer of APGENCO freehold property (Vacant Land of Ac.66.43 in Visakhapatnam District and Ac.34.88 in Nellore District to a total extent of AC.101.31) at Book Value to Andhra Pradesh Power Finance Corporation Limited. However, the issue is still pending and the



transfer of Assets was not materialized till date and not incorporated in the Books of Accounts by the financial year ended 31st March, 2024.

30. Ratios

A. Capital Adequacy Ratio

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

As on	CRAR %
31 st March, 2019	10 % (Min - 7%)
31 st March, 2020	12 % (Min - 8%)
31 st March, 2021	13 % (Min - 9%)
31 st March, 2022	15 % (Min - 10%)
31 st March, 2023	27.22%(Min - 15%)
31 st March, 2024	26.87 % (Min - 15%)

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

Particulars		As at March 31, 2024
I.	Tier I Capital	87,249.79
II.	Tier II capital (Provision on Standard Assets)	5,257.02
III.	Total Capital	92,506.90
IV.	Risk Weighted Assets	3,44,295.48
V.	Tier I capital funds or core capital to risk weighted assets ratio (Core CRAR)	25.34%
VI.	Tier II capital to risk weighted assets ratio	1.53%
VII.	Capital to Risk weighted Assets Ratio (CRAR)	26.87%

The company has maintained CRAR at 26.87%. Hence, the company has complied with the CRAR requirement as per the RBI roadmap of 25.34% as on 31st March, 2024.

B. Analytical Ratios

Particulars	As at March 31, 2024	As at March 31, 2023
Capital to risk weighted assets ratio	26.87%	27.22%
Tier I CRAR	25.34%	24.74%
Tier II CRAR	1.53%	2.48%
Liquidity Coverage ratio	156.83%	135.51%

50. Financial Instruments**A. Capital Management**

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

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

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

Debt-Equity ratio at the end of the reporting period was as follows: (Rs in lakhs)

Particulars	Amount	
	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	1137329.49	13,29,620.80
Current borrowings	10981.83	12,300.00
Total Debt	12,47,147.82	13,41,920.80
Equity	87249.79	73,285.51
Debt to equity ratio	14.29	18.31

B. Financial Instruments

Classification of financial assets and liabilities

(Rs in lakhs)

Particulars	Amount	
	As at March 31, 2024	As at March 31, 2023
(i) Financial Assets (at amortized cost)		
Cash and Cash equivalents	1,90.76	1,87.55
Bank balances other than above	3,79.17	78.37
Trade Receivables	2509.10	16,681.67
Loans	13,14,255.01	13,97,458.61
Other Financial Assets	13,670.84	12,859.45
Total Financial Assets	13,53,721.67	14,27,265.64
(ii) Financial Liabilities (at amortized cost)		
Trade Payables	2734.43	4,551.73
Debt Securities	1,21,118.33	1,58,648.33
Borrowings (other than Debt Securities)	10,41,776.49	11,70,972.46
Other financial liabilities	0	12,300.00
Contingent provisions against standard assets	7339.92	5257.02
Total Financial Liabilities	12,66,439.27	13,53,812.45



51. Risk Management

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

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

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

A) Credit Risk:

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

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

B) Liquidity Risk:

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

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

C) Market Risk:

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

The Company has no exposure to foreign currency.

D) Interest rate Risk:

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

The Company's exposure to the risk due to changes in interest rates relates primarily to the Company's short-term and longterm borrowings with floating interest rates. The Company constantly monitors the credit markets and revisits its financing strategies to

achieve an optimal maturity profile and financing cost. Pursuant thereto, the bonds have been repaid at option stage.

52. Details of Benami Property Held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2024 and March 31, 2023.

53. Borrowings secured against current assets

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

54. Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or any lender in the financial years ended March 31, 2024 and March 31, 2024.

55. Relationship with struck off companies:

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

56. Registration of charges or satisfaction with registrar of companies

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

57. Compliance with number of layers of companies

The company does not have any subsidiaries or associates.

58. Compliance with approved scheme of arrangement

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

59. Utilisation of borrowed fund and share premium

- A. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate beneficiaries); or
 - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.



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

60. Undisclosed Income

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

61. Details of Crypto Currency or Virtual Currency

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

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

Significant accounting policies and notes form part of financial statements

As Per Our Report Of Even Date

For Mushty & Co.

Chartered Accountants

FRN 5501S

Sd/-

Dr.Sreeram Mushty

Proprietor

Membership No. 200273

UDIN: 24200273BKEIWY6305

Place : Vijayawada

Date : 30-05-2024

For and on behalf of Board of Directors

Sd/-

Dr. K.V.V.Satyanarayana, IRAS

Managing Director

DIN NO: 08076027

Sd/-

V.N Babu

Director

DIN No: 08772842

Sd/-

M. Ramana Reddy
Chief Financial Officer



Shareholder's Corner

Section 4 

Notice for 24th Annual General Meeting



CIN: U40109AP2000SGC107482

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

24th Annual General Meeting 6th day of March, 2025 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 of _____ shares of the above named Company, hereby appoint

1. Name: _____ Address: _____

Email Id: _____ Signature: _____ or failing him

2. Name: _____ Address: _____

Email Id: _____ Signature: _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on Thursday, 6th, March 2025 at 05:00 pm at Chambers of Special Chief Secretary to Government, Finance Department, 2nd Building, A.P. Secretariat, Velagapudi, Guntur District and at any adjournment thereof in respect of such resolutions indicated below

1. Adoption of Financial Statements and Report of Board of Directors and Auditors thereon, for financial year ended March 31, 2024 - Ordinary Resolution.

2. To take note of appointment M/s Mushty & Co., Chartered Accountants as Statutory Auditors of the Company by C & AG for the FY 2023-24 and fix remuneration thereon- Ordinary Resolution

Signed 6th, March 2025 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

24th Annual General Meeting 6th day of March, 2025 MGT – 12

POLLING PAPER

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

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

Resolution No	Matter of resolution	No of Shares	I assent to the resolution	I dissent to the resolution
1	Adoption of Financial Statements and Report of Board of Directors and Auditors thereon, for financial year ended March 31, 2024 – Ordinary Resolution			
2	To take note of appointment M/s Mushty & Co., Chartered Accountants as Statutory Auditors of the Company by C & AG for the FY 2023-24 and fix remuneration thereon – Ordinary Resolution			

Place : VIJAYAWADA
Date : 06/03/2025

Signature of the Shareholder / Proxy





ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

CIN: U40109AP2000SGC107482

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

Vijayawada – 520004, Andhra Pradesh

appfcl@gmail.com | www.appfcl.com

24th Annual General Meeting 6th day of March, 2025

Attendance Slip

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

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Number of shares held

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

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

I hereby record my presence at the 24th Annual General Meeting of the Company at Chambers of Special Chief Secretary to Government, Finance Department, 2nd Building, A.P. Secretariat, Velagapudi, Guntur District, on Thursday, 6th, March 2025 at 05:00

Name of the member / proxy
(in BLOCK letters)

Signature of the member / proxy

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



Board of the Company

Sri. Peeyush Kumar, IAS

Smt Janaki, IAS

Sri K.Vijayanand, IAS,

Sri K.V.N.Chakradhar Babu, IAS

Sri I. Prudhvitej, IAS,

Chairman

Managing Director

Director

Director

Director

**Company Secretary &
Compliance Officer**

Sri Ch Vidya Sagar, ACS,
48-12-16, 2nd Floor,
East Wing, Vidyut Soudha,
Gunadala, Vijayawada,
Andhra Pradesh-520004.

Chief Financial Officer

Sri. K Mohan Rao, CFO,
48-12-16, 2nd Floor, East Wing,
Vidyut Soudha, Gunadala, Vijayawada,
Andhra Pradesh-520004.

Statutory Auditor

**Mushty & Co. Chartered
Accountants**
MS Sastry Chambers, Palaparthivari Street,
Vijayawada-520002.

Secretarial Auditor

**ASN Associates
Company Secretaries**
Vijayawada

Internal Auditor

**BSN Associates
Chartered Accountants**
Vijayawada

Debenture Trustee

SBICAP Trustee Company Limited,
Mistry Bhavan, 4th Floor,
122 Dinshaw Vachha Road,
Churchgate, Mumbai - 400020.

**Registrar and Transfer
Agents**

Karvy Fintech Private Limited,
Karvy Selenium Tower B, plot 31-32,
Financial District, Nanakramuda,



Route Map for Venue—24th AGM

