

INDEPENDENT AUDITOR'S REPORT

To the Members of

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Report on Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of M/s. Andhra Pradesh Power Finance Corporation Limited ("the Company"), which comprises the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, aforesaid standalone Ind AS financial statements give the information required by the companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31 March 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of opinion

We conducted our audit of the standalone Ind AS Financial statements in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial Statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements on the basis of our opinion.



Key Audit Matters

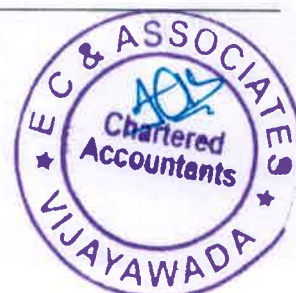
Key Audit Matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Our description of how our audit addresses the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind As financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind As financial statements.

Key Audit Matters as follows

Impairment loss / Provisioning on advances

Key Audit Matter	How our audit addressed the key audit matter
Impairment allowance is measured as product of the Probability of Default, Exposure at Default and Loss Given Default being the key parameters for assessing the impairment allowance. The key indicators underlying for assessment of impairment allowance are appraised on an ongoing basis by the management.	<p>Verification of loan assets with respect to monitoring thereof for recovery/performance aspects and assessment of the loan impairment.</p> <p>Recoveries are verified applying the standard audit procedures. Quality of the borrower is evaluated and tested with key control parameters.</p> <p>Assessment of performance of the loan assets is carried out on the basis of available documents comprising loan papers, financial data, information on public domain, procedure applied by the management e.g. inspection of loans, assessing borrower past records etc.</p> <p>Recoveries in the loan assets are verified to ascertain level of stress thereon and impact as impairment allowance on financial statement.</p>



We have discussed with the management regarding the repayment capacity of the borrower and management is confident on the credit worthiness of the borrower as all of them are public sector undertakings.

Other Matter

As per point 'u' in notes to account in Financial statement, the Government of Andhra Pradesh has granted Rs.1,02,63,60,656/- for the purpose of interest payment on Bond series 1/2019. However, after redemption of the said bonds along with interest, an amount of Rs. 2,55,06,754/- was left out with the Company. The said amount is shown as current liability in the Books of accounts.

However, our opinion is not modified in respect of this matter

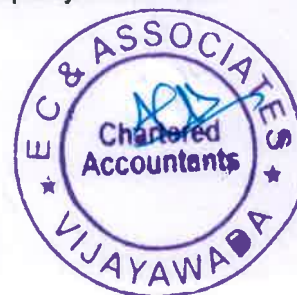
Responsibilities of management and those charged with governance for the standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the audit of the standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- However, future events or conditions may cause the Company to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

.Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, We further report that;

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive income, the Cash Flow Statement and Statement of changes in Equity dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the accounting standards referred to in Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. As per notification number G.S.R. 463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs, Section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure B**;

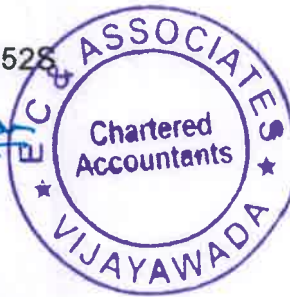


- g. As required by Section 143(5) of the Act, we have considered the directions/ sub directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact to the financial statements of the Company are given in the **Annexure C**.
- h. As per notification number G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs, Section 197 of the Act regarding remuneration to director is not applicable to the Company, since it is being a Government Company; and
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - b. There has been an occasion during the year in delay of transfer Rs.403620/- to the Investor Education and Protection Fund having bond series of 1/2000-. Amount of Rs.403620/ is still pending as at Audit Report date.

For EC & Associates
Chartered Accountants
Firm Registration. No. 0117528

A. Chaitanya Kiran

I Chaitanya Kiran
Partner
Membership No. 231212
UDIN: 21231212AAAAFJ8423



Place: Vijayawada
Date: 08-09-2021

"Annexure A" to the independent Auditors Report

Referred to in paragraph I under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone Ind AS financial statements of the Company for the year ended 31st March 2021

- i) In respect of the fixed assets of the Company:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) These Fixed assets have been physically verified by the management at reasonable intervals, no material discrepancies were noticed on such verification.
 - (c) The company does not have any immovable properties.
- ii) The Company is a Non-Banking Finance Company and does not have any inventory. Thus, clause 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable
- iii) As explained to us and verified from books and records, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clauses 3(iii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) As per the information and explanations provided to us the Company has not given any loans, investment, guarantees and securities which may be covered under Section 185 and 186 of the Companies Act, 2013.
- v) According to the information and explanations given to us, the Company has not accepted any deposit from public during the year within the meaning of section 73 to 76 or any other relevant provision of the companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
- vi) The Central Government has not prescribed the maintenance of cost records under sub-section 1 of Section 148 of the Act, for any of the services rendered by the Company. Accordingly, clause 3(vi) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.



- vii) According to the information and explanations given to us, in respect of statutory dues:
- According to the information and explanations given to us and on the basis of our examination of the books of account on which we relied upon TDS on interest payment to Andhra Pradesh Building and other welfare works amounting to Rs. 47,69,202/-has been deducted but not deposited which attract interest under section 201A of income tax Act 1961
 - There were no undisputed amounts payable in respect of Income Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.
 - Details of dues of Income Tax which have not been deposited as at 31st March 2021 on account of dispute are given below.

Nature of statue	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount
The Income Tax Act, 1961	Income Tax	High Court	A.Y 2012-13	4,93,77,480

- viii) According to information and explanations given to us and on the basis of our examination of the records of the Company the Company has not defaulted in repayment of loans or borrowing to a financial institution bank Government or dues to debenture holders as at the Balance Sheet date.
- ix) The Company did not raise any money by way of initial public offer or further public offer. Money raised by the Company by way of all types of debt instruments and term loans during the year was applied for the purposes for which it was raised.
- x) In our opinion, based upon audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi) According to information and explanations given to us being a Government Company Section 197 of Companies Act, 2013 does not apply to the Company. Accordingly, clause 3(xi) of the Companies (Auditor's Report) Order 2016 is not applicable.



- xii) According to information and explanations given to us the Company is not a Nidhi Company. Hence the Nidhi Rules 2014 are not applicable to the Company. Accordingly, clause 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable to the Company.
- xiii) According to information and explanations given to us and on the basis of our examination of the records of the Company all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable has been complied.
- xiv) According to the information and explanation given to us and based on our examination of records of the company, the company has not made any private placement during the year and accordingly, clause 3(xiv) of the Companies (Auditor's Report) Order 2016 is not applicable to the Company.
- xv) According to information and explanations given to us and on the basis of our examination of the records of the Company the Company has not entered into any non-cash transactions with directors or persons connected with them which are covered under Section 192 of Companies Act, 2013.
- xvi) According to information and explanations given to us and on the basis of our examination, Company is a Non- Banking Finance Company and has obtained registration under Section 45-IA of the Reserve Bank of India Act, 1934.

For EC& Associates
Chartered Accountants
Firm Registration. No. 011752S

A. Chaitanya Kiran
I Chaitanya Kiran
Partner
Membership No :231212
UDIN : : 21231212AAAAFJ8423



Place: Vijayawada
Date: 08-09-2021.

Annexure - "B" to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s. **Andhra Pradesh Power Finance Corporation Limited** ("the Company"), as of 31st March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial ("The Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under sub-section 10 of section of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with these standalone Ind As financial statements was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



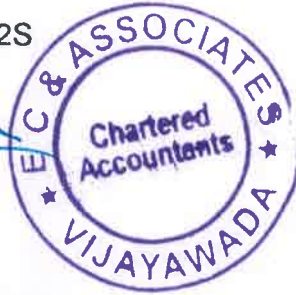
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at 31st March 2021, 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 EC& Associates
Chartered Accountants
Firm Registration .No. 011752S

A. Chaitanya Kiran

I Chaitanya Kiran
Partner
Membership No: 231212
UDIN: 21231212AAAAFJ8423



Place: Vijayawada
Date: 08-09-2021.

Annexure-C to the Auditor's Reports

As referred to in Point no g of paragraph no 2 in report on other legal and regulatory requirements of our report of even date to the members of the Andhra Pradesh Power Finance Corporation Limited on the Financial Statements for the year ended 31st March 2021.

As required by section 143(5) of the companies act 2013, we give in the Annexure C, to this report a statement on the directions and sub directions issued by the Comptroller & Auditor General of India, to the extent applicable to the information and explanations given to us during course of our audit and the audit procedures conducted by us, we report that:

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

Sl. No.	Description	Observation
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company has processed all the accounting transactions through IT system. As per explanation and information given to us and records verified by us there are no accounting transactions outside IT System.
2	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	As per explanation and information given to us and records verified by us there is no restructuring of a loan or cases of waive off or write off of any debts/loans or interest.
3	Whether funds (grants/subsidy etc.) received /receivable for specific schemes from central/state Government or its agencies were properly accounted for/ utilized as per	As per explanation and information given to us and records verified by us the company does not receive any funds under specific schemes from Central/State agencies. However, the company receives reimbursement of interest

	its terms and conditions? List the cases of deviation.	payable to bondholders from Go.AP and as per G.O.Rt.No.09 Dt 07.02.2020 company received Rs. 1,02,63,60,656/- towards payment of "interest on APPFC of Bonds for the series 1/2019" and utilised Rs.1,00,08,53,902/- for repayment of interest. The unutilised amount of Rs.2,55,06,756/- was shown in other current liabilities.
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For EC & Associates
Chartered Accountants
Firm Registration . No. 011752S

A. Chaitanya Kiran
I Chaitanya Kiran
Partner

Membership No. 231212
UDIN: 21231212AAAAFJ8428



Place: Vijayawada
Date: 08-09-2021.

**NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT FOR THE YEAR
ENDED 31st MARCH 2021**

To
The Board of Directors,
ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

As required by the "Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016" issued by the Reserve Bank of India, on the matters specified in Chapter - II of the said Directions to the extent applicable to the Corporation, we report that:

1. The Company had applied for registration as provided in section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and has been granted certificate of registration by Reserve Bank of India on 25th August, 2000 having Registration No. 09.00266. Further, the Company is entitled to continue to hold such registration in terms of its asset/ income pattern as on 31.03.2021.
2. According to information and explanation given to us, the RBI Directions as to deposits are not applicable to the Company, since the company is not accepting any public deposits.
3. The Company has not accepted any public deposits during the year 2020-2021.
4. The financial statements of the Company for the year 2020-21 have been prepared in accordance with recognition and measurement principles of Ind AS prescribed under section 133 of the Companies Act 2013 read with relevant rules issued there under. Accordingly, the Company is following the methodology for computation of Impairment allowance towards provisioning for its loan assets and classification thereof as per Ind AS 109. The Company is of the opinion that the likelihood of default by the borrowers is very minimal. However, the Company has decided to make an impairment loss to the extent prescribed by the RBI norms.
5. The Company is generally regular in filing NBS 7 quarterly returns to Reserve Bank of India.

For EC & Associates
Chartered Accountants

Firm Registration . No. 011752

A. Chaitanya Kiran
I Chaitanya Kiran
Partner

Membership No. 231212

UDIN: 21231212AAAAFJ8423

Place: Vijayawada

Date: 08-09-2021.



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Standalone Balance Sheet as at 31 March 2021

Particulars	Note No.	As on 31.03.2021 (As per Ind AS)	As on 31.03.2020 (As per Ind AS)
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	2	30,21,11,148	2,55,99,82,976
(b) Bank Balance other than Cash and cash equivalents	3	1,14,72,333	4,177
(c) Loans	4	1,62,38,23,62,000	1,10,52,60,00,000
(d) Other Financial assets	5	1,49,51,51,775	1,43,11,22,157
Total Financial Assets (A)		1,64,19,10,97,256	1,14,51,71,09,310
(2) Non-financial Assets			
(a) Current tax assets (Net)	6	18,65,57,591	12,64,041
(b) Property, Plant and Equipment	7	47,574	2
Total Non Financial Assets (B)		18,66,05,165	12,64,043
Total Assets (A+B)		1,64,37,77,02,422	1,14,51,83,73,353
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Debt Securities	8	64,11,00,00,000	60,45,10,00,000
(b) Borrowings (Other than Debt Securities)	9	95,21,88,20,487	50,00,00,00,000
Total Financial Liabilities (A)		1,59,32,88,20,487	1,10,45,10,00,000
(2) Non-Financial Liabilities			
(a) Current tax liabilities (Net)	10	26,04,42,258	1,28,12,392
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)	11	3,425	-
(d) Other non-financial liabilities	12	90,86,30,730	96,05,70,092
Total Non-Financial Liabilities (B)		1,16,90,76,413	97,33,82,484
(3) Equity			
(a) Equity Share capital	13	3,48,37,40,100	3,05,97,40,100
(b) Other Equity	14	39,60,65,422	3,42,50,770
Total Equity (C)		3,87,98,05,522	3,09,39,90,870
Total Liabilities and Equity (A+B+C)		1,64,37,77,02,422	1,14,51,83,73,353

Notes annexed hereto form integral part of Standalone Financial Statements

As Per Our Report Of Even Date

For EC & Associates

Chartered Accountants

FRN 011752S

For and on behalf of Board of Directors

I Chaitanya Kiran

Partner

Membership No. 231212

UDIN: 21231212AAAAF8483

V Abhinaya
Company Secretary

M Ramana Reddy
Chief Finance Officer

Dr. K V V Satyanarayana
Managing Director

Place : Vijayawada

Date : 08-09-2021



For A.P. Power Finance Corp. Ltd.

Director

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Standalone statement of Profit/Loss as on 31 March 2021

	Particulars	Note No.	For the year ended 31.03.2021 (As per Ind AS)	For the year ended 31.03.2020 (As per Ind AS)
	REVENUE FROM OPERATIONS			
(i)	Interest Income	15	12,789,814,546	6,876,397,384
(I)	Total Revenue from operations		12,789,814,546	6,876,397,384
(II)	Other Income	16	-	6,088,930
(III)	Total Income (I+II)		12,789,814,546	6,882,486,314
	EXPENSES			
(i)	Finance Costs	17	11,507,915,818	6,804,419,091
(ii)	Employee Benefits Expenses	18	3,171,874	608,368
(iii)	Depreciation, amortization	7	15,418	11,432
(iv)	Others expenses	19	9,121,805	30,547,480
(V)	Expenses		11,520,224,916	6,835,586,371
(V)	Profit / (Loss) before impairment on Financial Asset/exceptional items and tax (III-IV)		1,269,589,631	46,899,943
(VI)	Impairment on Financial asset		652,138,000	-
(VII)	Profit / (Loss) before exceptional items and tax (V-VI)		617,451,631	46,899,943
(VIII)	Exceptional items		-	-
(IX)	Profit/(Loss) before tax (VII - VIII)		617,451,631	46,899,943
	Tax Expense:			
	(1) Current Tax		255,633,553	12,728,725
	(2) Deferred Tax		3,425	-
(X)	Total Tax Expense		255,636,978	12,728,725
(XI)	Profit / (Loss) for the period from continuing operations (IX-X)		361,814,653	34,171,218
(XII)	Profit/(Loss) from discontinued operations		-	-
(XIII)	Tax Expense of discontinued operations		-	-
(XIV)	Profit/(Loss) from discontinued operations (After tax) (X-XI)		-	-
(XV)	Profit/(Loss) for the period (XI+XIV)		361,814,653	34,171,218
(XVI)	Other Comprehensive Income			
	(A) (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Subtotal (A)		-	-
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income (A + B)		-	-
(XVII)	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)		361,814,653	34,171,218
(XVIII)	Earnings per equity share			
	Basic (Rs.)		10.39	1.12
	Diluted (Rs.)		10.39	1.12

See Accompanying notes to Financial Statements

As Per Our Report Of Even Date

For EC & Associates

Chartered Accountants

FRN 011752S

I Chaitanya Kiran

Partner

Membership No. 231212

UDIN: 21231212AAAAFJ8423

For and on behalf of Board of Directors

V Abhinaya

Company Secretary

M Ramana Reddy

Chief Finance Officer

Place : Vijayawada

Date : 08-09-2021

Dr. K V V Satyanarayana

Managing Director

For A.P. Power Finance Corp. Ltd.

Director



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Cash Flow Statement for the year ended 31st March 2021

PARTICULARS		For the year ended 31-03-2021	For the year ended 31-03-2020
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(loss) after tax as per Statement of Profit and Loss	36,18,14,653	3,41,71,218
	<i>Adjusted For:</i>		
	Depreciation & Assets written off	15,418	11,432
	Deferred Tax Liability/(Asset)	3,425	-
	Interest Earned on Fixed Deposits with Banks and IT Refund	-	-12,44,324
	Operating profit before working capital changes	36,18,33,495	3,29,38,326
	<i>Adjusted For:</i>		
	(Increase)/Decrease in Receivables from AP Govt	14,59,36,723	17,69,99,567
	(Increase)/Decrease in Financial Assets	-39,52,59,891	-1,09,31,12,360
	Increase/(Decrease) in Bonds outstanding	3,65,90,00,000	37,19,40,00,000
	Increase/(Decrease) in Inter Corporate Deposits	7,85,00,00,000	-
	Increase/(Decrease) in Bank Loans	37,36,88,20,487	50,00,00,00,000
	(Increase)/Decrease in Advances to AP Power Utilities	-51,85,63,62,000	-87,26,90,00,000
	Increase/(Decrease) in Trade Payables & Other Financial Liabilities	19,56,90,504	31,87,46,211
	(Increase)/Decrease in Net Current Assets	-3,03,21,74,178	-67,23,66,582
	Net Cash Flow from Operating Activities (A)	-2,67,03,40,682	-63,94,28,256
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	(Increase)/Decrease in Net Investments	-	-
	(Purchase)/Sale of Fixed Assets	-62,990	-
	Interest Received	-	12,44,324
	Net Cash Flow from Investing Activities (B)	-62,990	12,44,324
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Increase/(Decrease) in Equity Share Capital	42,40,00,000	2,89,06,00,000
	Net Cash Flow from Investing Activities (C)	42,40,00,000	2,89,06,00,000
	Net (Decrease)/ Increase in Cash and Cash equivalents (A+B+C)	-2,24,64,03,672	2,25,24,16,068
	Add: Cash and Cash Equivalents at the beginning the year	2,55,99,87,152	30,75,71,084
	Cash and Cash Equivalents at the end of the year	31,35,83,480	2,55,99,87,152
	Reconciliation of Cash & Cash Equivalents		
	Cash in Hand	-	12,104
	Cash at Bank		
	a) In Current Account	30,18,25,891	2,55,98,19,313
	b) In No-Lien Accounts	1,15,08,706	1,55,734
	c) Escrow Accounts	2,48,884	-
	Total Cash & Cash Equivalents at the end of the year	31,35,83,481	2,55,99,87,152

As Per Our Report Of Even Date
For EC & Associates
Chartered Accountants
FRN 011752S

I Chaitanya Kiran
Partner
Membership No. 231212
UDIN: 21231212AAAAFJ8423

Place : Vijayawada
Date : 08-09-2021

For and on behalf of Board of Directors

V Abhinaya
Company Secretary

M Ramana Reddy
Chief Finance Officer

Dr. K V V Satyanarayana
Managing Director

For A.P. Power Finance Corp. Ltd.

Director



ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

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

Notes to account for balance sheet

	31-03-2021	31-03-2020
	Rs.	Rs.
Note 2 Cash and Cash Equivalents		
Balances with Scheduled Bank		
In Current Account with SBI	301,825,891	2,559,819,313
No - Lien Account SBI	36,373	151,559
Bank of India - Escrow A/c.	99,274	-
Bank of Baroda - Escrow A/c.	128,221	-
State Bank of India - Escrow A/c.	-	-
Canara Bank - Escrow A/c.	17,684	-
Union Bank of India - Escrow A/c.	3,705	-
Cash on Hand	-	12,104
	302,111,148	2,559,982,976
Note 3 Bank Balance other than Cash and Cash Equivalents		
No Lien Account - 62265296302	2	-
No Lien Account - 38356359860	290	940
No Lien Account - 62247099961	-	-
No Lien Account - 38356342256	1,887	3,237
No Lien Account - 62213387439	3,089,015	-
No Lien Account - 62235605816	1,217,223	-
No Lien Account - 52117479165	2,322,829	-
No Lien Account - 62167470827	4,584,272	-
No Lien Account - 52117469464	181,967	-
No Lien Account - 52117474699	-	-
No Lien Account - 52117469442	-	-
No Lien Account - 52117479176	74,848	-
Total	11,472,333	4,177
Note 4 Loans		
a. Loans and Advances to AP Discom's - From Banks & Owner Funds	98,924,500,000	50,075,000,000
b. Loans and Advances to AP Discom's - Receivable from Govt. of Andhra Pradesh	59,864,000,000	60,451,000,000
c. Loans and Advances to AP Discom's - Through Issue of Bonds	4,246,000,000	-
Total (d)=(a+b+c)	163,034,500,000	110,526,000,000
e. Less: Impairment Loss allowance	652,138,000	-
Net total (d-e)	162,382,362,000	110,526,000,000
Note 5 Other Financial Assets		
Receivables from AP Govt	-	145,936,723
Receivable from Andhra Pradesh Buildings and Other Construction workers Welfare Board	4,769,202	-
Interest Receivable on Advances	812,578,417	1,283,931,046
Receivable from Telangana State Government	1,255,278	1,254,388
Debt Service Reserve Account - Fixed Deposit with Bank of Baroda	46,635,727	-
Debt Service Reserve Account - Fixed Deposit with Bank of India	628,891,763	-
Security Deposit	800,000	-
APCOS PD Account	67,890	-
Temporary Advance	153,498	-
	1,495,151,775	1,431,122,157
Note 6 Current Tax Assets (NET)		
TDS Receivable	2,547,591	1,264,041
Advance Tax	184,010,000	-
	186,557,591	1,264,041
Note 8 Debt Securities		
1/2005 Bonds Issue 16th Series	-	-
1/2010 Bonds Issue 17th Series	3,683,000,000	4,270,000,000
1/2011 Bonds Issue 18th Series	621,000,000	621,000,000
2/2011 Bonds Issue 19th Series	3,010,000,000	3,010,000,000
1/2012 Bonds Issue 20th Series	1,271,000,000	1,271,000,000
2/2012 Bonds Issue 21st Series	4,046,000,000	4,046,000,000
3/2012 Bonds Issue 22nd Series	7,233,000,000	7,233,000,000
1/2019 Bonds Issue	-	40,000,000,000
1/2020 Bonds Issue 23rd Series	17,897,000,000	-
2/2020 Bonds Issue 24th Series	20,000,000,000	-
3/2020 Bonds Issue 25th Series	2,519,000,000	-
4/2020 Bonds Issue 26th Series	3,830,000,000	-
	64,110,000,000	60,451,000,000

ASSOCIATED
Chartered
Accountants
VIJAYAWADA

Note 9 Borrowings Other than Debt Securities *

State Bank of India
Andhra Bank
Canara Bank
Bank of Baroda
Bank of India

Total (A)

14,99,96,03,178	15,00,00,00,000
15,00,72,22,220	15,00,00,00,000
19,87,00,29,891	20,00,00,00,000
7,49,69,65,198	-
29,99,50,00,000	-
87,36,88,20,487	50,00,00,00,000

* The Borrowings from the banks are guaranteed by state government of Andhra Pradesh

Inter Corporate Deposits

AP Buildings and Other Construction workers Welfare Board
AP Pollution Control Board
AP Southern Power Distribution Corporation Limited Pension & Gratuity
AP Urban Development Fund

Total (B)**Borrowings Other than Debt Securities (A+B)**

1,44,00,00,000	-
1,00,00,00,000	-
4,16,00,00,000	-
1,25,00,00,000	-
7,85,00,00,000	-
95,21,88,20,487	50,00,00,00,000

Note 10 Current Tax Liabilities

Provision for Income Tax
MAT Credit Reversal
GST Payable
TDS Payable
GST TDS
Deferred Tax Asset Reversal

25,56,33,552	1,27,28,726
-	-42,345
-	665
48,05,538	1,27,698
3,168	-
-	-2,352
26,04,42,258	1,28,12,392

Note-11 Deferred Tax

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

3,425	-
-	-
3,425	-

Note 12 Other Non-Financial Liabilities

Payable to APPCCL
Karvy Computershare Pvt. Ltd
One Legal Bay LLP
Unpaid Interest on Bonds
Sri Sai Infotech
GST Consultancy Charges Payable
Internal Audit Fee Payable
Statutory Audit Fee Payable
Outsourcing Staff Salaries Payable
Managing Director Remuneration Payable
Vehicle Hire Charges Payable
Tax Audit Fee Payable
Secretarial Audit Fees Payable
Company Secretary Charges Payable
Guest House Rental Payable
Office Rental Charges Payable
Interest on Canara Bank Term Loan payable
Interest Accrued but not due on bonds
Payable to AP Govt

52,387	32,45,000
59,850	59,850
-	15,750
1,14,74,059	-
3,000	-
10,800	9,000
48,600	21,600
81,000	67,500
-	18,188
29,214	1,11,224
95,060	37,000
9,900	4,500
43,200	-
12,054	-
4,60,788	-
89,224	-
6,83,31,193	-
80,23,23,647	95,69,80,480
2,55,06,754	-
90,86,30,730	96,05,70,092

For EC & Associates

Chartered Accountants

FRN 011752S

UDIN: 21231212AAAAEJ8423

I Chaitanya Kiran

Partner

Membership No. 23 212

Place : Vijayawada

Date : 08-09-2021

For and on behalf of Board of Directors

V Abhinaya
Company Secretary

M Ramana Reddy
Chief Finance Officer

Dr. K V V Satyanarayana
Managing Director

For A.P. Power Finance Corp. Ltd.**Director**

Note 13 Changes in Equity

Particulars	Opening Balance 01.04.2020	Issued during the Year	Closing Balance 31.03.2021
Authorised Capital:			
30,00,00,000 Equity shares of Rs.100/- each	30,00,00,00,000	-	30,00,00,00,000
Issued, Subscribed & Paid up Capital:			
3,48,37,401 Equity Shares of Rs. 100/- each fully paid as on 31.03.2021	3,05,97,40,100	42,40,00,000.00	3,48,37,40,100
305,97,401 Equity Shares of Rs. 100/- each fully paid as on 31.03.2020			

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

Particulars	As at 31.03.2021		As at 31.03.2020	
	No of Shares	% of Equity Share Capital	No of Shares	% of Equity Share Capital
GOVERNOR OF ANDHRA PRADESH	3,48,37,394	99.99%	3,05,97,394	99.99%

Note 14 : Other Equity

Particulars	Securities Premium	Special Reserves	General Reserve	Surplus/(Deficit)	Comprehensive Income	Total
Balance as on 01.04.2020	-	-	-	79,552	-	79,552
Profit After tax during the period to 31.03.2020	-	68,34,244	-	2,73,36,974	-	3,41,71,218
Changes in Fair value of Loans and Advances	-	-	-	-	-	-
Actuarial Gain/Loss on Gratuity	-	-	-	-	-	-
Amount Spent for CSR	-	-	-	-	-	-
Equity Dividend (Including Dividend Distribution Tax)	-	-	-	-	-	-
Transfer from Surplus Account	-	-	-	-	-	-
Transfer to Special Reserve	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-
Transfer to Reserve Fund	-	68,34,244	-	2,74,16,526	-	3,42,50,770
Balance as on 31.03.2020	-	25,39,27,162	-	10,78,87,490	-	36,18,14,653
Profit After tax during the period to 31.03.2021	-	-	-	-	-	-
Changes in Fair value of Loans and Advances	-	-	-	-	-	-
Actuarial Gain/Loss on Gratuity	-	-	-	-	-	-
Amount Spent for CSR	-	-	-	-	-	-
Equity Dividend (Including Dividend Distribution Tax)	-	-	-	-	-	-
Transfer from Surplus Account	-	-	-	-	-	-
Transfer to Special Reserve	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-
Transfer to Reserve Fund	-	-	-	-	-	-
Balance as on 31.03.2021	-	26,07,61,406	-	13,53,04,017	-	39,60,65,422



Notes to Profit and Loss Account

	As on 31-03-2021 Rs.	As on 31-03-2020 Rs.
Note 15 Interest Income		
a) Interest on Loans	12,76,93,71,964	6,87,63,97,384
b) Other Interest		
Auto Sweep - FD Interest	33,28,591	-
FD Interest - Bank of India (DSRA)	1,64,26,718	-
FD Interest - Bank of Baroda (DSRA)	6,87,273	-
	12,78,98,14,546	6,87,63,97,384
Note 16 Other Income		
Grant in Aid	-	60,65,360
Interest on IT refund	-	23,570
	-	60,88,930
Note 17 Finance Costs		
Interest on Bonds	5,21,75,79,090	6,02,27,04,205
Interest on Inter Corporate Deposits	20,23,54,812	
Interest on Loans from Banks	6,08,79,81,916	78,17,14,886
	11,50,79,15,818	6,80,44,19,091
Note 18 Employee Benefit Expenses		
Salaries	26,15,586	-
MD Remuneration	3,43,216	3,89,437
Outsourcing Staff Salaries	2,13,072	2,18,931
	31,71,874	6,08,368
Note 19 Other Expenses		
Trustee Fees	13,07,534	17,14,452
NSE Listing Fee	1,80,000	2,47,800
ROC Filing Fee	16,200	35,800
Custodial Service Fee paid to CDSL & NSDL	1,55,900	1,54,425
Consultant & Professional Charges	4,65,137	4,76,000
Stamp Duty Charges	19,68,750	31,00,900
NSDL Charges	16,225	-
Directors Sitting Fee	-	3,833
Upfront Fees on Bank Loan	-	1,77,00,000
Rating charges	-	42,78,000
Transaction Advisor Fees	-	4,80,000
Vehicle Hire Charges	8,54,662	5,39,922
Folio Maintenance Charges	-	66,500
Office Maintenance	24,833	1,65,763
Bank Charges	11,661	22,760
Administrative Expenses	2,20,627	33,931
Provision on Standard Assets	65,21,38,000	-
Guest House Rent	34,72,074	-
Office Rent	1,05,284	-
GST input reversal	1,62,918	14,03,394
Credit Information Expenses	15,000	20,000
Auditors Remuneration		
For Statutory Auditors	75,000	75,000
For Internal Auditors	25,000	24,000
For Secretarial Auditors	40,000	-
For Tax Auditors	5,000	5,000
	66,12,59,805	3,05,47,480

For EC & Associates
Chartered Accountants
FRN 011752S

I Chaitanya Kiran
Partner
Membership No. 231212
UDIN: 21231212AAAAFJ8421

Place : Vijayawada
Date : 08-09-2021

For and on behalf of Board of Directors

V Abhinaya
Company Secretary

Dr. K.V.V Satyanarayana
Managing Director

For A.P. Power Finance Corp. Ltd.

Director

Note : 7 Property Plant and Equipment (PPE)

Particulars	Property, Plant and Equipment			
	Computers	Office Equipments	Furniture & Fixtures	Total
Gross carrying amount				
Opening balance as on 31.03.2019	185240	138449	68837	392526
Additions/Adjustments				
Deductions/Adjustments				
Closing Balance as at 31.03.2020	185240	138449	68837	392526
Additions/Adjustments	59990	3000		
Deductions/Adjustments				
Closing Balance as at 31.03.2021	245230	141449	68837	455516
Accumulated Depreciation				
Opening balance as on 31.03.2019	173833	138449	68810	381092
For the Period	11406		26	11432
On Assets Sold/Written off from books				
Closing Balance as at 31.03.2020	185239	138449	68836	392524
For the Period	15230	187		15417
On Assets Sold/Written off from books				
Closing Balance as at 31.03.2021	200469	138636	68836	407941
Net Carrying Amount				
As at 31.03.2020	1	0	1	2
As at 31.03.2021	44761	2813	1	47574



Note: 1**Significant accounting policies and notes to accounts:****Company 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 developing, maintain and operating of Power, and relating thereto including but not limited to generation transmission, distribution facility viz., GENCO, TRANSCO, DISCOMs.

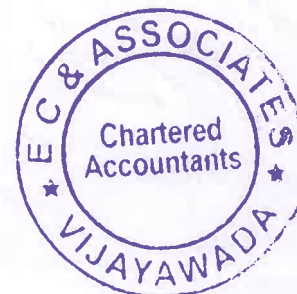
Presentation and Disclosures in Financial Statements:**A. Basis of Preparation and Presentation****a. Statement of Compliance**

The financial statements have been prepared as a going concern in accordance with the Indian Accounting Standard ('Ind AS'), notified under sec. 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendments Rules, 2016 issued by the Ministry of Corporate Affairs (MCA).

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

b. Accounting Convention:

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



1. The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
2. The Receipts in the form of Interest for the payment of Interest on bonds and Interest on Loans given to AP Discom's of Rs. 1276.93 Crores (Previous year: Rs. 687.63 Crores), and Reimbursement of expenses incurred by the company on behalf of the Government is NIL for the year Financial Year 2020-21 (Previous Year: Rs. 60.65 Lakhs).

c. Revenue Recognition:

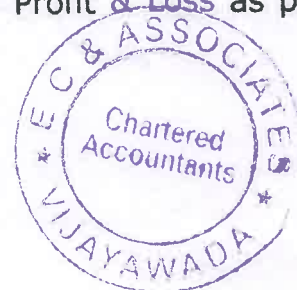
As per Ind AS 109, Financial Instruments, Interest Income from Financial Assets is recognized on an accrual basis using Effective Interest Rate method (EIR). The effective interest rate method is the rate that exactly discounts estimated future cash receipts (including all Fees, transaction costs and other premiums or discounts paid or received) through the expected life of the financial instrument to the carrying amount on initial recognition.

Thus, Interest Income is recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of Financial Assets other than credit – impaired assets and financial Assets classified and measured at FVTPL.

d. Finance Costs

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

The company accounts for the interest expenditure on various series of Bonds, Term Loan from banks in the Statement of Profit & Loss as per Ind AS 109.



e. Financial Instruments:

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

f. Financial Assets / Liabilities

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

Classification of financial instruments

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

1. Financial assets to be measured at amortized cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

g. Measurement Financial Instruments:

1. At amortized cost

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



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

Such Financial assets are subsequently measured at amortized cost using the, Effective Interest rate method.

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

B. Property, Plant and Equipment:

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

Cost:

Property, plant and 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.

C. Depreciation:

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

D. Impairment of Financial Assets

Loan assets

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

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



- Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that does not have objective evidence of impairment.
- Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

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

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 the Company expects to be owed at the time of default

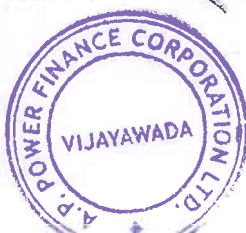
Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis

E. 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 asset 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.

F. Provision on standard Assets/Impairment Loss

APPFCL 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. Hence, the company shall comply with the regulations and guidelines issued by RBI from time to time.

With regard to the Circular RBI/DNBR/2016-17/45, Master Direction DNBR. PD. 008/03.10.119/2016-17 all the NBFCs are required to maintain "Provision on Standard Assets" at 0.40% on the total loans and advances of the company.

The Company shall consider the Impairment on financial assets on Expected Credit loss method as per Ind AS 109. As per Expected credit loss method, the Company has to make impairment based on the probability of default i.e., the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument. The Company is of the opinion that the likelihood of default by the borrowers is very minimal. However, the Company has decided to make an impairment loss to the extent prescribed by the RBI norms.

The Company has not created any Impairment loss / Provision on Standard Assets in the Financial Year 2019-20 due to insufficient reserves. However, the Company created the same during the Financial Year 2020-21.



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

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Outstanding amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Performing Assets							
Standard	Stage 1	16,303 Cr	16,303Cr	0	16,303 Cr	65Cr	(65) Cr
	Stage 2						
Sub Total (1)							
Non-Performing Assets							
Substandard Assets	Stage 3						
Doubtful Assets							
Up to 1 Year	Stage 3	Nil	Nil	Nil	Nil	Nil	Nil
1 to 3 Years	Stage 3	Nil	Nil	Nil	Nil	Nil	Nil
More than 3 Years	Stage 3	Nil	Nil	Nil	Nil	Nil	Nil
Subtotal for doubtful assets		Nil	Nil	Nil	Nil	Nil	Nil
Loss Assets	Stage 3	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total for NPA (2)		Nil	Nil	Nil	Nil	Nil	Nil
Total Loan Assets		Nil	Nil	Nil	Nil	Nil	Nil
Other items which are in scope of Ind-AS 109 but not covered under IRACP norms		Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (3)		Nil	Nil	Nil	Nil	Nil	Nil
Total	Stage 1	16,303 Cr	16,303Cr	0	16,303 Cr	65Cr	(65) Cr



H. Debt Securities and Term Loans:

Unsecured Bonds: Rs.6,411.00 Crores (Previous year Rs. 6,045.10 Crores) and Outstanding Term Loans from Banks of Rs. 8,736.88Crores (Previous year: 5,000 Crores)

- i. The Company has raised funds through private placement of "APPFC BONDS" in the earlier years under various series, but during the current year funds of Rs. 4,424.60 Crores have been raised by the Company through the issue of Bond Series 1/2020, 2/2020, 3/2020 and 4/2020. The common features of the various series of bonds are as under:
- ii. The Bonds carry with them an unconditional and irrevocable guarantee, for the due repayment, both interest and principal, of the Government of AP.
- iii. The redemption of the Bonds/repayment to the bond holders is governed by a "STRUCTURED MECHANISM", through a Tripartite Agreement among the company, Government of Andhra Pradesh and State Bank of India – Trustees to the Bond holders, which assures budgetary support, from Government of Andhra Pradesh for servicing the bonds. The payment of interest on outstanding of bonds and repayment of principal amount of bonds are met/ paid by the company by way of transfer of funds into the designated No-Lien Account out of the monies transferred by the Government of Andhra Pradesh to the company pursuant to the obligations undertaken by it under the said Tripartite Agreement.
- iv. It is to be noted that the Interest and Principal repayment for Bond Series 1/2020, 2/2020 and 3/2020 (partially) would be serviced by the Government of Andhra Pradesh and a Tripartite Agreement was entered into between the company, Government of Andhra Pradesh and State Bank of India – Trustees to the Bond holders. The following are the details of the same:

Bonds Series	Principal Amount
Series 1/2020	1789.70 Crores
Series 2/2020	2000.00 Crores



Series 3/2020	210.30 Crores
TOTAL	4000.00Crores

- v. It is to be noted that the principal and Interest repayment for Bond Series 3/2020 (partially) and 4/2020 would be serviced from APPFCL own funds i.e., from the profits of APPFCL. The details are as follows:

Bonds Series	Principal Amount
Series 3/2020	41.60 Crores
Series 4/2020	383.00 Crores
TOTAL	424.60Crores

- vi. The Repayment of Outstanding Term Loans of Rs. 8,736.88 Crores from the banks is guaranteed by the State Government of Andhra Pradesh vide G.O. Ms. No. 38 dated 29.11.2019, G.O. Ms. No. 42 dated 31.12.2019, G.O. Ms. No. 01 dated 23.01.2020, G.O. Ms. No. 12 dated 31.03.2020, G.O. Ms. No. 24 dated 28.09.2020 and G.O. Ms. No. 27 dated 08.12.2020.

- vii. Outstanding amount of APPFC Bonds at the end of year under different series as follows:

Sl. No.	APPFC Bonds Series	Amount Outstanding (Rs. In Crore) as on		Coupon Rate (%) p.a.	Interest Payable	Tenure in Years	Put/Call Option due at The end of
		31-03-2021	31-03-2020				
1							
2	1/2010	-	17.00	8.49	Semi	10	7 th Year
		368.30	410.00	8.74	Annual	12	10 th Year
3	1/2011	2.10	2.10	9.10	Semi	10	7 th Year
		60.00	60.00	9.60	Annual	12	10 th Year
4	2/2011	63.50	63.60	9.85	Semi	10	7 th Year
		237.50	237.50	9.97	Annual	12	10 th Year
5	1/2012	26.30	26.30	9.50	Semi	10	7 th Year
		100.80	100.80	9.64	Annual	12	10 th Year



6	2/2012	404.60	404.60	9.75	Semi Annual	10	7 th Year
7	3/2012	723.30	723.30	9.75	Semi Annual	10	7 th Year
8	1/2020	1789.70	1/2019 4000.00	8.2	Quarterly	10	NA
9	2/2020	2000.00		8.2	Quarterly	8	NA
10	3/2020	251.90		8.2	Quarterly	8	NA
11	4/2020	383.00	-	8.2	Quarterly	8	NA

During the year, APPFCL has completely redeemed Bond Series 1/2019 of Rs. 4000.00 Crores on 20th May 2020.

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

BANK NAME	SANCTIONED DATE	LOAN AVAILED AMOUNT (Rs. In Crores)	ROI- at the time of sanction	TENURE OF THE LOAN	ROI
SBI Bank loan	17.12.2019	1500	8.50%	2yrs moratorium, 32 quarterly installments commencing from 3rd Quarter of FY 2021-22	7.55% (w.e.f. dec'2020)
Andhra Bank Loan	31.12.2019	1500	8.05% till August 2020	3yrs moratorium, 48 quarterly installments commencing from 31.01.2023	6.9% (W.e.f Nov'2020)
Canara Bank	15.02.2020	600	8.45%	3yrs moratorium, within 12 years in 48 quarterly installment period	7.60%
Canara Bank	17.03.2020	1400			7.60% (w.e.f Feb'2021)
Bank of India	09.04.2020	2000	7.95%	3yrs moratorium, 12 years in 48 quarterly installment period	7.35% (w.e.f May 2021)
Bank of India	30.09.2020	1000	7.40%	1yr moratorium, 11 years in 44 Quarterly installment period	7.40%
Bank of Baroda	11.12.2020	750	7.45%	2yrs moratorium, within 8 years in 32 quarterly installments	7.45%
TOTAL BANK LOANS		8,750			

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



I. Loan to AP Discom's:

The funds mobilized up to 31-03-2021 through issue of Bonds, by way of Loans from banks and from Owner Funds i.e., through issue of equity shares amounting to Rs. 16,303.45 Crores (Rs. 11,052.60 Crores as at 31-03-2020) have been deployed by way of "Loan to AP DISCOMs".

Particulars	As on 31-03-2021 (Rs. in Crore)	As on 31-03-2020 (Rs. in Crore)	As on 31-03-2019 (Rs. in Crore)
Financial Assets:			
-Loan to DISCOMs	16303.45	11094.50	2260.10
-Call Option	-	-	65.60
Total :	16303.45	11094.50	2325.70
Current Assets:			
Other Current Assets	NIL	NIL	NIL
Total :	16,303.45	11,094.50	2325.70

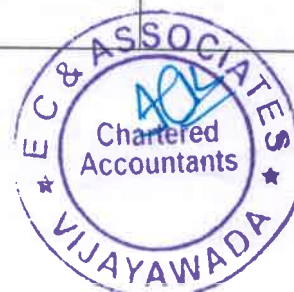
All receivables including the receivables from the AP Government DISCOMs' are subject to confirmation and reconciliation from the respective parties.

J. Managerial Remuneration:

Particulars	Managing Director		
	2020-21 Rs.	2019-20 Rs.	2018-19 Rs.
Salaries, Allowances	--	--	--
Contribution to Provident Fund and welfare fund	--	--	--
Others – Additional Charge allowance to Managing Director	3,43,216.00	3,89,437.00	1,82,880.00

K. Contingent Liabilities:

Particulars	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
Claims against the company, not acknowledged as the debts (A.Y- 2013-2014)	Nil	Nil
Claims against the company, not acknowledged as the debts (A.Y- 2012-2013)	2,15,37,500	2,15,37,500
Trustee Fees – SBICAP (TS Share) (Half Yearly)	4,67,233	Nil
Estimated amount of contracts remaining to be executed on Capital account and not provided for	Nil	Nil



- L.** As per Expert Committee Report the total bond liability, after redeeming Bonds amounting to Rs. 986.20 Crores from the date of bifurcation to till the end of the current financial year (excluding Bonds Issued during the year 2020-21 of Rs. 4,424.60 Crores), as on 31st March, 2021 was Rs.4,908.40 Crores as against this the share of APPFCL was Rs. 1,986.40 Crores and the share of TSPFCL was Rs. 2,922.00Crores. APPFCL is providing service to TSPFCL and all the bonds are in the possession of APPFCL. The interest on the share of TSPFCL, is being paid by TSPFCL to APPFCL for making payment to bond holders.

The Expert Committee for Approval of the Demerger Proposals of Government Companies/Corporations/Entities in the Schedule IX of AP Reorganisation Act, 2014 chaired by Dr. (Mrs) Sheela Bhide I.A.S (Retd) has recommended apportionment of Bond Liability as on 02.06.2014 between M/s. APPFCL and M/s. TSPFCL in the ratio of 40.46% and 59.54% respectively, however TSPFCL had raised an objection vide it's letter dated 28.04.2015, 11.05.2015, 26.05.2015, 29.06.2015, 26.08.2015 and 24.09.2015 etc., addressed to Managing Director/APPFCL over the allocation of 'Outstanding Bonds' (as on 02.06.2014) of Rs. 5,894.60 Crores, in the ratio of 59.54% of Rs. 3,509.60 Crores to TSPFCL and 40.46% of Rs. 2385.00 Crores to APPFCL as per G.O. Ms. No. 28 dated 30.05.2014, claiming that the ratio of allocation was not in accordance with the provisions of Sec. 68 read with Sec. 53 of A.P. Re organisation Act, 2014.

- M.** According to the information, no undisputed amounts payable in respect of Income Tax, wealth Tax, Sales tax, Customs Duty, Excise Duty, Goods and Service Tax and cess were in arrears as at 31-03-2021 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 A.Y 12-13) bearing the Income Tax Demand due to Non-Deduction of TDS on interest on application money (Rs.4,93,77,480/-) paid to various organizations and hence the corporation has not provided for the demand in the Accounts as on 31 March, 2021.

- N.** Following are the bank accounts reflected in the Books of Accounts and the same is reconciled as on 31.03.2021 by the management:

SL NO	SERIES	A/C No.
01	Current Account	52117468653



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

- O.** With respect to the G.O.RT.No.90, dated 05.11.2020, the Government of Andhra Pradesh has sanctioned an amount of Rs. 15,96,97,856/- (Rs. 15,80,00,000/- towards Principal and Rs. 16,97,856/- towards Interest) towards PUT option executed by APPFCL for Bond Series 1/2010 Option B, rate of interest being 8.74%.

With respect to G.O.RT. No. 98, dated 20.11.2020, the Government of Andhra Pradesh has sanctioned an amount of Rs. 26,21,54,280/- (Rs. 25,90,00,000/- towards Principal and Rs. 31,54,280/- towards Interest) towards PUT option executed by APPFCL for Bond Series 1/2010 Option B, rate of interest being 8.74%.

Further, with respect to the G.O.RT. No. 88, dated 05.11.2020, the Government of Andhra Pradesh has sanctioned an amount of Rs. 17,17,74,549/- (Rs. 17,00,00,000/- towards Principal and Rs. 17,74,549/- towards Interest) towards Redemption Bond Series 1/2010 Option A, rate of interest being 8.49%.

- P.** With respect to G.O. Ms. No. 39 & G.O.Ms.No.4, dated 02nd December, 2019 and dated 10th February, 2020 respectively, Government of Andhra Pradesh has passed order for transfer of Assets from Power Utilities to Andhra Pradesh.



Power Finance Corporation Limited and for transfer of APGENCO freehold property (Vacant Land) of 66.43 Crores in Visakhapatnam District and 34.8 Acres in Nellore District to a total extent of 101.31 Cts at Book Value to Andhra Pradesh Power Finance Corporation Limited. However, the issue is still pending and the assets were not transferred and the transfer of Assets was not materialized till date and not incorporated in the Books of Accounts by the financial year ended 31st March, 2021.

Q. Receivable from Andhra Pradesh Government

The C&AG Audit in their audit report for the FY 2019-20, recommended the company to receive Rs. 14.86 Crores from the GoAP towards Outstanding receivables. The Company has requested the GoAP and also received Rs. 14.86 Crores vide G.O R.T. No. 26 dated 08/03/2021. Out of Rs. 14.86 Crores, Rs. 14.59 Crores pertains to the outstanding receivable from the GoAP. The balance amount of Rs. 27 lakhs was adjusted to receivables from AP Govt towards Interest.

R. Payable/Receivable from Telangana Government

Amount received from Telangana State Govt are used for the Telangana state share of interest payment on outstanding amount of debentures as recommended by the Expert Committee. In the FY 2020-21, the Receivables from TS Govt. amounts to Rs. 12,55,278/-. However, in the FY 2019-20 the Receivables from TS Govt. amounts to Rs. 12,54,388/- with a nominal difference of Rs. 890/-

S. Inter-Corporate Deposits:

To achieve the objectives of the company, the company has invited funds from various Government Corporations in the form of Inter Corporate Deposits (ICDs) for the financial year 2020-21 at the rate of interest range from 5.5% to 8% and tenor also ranging between less than 6 months to 10 years and above.



Following is the statement showing the ICDs received by the company as on 31st March, 2021:

Depositor Name	Year	Deposited Amount	Deposited Date	Tenure	Roi
ANDHRA PRADESH URBAN DEVELOPMENT FUND INVESTMENT FUND	2020	1,25,00,00,000	11.09.2020 & 14.09.2020	1 year	6%
ANDHRA PRADESH POLLUTION CONTROL BOARD	2020	1,00,00,00,000	29.09.2020	1 year	6%
Secretary CEO APBOCWW Board VIJAYAWADA	2020	1,44,00,00,000	17.10.2020	1 year	6%
APSPDCL P & G TRUST	2020	1,70,00,00,000	Rs. 110 Crs of 05.12.2020, Rs. 10 Crs 07.12.2020 & Rs. 50 Crs 09.12.2020	5 to 10 years	7.5%
APSPDCL P & G TRUST	2021	80,00,00,000	12.01.2021	5 to 10 years	7.5%
APSPDCL P & G TRUST	2021	80,00,00,000	10.02.2021	10 years & above	8%
APSPDCL P & G TRUST	2021	86,00,00,000	04.03.2021	10 years & above	8%
Total		7,85,00,00,000			

T. Transfer to Investor Education Protection Fund

During the financial year the company has transferred Rs. 2,42,004/- to IEPF account with regard to Series 1/2002 of Rs. 2,21,124 and Series 2/2002 of Rs. 20,880.

The company is yet to transfer Rs. 4,03,620/- pertaining to Series 2/2000 to IEPF account. The reconciliation of Series 2/2000 is as follows:

Reconciliation (Series 2/2000) - A/c no 52117469464				
Un- encashed cheque list -Reconciliation done till 31st March 2021				
SI No	No-Lien A/c no	Debenture Holders	Cheque No	Amount
1	52117469464	Vama Parimal Shah	861096	1,00,000



2	52117469464	Vama Parimal Shah	861091	3,03,620
Total (A)				4,03,620
Bank Balance as on 31.03.2021(B)				1,81,967
Net Difference (A+B)				2,21,653

The bank balance available in State Bank of India A/c no. 52117469464 as on 31st March, 2021 is Rs. 1,81,967. Hence, amount is to be credited into this account so as to enable transfer to IEPF account.

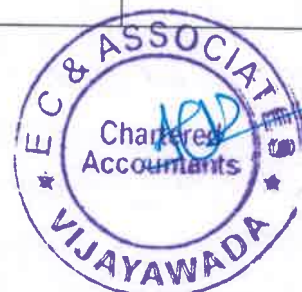
U. Receipt from Andhra Pradesh Government

The Government of Andhra Pradesh sanctioned an amount of Rs. 102.63 Crs for the payment of regular quarterly interest due on 23.04.2020 for the period from 23.01.2020 to 23.04.2020 i.e. for 91 days @ 10.32% on APPFCL Bonds Series 1/2019 of Rs. 4000 Crs from the available Budget FY 2020-21 under the Head of Account: 2801-05-MH. 800-SH.(11)-310-312.

It is to be noted that APPFCL Board approved to avail a term loan of Rs. 2000 Crs from Bank of India for repayment of Bonds against Unrated & Unlisted Bonds Series 1/2019 Issued of Rs. 4000 Crores on 23.04.2019 due to high Interest rate burden.

In this connection, it is to inform that the Bonds Series 1/2019 redeemed as shown in the following dates and the interest utilized for the same.

DATE	PARTICULARS	NARRATION	TYPE	AMOUNT
09/04/2021	Govt. Receipt- Interest on Bonds	For Quarterly Payment of Interest due on 23/4/2021 for 1/2019 Series	Receipt(a)	1 02 ,63 ,60 ,656
09/04/2020	Interest on Bonds - AP Govt	Being the Amount Transferred towards Interest on Bonds Series 1/2019 due on 09.04.2020	Payment(b)	43,42,29,508
23/04/2020	Interest on Bonds - AP Govt	Being the Amount Transferred towards Interest on Bonds Series 1/2019 due on 23.04.2020	Payment(c)	51,31,80,328



20/05/2020	Interest on Bonds - AP Govt	Being the Amount Transferred towards Interest on Bonds Series 1/2019 due on 20.05.2020	Payment(d)	5,14,64,656
11/09/2020	Interest on Bonds - AP Govt	Being the Amount Transferred towards Interest on Bonds Series 1/2019 due on 11.09.2020	Payment(e)	19,79,410
Being excess amount received from the govt towards payment of interest for the Bond series 1/2019 (a-b-c-d-e)				2,55,06,754/-

The excess amount received from Government as shown above table has been considered as Other Non-Financial Liability and disclosed at Note 12.

V. Debt Service Reserve Account (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, 2021:

Sl. No.	Bank Name	Receipt No.	Date	Amount
1	Bank Of India - 1st Deposit	BOI/VJA/APPFCL/2020-21:04	05-10-2020	13,26,00,000.00
2	Bank Of India - 2nd Deposit	BOI/VJA/APPFCL/2020-21:03	05-10-2020	6,25,00,000.00
3	Bank Of India - 3rd Deposit	BOI/VJA/APPFCL/2020-21:02	05-10-2020	41,75,00,000.00
4	Bank Of Baroda - 1st Deposit	BOB:BENVIJ:ADV:APPFCL:2020-21:01	21-12-2020	4,60,00,000.00
TOTAL DSRA DEPOSITS FOR THE FY 2020-21				65,86,00,000.00

W. Capital Adequacy Ratio

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

As on	CRAR %
31 st March, 2019	10 % (Min Tier I - 7%)
31 st March, 2020	12 % (Min Tier I - 8%)
31 st March, 2021	13 % (Min Tier I - 9%)



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.

The calculation of CRAR % of the company is as under:

CRAR for Tier I Capital			
Particulars	Loans & Advances amount	Risk %	CRAR of APPFCL : 2020-21
Loan Amount	16303.45 Cr	20%	3,260.69
Capital	-	-	387.96
CRAR % calculated (Capital/Loan Amount)			11.90 %

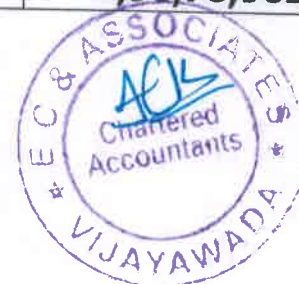
CRAR for Tier II Capital			
Particulars	Loans & Advances amount	Risk %	CRAR of APPFCL : 2020-21
Loan Amount	16303.45 Cr	20%	3,260.69
Capital	-	-	65.21
CRAR % calculated			2.00 %

The company has maintained CRAR at 13.88%. The CRAR requirement as per roadmap is 13%. Hence, the company has complied with the CRAR requirement as per the RBI roadmap as on 31st March, 2021.

- X. There was an amount payable by TSPFCL of Rs.29,67,544/-for common expenses towards their share of Bonds, however the amount was not paid till the date and since APPFCL was Parent company, the amount was shown as Contingent Liability. However, M/s. APPFCL deducted TDS on the total amount in order to comply with provisions of Income Tax Act, 1961 and has not claimed the expenses to the extent of amount payable by TSPFCL.

Y. Calculation of Current Tax Liabilities for the F.Y.2020-21

Particulars	Amount (in Rs.)
Advance Income Tax and TDS (A)	18,65,57,591
Tax Deposited on income tax demands under contest (B)	-
Total Current Tax Assets (C)=(A+B)	18,65,57,591
Provision for income tax net of Advance Tax (D)	25,56,33,553
Provision for income tax for demand under contest	-
Total Current Tax Assets E=(D-C)	6,90,75,962



(22) "A.P" / "AP" mentioned in this Financial statements shall be read as "Andhra Pradesh"

(23) Regrouping and reclassification has been done where ever necessary

For EC & Associates

Chartered Accountants

Firm Regn.No.011752S

I Chaitanya Kiran

I Chaitanya Kiran
Partner

Membership No.231212

UDIN: 21231212AAAAFJ8423



For and on behalf of Board of Directors

M. Ramana Reddy
M. Ramana Reddy
Chief Financial Officer



Place: Vijayawada
Date: 08-09-2021

Dr K.V.V. Satyanarayana
Dr K.V.V. Satyanarayana
Managing Director

For A.P. Power Finance Corp. Ltd.

[Signature]
Director