BOARD OF DIRECTORS AS ON 06.12.2021

Sri Srikant Nagulapalli, IAS Secretary, Govt. of A.P. Energy Department	Chairman
Sri K.V.N. Chakradhara Babu, IAS	Director
Sri. Anil Kumar Kutty (upto 06.08.2020)	Director
Sri. C. Srinivasa Rao (upto 23.08.2021)	Director
Dr. Usha Ramachandra (upto 08.12.2020)	Independent Director
Sri. P. Narendranath Chowdary	Director
Sri T.G. Bharath	Director
Dr.Ramachandra N. Galla (upto 16.04.2021)	Director
Sri R.P. Agarwal	Director
Dr. V.N. Rao	Independent Director
Sri D Muruganandam	Director
Sri CA. D. Venkateswara Reddy	Managing Director

CONTENTS

32nd ANNUAL GENERAL MEETING

Date : 30.12.2021
Day : Thursday
Time : 12:30 P.M.
Through Video Conferencing/ other Audio Visual Means (VC)

MANAGEMENT TEAM

MANAGING DIRECTOR	:	Sri CA. D. Venkateswara Reddy
GENERAL MANAGER (OPERATIONS)	:	Sri M. Chitti Babu
COMPANY SECRETARY	:	Sri M.V.R.L.S. Rao
O & M CONTRACTOR	:	OEG India (P) Ltd.,
STATUTORY AUDITORS	:	M/s. K.S. Rao & Company, Hyderabad.
INTERNAL AUDITORS	:	M/s. Sagar & Associates, Hyderabad.
COST CONSULTANTS	:	M/s. Narasimha Murthy & Company, Hyderabad.
SECRETARIAL AUDITORS	:	Sri V.B.S.S. Prasad Practicing Company Secretary, Hyderabad.
BANKERS	:	Union Bank of India, Mid Corporate Branch, Madhapur, Hyderabad
REGISTERED OFFICE	:	# 201, 2nd Floor, My Home Sarovar Plaza, Secretariat Road, Saifabad. Hyderabad – 500 063, Telangana.
PLANT	:	A.P. Gas Power Corporation Limited, Gas Turbo Power Station, Vijjeswaram – 534 350, Kovvur Mandal - W.G. District, A.P.

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 32nd **(Thirty Second) Annual General Meeting** of the Members of Andhra Pradesh Gas Power Corporation Limited will be held on Thrusday the 30th day of December, 2021 at 12.30 PM through Video Conferencing (VC)/other Audio Visual Means to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2021 and Profit and Loss Account and other Financial Statements together with Notes there to for the Financial Year ended 31st March, 2021 together with the Report of Auditors' and Directors' thereon.

2. To appoint a Director in place of Sri. R.P. Agarwal, who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a Director in place of Sri. T G Bharath who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. To remove Sri Nagulapalli Srikant, IAS, Director, representing A.P. Transco

   To consider and if thought fit to pass the following resolution with or without modifications as an **Ordinary Resolution.**

   Resolved that as per Section 169(2) read with Section 115 of the Companies Act, notice for removal of Sri Nagulapalli Srikant, IAS received by APGPCL stating that Sri Nagulapalli Srikant, IAS representing A.P. Transco be and is hereby removed from the office of Director of APGPCL because APGPCL has auctioned all the shares (58.8 MWs) of A.P. Transco to recover the dues of Rs.139 crores.

5. To remove Sri K.V.N Chakradhara Babu, IAS, Director, representing A.P. Transco

   To consider and if thought fit to pass the following resolution with or without modifications as an **Ordinary Resolution.**

   Resolved that as per Section 169(2) read with Section 115 of the Companies Act, notice for removal of Sri K V N Chakradhara Babu, IAS received by APGPCL stating that Sri K.V.N Chakradhara Babu, IAS representing A.P. Transco be and is hereby removed from the office of Director of APGPCL because APGPCL has auctioned all the shares (58.8 MWs) of A.P. Transco to recover the dues of Rs.139 crores.

6. To amend the following provisions/clauses in MoUs and in Articles of Association

   To consider and if thought fit to pass the following resolution with or without modifications as an **Special Resolution.**

   "Resolved that Clause 17 (a) is deleted and the following Clause is inserted.

   "The unused power of Stage-I, if any, will be allocated to the needy participating industries of Stage-I on prorata basis and after meeting all the requirements of stage-I shareholders, still if any unused power is available that will be allocated to stage-II shareholders on prorata basis and that there are no minimum charges will be levied from 01.01.2022 onwards for Stage-I shareholders. There are no demand charges for Stage-I shareholders with effect from 01.01.2022.

   "Resolved that Clause 2.6 of MoU II is deleted and the following clause is inserted.

   "The unused power of Stage-II, if any, will be allocated to the needy participating industries of Stage-II on prorata basis, and after meeting all the requirements of stage-II shareholders, still if any unused power is available that will be allocated to stage-I shareholders and that there are no minimum charges will be levied from 01.01.2022 onwards for Stage-II shareholders."

   "Resolved that Article 14 (1) is replaced in the following manner and Article 14 (3) is deleted.

   "The Chairman of the Company would be elected by the Members of the Board.

7. Ratification of excess remuneration paid to Managing Director to the extent of Rs.372.80 lakhs and recovery of the said amount is waived as per Section 197(9) & (10) of the Companies Act 2013.

   To consider and if thought fit to pass the following resolution with or without modification as a **Special Resolution.**

   "Resolved that in continuation of the resolution passed at the 30th Annual General Meeting held on 05.09.2019, approval/ ratification be and is hereby accorded for the amounts paid to the Managing Director on par with other employees in the organisation as approved by the Board at its meeting held on 24.12.2016 with respect to Advance Increments Scheme by giving one increment for completion of service of every 6 years/12 years / 18 years/ 24 years/30 years at the rate of 10% and normal increment of 10% every year and 15% for every third year as approved by the Board at its meeting held on 03.09.2014 on par with other employees in the organisation, payment of pay scale revision arrears, DAs, every year incentives as per new pay scales approved by the Board at its meeting held on 29.01.2021 on par with other employees in the organisation, and other amounts pertaining to COVID relief, and winning of legal cases (which involves crores of rupees at various courts), all together an amount of Rs.3,72,87,952/-."

   "Further Resolved that the recovery of Rs.3,72,87,952/-, is waived as per Section 197 (9) & (10) of the Companies Act 2013".

   "Further Resolved that the present remuneration of the Managing Director is Rs.20,12,614/-, per month as on 31.03.2021 and other benefits/amounts such as increments / D.As / Pay revision and other such amounts as are decided by board to other employees are also aplicable to the M.D. for the next three years including Company car with Driver for official use."

By order of the Board

Sd/-
M.V.R.L.S. Rao
Company Secretary

Place : Hyderabad
Date : 06.12.2021

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE TIME FIXED FOR THE MEETING. **(A PROXY FORM IS ENCLOSED).**

REQUEST TO SHAREHOLDERS:

1. Member(s) desiring any information as regards the Accounts of the Company are requested to write to the Company's Registered Office at least 10 days before the date of the meeting so as to enable the management to keep the information ready.
2. Shareholders are requested to bring this Annual Report to the meeting.
3. APGPCL received from Ministry of Corporate Affairs vide letter dated 07.09.2021 (SRN T40435737 on 03.09.2021) approval for extension of 3 months time for the purpose of holding Annual General Meeting.
4. We are enclosing herewith the ZOOM Link through which the members can directly join the 32nd Virtual Annual General Meeting at 12.30 PM on Thursday the 30th December, 2021. The members joining the virtual AGM should type your company name and also tell your company's name and your name after joining the virtual AGM, so that your presence will be recorded in the ZOOM Video. Please send your Board Resolutions by Email to *apgpcl@gmail.com,* that you are authorized to attend the 32nd AGM on behalf of your Company. The Zoom Link is as follows.

Topic: APGPCL - 32nd Annual general Meeting
Time: Dec 30, 2021 12:30 PM India

Join Zoom Meeting
https://us02web.zoom.us/j/88339155742?pwd=OEV3NEplaWJNemtNbS9VL0ZvRkpPUT09

Meeting ID: 883 3915 5742
Passcode: 765060

EXPLANATORY STATEMENT AS PER SECTION 102 (1) OF THE COMPANIES ACT, 2013 :

Item No.4

APGPCL has received Letter Dt. 13.10.2021 from Kusalava International Limited, shareholder of APGPCL having 187600 shares proposing for removal of Sri Nagulapalli Srikant, IAS, Director, representing A.P. Transco as APGPCL has sold all the shares of A.P. Transo to the extent of 58.80 MWs (42.80 MWs Stage-II and 16.00 MWs Stage-I) to recover the dues of Rs. 139 crores. APGPCL has sent on 14.10.2021 a copy of the letter Dt. 13.10.2021 received from the said shareholder to Sri Nagulapalli Srikant, IAS, Director requesting to give any explanations in regard to this matter before 25.10.2021. However, APGPCL has not received any explanation from Sri Nagulapalli Srikant, IAS, Director, representing A.P. Transco.

The Board of Directors recommend to pass the said resolution. None of the Directors or Key Management Personnel is or are interested in the said resolution except Sri Nagulapalli Srikant, IAS, Director, representing A.P. Transco.

Item No.5

APGPCL has received Letter Dt. 13.10.2021 from Kusalava International Limited, shareholder of APGPCL having 187600 shares proposing for removal of Sri. K.V.N Chakradhara Babu, IAS, Director, representing A.P. Transco as APGPCL has sold all the shares of A.P. Transo to the extent of 58.80 MWs (42.80 MWs Stage-II and 16.00 MWs Stage-I) to recover the dues of Rs. 139 crores. APGPCL has sent on 14.10.2021 a copy of the letter Dt. 13.10.2021 received from the said shareholder to Sri K.V.N. Chakradhara Babu, IAS, Director, requesting to give any explanations in regard to this matter before 25.10.2021. However, APGPCL has not received any explanation from Sri K.V.N. Chakradhara Babu, IAS, Director, representing A.P. Transco.

The Board of Directors recommend to pass the said resolution. None of the Directors or Key Management Personnel is or are interested in the said resolution except Sri K.V.N. Chakradhara Babu, IAS, Director, representing A.P. Transco.

Item No.6

Consequent up on sale of 58.80 MWs of APTRANSCO, Clause 17(a) of MoU-I and cluase 2.6 of MoU-II are redundant and needs to be deleted. In view of this the following clause 17 (a) is deleted

17 (a) It is agreed that if the power generation by APGPCL could not be utilized by the Participating Industries either in full or in part, then A.P.Transco. shall have first claim to utilize such power. The price for such surplus energy shall be mutually settled between A.P. Transco. and APGPCL based on fuel cost plus O&M charges plus depreciation but not exceeding rate for energy as per HT category-I of A.P. Transco.and the following clause is inserted.

And the following clause is inserted.

"The unused power of Stage-I, if any, will be allocated to the needy participating industries of Stage-I on prorata basis and that there are no minimum charges will be levied from 01.01.2022 onwards for Stage-I shareholders. There are no demand charges for Stage-I shareholders with effect from 01.01.2022.

Clause 2.6 of MoU II is deleted which is as follows consequent up on sale of 58.80 MW of A.P. TRANSCO.

When a Participant Industry, for any reason is unable to utilize its full share of energy from APGPCL, it shall give an advance notice of at least 15 days before the Billing Month to APGPCL. APGPCL shall then reallocate the surrendered energy of the Participant Industry on pro-rata basis, among those of the rest of the Participants who require additional power. However, when the advance notice is not received by APGPCL within the stipulated period mentioned above, the unutilized power shall be fully allocated to A.P. Transco

And the following clause is inserted:

"The unused power of Stage-II, if any, will be allocated to the needy participating industries of Stage-II on prorata basis and that there are no minimum charges will be levied from 01.01.2022 onwards for Stage-II shareholders."

Article 14 (1) and 14 (3) are deleted which are as follows consequent up on sale of 58.80 MW of A.P. TRANSCO.

14 (1) " A.P. Transco shall be entitled to nominate three Directors on the Board of the Company. A.P. Transco shall be entitled to remove any or all of the Directors nominated by them from the office and to nominate any other person[s]. The Directors so nominated shall not be liable retire by rotation subject to the provisions of Section 255, 256 and 257 of the Act. Out of the Directors so nominated, A.P. Transco may designate one as Chairman.

14 (3) except the Directors nominated by A.P.Transco all the remaining Directors shall be elected by the Members of the company in the General Meeting.

And the following clause is inserted as Article 14 (1).

"The Chairman of the Company would be selected by the Members of the Board.

The Board of Directors recommends to pass the said resolution. None of the Directors or Key Management Personnel is or is interested in the said resolution.

Item No.7

The Board at its meeting held on 24.12.2016, approved Advance Increment Scheme of giving one increment for completion of service of 6 years/12 years / 18 years/ 24 years/30 years including the Managing Director. The Board at its meeting held on 03.09.2014, approved 10% increment every year and 15% increment for every third year to all the employees in the organisation and the same is applicable to the Managing Director. The Board at its meeting held on 29.01.2021, approved revision of pay scales for all CTC employees and is same is applicable to Managing Director also including arrears, DAs if any. The other amounts pertaining to COVID allowance and the amounts paid for winning the cases at various courts paid to all employees including Managing director. The total amounts' pertaining to all the above matters comes to Rs.3,72,87,952/-.

It is to inform you that the present remuneration of the Managing Director is Rs.20,12,614/-, per month as on 31.03.2021 and other benefits/amounts such as increments / D.As / Pay revision and other such amounts as are decided by board to other employees are also aplicable to the M.D. for the next three years including Company car with Driver for official use.

Whatever extended by the Board of the salary of Managing Director when Rs.3 lakhs to Rs.11 lakhs in which including pay revision and periodical increments and DAs and other benefits extended to the other employees of the Company and the same procedure has been followed from Rs.11 lakhs to Rs.20 lakhs per month by the company. So there are no deviations to the extended salary to the Managing Director.

We explained here under the remuneration drawn by the Managing Director since inception of taking charge as Managing Director from 12.04.2012.

The Managing Directors' remuneration as on the date of intial appointment i.e. 12.04.2012 was Rs.3,00,000/- per month. In the year 2015-16 the Managing Director was paid PRC-Revision of Pay Scale and increased his salary from Rs.3,70,875/- to Rs.5,00,000/- per month. Thereafter DAs paid to other employees are also paid to the Managing Director on par with other employees in the organization.

In 2016-17 normal increment@10% was given and also another 10% was given under Advance Increment Scheme (for every 6/12/18/24/ 30 years) on par with other employees in the organization.

In the year 2017-18, 15% increment was given (for every 3rd year) as was given to the other employees in the organization. The salary as on 01.04.2020 was Rs.10,86,335/- and the salary as on 31.03.2021 was Rs.20,12,614/- per month and the reasons for the sudden increase was due to (i) pay scale revision with arrears of increment from 01.04.2018 onwards; (ii) 15% increment under Advance Increment Scheme together with 10% normal increment; (iii) D.As; (iv) incentive for completion of major overhauls less than the scheduled time/ sale of shares/ Covid/ winning of favorable stay orders at AP and Telangana High Courts/ etc,.

The Board of Directors recommends to pass the said resolution. None of the Directors or Key Management Personnel is or is interested in the said resolution.

By order of the Board

Place : Hyderabad.

Date : 06.12.2021

Sd/-

(M.V.R.L.S. Rao)

Company Secretary

DIRECTORS' REPORT

The Directors of your Company have great pleasure in presenting the 32nd Annual Report of the Company together with the Audited Accounts for the Financial Year ended on 31st March, 2021.

The summarized Financial Results of the Company for the year ended on 31st March, 2021 and for the previous year are as follows:-

FINANCIAL RESULTS: **(Rs. in lakhs)**

Particulars	Year ended 31.03.2021	Year Ended 31.03.2020
Revenue from Sale of Energy	43,859	42,065
Other Income	496	812
Total Income	**44,355**	**42,877**
Less: Power & Fuel	**35,447**	**29,655**
Other Expenses.	**11,332**	**6,540**
	46,779	**36,195**
Profit/(loss) before Interest, Depreciation & Taxation	(2424)	6,682
Less: Finance Charges.	**354**	**273**
Depreciation	788	**769**
	1,142	**1,042**
Profit / (Loss) before taxation	**(3,566)**	**5,640**
Exceptional Income		
Profit/(loss) before tax	(3,566)	5,640
Current Tax(MAT)		1,550
Earlier Years		(37)
Deferred Tax	(726)	(778)
Tax Expenses	**(726)**	**735**
Profit/(loss) of the year	(2,840)	4,905
Less: Other Comprehensive Income	(40)	(17)
	(40)	(17)
Total Comprehensive Income	(2,880)	4,888
Add: Profit brought forward	14,105	9,217
Balance Profit carried to Balance Sheet.	**11,225**	**14,105**

During the year the Company's revenue from sale of energy increased by Rs.1794 lakhs even though tariff rate has come down Rs.0.65 paisa stage I and Rs.0.72 paisa to stage II when compared to previous year generation of units 2430 lakhs increased because of APGPCL has entered agreement with GAIL for supply of S1 Additional Gas with effect from 27.12.2019. The loss before interest, depreciation and tax was Rs. (3566) lakhs due to Major Overhauls taken place for Stage-II during the financial year against Rs. 5640 lakhs for the previous year.The profit/(loss) before tax was (Rs.3566) lakhs against the previous year of Rs.5640 lakhs. Theprofit/(loss) after tax was (Rs.2880) lakhs arrived after adjustments of current and deferred tax against profit of Rs. 4888lakhs and other comprehensive income/(loss) (net of tax) due to re-measurement of defined benefit plans Rs. (40) lakhs compare to previous year (17) lakhs.

Reply to Statutory Auditors in their Audit report gave qualified opinion in regard to excess remuneration paid to the Managing Director of Rs.372.80 lakhs.

In this regard this is to inform to the shareholders that the Board has considered the said report in detail and resolved to refer the matter of ratification of excess remuneration paid to Managing Director of Rs.372.80 lakhs and waiver of the said amount of refund to the company. The said item is included in the notice of Annual General Meeting as at Point No.7 for consideration of shareholders.

Information to Shareholders:

The GAIL India Limited has extended GSTA (Gas Supply and Transportation Agreement) for another period of Five years with effect from 07.07.2021 to 06.07.2026. Even though several hardships created by A.P. Trasnco/Discoms, APGPCL succeeded in getting GSTA agreement for another period of five years which is a golden opportunity for APGPCL and its shareholders. We are also trying to maximize the production at base load depending upon the available fuels and in this regard APGPCL tendered for ONGC gas through E-bidding process which is pending due to legal hurdles facing by ONGC.

The APGPCL management is negotiating with M/s.GAIL and M/s.ONGC officials at Delhi to work out the new gas availability to maximize the generation at base load and any news in this regard will informed to all the shareholders shortly.

APGPCL will also go for open tenders for allocation of gas blocks. This is a new trend followed by ONGC . With this if APGPCL will be allocated any gas blocks, APGPCL can explore the gas and the same may be utilized for APGPCL's power generation fully. It is expected that in January, 2022 MOPNG/ONGC will call for open tenders.

Proposed Electricity Bill in the Parliament:

APGPCL will take all the advantages of proposed Electricity Bill in Parliament, once it is passed. One of the major reforms is that privatization of Discoms and Electricity unit's sale on cash and carry basis. APGPCL will shortly modify the relevant clauses of MOUs consequent upon exit of A.P. Transco as Shareholder and also after new Electricity Bill is enacted by the parliament.

COVID-19 and other subsequent Lock Downs:

APGPCL plants were closed from 01.04.2020 to 07.05.2020 in view of COVID-19 and subsequent Lock Downs for a total period of 38 days. Due to this APGPCL lost generation of units 135 MU for 38 days. This is not meant for APGPCL alone and meant for the industries in the world as a whole. As Government of India, took a decision that all industries had to be closed due to COVID-19. The State Government also proposed the same Lock Down rules of Central Government resulting in APGPCL Plant was closed**.**

Completion of transfer of shares belongs to A.P. Transco in Stage-I (16.00 MWs) and Stage-II (42.80 MWs) to the existing and new customers of APGPCL:

APGPCL has exercised lien on shares of A.P. Transco as decided by APGPCL Board at its meeting held on 30.07.2020. Accordingly, the following share transfers to the successful bidders have been completed.

S.No	Name of Industry	MWs	Stage-II No. of shares	Distinctive Numbers	Certificate Number
01.	TGV SRAAC Ltd	24.00	28,94,400	26800071-29694470	214
			35,37,600	46096120-49633719	215
		4.15	11,12,200	50611920-51147919	218
				51951920-52528119	220
		1.34	3,59,120	54313000-54672119	226

02.	Grindwell Norton Ltd	2.65	7,10,200	49633720-50343919	216
03.	Maharishi Rice Mills P.Ltd	1.00	2,68,000	50343920-50611919	217
04.	Vinayaka Steels Ltd	5.66	15,16,880	51147920-51951919	219
				53064120-53776999	223
05.	Sri Shiva Spinning Mill Pvt Ltd	1.00	2,68,000	52528120-52796119	221
06.	SreeSatyanarayana Spinning Mill Ltd	1.00	2,68,000	53777000-54044999	224
07.	Dinakar Fabrics Pvt Ltd	1.00	2,68,000	54045000-54312999	225
08.	Mahrishi Alloys Pvt Ltd	1.00	2,68,000	52796120-53064119	222
	TOTAL	**42.80**			

S.No	Name of Industry	MWs	Stage-I No. of shares	Distinctive Numbers	Certificate Number
01.	Aparna Eneterprises Ltd	2.00	5,36,000	21038071-21574070	227
02.	Chowdary Spinners Pvt Ltd	3.00	8,04,000	21574071-22378070	228
03.	Thatavarthi Apparels Ltd	3.00	8,04,000	22378071-23182070	229
04.	Mohan Spintex India Ltd	8.00	18,76,000	23182070-25058070	230
			2,68,000	13534071-13802070	231
	TOTAL	**16.00**			

The amounts being received are adjusted against the AP Transco dues which are as follows.

S.No	Particulars	Amount Rs. in Crores
01.	Dues as on 31.12.2020 on which month share transfers were last completed and A.P. Transco is not a shareholder since that date.	139.78
02.	Amount being received in auction of shares of Stage-I and Stage-II	118.52
03.	Short fall amount to be received from A.P. Transco (01-02)	21.26

Therefore, A.P. Transco was requested to pay the shortfall amount of Rs.21.26 crores immediately to enable us carryout the operations of the Company smoothly, and if A.P. Transco does not pay start the process legally for collection of the said amount".

Updation of Court cases of the Company.

Nature of case: **GAIL Vs APGPCL:**

GAIL has raised a demand for Rs.931 Crores for the period 01.07.2005 to 31.10.2014 towards differential pricing for non-APM Gas. While alleging that APGPCL is entitled only for non-APM gas and that APGPCL did not disclose its constitution and composition, because of which the GAIL supplied Natural Gas at APM pricing, GAIL raised the above demand. Arbitrator was appointed to adjudicate upon the said issue. APGPCL has demonstrated before the tribunal by mentioning 13 instances which conclusively establish that GAIL had knowledge of APGPCL's constitution and that GAIL has consciously supplied APM Gas. In the Arbitration proceedings before Justice G.P. Mathur APGPCL could unearth documents which establish that GAIL consciously did not levy non-APM charges pending clarification from MoPNG. GAIL raised a counter claim for the above amounts with interest and also the differential price for the above period. Despite taking the above pleas, unfortunately, the arbitrator has dismissed our claim and allowed the counter claim of GAIL. Unfortunately the learned arbitrator has given findings which are not supported by any material and without proper appreciation of unimpeachable evidence placed before the tribunal. The said award has been challenged before the Hon'ble High Court of Delhi under Sec.34 of Arbitration and Conciliation Act, 1996. APGPCL has completed their arguments and the same is now posted to 10.01.2022 for the arguments of GAIL. **We have a very good case and probabilities of success are immensely high**.

Nature of case: **Non-Allocation of Units by A.P. Discoms to A.P. Shareholders – APGPCL got favorable Interim Order from Hon'ble High Court of A.P. – APGPCL also persuaded the shareholders in A.P. to get stay orders for their companies individually – Most of the shareholders got similar interim order as of APGPCL – However, A.P. Discoms are not adhering to interim orders of hon'ble High Court of A.P.**

Parties: APGPCL Vs A.P. DISCOMs/A.P.Transco

W.P.No.1512 of 2021 was filed by APGPCL before the Hon'ble High Court of Andhra Pradesh challenging the action of DISCOMs in not giving credit to the units generated and allotted by APGPCL to its shareholders. Hon'ble High Court has granted interim order dated 22.01.2021 directing the DISCOMs to give credit to the power allocated to its shareholders.

Later the Discoms, on the ground that APGPCL and its shareholders have not entered into Open-Access agreement, stopped giving credit to the units supplied by APGPCL. While referring to W.P.No.13182 of 2015 (which is filed by APGPCL challenging the action of Transco/Discoms in insisting for entering into open access agreement and where interim orders have been passed in favour of APGPCL) and W.P.No.1512 of 2021, few of the shareholders have approached the Hon'ble High Court of Andhra Pradesh and obtained direction to DISCOMS and to give credit to the power supplied by APGPCL.

Nature of case:	**Non-Allocation of Units by T.S. Discoms to Shareholders of Telangana who purchased shares recently on the ground that APGPCL interim order of 2015 in regard to open access is not applicable to them.**
Parties:	M/s Maharshi Rice Mills Pvt. Ltd and M/s Vinayak Steel Limited Vs T.S. Discoms
	M/s Maharshi Rice Mills Pvt. Limited and M/s Vinayak Steel Limited purchased the shares of A.P.TRANSCO from APGPCL. Such purchase was not re-cognised by the DISCOMs on the ground that the said shareholders did not enter into open access agreement by the said shareholders. As already mentioned above, the issue of entering into the open access agreement is already pending adjudicating before the Hon'ble High Court in W.P.No.13182 of 2015, in which interim order dated 30.04.2015 has been issued in favour of APGPCL. There upon there was no demand to enter into the open access agreement. Citing the same, the above mentioned two shared holders filed WP.No.22915 of 2021 and W.P.No. 21304 of 2020 before the Hon'ble High Court of Telangana. Hon'ble High Court of Telangana has allowed both the W.P's directing the DISCOMS not to insist for entering into the open access agreement vide judgement dated 03.02.2021 and 27.01.2020.

Nature of case :	**Wheeling charges case.**
Parties :	A.P. Transco and APERC Vs APGPCL& other 45 companies.
Gist of the case :	APERC passed an order that APGPCL and IPPs had to be paid Wheeling Charges @ 28.4% in kind and 50 paise per KWH in cash, which is totally contrary to the provisions of MOUs especially when the agreements are still in force.
	APGPCL is pioneered in submitting the document of CPRI (Central Power Research Institute) Bangalore report, where it was stated that 6.47% shall be transmission loss at 132 KVA level (later years it has come down to 2.5% transmission losses).
	The High Court took a decision based on this document and gave a favorable order to APGPCL and others against the order of APERC.
Achievement :	High court of A.P. gave a favorable order to APGPCL & others against the order of APERC.
Present status :	The Hon'ble Supreme Court had given judgement against APGPCL on 29.11.2019. Consequent of the above order, A.P. Transco invoked Bank Guarantees of Rs. 103 crores submitted by APGPCL to A.P. Transco immediately without giving any time for the difference of wheeling charges between APGPCL MoUs and APERC Tariff for 2002-2003. This was challenged by APGPCL by way of W.P.No.104 of 2020 and got an interim order that APGPCL is not required to pay wheeling charges.
	Filed writ petition No: 104 of 2020 before the Hon'ble High of A.P. on 07.01.2020 for the recovery of Rs.1867 crores (principal amount of Rs. 597 crores + interest @24% of Rs.1270 crores) from A.P. Transco towards differential wheeling charges between APGPCL MoUs and APERC tariff.
Present Status of this Issue:	In the Writ Petition No: 104 of 2020, the Hon'ble High Court of A.P. gave the following order on 07.01.2020:

"In the meantime, the respondents 1& 3(A.P. Transco & T.S. Transco) shall consider the Representation of the petitioner (APGPCL) dated 28.12.2019 and pass appropriate orders, with in a period of 15 days from today, keeping in view the orders of the apex court in S.L.A (civil) No. 8892 of 2003. Till then the respondents (A.P. Transco & T.S. Transco) shall not impose any wheeling charges on the petitioner (APGPCL)."

Further, Hon'ble High Court of A.P. passed an order dated 27.01.2020 and the same is reproduced here under.

"Respondents (A.P. & T.S. Transco) are directed to serve copy of the counter on the petitioner (APGPCL) on within two weeks from today. On receipt of the counter, the petitioner shall file reply, if any, within one week thereafter. Interim order granted earlier is extended till 24.02.2020." As on date, the interim orders are subsisting.

Nature of case : Allocation of entire surplus to A.P. Transco.

Parties : A.P. Transco Vs APGPCL

Gist of the case : A.P. Transco filed an OP before APERC that Surplus Power to be allocated in proportion to its shareholding in Stage-II from the date of commissioning of Stage-II by referring to Sec.86(1)(f) of Electricity Act,2003, where APERC has jurisdiction to intervene and settle the disputes arising between a licensee and a generating Company. APERC passed an order that APGPCL must allocate the surplus power in proportion to the shareholding of A.P. Transco in Stage-II.

Achievement : Stay given by Division Bench, High court of A.P.

Present status : **The case is pending before the Divisional Bench, Hon'ble High Court of A.P**.

Nature of case : Surplus power allocated to PI's taken over by A.P. Transco and Tariff charged with its rate.

Parties : P.I's Vs Discoms and A.P. Transco. APGPCL made by PIs as a respondent.

Gist of the case : Hon'ble Supreme Court, while giving an order in respect of License case, whether APGPCL required License or not, held that APGPCL does not require to have a License while giving power to its shareholders of the company under the concept of Group Captive Power Plant. Further, Hon'ble Supreme Court held that while formulating the tariff to its shareholders of the company, APGPCL Board of Directors shall have absolute right to formulate tariff of the company. There is no APERC role in the said tariff. Further, Hon'ble Supreme Court held that shares of the Company can be freely transferable from one shareholder to other. Hon'ble Supreme Court has dealt in its order the above three issues only. They have not passed any order in regard to surplus power allocation. Whereas, A.P. Transco misinterpreting the Hon'bleSupreme Court's order refused to recognize the surplus power allocated to the shareholders from the beginning for Stage-II.

Aggrieved by the action of A.P. Transco/Discoms, APGPCL shareholders of the company filed a writ petition while making APGPCL as a respondent and got stay and the case was posted for further hearing in the combined A.P. and T.S. High Court.

Present status : **The case is pending for final hearing before Division Bench, Hon'ble High Court of Telangana.**

Nature of case : Denial of allocation of power to HT-II category by A.P. Transco.

Parties : Tata Teleservices Vs A.P. Transco

Gist of the case : A.P. Transco did not accept the power allocation made by APGPCL to the Tata Teleservices (HT-II category consumer) when shares were transferred to Tata Teleservices from VBC Ferro Alloys Ltd. by stating that APGPCL cannot transfer shares to HT-II category consumer(s). In the MOUs, it was stated that share transfers can be made among the HT consumers but it did not state categories of HT consumers. A.P. Transco charged the power allotted to the said industry by APGPCL at its tariff rate by treating the said share transfer as invalid. Though, they are not owners of the said allocated power by APGPCL. Aggrieved by this action they filed a writ petition before the combined court of Telangana and A.P. in 2004 making APGPCL was a respondent.

Achievement : Stay order by High court of A.P. against the action of A.P. Transco.

Present status : The case is pending for final hearing before single bench, Hon'ble High Court of A.P**.**

Nature of case : Demand raised by Chief Electrical Inspector for Rs. 138.31 crores.

Parties : APGPCL Vs Chief Electrical Inspector

Gist of the case : Chief Electrical Inspector (CEI) to Govt. of Andhra Pradesh had raised a demand for Rs. 138.31 crores towards Electricity Duty [ED] on the following grounds.

a) on the wheeling portion of units which were allotted to A.P. Transco / DISCOMS for Rs. 25 Crs. for the period 1990 to 2005.

b) On the units allocated to A.P. Transco / DISCOMS for Rs. 48 Crs. as its share holding in the Company for the period from 1990-2005.

c) on the units allocated to the PIs for the period Jul-03 to 31-03-06 for Rs.65 crores.

The Hon'ble High Court passed an order that all captive power plant consumers have to pay, so generator is not liable to pay. Hence APGPCL is not liable to pay since it is a generator.

Development : Order passed by High Court to pay differential amount on APGPCL & batch of other companies' writ petitions.

Present status : APGPCL filed SLP before the Hon'ble Supreme Court, **which is pending.**In fact, the office of Chief Electrical Inspector inspected the books of accounts regarding electricity duty in respect of AGI Glaspac and raised demand for Rs.3.21 crores vide its letter dated 31.01.2018. The AGI Glaspac vide its letter 03.03.2018 replied that the electricity duty of Rs.0.25 paisa per unit is applicable on energy generated and consumed and in this case the energy generators and consumers are different entities and accordingly the said provisions are not applicable to AGI Glaspac.

Nature of case : Allocation of surplus power

Parties : Sri Shiva Spinning Mills Vs APGPCL

Gist of the case : APGPCL denied surplus power allocation along with the quota of power when shares were transferred to Sri Shiva Spinning Mills Pvt. Ltd., (SSSMPL) during the middle of billing month as per provisions of MOUs. As APGPCL did not allocate the surplus power, Sri Shiva Spng. Invoked

Arbitration Clause and filed an OP before the Sole Arbitrator for allocation of surplus power. The said action of APGPCL was upheld by the Sole Arbitrator.

Aggrieved by the award of the Sole Arbitrator, Sri Shiva Spinning Mills Ltd. filed an OP before the City Civil Court. APGPCL filed counter against the said OP.

Achievement : Got favorable order in city civil court, Hyderabad. PI filed appeal before A.P. High Court.

Present status : The case is pending for final hearing before Hon'ble High Court.

Nature of case : Allocation of surplus power

Parties : APGPCL Vs Sheetal Shipping & Metal Processors

Gist of the case : APGPCL did not make allocation of surplus power to the Sheetal Shipping & Metal Processors Ltd., (SSMPL) as it made the payment beyond one month grace period. As per the decision of the Board if any PI makes the payment beyond one month grace period, such industry will not be allocated the surplus power

Development : APGPCL ordered to allocate surplus power to PI as APGPCL has allotted its quota of power and it is not correct to stop in allocating surplus power for two months, October, November 2004.

Present status : Pending for final hearing before Hon'ble City Civil Court.

Nature of case : Denial of concessional customs duty by the Customs Dept

Parties : APGPCL Vs CESTAT

Gist of the case : In respect of Refund of concessional Customs Duty, CESTAT had upheld the order of Deputy Commissioner, Vishakapatnam. The Company filed appeal of rectification against the said order of CESTAT, Bangalore before Hon'ble High Court of A.P. for reconsideration. After hearing the arguments by our Counsel on applicability of undue enrichment u/s Sec.18 when assessments are under provisional, the tribunal passed an order directing the Commissioner of Customs, Vizag to refund the excess amount of Rs. 26 crores collected form the Company. The Company is vigorously putting efforts to get this money from the Department.

In the meantime, the Company has filed a caveat before the High Court recently. It is under stood that the customs dept. preferred an appeal against the order of CESTAT and the case is pending for admission.

Achievement : Got favorable order from CESTAT Bangalore. However, department appealed for High court of A.P. and got stay against the said order.

Present status : **Pending for hearing before Hon'ble High Court of A.P.**

Nature of case : Claim of Rs.15.84 crores towards loss of profit against The New India Assurance Company Limited during the period of GAIL's pipeline blast from 07.11.2014 to 22.09.2015.

Parties : APGPCL Vs. New India Assurance Limited

Gist of the case : APGPCL claimed an amount of Rs.15.84 crores towards loss of profit for 124 days considering the loss of generation for short supply of gas for the period from 07.07.2014 to 07.11.2014 and further 07.11.2014 to 22.09.2015 for shortfall gas between 0.62 MMSCMD and 0.82 MMSCMD. At the time of accident APGPCL was receiving the gas about 0.82 MMSCMD in view of fire accident occurred in Nagaram village on 27.06.2014. In this regard after having several correspondences with The New India Assurance Co. Ltd, the Managing Director and Law Officer met the General Manager, The New India Assurance Co. Ltd, at Mumbai on 24.05.2017 and submitted all relevant documents once again in regard to the claim. The New India Assurance Co. Ltd, while its inability to admit the claim, said that the interruption in gas supply to APGPCL plant cannot be attributed to direct physical damage to pipeline on 27.06.2014 but to shutting down of pipeline by GAIL 10 days thereafter for check up. APGPCL has strong grounds that the damaged GAIL's pipeline is coming under force majeure clause as stated by GAIL vide its letter dated 02.07.2014.

Present status : APGPCL has approached National Consumer Disputes Redressal Commission, New Delhi and the same is pending.

Nature of case : Inflated Demand charges raised by APPCC for Rs.56.03 crores on APGPCL

Parties : APGPCL Vs AP DISCOMS/APPCC

Gist of the case : APPCC has raised demand for Rs.51 crores and 5.34crores towards discrepancy on demand allocation made to the participating Industries by APGPCL beyond 2002 onwards and APDISCOMS for the period from 1990 to 2010 respectively. These demands have raised on APGPCL based on the order of APERC. It is stated that APGPCL has allocated excess demand considering the gross generation units at inter-connection point while arriving the demand for allocation and distribute the same among the shareholders instead of considering the demand on the net generation of units to the participating industries. i.e after making deducting of wheeling units out of gross generation of units. After raising the demand APPCC has deducted a sum of Rs.5.34crores against the payment of CC charges for February 2011 and March 2011. APPCC did unilateral action without giving any advance intimation to APGPCL on the deduction of CC charges. Further, APPCC has deducted a sum of Rs.5.06crores for payment of CC charges of May 2011 against the demand of Rs.51 crores. It is not correct on the part of APERC to deviate the procedure followed by erstwhile APSEB, APDISCOMs till 2002 as per MOU-I & II. Since, the APGPCL had been following the same procedure even after transferring the billing system to APGPCL. It is also to be noted that APGPCL had never collected Rs.51 crores from the shareholders as alleged by APERC towards inflated demand charges. APPCC/APDISCOMs had arrived the demand charges @ between Rs.75/- to Rs.250/- per KVA the then prevailing rates on their consumers. In fact APGPCL has collected Rs.75/- per KVA from the shareholders since 1990 for stage-I. Hence, these demands should have been collected from the PI instead of APGPCL.

"The electricity viz. both power and energy to be generated by APGPCL shall be shared between the Participating Industries and A.P. Transco in proportion to their paid-up share capital. The energy sharing shall be pro-rata of actual energy generated and shall be regulated on monthly basis. The power sharing will be proportional to the actual capacity on bars during the month". (The Clause no.3 in page no 49 of MoU I).

"The actual capacity on bars MW at the Gas Power Station of APGPCL will be shared by the shareholders and reckoned as MVA (Mega Volt Amphere) demand". (Page no.55 of MoU-I mentioned as Note).

In the light of this, APGPCL is considering this liability is not payable and considered it as a contingent liability in the books of accounts. However, APGPCL has filed a writ petition in the Hon'ble High Court of A.P. by challenging the Order of APERC and demands of APPCC.

However Honorable High court reverted the case to APERC to give an opportunity to the APGPCL to put forth its points before it. Accordingly APGPCL had filed a petition before APERC.

Present status : On 10.08.2018, APGPCL Sr.Counsel argued before APERC that two writ appeals vide numbers 2469 of 2005 & 2623 of 2005 are pending before Hon'ble High Court of A.P. in which the jurisdiction of APERC also challenged and hence he had requested APERC that the present case will be adjudicated till the said cases are finalized by Hon'ble High court of A.P. where the issue of jurisdiction also will be finalized. Then, APERC has decided that it will take up the manner on this issue after pronouncement of judgment in writ appeals filed by APGPCL in surplus power case before Hon'ble High Court of A.P. where the jurisdiction of APERC is challenged and APERC will wait till the outcome of the case in Hon'ble High Court. APERC adjourned the case for further hearing.

Nature of case: CBI Vs E.V.S.Rao.

Background of the case : CBI lodged a complaint making allegations in respect of charging APM gas price Rs.3,200/- MSCM against the revised price of Rs.3,840/MSCM by GAIL India Ltd., from 7 accused companies including APGPCL resulting in revenue loss of Rs. 241.95 Crores. The investigation relates to Revenue Loss of Rs.241.95 Crores to GAIL India Ltd in view of charging APM gas price Rs.3,200/- MSCM against the revised price of Rs.3,840/- MSCM by GAIL India Ltd. It is alleged that accused E.V.S.Rao intentionally and dishonestly did not implement the pricing order of Ministry of Petroleum & Natural Gas (MoP & NG) issued vided letter No.L-12015/2/2005-GP dated 27.06.2006 read with circular No. L-12015/2/04-GP dated 05.06.2006 read with circular No. L-12015/504-GP(I) dated 20.06.2005. Further, despite clear cut and unambiguous instructions from MoP&NG, accused E.V.S.Rao purportedly addressed a letter dated 31.07.2006 to the Ministry seeking further clarifications, while at the same time, he directed the concerned authorities of GAIL to bill the consumers on provisional basis @ Rs.3200/- MSCM instead of Rs.3840/- MSCM till clarification was received from the Ministry, which resulted in billing of gas @Rs.3200/- MSCM.

Sri CA. D. Venkateswara Reddy, Managing Director, APGPCL appeared on 28.10.2014 before the CBI officer at New Delhi. The investigation was continued for three days. During the investigation, a questionnaire containing 19 questions which were duly answered with utmost careby the Managing Director.

Present status : We thought that CBI has closed the file as there is no information from CBI after submitting all the required documents in January 2015. On 07.06.2018, APGPCL received summons from CBI court stating that there is a sufficient material to proceed against accused companies including APGPCL and also summoned on 28.07.2018 by filing charge sheet on all 8 Companies including APGPCL. APGPCL Law Officer attended the case along with the Company's Legal Counsel. This case was adjourned on several dates (2108.2018, 08.10.2018, 03.11.2018, 18.01.2019, 28.03.2019, 08.04.2019, 09.07.2019 and on 24.07.2019).

When the case has been split against each of the accused, APGPCL challenged the same before the Hon'ble High Court of Delhi and obtained stay orders and the same is pending.

AVERAGE TARIFF FOR THE YEAR 2019-2020:

The average power tariff during the Financial Year 2020-21 for Stage-I was Rs. 3.65 paisa per unit and for Stage-II, Rs.3.50 paisa per unit as against Rs.4.30 and Rs.4.22 paisa per unit respectively for the year 2019-2020.

OPERATIONS – GENERATION DETAILS - :

GENERATION:

STAGE-I:

Stage-I generated 340.78 MU (Gross) with a PLF of 38.90% in 2020-2021 against 274.35 MU and PLF of 31.32% in the last year.

STAGE-II:

Stage-II generated 920.63 MU with a PLF of 61.10% for the year 2020-2021 against last year's generation of 740.42 MU and PLF of 49.14%.

TOTAL STATION:

Despite severe operational constraints, the Station utilized gas optimally and generated 1261.42 MU with a PLF of 52.94% against 1014.77 MU with a PLF of 42.59% in the previous year.

BOARD OF DIRECTORS:

DIRECTORS:

The Board of Directors placed on record their appreciation of valuable guidance given and service rendered by Dr. Ramachandra N. Galla, Dr. Usha Ramachandra , Sri Srinivasa Rao and Sri Anil Kumar Kutty.

DIRECTORS RETIRING BY ROTATION:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Article 14(3) of the Articles of Association, Sri R.P. Agarwal and Sri T.G. Bharath retire by rotation at the ensuing Annual General Meeting. They, being eligible, offer themselves for reappointment.

REAL TIME GROSS SETTLEMENT FACILITY:

The introduction of Real Time Gross Settlement (RTGS), banking facilitated the shareholders to conveniently pay the CC bill amounts to APGPCL besides expediting the collection process.

Annual Return: "The Annual Return as on 31.03.2021 is available on the website of the company www.apgpcl.org.The statement of employees under rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. The Annual Report is being sent to members excluding this report and those who are interested write to company.

PERFORMANCE IMPROVEMENT, INDUSTRIAL SAFETY AND ENVIRONMENT PROTECTION:

'Zero accident'target was achieved at Vijjeswaram.

National Safety Week was conducted to spread the message of safety of the Electrical and Mechanical Equipment. National Safety Day was conducted on 04th March 2021 in which all the employees participated. Fire Safety week was celebrated from 14th to 20th April, 2021. In order to improve awareness towards safety, some events and competitions were organized and winners were awarded.

Fire Mock Drill was conducted on 30.6.2021. Safety and Fire Fighting were conducted among employees every month to create awareness of Risk Management, prevention of accidents and prompt response in the event of any emergency. The Reporting Systems and Formats were updated to suit the changing requirements through improved surveillance and monitoring. Environment Protection is accorded high priority and the Company has complied with the stipulations of A.P. Pollution Control Board. APGPCL conducted MAY DAY, INDEPENDENCE DAY, and REPULIC DAY celebrations were carried out at Vijjeswaram Plant.Environmental Day was celebrated on 5.6.2021 at Vijjeswram by planting saplings along the road leading to Skew Bridge.

DIVIDEND:

The tariff is determined on the actual Fixed and Variable Cost with a normal return on equity. No dividend is proposed for the year.

AUDIT COMMITTEE:

Audit Committee was reconstituted on 27.08.2020 with Dr. V. N. Rao, Independent Director as Chairman of the Committee, and Sri T.G Bharath, Sri R.P. Agarwal as members of the Committee. The Managing Director was the convener of the Committee.

REPLY TO THE QUERIES OF STATUTORY AUDITORS:

With regard to Para-I of Auditors' Report regarding (i) Allocation of power supply to CCI (ii) Customs Duty (iii) demand for Electricity duty (iv) Demand for inflated demand charges (v) Demand for SLDC charges (vi) confirmation of balances of A.P. Transco and A.P. Genco and para 5 of Annexure to Auditors Report regarding Statutory dues, the explanations given in para Nos.25 to 31 of Notes on Accounts are self-explanatory.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 of the Companies Act, 2013, the Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the directors had prepared the annual accounts on a going concern basis;
5. Internal financial controls are adequate and were operating effectively.
6. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6):

The Independent Directors have submitted the declaration of independence as required pursuant Sec.147 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Sec. 149(6).

RISK MANAGEMENT POLICY:

Your Company has taken adequate steps to prevent risks and keeps the AuditCommittee and Board informed about the risk assessment and risk minimization procedures. The Board periodically discusses the significant business risks identified by the Management and the mitigation process taken-up.

Your Company had renewed the Industrial All Risks (IAR) insurance coverage for the plant for the current year. The IAR insurance premium for the financial year 2021-2022 is Rs.2,05,50,182/- which includes Terrorism risk also.The previous year was Rs.2,06,75,169/- The Lead Insurerfor the financial year 2020-2021 is TATA AIG General Insurance Co Ltd (55%), Future Generali India Insurance Company Ltd., (45%).

Secretarial Standards:

The Directors have devised proper systems to ensure compliance with the provisions of all applicable secretarial standards and that such systems are adequate and operating effectively. The company has complied with all the secretarial standards issued by ICSI and notified by MCA. The practicing company secretary Sri.VBSS Prasad (CP. No. 4605) has been appointed as secretarial auditor for the financial year ending 31.03.2021 and he has submitted the secretarial audit report and verified that the company has complied with all the above said secretarial standards.

MANAGEMENT DISCUSSIONS AND ANALYSIS (MDA) REPORT:

Management Discussion and Analysis (MDA) Report consisting of Management outlook and future plans are enclosed as Annexure 1.

CORPORATE GOVERNANCE:

The Report on Corporate Governance is enclosed as Annexure 2

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility committee consists of the following Directors:

S.No.	Name	Designation
1.	Sri Anil Kumar Kutty, IAS (Retd) (upto 06.8.2020)	Chairman
2.	Dr. V. N. Rao from 27.08.2020	Chairman
3.	Sri R.P. Agarwal	Member
4.	Sri CA.D. Venkateswara Reddy	Member

SECRETARIAL AUDIT REPORT

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have appointed Sri V B S S Prasad, Practicing Company Secretary (C.P.No: 4605) as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial year ended 31st March, 2021. Secretarial Audit Report issued by Sri.V B S S Prasad, Practicing Company Secretary in form MR-3 is enclosed as Annexure 4 to this Annual Report. There are no qualifications in Secretarial Audit Report.

HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS:

Your Company has given due importance to human resource development and follows the best HR Practices to build competence by way of training to improve the skills in a competitive and sustainable manner. Due to limited growth, promotional and career prospects and high salary expectations, some employees have left for better positions. The employee relations in the Company continue to be cordial and supportive.

TRAINING:

In order to optimize contribution of the employees to the Company's business and operations, your Company is imparting necessary in-house and external training.

Disclosure under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act 2013.

The Company has in place anAnti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act 2013. During the Financial year ended 31st March, 2021, the company has not received any Complaints pertaining to Sexual Harassment.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO:

A. Energy Conservation:

Against CEA norms of 3% for the Gas Power Stations operating in Combined Cycle Mode, the auxiliary consumption, was 2.77 % for the Station. Energy conservation group has been formed to chalk out action plan and implement it in a time bound manner.

Technology Absorption and Innovation:

Emphasis is on innovative preventive and predictive maintenance practices to improve the machine availability and life of the plant.

Your Company has been following up through regular O&M reviews with O & M Contractor (OEG India P Ltd) for strict implementation of Maintenance Schedule and facilitating timely actions for regular condition monitoring.

B. Foreign Exchange earnings and outgo : - Nil –

ACKNOWLEDGEMENTS:

Your Directors record their appreciation of the support received from all its Shareholders-cum-customers, Government of Andhra Pradesh, Government of Telangana, A.P. Transco, TS Transco APPCC, TSPCC, AP DISCOMS and TS DISCOMS), Banks and Financial Institutions. Directors also wish to express their gratitude to the Government of India, State Government Departments, District Administration, APPCB, GAIL, BHEL, BGGTS, Ministry of Power, Ministry of Petroleum & Natural Gas and Central Electricity Authority for their continued support. The Board also places on record the efforts made by the O & M Contractor M/s. OEG India P Ltd., to ensure best possible capacity utilization despite shortage of gas.Sincere efforts of the employees at all levels enabled your Company to serve the needs of its Customers-cum-shareholders, the State and the Country and is now gearing itself to serve them more effectively.

for and on behalf of the Board.

Sd/-	Sd/-
R.P. Agarwal	**Sri CA. D. Venkateswara Reddy**
Director	Managing Director

Place: HYDERABAD.

Date: 06.12.2021

ANNEXURE-1

TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS (MDA) REPORT:

1.0 The Indian Economy could turn the corner and expected to grow positively after COVID first and second wave, and register positive growth earlier than expected.

2.0 POWER SECTOR OVERVIEW:

Total Installed Capacity (as on 31.07.2021)

Sector	MWs	% of total
State Sector	1,03,876	27.8%
Central Sector	97,637	26.8%
Private Sector	1,85,376	47.7%
Total	**3,86,88**	
Fuel	**MW**	**% of Total**
Total Thermal	2,34,858	60.9%
Coal	2,02,805	52.6%
Lignite	6,620	1.7%
Gas	24,924	6.5%
Oil	510	0.1%
Hydro (Renewable)	46,367	12.1%
Nuclear	6,780	1.8%
RES* (MNRE)	98,883	25.2%
Total	**3,86,888**	

2.1 ELECTRICITY GENERATION PERFORMANCE:

Total Generation and Growth over previous year in the country during 2009-10 to 2021-22:

Year	Total Generation (Including Renewable sources) (BU)	% of Growth
2009-2010	808.498	7.56
2010-2011	850.387	5.59
2011-2012	928.113	9.14

2012-2013	969.506	4.46
2013-2014	1,020.200	5.23
2014-2015	1,110.392	8.84
2015-2016	1,173.603	5.69
2016-2017	1,241.689	5.80
2017-2018	1,308.146	5.35
2018-2019	1,376.095	5.19
2019-2020	1,389.102	0.95
2020-2021	1,381.827	-2.49
2021-2022*	501.518	14.62

* Up to October 2021 (provisional)

Plant Load Factor (PLF):

The PLF in the country (Coal & Lignite based) during 2009-10 to 2021-22 is as under:

Year	PLF	Sector-wise PLF %		
	%	Central	State	Private
2009-10	77.50	85.50	70.90	83.90
2010-11	75.10	85.10	66.70	80.70
2011-12	73.30	82.10	68.00	69.50
2012-13	69.90	79.20	65.60	64.10
2013-14	65.60	76.10	59.10	62.10
2014-15	64.46	73.96	59.83	60.58
2015-16	62.29	72.52	55.41	60.49
2016-17	59.88	71.98	54.35	55.73
2017-18	60.67	72.35	56.83	55.32
2018-19	61.07	72.64	57.81	55.24
2019-20	55.99	64.21	50.24	54.64
2020-21	53.37	61.78	44.68	54.27
2021-22*	58.15	68.65	49.79	56.90

*up to October 2021

INTERNAL CONTROLS AND THEIR ADEQUACY:

The Company has adequate systems of Internal Controls commensurate with its size and nature of business, which provides for protection of the Company's resources, accurate and speedy financial reports and due compliance to statutory and legal obligations and conformity with the Company's policies and procedures. The Internal Audit by external Auditors is considered adequate. The Auditors submit Monthly and Quarterly Reports. The replies of Management on the issues raised by the Auditors are considered by Audit Committee from time-to-time. The Audit Committee directs and supervises compliance with policies and good practices and rectification of mistakes, if any.

The Audit Committee meets periodically with the management, Internal Auditors and the Statutory Auditors to review the Internal Audit, Internal Control Systems and draw up the Annual Audit Schedule.

COST CONSULTANT:

M./s. Narasimha Murthy & Co. was appointed as Cost Consultants for the maintenance of Cost Records.

CAUTIONARY FORWARD LOOKING STATEMENTS :

Your Company has made forward looking statements in this report, which are subject to risks and uncertainties. The statements may be identified by the usage of words like “believes”, “estimates”, “expects” or similar expressions. All the estimates and projections about the future of the Company's strategy for expansion and financial results are forward looking statements. For such statements, the Company cautions that many factors and unforeseen events could affect the Company's actual progress and results.

ANEXURE 2
TO THE DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company is committed to the observance of the best corporate governance practices in all its business dealings with shareholders–cum–customers, employees and civil society. Your Company endeavors to ensure highest degree of transparency in its dealings and lays emphasis on integrity, truth and trust, compliance with regulatory and legal requirements and adherence to best practices. It accords importance to business ethics and social responsibility to enhance trust of stakeholders and provide long term value for the shareholders.

The Company believes that professionalism, transparency, integrity, accountability and honesty has to be maintained both in letter and spirit, to enable the management to direct and control the affairs of the Company in an efficient manner and achieve its ultimate goal of maximizing value for all its stakeholders and serving the national interests.

Your Company has adopted a Code of Conduct for Senior Management Personnel as part of Good Corporate Governance. APGPCL is also planning to introduce several new initiatives in the coming year to achieve Business excellence.

COMPLIANCE:

The Audit Committee and the Board periodically reviews the compliance with all the applicable laws and gives appropriate directions wherever necessary. Important policy issues are brought to the notice of the shareholders at the Annual General meeting and the Company gives effect to the decisions of the General Body.

BOARD OF DIRECTORS:

The Board of Directors of your Company reflects the shareholding composition and comprises of Chairmen, Directors and top Executives, Business magnates, Technocrats and Government officials whose vision, experience and skills direct and guide the Company.

The Directors bring in professional expertise and experience in diverse fields in the course of decision making and exercise of business judgment in matters of Strategy, Corporate Planning, Financial Management and Human Resource Development. The Board provides strategic direction, supervision and guidance to the Company's Management while discharging its fiduciary responsibilities, exercising care, fostering truth, trust and transparency and thereby ensuring that the Management adheres to high standards of ethics, values and thosedisclosures givea true and fair picture of financial accounting and performance.

COMPOSITION:

The Table below gives the details of Composition and Category of Directors and participation during the year 2020-2021. During the year Seven meetings were held on 27.05.2020, 30.07.2020, 06.08.2020, 19.08.2020, 27.08.2020, 08.12.2020 and 29.01.2021.

Sl.No	Name of the Director	No. of Board Meetings During the Financial Year (2020-2021)		No. of Directorships on the Board of other Companies. (Excluding Partnership Firms & Private Ltd Companies).	Attendance at last AGM.
		Held	Attended		
1.	Sri Srikant Nagualpalli, IAS, (From 29.06.2019)	7	1		—
2.	Sri K V N Chakradhara Babu,IAS (From 09.08.2019)	7	-		—
3.	Sri Anil Kumar Kutty, IAS (Retd) (upto 06.08.2020.)	3	2	3	—
4.	Sri C. Srinivasa Rao, (upto 23.08.2021)	7	2	4	Yes
5.	Dr.Usha Ramachandra (upto 08.12.2020)	6	6	-	—
6.	Sri P. Narendranath Chowdary	7	5	7	—
7.	Sri D. Muruganandam	7	4	3	Yes
8.	Dr. Ramachandra N. Galla (upto 16.04.2021)	7	-	5	—
9.	Sri T.G. Bharath	7	6	2	Yes
10.	Sri R.P. Agarwal	7	7	2	Yes
11.	Dr. V.N. Rao	7	5	1	Yes
12.	Sri CA D. Venkateswara Reddy, Managing Director	7	7	-	Yes

GENERAL SHARE HOLDERS' INFORMATION:

a) Shareholding Pattern as on 31.03.2021

Category		% of Shareholding
Public Sector Companies	:	19.58
Private Sector Companies	:	80.42

b) Dates of Last Three Annual General Meetings held:-

For the Year	Venue	No. of the Meeting	Day & Date	Time
2020	Andhra Pradesh Gas Power Corp. Ltd. Through Vedio Conferencing /Other Audio Visual Means (VC)	31st	Wednesday 30.12.2020	12.30 P.M
2019	Hyder Mahal, ITC Hotel, The Kakatiya, Begumpet, Hyderabad-500 016.	30th	Thursday 05.09.2019	12.30 P.M
2018	Hyder Mahal, ITC Hotel, The Kakatiya, Begumpet, Hyderabad-500 016.	29th	Wednesday 26.09.2018	12.30 P.M

AUDIT COMMITTEE:

Sl.No	Name of the Director	No. of Meetings during the F.Y. 2020-2021	
		Held	Attended
1	Sri R.P. Agarwal	1	1
2	Sri T.G. Bharath	1	1
3	Dr. V.N. Rao	1	1

The Internal Auditors and Statutory Auditors are Special Invitees of the Audit Committee. The Managing Director is the Convener of the Committee. The Company Secretary acts as Secretary of the Audit Committee.

The functions of the Audit Committee inter alia are as follows:

1. Periodical discussions with auditors about Internal Control Systems;
2. Dealing with the observations of Auditors;
3. Review of the half yearly and annual financial statements before their submission to the Board;
4. Ensuring compliance with internal control systems; and
5. Investigation into any matter relating to the subject specified above or referred to it by the Board. For this purpose, committee has access to all information and the records of the company and if necessary obtains external professional advice also.

Minutes of the Audit Committee Meetings are circulated to the members of the Board of Directors for confirmation and approval at the next Board Meeting.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Sl.No	Name of the Director	No. of Meetings during the F.Y. 2020-2021	
		Held	Attended
1	Dr. V.N. Rao	1	1
2	CA. D. Venkateswara Reddy	1	1
3	Sri R.P. Agarwal	1	-

FINANCE & PURCHASE COMMITTEE :

Sl.No	Name of the Director	No. of Meetings during the F.Y. 2020-2021	
		Held	Attended
1.	Sri P. Narendranath Chowdary	1	-
2.	Dr. V.N. Rao	1	1
3.	Sri R.P. Agarwal	1	1
4.	CA. D.Venkateswara Reddy	1	1

COMMITTEE:- Auction of A.P. Transco Shares

Sl.No	Name of the Director	No. of Meetings during the F.Y. 2020-2021	
		Held	Attended
1.	Dr. V.N. Rao	10	10
2.	Sri R.P. Agarwal	10	7
3.	Sri T.G Bharath	10	2
4.	CA. D.Venkateswara Reddy	10	10

HR & REMUNERATION COMMITTEE :

Sl.No	Name of the Director	No. of Meetings during the F.Y. 2020-2021	
		Held	Attended
1.	Sri R.P. Agarwal	2	2
2.	Sri T.G Bharath	2	1
3.	CA. D.Venkateswara Reddy	2	2

ANNEXURE-3:

Report on Corporate Social Responsibility as per Rule, 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.
   - i. Promotion of education, including special education and employment enhancing vocation skills especially among children.
   - ii. Rural Development Program.
   - iii. Establishment of drinking water schemes and promotion of education.
   - iv. Web link:www.apgpcl.org

2. Composition of CSR Committee:

S.No.	Name	Designation
1	Dr. V.N. Rao	Chairman
2	Sri R.P. Agarwal	Member
3	Sri CA. D. Venkateswara Reddy	Member

3. Average Net Profit for Last Three Financial Years:

Particulars	For the Financial Year ended 31st March (Rs. In crores)		
	2020	2019	2018
Net Profit	56.40	37.27	49.79
Average Net Profit for the preceding			
Three Financial Years		Rs.47.82 crores	

4. Prescribed CSR Expenditure (2% of Average Net Profit): Rs. 96 lakhs.

5. Details of CSR spend for the financial year:

   a. Total amount spent for the financial year: Rs. 168 lakhs
   b. The CSR amount of 2% comes to Rs.96 lakhs. However the Company during the year spent Rs.168 lakhs thus excess spent of Rs.72 lakhs during the financial year 2020-2021.
   c. Manner in which the amount spent during the financial year is detailed below:

(1) S.No	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area orother (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub heads: 1) Direct expenditure on Projects or programs 2)Over heads.	(7) Cumulative expenditure upto the reporting period.	(8) Amount spent: Direct or through impleme-nting agency.
1	Amount given to AP State Disaster Management against Covid19			Rs.1.00 crore	Rs.1.00 crore	Rs.1.00 crores	
2	Promotion of children education	Promoting education..	Andhra Pradesh, West Godavari Dist.	Rs.6.55 Lac	Promoting children education for an amount of Rs. 6.55 lakhs - Direct	Rs. 6.55 Lac	
3	Rural Development	Rural Development programs	Andhra Pradesh, West Godavari dist& Kurnool dist.	Rs.61.58lac	Rural development programs for an amount of Rs. 61.58 lakhs - Direct	Rs. 61.58 Lacs	Direct
		TOTAL:		Rs. 168.13	Rs.168.13 lakhs	Rs. 168.13 Lacs	

6. The Company has excess spent amount of Rs.72.00 Lacs in the financial year 2020-2021. The Company has constituted CSR Committee and activities have been framed.

7. We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives.

Sd/-
Sri CA. D. Venkateswara Reddy
Managing Director

Sd/-
Sri R.P.Agarwal
Member–CSR Committee

ANNEXURE-4

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

CIN No: U24111TG1988PLC009231

To
The Members,
M/s. **Andhra Pradesh Gas Power Corporation Limited**
Hyderabad.

1. I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by M/s. **Andhra Pradesh Gas Power Corporation Limited** (hereinafter called as "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

2. The company is engaged in the business of manufacturing and supply of Gas based Power.

3. Based on my verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by me and explanations furnished and representations made to me by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit,I hereby report that in my opinion, the Company has during the Audit Period covering the Financial Year ended 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

4. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. **Andhra Pradesh Gas Power Corporation Limited** (hereinafter called as "**the Company")** for the financial year from 1st April 2020 and ended with 31st March, 2021 ("Audit Period") according to the provisions of :

   i) The Companies Act, 2013 (the Act) and the Rules made there under;

   ii) Secretarial Standards notified.

   iii) 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

   iv) The following other laws as specifically applicable in the view of the Management.

      (i) Income Tax act, 1961
      (ii) Central Goods and Services Act, 2017
      (iii) Telangana & Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987
      (iv) Customs Act, 1962
      (v) Finance Act,1994 (Service Tax)
      (vi) Factories Act,1948
      (vii) Industrial Disputes Act,1947
      (viii) Minimum Wages Act, 1948

(ix) The Payment of Gratuity Act, 1972
(x) The Payment of Wages Act, 1936
(xi) The Maternity Benefit Act, 1961
(xii) Telangana Shops & Establishment Act, 1988
(xiii) The National and Festival Holidays Act, 1963
(xiv) The Employees Provident fund and Miscellaneous provisions act, 1952

The Company's operations are being conducted by O&M Contractors.

Applicable Statutory provisions have been verified and found satisfactory.

The compliance of other specific applicable laws as listed in 4 (iv) above, were relied on the basis of representations and compliance certificates issued by the Managing director/ compliance officers and other officials of respective / concerned Departments of the company.

5. I further report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. Mentioned above.

   However, please note for the Audit period the Company being a closely held Unlisted Limited company,SEBI Act, Rules and Regulations are not applicable.The Company has exercised the lien with respect to the shares held by M/s. Andhra Pradesh Transmission Corporation Limited (AP Transco) and auctioned all the equity shares held by AP Tasnsco during the period under review.

6. I further report that:

   a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the compositions of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the act.

   b. Adequate Notice is given to all the Directors to Schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance.

   c. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

   d. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.

   e. It is also noted that the Company has Internal Audit System to constantly monitor the process for efficient compliances.

   f. The Company is maintaining Cost records as required.

7. I further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

8. I further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., referred to the above.

UDIN number F004139C000880036

Place : Hyderabad.
Date : 02.09.2021

Annexure to the Secretarial Audit Report

To
The Members,
M/s. **Andhra Pradesh Gas Power Corporation Limited**
Hyderabad

The Secretarial Audit Report of even date is to be read along with this letter:

1. It is the responsibility of the management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. My responsibility is to express an opinion on these Secretarial records, Standards and procedures followed by the Company with respect to secretarial compliance.
3. I believe that audit evidence and information obtained from the company's Management is adequate and appropriate for me to provide a basis for my opinion.
4. Wherever required, I have obtained the management's representations about the compliance of laws, rules and regulations and happening of events etc.
5. 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

UDIN number F004139C000880036

Sd/-
V.B.S.S.Prasad
Company Secretary
M.No.F4139
CP No.4605

Place : Hyderabad.
Date : 02.09.2021

ANNEXURE - 5

Form No. AOC-2

Form of disclosures of particulars of contracts/arrangements entered into by the company with related parties referred to in Sub-Section (1) & (2) of Section 188 of the Companies Act 2013, including certain Arms Lengths Transactions.

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL

2. Details of contracts or arrangements or transactions at arm's length basis.

Names of related party& nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of contracts including value in Rupees	Date of approval of the Board	Receivables if any.	Amount payables,
Amara Raja Batteries Ltd	Supply of power	perpetual	82,276,114	MOU-I Dt. 17.10.1988 & MOU-II Dt.19.4.1997	22,100,446	
The Andhra Petro Chemicals Ltd	Supply of power	perpetual	4,786,029	MOU-I Dt. 17.10.1988 & MOU-II Dt.19.4.1997	(612)	
The Andhra Sugars Ltd	Supply of power	perpetual	779,773,916	MOU-I Dt. 17.10.1988 & MOU-II Dt.19.4.1997	77,972,010	
Andhra Pradesh Purchase Co-Ordination Committee	Supply of power	perpetual	719,744,337	MOU-I Dt. 17.10.1988 & MOU-II Dt.19.4.1997	736,508,907	
The India Cements Ltd	Supply of power	perpetual	411,070,390	MOU-I Dt. 17.10.1988 & MOU-II Dt.19.4.1997	51,288,902	
Mishra Dhatu Nigam Ltd	Supply of power	perpetual	101,036,059	MOU-I Dt. 17.10.1988 & MOU-II Dt.19.4.1997	12,619,074	

Sree Akkamamba Textiles Ltd	Supply of power	perpetual	12,423,512	MOU-I Dt. 17.10.1988 & MOU-II Dt.19.4.1997	2,083,825	
Sree Rayala seema Alkalies & allied chemicals Ltd	Supply of power	perpetual	507,143,688	MOU-I Dt. 17.10.1988 & MOU-II Dt.19.4.1997	133,195,632	
Sree Satyanarayana Spinning Mills Ltd	Supply of power	perpetual	31,376,469	MOU-I Dt. 17.10.1988 & MOU-II Dt.19.4.1997	4,243,654	
Sri Shiva Spinning Mills P Ltd	Supply of power	perpetual	834,914	MOU-I Dt. 17.10.1988 & MOU-II Dt.19.4.1997	5,519,683	
Others - purchases from The Andhra Sugars Ltd	Cost of materials	perpetual	964,422		77,838	

INDEPENDENT AUDITOR'S REPORT

To the Members of Andhra Pradesh Gas Power Corporation Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Andhra Pradesh Gas Power Corporation Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in 'Basis for Qualified Opinion' section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 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 March 31, 2021, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Remuneration paid to managing director is in excess of INR 372.80 Lacs approved by the shareholders in their meeting held on September 05, 2019.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 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 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 qualified opinion on the financial statements.

Emphasis of Matter

We draw attention to note 30 and note 31 to the financial statements, regarding various pending disputed legal cases and demands under various Acts. Management is confident that these disputes will be decided in favour of the Company and accordingly no provision is required. Accordingly, no provision is made in the books of account for the probable liability that may arise on account of these disputes in the financial statements.

Our opinion is not modified in respect of these matters.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management report, but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the management report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 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 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.

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 Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought except for the matters described in Basis for Qualified Opinion paragraph and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) Except for the possible effects of the matters described in Basis for Qualified Opinion paragraph, 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) Except for the possible effects of the matters described in Basis for Qualified Opinion paragraph, the balance sheet, the statement of profit and loss (including other comprehensive income, the statement of changes in equity and the statement cash flows dealt with by this Report are in agreement with the books of account.
   d) Except for the possible effects of the matters described in Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
   e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
   f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in Basis for Qualified Opinion paragraph above;

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report, which expresses a qualified opinion on the Company’s internal controls over financial reporting for the reasons stated therein.

h) 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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30and Note 31 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. In our opinion, and to the best of our information and according to the explanations given to us, we report that remuneration of the Managing Director of the Company for the year ended March 31, 2021 was in excess of the limits specified under section 197 of the Act, read with Schedule V thereto, by INR 372.80 Lacs.

For K. S. Rao & Co
Chartered Accountants
Firm’s Registration No.003109S

Sd/-
(Pardhasaradhi Rao P)
Partner
Membership No. 224777
UDIN: 21224777AAAADZ7108

Place: Hyderabad
Date: 06.12.2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the members of **Andhra Pradesh Gas Power Corporation Limited** on the financial statements as of and for the year ended March 31, 2021. We report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year the management of the Company has conducted the physical verification of fixed assets and has not identified any material differences during the verification;

(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements, the title deeds of immovable properties included in fixed assets register are held in the name of the company

(ii) According to the information and explanations furnished to us, the company's management has physically verified its inventories during the year. In our opinion, having regard to the nature of its business and location of its stocks, the frequency of such verification is reasonable. As per the information and explanations furnished, there were no material discrepancies and the other discrepancies, if any, noticed on such verification have been properly dealt with in the books of account.

(iii) According to the information and explanation furnished to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order does not apply.

(iv) In our opinion and according to the information and explanations furnished to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Accordingly, reporting pursuant to the provisions of Clause 3(iv) of the said Order does not arise.

(v) In our opinion and according to the information and explanations furnished to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified. Accordingly, reporting pursuant to the provisions of Clause 3(v) of the said Order does not arise.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of services where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable except the following.**Name of the StatueNature of duesAmount(INR Lakhs)Period to which the amount relatesDue dateDate of payment**Central Goods and Services Tax Act, 2017Section 9(1) of CGST Act, 20171.57FY 2017-18Various datesYet to be paid1.29FY 2018-190.63FY 2019-20Central Goods and Services Tax Act, 2017Section 9(3) of CGST Act, 201741.47FY 2017-18Various datesYet to be paid64.17FY 2018-1916.96FY 2019-20

Name of the Statue	Nature of dues (INR Lakhs)	Amount	Period towhich the amount relates	Due date	Date of payment
Central Goods and Services Tax Act, 2017	Section 9(1) of CGST Act, 2017	1.57 1.29 0.63	FY 2017-18 FY 2018-19 FY 2019-20	Various dates	Yet to be paid
Central Goods and Services Tax Act, 2017	Section 9(3) of CGST Act, 2017	41.47 64.17 16.96	FY 2017-18 FY 2018-19 FY 2019-20	Various dates	Yet to be paid

(c) According to the information and explanations given to us, the disputed dues outstanding with respect to Income Tax which have not been deposited as on March 31, 2021 are as under:

Name of the Statute	Amount INR in Lakhs	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	763.28	Asst Year 2011-12	Hon'ble High Court of Telangana, Hyderabad
	659.65	Asst Year 2012-13	Hon'ble High Court of Telangana, Hyderabad
	72.05	Asst Year 2013-14	Deputy Commissioner of Income Tax, Circle 1(1), Hyderabad
	142.95	Asst Year 2015-16	High Court for the state of Telangana, Hyderabad

(viii) According to the information and explanations given to us and the records of the Company examined by us, the company has not taken any term loans from a financial institution, bank and Government. The Company has not issued debentures. Accordingly commenting on defaults in repayment doesn't arise.

(ix) According to the information and explanations given to us, during the year the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, during the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) According to the information and explanation given by the management, we report that remuneration paid to Managing Director of the Company for the year ended March 31, 2021 was in excess of the limits specified under section 197 of the Act, read with Schedule V thereto, by INR 372.80 Lacs.

(xiii) The Company is not a Nidhi Company. Hence, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) In our opinion and according to the information and explanations furnished to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(xiv) According to the information and explanations given to us and the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For K. S. Rao & Co
Chartered Accountants
Firm's Registration No.003109S

Sd/-
(Pardhasaradhi Rao P)
Partner
Membership No. 224777
UDIN:21224777AAAADZ7108

Place: Hyderabad
Date: 06.12.2021

Annexure - 2 to Independent Auditors' Report

Referred to in paragraph 2(f) under **Report on Other Legal and Regulatory Requirements** of the Independent Auditors' Report of even date to the members of **Andhra Pradesh Gas Power Corporation Limited** on the financial statements for the year ended March 31, 2021

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

To the Members of Andhra Pradesh Gas Power Corporation Limited

1. We have audited the internal financial controls with reference to financial statements of **Andhra Pradesh Gas Power Corporation Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 the 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India ("ICAI"). 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial statements and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

8. Qualified Opinion

According to the information and explanations given to us and based on our audit, refer note 37 to the financial statements which has resulted in a qualification as stated in under the Basis for Qualified Opinion paragraph, regarding remuneration paid to managing director in excess of limits approved by the shareholders in their meeting as per the provisions of section 197 read with schedule V of the Act, over the adequacy of the Company's internal financial controls and the operational effectiveness of such controls for the year ended March 31, 2021.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these financial statements as of March 31, 2021, 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, and except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these financial statements were operating effectively as of March 31, 2021.

9. Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Andhra Pradesh Gas Power Corporation Limited, which comprise the Balance Sheet as at March 31, 2021, and the related Statement of Profit and Loss including Statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 financial statements of Andhra Pradesh Gas Power Corporation Limited and this report affects our report dated 06 December, 2021 which expressed a qualified opinion on those financial statements.

For K. S. Rao & Co
Chartered Accountants
Firm's Registration No.003109S

Sd/-
(Pardhasaradhi Rao P)
Partner
Membership No. 224777
UDIN: 21224777AAAADZ7108

Place: Hyderabad
Date: 06.12.2021

Balance Sheet as at March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current Assets			
Property, Plant and Equipment	3	12,594.18	13,165.25
Intangible Assets	3	1.65	2.18
Financial Assets			
Loans and Advances	4	34.63	9.30
Other Non-current Assets	5	3.75	7.09
Total Non-current Assets		**12,634.21**	**13,183.82**
Current Assets			
Inventories	6	526.57	483.43
Financial Assets			
Investments	7	4.48	4.34
Trade Receivables	8	12,820.68	14,352.77
Cash and Cash Equivalents	9	757.61	48.92
Other Bank Balances	10	198.50	649.06
Other Financial Assets	11	3,912.57	5,633.19
Current Tax Assets (Net)	12	161.39	-
Other Current Assets	5	9,613.52	10,305.44
Total Current Assets		**27,995.32**	**31,477.15**
Total Assets		**40,629.53**	**44,660.97**
Equity and Liabilities			
Equity			
Share Capital	13	7,289.62	7,289.62
Other Equity	14	25,589.78	28,470.38
Total Equity		**32,879.40**	**35,760.00**
Liabilities			
Non-current Liabilities			
Provisions	15	641.65	616.11
Deferred Tax Liabilities (Net)	16	1,130.47	1,869.85
Total Non-current Liabilities		**1,772.12**	**2,485.96**
Current liabilities			
Financial Liabilities			
Borrowings	17	-	1,695.00
Trade payables - Total outstanding dues of :			
: Micro and Small Enterprises		-	-
: Creditors other than Micro and Small enterprises	18	3,102.35	1,798.75
Other financial liabilities	19	820.63	786.49
Provisions	15	115.96	65.07
Current tax liability (net)	20	-	156.92
Other current liabilities	21	1,939.07	1,912.78
Total Current Liabilities		**5,978.01**	**6,415.01**
Total Liabilities		**7,750.13**	**8,900.97**
Total Equity and Liabilities		**40,629.53**	**44,660.97**
Corporate Information	1		
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date.

For and on behalf of Board of Directors

For K.S.Rao &Co
Chartered Accountants
Firm's Registration No.003109S

Sd/-
(Pardhasaradhi Rao P.)
Partner
Membership No. 224777

Sd/-
(CA. D. Venkateswara Reddy)
Managing Director

Sd/-
(R. P. Agarwal)
Director

Sd/-
(M.V.R.L.S. Rao)
Company Secretary

Place: Hyderabad.
Date: 06.12.2021.

Statement of Profit and loss for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No	for the year ended March 31, 2021	for the year ended March 31, 2020
Revenue			
Revenue from operations	22	43,859.55	42,065.98
Other income	23	495.72	812.18
Total Revenue		**44,355.27**	**42,878.16**
Expenses			
Cost of fuel consumed		35,447.11	29,654.07
Employee benefits	24	2,579.78	1,632.43
Finance costs	25	353.75	273.32
Depreciation and amortization expense	26	788.33	769.74
Other expenses	27	8,752.75	4,907.99
Total expenses		**47,921.72**	**37,237.55**
Profit / (Loss) before tax		**(3,566.45)**	**5,640.61**
Tax expense:	28		
Current tax		-	1,550.00
Earlier years		-	(36.54)
Deferred tax		(725.91)	(778.37)
Tax expense		**(725.91)**	**735.09**
Profit / (Loss) for the year		**(2,840.54)**	**4,905.52**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(53.53)	(22.76)
Tax on items that will not be reclassified to profit or loss		13.47	5.83
Total Other comprehensive income for the year, net of tax		**(40.06)**	**(16.93)**
Total comprehensive income / (loss) for the year, net of tax		**(2,880.60)**	**4,888.59**
Earnings per equity share			
(72,896,189 (2020: 72,896,189) Equity Shares of Rs 10/- each fully paid up)	29	(3.90)	6.73
Corporate Information	1		
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date.

For and on behalf of Board of Directors

For K.S.Rao &Co
Chartered Accountants
Firm's Registration No.003109S

Sd/-
(Pardhasaradhi Rao P.)
Partner
Membership No. 224777

Sd/-
(CA. D. Venkateswara Reddy)
Managing Director

Sd/-
(M.V.R.L.S. Rao)
Company Secretary

Sd/-
(R. P. Agarwal)
Director

Place: Hyderabad.
Date: 06.12.2021.

Statement of changes in equity for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

a) Equity Share Capital

Equity shares of INR 10 each issued and subscribed	Number of Shares	Amount
As at April 01, 2019	72,896,189	7,289.62
As at March 31, 2020	72,896,189	7,289.62
As at March 31, 2021	72,896,189	7,289.62

b) Other equity

Particulars	Reserves and surplus			Other comprehensive income	Total
	Securities Premium Reserve	General Reserve	Retained Earnings		
Balance as at April 01, 2019	3,752.01	9,135.02	10,777.45	(82.69)	23,581.79
Add: Profit for the year	-	-	4,905.52	-	4,905.52
Less: Re-measurement gains/(losses) on defined benefit plans	-	-	-	(16.93)	(16.93)
Balance as at March 31, 2020	**3,752.01**	**9,135.02**	**15,682.97**	**(99.62)**	**28,470.38**
Less: Loss for the year	-	-	(2,840.54)	-	(2,840.54)
Less: Re-measurement gains/(losses) on defined benefit plans	-	-	-	(40.06)	(40.06)
Balance as at March 31, 2021	**3,752.01**	**9,135.02**	**12,842.43**	**(139.68)**	**25,589.78**

Corporate Information — Note No 1
Summary of significant accounting policies — Note No 2

The accompanying notes form an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date.

For and on behalf of Board of Directors

For K.S.Rao &Co
Chartered Accountants
Firm's Registration No.003109S

Sd/-
(Pardhasaradhi Rao P.)
Partner
Membership No. 224777

Sd/-
(CA. D. Venkateswara Reddy)
Managing Director

Sd/-
(M.V.R.L.S. Rao)
Company Secretary

Sd/-
(R. P. Agarwal)
Director

Place: Hyderabad.
Date: 06.12.2021.

Statement of cash flow for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	for the year ended March 31, 2021	for the year ended March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(3,566.45)	5,640.61
Adjustments for :		
Depreciation and amortization expense	788.33	769.74
Interest expense	287.80	154.42
Profit on sale of Property, plant and equipment	(2.95)	-
Capital spares written off	298.00	173.76
Interest earned on deposits	(248.55)	(689.41)
Dividend received	(0.15)	(2.55)
Bad debts written off	-	16.66
Excess provisions and credit balances written back	-	(47.76)
Operating Profit before Working Capital Changes	**(2,443.97)**	**6,015.47**
Adjustments for :		
(Increase) / Decrease in Inventories	(43.14)	49.88
(Increase) / Decrease in Trade Receivables	1,532.09	(8,336.65)
(Increase) / Decrease in Loans and Advances	(25.33)	(0.75)
(Increase) / Decrease in Other Financial Assets	-	(532.18)
(Increase) / Decrease in Other Assets	792.27	(7,951.47)
(Increase) / Decrease in Contract Assets	-	654.69
Increase / (Decrease) in Trade Payables	1,303.60	793.07
Increase / (Decrease) in Other Financial Liabilities	1.54	(125.10)
Increase / (Decrease) in Other Liabilities	26.29	1,016.85
Increase / (Decrease) in Provisions	(74.11)	7.87
Cash generated from / (used in) Operations	**1,069.24**	**(8,408.32)**
Income Tax paid (net of refund)	(318.31)	(1,131.93)
Net Cash used in operating activities (A)	**750.93**	**(9,540.25)**
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in deposits with banks	-	(705.50)
Maturity proceeds from deposits with banks	1,739.06	7,717.21
Interest received	680.67	1,216.71
Dividend received	0.15	2.55
Proceeds from sale of property, plant and equipment	3.92	-
Acquistion of property, plant and equipment	(515.70)	(550.83)
Net Cash from / (used in) investing activities (B)	**1,908.10**	**7,680.14**
CASH FLOW FROM FINANCING ACTIVITIES		
Short-term borrowings taken	-	13,051.78
Short-term borrowings rapaid	(1,695.00)	(11,356.78)
Interest paid	(255.20)	(108.23)
Net cash used in Financing Activities (C)	**(1,950.20)**	**1,586.77**
Net decrease in cash and cash equivallents (A+B+C)	**708.83**	**(273.34)**
Cash and cash equivalents at the beginning of the year	**53.26**	**326.60**
Cash and cash equivalents at the end of the year	**762.09**	**53.26**
Cash on Hand	1.20	0.91
Cheques in Hand	382.01	-
Balances with Banks in Current Accounts	374.40	48.01
Cash and Cash Equivalents	**757.61**	**48.92**
Current Investments in Mutual Funds	4.48	4.34
Total	**762.09**	**53.26**

Net Debt Reconciliation (refer note no. 43)

Corporate Information — Note No 1

Summary of significant accounting policies — Note No 2

The accompanying notes form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For K.S.Rao &Co
Chartered Accountants
Firm's Registration No.003109S

Sd/-
(Pardhasaradhi Rao P.)
Partner
Membership No. 224777
Place: Hyderabad.
Date: 06.12.2021.

For and on behalf of Board of Directors

Sd/-
(CA. D. Venkateswara Reddy)
Managing Director

Sd/-
(R. P. Agarwal)
Director

Sd/-
(M.V.R.L.S. Rao)
Company Secretary

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

1. **General Information:**

Andhra Pradesh Gas Power Corporation Limited ("the company") was incorporated on October 31, 1988 in the state of (erstwhile) Andhra Pradesh, India in accordance with the provisions of the Companies Act, 1956. The company is engaged in the business of Generation and Sale of electricity to participating industries in its share capital in their share holding ratio. The plant is situated at Vijjeswaram, West Godavari District, Andhra Pradesh, India with 272 MW capacity.

The financial statements were authorised for issue by the Board of directors on 06th December, 2021.

2. **Basis of Preparation, Measurement and Significant Accounting Policies:**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest INR Lakhs, except when otherwise indicated.

2.1.1 Basis of preparation of Ind AS Financial Statements:

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) (except those issued but not yet effective) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the provisions of the Companies Act, 2013 ("the Act") as amended. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

2.1.2 Current versus Non-current classification:

The Company presents assets and liabilities in the balance sheet based on Current/Non-current classification.

An asset is clasified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or Cash equivalents unless restricted from being exchanged or used to settle A liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is clasified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the sale of energy and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

2.2 Use of estimates:

The preparation of the Ind AS financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities as at the date of the Ind AS financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Ind AS financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Ind AS financial statements. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Ind AS financial statements have been disclosed in Note No 40.

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

2.3 Significant Accounting Policies:

2.3.1 Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Revenue from Sale of Energy:

Revenue from Sale of Energy is recognized on accrual basis and includes unbilled revenue accrued up to the end of the accounting year.

Contract balances:

Contract Assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer (which consist of unbilled revenue). If the Company transfers services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade Receivables:

A receivable represents the Company's right to receive consideration that is unconditional (i.e. only the passage of time is required before the payment of the consideration is due).

Contract Liabilities:

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays any consideration before the Company transfers services to the customer, a contract liability is recognized when the payment is received. Contract liabilities are recognized as revenue when the Company performs under the contract.

Finance Income:

Finance income consists of (a) interest income on funds invested in Banks and (b) Dividend earned/ surplus onredemption of investment in Mutual Funds.

(a) For financial assets which are debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instruments but does not consider the expected credit losses.

(b) Dividend income on Mutual Funds is recognized when the right to receive dividend from such funds is established.

2.3.2 Property, Plant and Equipment:

Property, plant and equipment are stated at cost, net of credit availed in respect of any taxes, duties less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use. Expenditure directly relating to construction / erection activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the construction/erection cost to the extent such expenditure is related to construction/erection or is incidental thereto. Subsequent expenditure incurred on existing Property, plant and equipment is added to their book value only if such expenditure increases the future benefits from the existing assets beyond their previously assessed standard of performance.

Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use as intended by management.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method at the useful lifes specified and manner laid down under schedule II to the Companies Act, 2013.

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Asset Class	Useful Life (years)
Buildings (factory buildings)	30
Buildings - (other than factory buildings)	60
Plant and Equipment	40
Furniture	10
Office Equipment	5
Computers	3
Vehicles	8
Library	5

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not ready for use as intended by the management before such date are disclosed under 'Capital work-in-progress'.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of profit and loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss when the asset is derecognised.

2.3.3 Intangible Assets:

An Intangible Asset is recognised only where it is probable that future economic benefits attributable to the asset will accrue to enterprise and cost can be measured reliably. Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. Subsequent expenditure incurred on existing intangible assets is added to their book value only if such expenditure increases the future benefits from the existing assets beyond their previously assessed standard of performance.

Intangible Assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful lives of Computer Software are amortised over their useful life of 4 years

2.3.4 Impairment of Non-Financial Assets:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.3.5 Lease:

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or

- the Company designed the asset in A way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a Lessee:
a) Under Ind AS 116:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term Leases and Leases of Low-Value Assets:

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets.

As a Lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease for leases other than short term leases and leases of low value. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.3.6 Foreign Currency Transactions:

Functional and Presentation Currency:

The financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency of the Company at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the statement of profit and loss in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or statement of profit and loss are also recognised in Other Comprehensive Income or statement of profit and loss, respectively).

2.3.7 Inventories:

Inventories in the form of stores and spare parts held for use in rendering of services are valued at cost. Cost is determined on a weighted average basis Spares are recognised in accordance with Indian Accounting Standard (Ind AS) 16 "Property, Plant and Equipment" when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory. Spares and are stated at the lower of cost or net realisable value.

2.3.8 Trade and Other Receivables:

Trade receivables are recognized initially at transaction price. They are subsequently measured at amortized cost using the effective interest method, net of provision for impairment, if the effect of discounting is considered material. The carrying amounts, net of provision for impairment, reported in the statement of profit and loss approximate the fair value due to their short realization period. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The provision is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the receivables' original effective interest rate. The amount of the provision is recognized in the statement of profit and loss.

2.3.9 Taxes:

Current Income Tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions where appropriate.

Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it is probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Minimum Alternative Tax (MAT):

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement.

2.3.10 Employee Benefits:

(i) Short-term Obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term Employee Benefit Obligations:

The liabilities for compensated absence are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method by actuary. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

(iii) Post-employment Obligations:

The company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity and (b) Defined contribution plans such as provident fund.

Defined Benefit Obligation:

Gratuity plan:

The liability or assets recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

% Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

% Net interest expense or income

Defined Contribution Plan:

Provident Fund:

Retirement and other employee benefits in the form of provident fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions are due.

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

2.3.11 Financial Instruments:

2.3.11.1 Initial Recognition:

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to / reduced from the fair value on initial recognition. Purchase and sale of financial assets are accounted for at trade date.

2.3.11. 2 Subsequent measurement:

a. Financial Assets:

Equity Investments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value Through Profit and Loss (“FVTPL”). For all other equity instruments, the company may make an irrevocable election to present in Other Comprehensive Income (“OCI”) (subsequent changes in the fair value). The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at Fair Value Through Other Comprehensive Income (“FVTOCI”), then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from Other Comprehensive Income to Statement of Profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Debt Instrument:

(i) Financial Assets Carried at Amortised Cost:

For purposes of subsequent measurement, a ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

(ii) Financial Assets at Fair Value through other Comprehensive Income:

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is to achieve both collecting contractual cash flows and selling financial assets and 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 principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial Assets at Fair Value through Profit or Loss:

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

b. Financial Liabilities:

Initial Recognition and Measurement:

The Company recognizes a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value. In case of financial liabilities not recorded at fair value through profit or loss (FVTPL) fair value less transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent Measurement:
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial Liabilities at Fair Value through Profit or Loss:
Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as Fair Value Through Profit and Loss, fair value gains/ losses attributable to changes in credit risk are recognized in Other Comprehensive Income. These gains/ loss are not subsequently transferred to Statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

2.3.11.3 Derecognition:
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a) the rights to receive cash flows from the asset have expired, or b) the Company has transferred its rights to receive cash flows from the asset, andi. the Company has transferred substantially all the risks and rewards of the asset, or ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.3.11.4 Impairment of Financial Assets:
In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balancesb) Trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115c) Loan commitments which are not measured at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

- Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

  ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

  ECL impairment loss allowance (or reversal) is recognized during the period as income/ expense in the statement of profit and loss and is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

2.3.11.5 Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, if the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The Following Table Shows Various Reclassification and how they are Accounted for:

Original class	Revised	Accounting Treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized|| cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

2.3.11.6 Offsetting Financial Instruments:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.3.12 Fair Value of Financial Instruments:

In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:• In the principal market for the asset or liability or• In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use, when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.3.13 Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. In case warranty costs cannot be reliably estimated/identifiable the company is not making any provision for warranty costs.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities:

Contingent liabilities are disclosed when there is a probable obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, and such liability that may arise is termed as a contingent liability.

Contingent Assets:

Contingent asset: A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

2.3.14 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Investment in Bank Deposits:

Investments in bank deposits represent term deposits placed with banks earning a fixed rate of interest. Investments in bank deposits with maturities of less than one year are disclosed as current assets and more than one years as non-current assets. At the reporting date, these deposits are measured at amortized cost using the effective interest method.

Cash and Cash Equivalents:

Cash and cash equivalents include cash in hand and at bank, short–term deposits with an original maturity period of less than three months and current investments which are highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.3.15 Earnings per Equity Share:

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.3.16 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Managing Director of company has been identified as being the Chief Operating Decision Maker(CODM). Refer Note No. 31 for segment information presented.

2.3.17 Dividend to Equity-holders:

The company recognises a liability to make dividend distributions to equity holders on the date of approval by the shareholders.

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Note No. 3

Particulars	Land	Buildings	Property, plant and equipment								Intangible
			Plant and Equipment	Capital Spares	Furniture and Fixtures	Vehicles	Office equipment	Computers	Library	Total Property, plant and e quipment	Assets Softwares
Cost / Deemed Cost											
As at April 01, 2019	**162.75**	**2,701.47**	**9,275.01**	**3,297.10**	**36.22**	**81.67**	**71.09**	**22.35**	**0.02**	**15,647.68**	**6.09**
Additions during the year	-	-	14.69	402.03	14.24	92.24	23.68	2.57	-	**549.45**	1.38
Disposal during the year	-	-	-	220.08	-	-	-	-	-	**220.08**	-
As at March 31, 2020	**162.75**	**2,701.47**	**9,289.70**	**3,479.05**	**50.46**	**173.91**	**94.77**	**24.92**	**0.02**	**15,977.05**	**7.47**
Additions during the year	-	-	-	470.30	11.59	0.92	24.48	8.41	-	**515.70**	-
Disposal during the year	-	-	-	387.47	0.90	-	0.84	2.62	-	**391.83**	-
As at March 31, 2021	**162.75**	**2,701.47**	**9,289.70**	**3,561.88**	**61.15**	**174.83**	**118.41**	**30.71**	**0.02**	**16,100.92**	**7.47**
Accumulated depreciation / amortisation											
Up to April 01, 2019	**-**	**588.87**	**1,143.32**	**287.90**	**7.68**	**13.83**	**33.42**	**13.86**	**0.02**	**2,088.90**	**4.77**
Charge for the year	-	196.81	346.72	189.43	3.80	13.52	13.88	5.06	-	**769.22**	0.52
On Disposal	-	-	-	46.32	-	-	-	-	-	**46.32**	-
Up to March 31, 2020	**-**	**785.68**	**1,490.04**	**431.01**	**11.48**	**27.35**	**47.30**	**18.92**	**0.02**	**2,811.80**	**5.29**
Charge for the year	-	193.66	345.66	204.59	4.87	20.81	14.38	3.83	-	**787.80**	0.53
On Disposal	-	-	-	89.47	0.39	-	0.51	2.49	-	**92.86**	-
Up to March 31, 2021	**-**	**979.34**	**1,835.70**	**546.13**	**15.96**	**48.16**	**61.17**	**20.26**	**0.02**	**3,506.74**	**5.82**
Net Block											
As at March 31, 2021	**162.75**	**1,722.13**	**7,454.00**	**3,015.75**	**45.19**	**126.67**	**57.24**	**10.45**	**-**	**12,594.18**	**1.65**
As at March 31, 2020	**162.75**	**1,915.79**	**7,799.66**	**3,048.04**	**38.98**	**146.56**	**47.47**	**6.00**	**-**	**13,165.25**	**2.18**
As at April 01, 2019	**162.75**	**2,112.60**	**8,131.69**	**3,009.20**	**28.54**	**67.84**	**37.67**	**8.49**	**-**	**13,558.78**	**1.32**

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Note No. 4 - Loans and Advances:		
Non-current		
Deposits Recoverable	34.63	9.30
Total	**34.63**	**9.30**
Note No. 5 - Other Assets:		
Non-current		
Capital Advance	0.28	0.28
Prepaid Expenses	3.47	6.81
Total	**3.75**	**7.09**
Current		
Advance for Expenses	276.76	996.94
Payment Under Protest (refer note no. 30)	9,134.45	9,125.99
Prepaid Expenses	56.61	36.09
Due from Staff	4.40	5.12
Income Tax Refund Receivable	141.30	141.30
Total	**9,613.52**	**10,305.44**
Note No. 6 - Inventories:		
(valued at cost)		
Stores and Spares	526.57	483.43
Total	**526.57**	**483.43**
Note No. 7- Investments:		
Current		
Investment carried at fair value through profit or loss		
Others - Unquoted		
Equity oriented funds		
UTI-Liquid Cash Plan-Daily Dividend Reinvestment 439.84 units [2020: 425.450 units] (NAV: 1,019.45)	4.48	4.34
Total	**4.48**	**4.34**
Aggregate amount of unquoted investments		
- Fair value	**4.48**	**4.34**
- Cost	**4.48**	**4.34**
Aggregate provision for diminution in value of investments	**-**	**-**
Note No. 8 - Trade Receivables:		
Unsecured, Considered Good	12,820.68	14,352.77
Unsecured, Considered doubtful (credit impaired)	17.07	17.07
	12,837.75	**14,369.84**
Less: Allowance for bad and doubtful debts	(17.07)	(17.07)
Total	**12,820.68**	**14,352.77**

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

No Trade Receivables are due from Directors or other Officers of the company either severally or jointly with any other person.

Receivables from related parties INR 10,496.39 (2020: INR 11,693.54)

Trade receivables considered good includes Differential energy charges, unutilised energy charges, Demand Charges, Surcharge and State Load Dispatch Charges since April 2017 billed to Andhra Pradesh Power Purchase Co-Ordination Committee and Telangana Power Purchase Co-ordination Committee as per calculation mechanism set out in Memorandum of Understanding for Phase I and Phase II but not accepted by them.

During the year, the Company as per Articles of Association of the Company and Memorandum of Understanding with Participating Industries for Phase I and Phase II has auctioned the shares of Andhra Pradesh Power Purchase Co-Ordination Committee (APTRANSCO) to recover its trade receivable from them.

Particulars	As at March 31, 2021	As at March 31, 2020
Note No. 9 - Cash and Cash Equivalents:		
Cash on Hand	1.20	0.91
Cheques in Hand	382.01	-
Balances with Banks in Current Accounts	374.40	48.01
Total	**757.61**	**48.92**
Note No. 10 - Other Bank Balances:		
Current		
Balances with Banks in: Fixed Deposit Accounts	-	12.51
Balances with Banks in: Margin Money Deposits	198.50	636.55
Total	**198.50**	**649.06**
Margin Money Deposits with Banks are against guarantee given by them Fixed Deposits are given as guarantee fot short term loan taken from erstwhile Andhra Bank of INR Nil (2020: INR 1,695)		
Note No. 11- Other Financial Assets:		
Current		
Balances with Banks in: fixed deposit accounts	-	1,725.05
Balances with Banks in: margin money deposits	3,206.64	2,770.09
Interest accrued on deposits	173.75	605.87
Other Receivables	532.18	532.18
Total	**3,912.57**	**5,633.19**
Margin money deposits with Banks are against guarantee given by them Fixed deposits are given as guarantee fot short term loan taken from erstwhile Andhra Bank of INR Nil (2020: INR 1,695) Other receivables represents amount received as Back-up Guarantees - from participating industires		
Note No. 12 - Current Tax Assets (Net)		
Advance Income Tax and TDS (net of Provisions)	161.39	-
Total	**161.39**	**-**

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Note No. 13 - Share Capital:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Authorised:				
Equity Shares of Rs 10 /- each.	200,000,000	20,000.00	200,000,000	20,000.00
Issued, Subscribed and Paid up:				
Equity Shares of Rs 10/- each fully paid up	72,896,189	7,289.62	72,896,189	7,289.62
Total	**72,896,189**	**7,289.62**	**72,896,189**	**7,289.62**

i. Details of share holders holding more than 5% of total number of shares:

Name of the Share Holder	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	%	Number of Shares	%
The Andhra Sugars Ltd	11,540,080	15.83%	11,540,080	15.83%
Andhra Pradesh Power Purchase Co-Ordination Committee (APTRANSCO) (refer note iv and note v below)	-	0.00%	15,758,400	21.62%
TGV SRAAC Limited	9,862,400	13.53%	1,393,600	1.91%
The India Cements Ltd	5,896,000	8.09%	5,896,000	8.09%
Coromandel International Ltd	5,392,160	7.40%	5,392,160	7.40%
Cement Corporation of India Ltd	3,920,840	5.38%	3,920,840	5.38%

ii. **Reconciliation of the number of shares outstanding at the beginning and at the end of the year:**

The Opening and closing balance of the Subscribed and Paid-up equity shares of the company are same, hence, reconciliation between opening and closing number of shares does not arise.

iii. **Rights, preferences and restrictions attached to equity shares including distribution of dividends:**

The company has only one class of shares i.e. equity having face value of INR 10 per share with one vote per each equity share. 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. 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 creditors in proportion to the number of equity shares held by them.

iv. During the pevious year, as per the communication received from Telangana Power Purchase Co-ordination Committee (TSTRANSCO) the Company has transferred the shares of Telangana Power Purchase Co-ordination Committee (TSTRANSCO) to Andhra Pradesh Power Purchase Co-Ordination Committee (APTRANSCO)

v. During the year, the Company as per Articles of Association of the Company and Memorandum of Understanding with Participating Industries has auctioned the shares of Andhra Pradesh Power Purchase Co-Ordination Committee (APTRANSCO) to recover its trade receivable from them.

Note No. 14 - Other Equity:

Particulars	Securities Premium Account	General Reserve	Retained Earnings	Total
Balance as at 01 April 2019	3,752.01	9,135.02	10,694.76	**23,581.79**
Add: Profit for the year	-	-	4,905.52	**4,905.52**
Less: Re-measurement gains/(losses) on defined benefit plans	-	-	(16.93)	**(16.93)**
Balance as at 31 March 2020	**3,752.01**	**9,135.02**	**15,583.35**	**28,470.38**
Less: Loss for the year	-	-	(2,840.54)	**(2,840.54)**
Less: Re-measurement gains/(losses) on defined benefit plans	-	-	(40.06)	**(40.06)**
Balance as at 31 March 2021	**3,752.01**	**9,135.02**	**12,702.75**	**25,589.78**

Notes to Ind AS financial statements for the year ended March 31, 2021

All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Note No. 15 - Provisions:		
Provision for employee retirement benefits (Refer Note No. 36)		
Non-current		
: Compensated Absences	641.65	616.11
Total	**641.65**	**616.11**
Current		
: Compensated Absences	115.96	65.07
Total	**115.96**	**65.07**
Note No. 16 - Deferred Tax Liability:		
Deferred tax Liability on account of :		
Depreciation and Amortisation	2,211.14	2,214.08
Deferred Tax Liability (A)	**2,211.14**	**2,214.08**
Deferred tax Assets on account of:		
Disallowances U/s 43B of the Income tax Act,1961	316.03	339.93
Provision for doubtful debts	4.30	4.30
Gratuity	(38.75)	-
Carried forward loss	647.73	-
Unabsorbed depreciation	151.36	-
Deferred Tax Asset (B)	**1,080.67**	**344.23**
Net Deferred Tax Liability (A-B)	**1,130.47**	**1,869.85**
Movment in Deferred Tax Liability		
Opening Balance as of 1 April	**1,869.85**	**2,654.05**
Depreciation and Amortisation	(2.94)	(808.96)
Gratuity	38.75	29.20
Disallowances U/s 43B of the Income tax Act,1961	23.90	(1.45)
Provision for doubtful debts	-	(2.99)
Carried forward loss	(647.73)	-
Unabsorbed depreciation	(151.36)	-
Closing B alance as at 31 March	**1,130.47**	**1,869.85**
Note No. 17 - Current Borrowings:		
Secured		
Working capital facility from erstwhile Andhra Bank	-	1,695.00
Total	**-**	**1,695.00**
Working capital facility from erstwhile Andhra Bank is secured by fixed deposits with them		
Note No. 18 - Trade Payables:		
Dues to: Small and Micro Enterprises *	-	-
: Other than Small and Micro Enterprises	3,102.35	1,798.75
Total	**3,102.35**	**1,798.75**
Trade Payable to related parties as on March 31, 2021 INR Nil (March 31, 2020: INR Nil) Trade payables are non-interest bearing and are normally settled on 15-30 day terms. * Based on the information available with the company. Refer Note No. 38		

Notes to Ind AS financial statements for the year ended March 31, 2021

All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Note No. 19 - Other Current Financial Liabilities		
Liabilities for Expenses - Dues to creditors other than Small and Micro Enterprises *	705.83	672.62
Deposits Refundable	114.80	113.87
Total	**820.63**	**786.49**
Liabilities for Expenses includes payable to related parties as on March 31, 2021 INR 0.78 (March 31, 2020 INR 0.78) Liabilities for Expenses are non-interest bearing and are normally settled on 15-30 day terms. * Based on the information available with the company. Refer Note No. 38		
Note No. 20 - Current Tax Liability (Net)		
Provision for tax (net of Advance Income Tax and TDS)	-	156.92
Total	**-**	**156.92**
Note No. 21 - Other current liabilities		
Advance from Customers (refer note (a) below)	365.21	365.25
Liabilities for Other Finance	1.28	1.32
Other liabilities (refer note (b) below)	351.44	351.44
Interest accrued on statutory liabilities (refer note (c) below)	498.40	465.80
Statutory Liabilities (refer note (c) below)	722.74	728.97
Total	**1,939.07**	**1,912.78**

Note (a): Advances from customers includes INR 364.88 (2020: INR 364.88) against the Electricity Duty on Wheeling charges, which was contested by the company. (Refer Note 29(b)(b)).

Note (b): The Company has claimed INR 1,405 from United India Insurance Company Limited on account of damages for 60MW STG Rotor of Stage II. Commercial Court Cum XXIV Additional Chief Judge, City Civil Court, Hyderabad ordered United India Insurance Company Limited to Obey the arbitration award and pay INR 1,405 to the Company along with Interest @ 6% per annum from the date of award i.e 26 March 2003 till the date of payment. Aggrived by the said order, United India Insurance Company Limited appealed before Hon’ble High Court of Telangana. The Hon’ble High Court of Telangana directed United India Insurance Company Limited admitted the appeal and directed to pay 25% of the awarded amount. Pending disposal of the appeal amount received is not recognised in statement of profit and loss.

Note (c): Andhra Pradesh Pollution Control Board (“APPCB”) as per the provisions of section 3 (2A) of The Water (Prevention and Control of Pollution) Cess Act, 1977 assessed Water Cess @10 paise per KL. Aggrieved by the said order, the Company has filed appeal before Appellate Committee, inter-alia also prayed to charge @ 5 paise per KL. The Chairman, Appellate Committee had passed order against the Company. Aggrieved by the said order the Company has filed Writ Petition before the Hon’ble High Court of Andhra Pradesh The case is pending before the Hon’ble High Court of Andhra Pradesh for final hearing. Against the said demand the Company has made provision of INR 485.42 (2020: INR 485.42). Interest accrued on statutory liabilities includes Interest on water cess of INR 361.11 (2020: INR 361.11).

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	for the year ended March 31, 2021	for the year ended March 31, 2020
Note No. 22 - Revenue from Operations:		
Revenue from Contracts with Customers		
Sale of Energy	43,859.55	42,065.98
Total	**43,859.55**	**42,065.98**
Note No. 23 - Other Income:		
Surcharge	217.22	56.29
Interest earned on deposits	248.55	689.41
Dividend Received	0.15	2.55
Miscellaneous Income	8.00	1.46
Rent received	18.85	14.71
Excess provisions and credit balances written back	-	47.76
Profit on sale of assets (net)	2.95	-
Total	**495.72**	**812.18**
Note No. 24 - Employee Benefits:		
Salaries and Wages	2,449.26	1,502.46
Contribution to provident fund	69.16	63.81
Gratuity	31.44	39.28
Staff welfare expenses	29.92	26.88
Total	**2,579.78**	**1,632.43**
Note No. 25 - Finance Costs:		
Interest: on borrowings	94.31	44.58
Interest: on working capital facilities	27.25	0.88
Interest: others	166.24	108.96
Other borrowing costs	65.95	118.90
Total	**353.75**	**273.32**
Note No. 26 - Depreciation and Amortization Expense:		
Depreciation of Property, Plant and Equipment	787.80	769.22
Amortization of Intangible Assets	0.53	0.52
Total	**788.33**	**769.74**

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	for the year ended March 31, 2021	for the year ended March 31, 2020
Note No. 27 - Other Expenses:		
Consumption of stores	5,032.27	1,830.88
Operation and maintenance charges	1,699.98	1,559.61
Rates and taxes	117.52	211.74
Water cess	-	-
Water drawal charges	9.78	5.71
Legal and Professional charges	429.35	402.40
Insurance	249.84	233.79
Cash discount	38.98	8.83
Directors sitting fee	2.00	1.16
Payments to Auditor: Statutory Audit	4.99	4.54
Payments to Auditor: Tax Audit	1.00	0.91
Payments to Auditor: Taxes	1.08	0.98
Repairs to: buldings	64.11	26.71
Repairs to: machinery	435.05	223.00
Repairs to: others	191.06	104.42
Expenditure towards Corporate social responsibility	168.14	102.78
Loss on sale of Property, plant and equipment	-	-
Donations	100.00	0.15
Contribution to political parties	1.00	-
Bad debts written off	-	16.66
General expenses	92.65	36.57
Communications charges	6.48	7.50
Travelling and conveyance	44.87	88.96
Security charges	62.60	40.69
Total	**8,752.75**	**4,907.99**
Details of Corporate social Responsibility Expenses:		
Gross amount required to be spent during the year		95.64
Amount spent during the year	**Paid**	**Yet to be spent**
Construction/acquisition of any asset	-	
On purposes other than above	168.14	(72.50)
Total	168.14	(72.50)
Gross amount required to be spent during the year		113.33
Amount spent during the year	**Paid**	**Yet to be spent**
Construction/acquisition of any asset	-	
On purposes other than above	102.78	10.55
Total	102.78	10.55

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	for the year ended March 31, 2021	for the year ended March 31, 2020
Note No. 28- Tax Expenses:		
The Major Components of Income Tax Expense:		
Statement of Profit and Loss		
Current tax	-	1,550.00
Earlier years	-	(36.54)
Deferred tax Relating to origination and reversal of temporary differences	(725.91)	(778.37)
Tax expense recognised in the statement of profit or loss	**(725.91)**	**735.09**
Other Comprehensive Income		
Re-measurement gains/(losses) on defined benefit plans	13.47	5.83
Tax expense recognised in the Other Comprehensive Income	**13.47**	**5.83**
Reconciliation of Tax $xpense and the Accounting Profit multiplied by domestic tax rate		
Accounting profit / (Loss) before income tax	(3,566.45)	5,640.61
Enacted tax rates	25.17%	25.63%
Computed expected tax expense	(897.60)	1,445.44
Exempted non-operating income	(0.04)	(0.65)
Non-deductible expenses	67.74	26.34
Depreciation and Amortisation	47.05	21.03
Provision for Gratuity	(37.89)	(33.08)
Disallowane u/s 43B	26.73	98.67
Deduction for let out property	(1.30)	(0.98)
Others	(0.75)	(6.77)
Adjustment on account of carried forward loss and unabsorbed depreciation	796.06	-
Current income tax charge	**(0.00)**	**1,550.00**

The Company has exercised option for tax rates under Section 115BAA of the Income tax Act, 1961 and computed the current income tax and deferred tax for the year at the rates specified in the said section.

Note No. 29 - Earnings per share:

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	for the year ended March 31, 2021	for the year ended March 31, 2020
Profit attributable to equity holders	(2,840.54)	4,905.52
Weighted average number of Equity shares	72,896,189	72,896,189
Earnings per share – Basic and diluted (per share)	(3.90)	6.73

Since, the company does not have any dilutive securities, the basic and diluted earnings per share are same.

Note No. 30 - Commitments and Contingent liabilities

a. Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for INR Nil (2020: INR 40.25)

b. Contingent liabilities to the extent not provided for

Particulars	As at March 31, 2021	As at March 31, 2020
Disputed demands		
a. Employees State Insurance (Refer note (a) below)	26.42	26.42
b. Provident Fund (Refer note (a) below)	19.80	19.80
c. Electricity Duty (Refer note (b) below)	13,831.23	13,831.23
d. Income Tax (excluding interest and penalties if any thereon)	1,637.92	1,637.92
Claims against the Company not acknowledged as debts (Refer note (c) below)	118,792.58	118,784.13
State Load Disptch Charges (SLDC) (Refer note (d) below)	886.16	886.16
Letter of Credit and Guarantees given by Bankers	8,862.53	10,872.13

(a) Demands for Employees State Insurance and Provident Fund:

Against these demands INR 16.51 (2020: INR 16.51) and INR 9.17 (2020: INR 9.17) were paid against Provident Fund and Employees State Insurance respectively under protest and are shown under “Other Assets”.

(b) Demand from Chief Electrical Inspector, Govt. of Andhra Pradesh towards Electricity Duty:

The company received a demand of INR 13,831.23 (2020: INR 13,831.23) from the Chief Electrical Inspector,erstwhile Govt. of Andhra Pradesh towards i. differential duty between 0.06 paise/unit and 0.25 paise/unit for the period from July 17, 2003 to March 31, 2006 andii. duty on (a) wheeled units of power allotted to erstwhile Andhra Pradesh State Electricity Board (A.P.S.E.B.), A.P. Transco and A.P. Discoms and (b) units imported for Auxiliary consumption for the period from 1990 to 2006.Aggrieved of the said demand, the Company preferred an appeal before Hon’ble High Court of Andhra Pradesh and Telangana as it was then. The Hon’ble High Court, vide its order dated May 19, 2016 delivered judgement against the company. The Company filed a review petition with the Hon’ble High Court Andhra Pradesh and Special Leave Petition before Hon’ble Supreme Court. Pending disposal of the same, no provision is made in the accounts for the said liability.

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

(c) Claims against the Company not acknowledged as debts:

i) Claim by Cement Corporation of India Limited (CCI) :

During the year 2003, the Company to recover its dues from Cement Corporation of India Limited (CCI) sold part of Equity Shares held by CCI to Hyderabad Metropolitan Water Supply and Sewerage Board (H.M.W.S.&S.B.) and adjusted the sale proceeds towards their dues of electricity charges. After such sale, CCI was supplied electricity of 14.63 MW only as against their original entitlement of 20.64 MW. Being aggrieved by the said action of the Company, CCI referred the matter to arbitration. The arbitrator passed an award dated April 30, 2008 directing CCI to pay INR 1,798.20 (2020: INR 1,798.20) to the Company towards their dues against electricity charges and also directed the Company to allocate and supply power of 20.64 MW to CCI. Accordingly, CCI had tendered demend draft for INR 1,798.20 (2020: INR 1,798.20) to the Company, which was returned back to them by the company.

Since Equity shares held by CCI were sold, the Company is not in a position to allocate and supply electricity of 20.64MW to CCI as per the award of the arbitrator. The Company filed an appeal before City Civil Court, Hyderabad challenging the award of the arbitrator. Probable liability that may arise for restoring the shares to CCI is not ascertainable. Hence no provision could be made in this regard in the accounts. Hyderabad Metropolitan Water and Sewerage Board, buyer of shares also filed OP against the order of Arbitrator making the Company also a respondent. The case is pending before the Hon'ble City Civil Court, Hyderabad for final hearing. (Impact INR 8,843.54 [2020: INR 8,843.54]).

(ii) Claim by GAIL (India) Limited ("GAIL"):

APGPCL received a debit note from GAIL (India) Limited for INR 30,891.67 (2020: INR 30,891.67) towards differential gas price on account of change in Price Mechanism from Administered Price Mechanism (APM) to Non-Administered Price Mechanism (Non-APM), for the period July 01, 2005 to December 31, 2012 and another claim/demand for INR 1,546.45 (2020: INR 1,546.45) towards the differential gas price for the period 01 January, 2013 to 31 October, 2014. Further GAIL demanded interest of INR 59,608.60 (2020: INR 59,608.60) up to November 31, 2017 for the period July 01, 2005 to December 31, 2012 and INR 1,064.96 (2020: INR 1,064.96) for the period January 01, 2013 to October 31, 2014.

Aggrieved of such debit notes the Company filed a writ petition before Hon'ble High Court of Delhi for stay of such demends. The Hon'ble High Court of Delhi granted stay in the matter and suggested the parties to go for an arbitration. The arbitrator directed the company to furnish an unconditional bank guarantee for INR 2,500 (2020: INR 2,500) with a direction that GAIL should not encasah the bank guarantee.The Arbitrator has dismissed the claim of the Company.The said Arbitration award has been challenged by the Company before Hon'ble High Court of Delhi under Section 34 of Arbitration and Conciliation Act, 1996. The Company has completed its arguments and the same is posted for GAIL arguments to 10 January, 2022.Pending disposal of the same no provision is made in this regard in books of account.

(iii) Inflated demand charges by Andhra Pradesh Power Co-Ordination Committee (APPCC):

Andhra Pradesh Power Co-ordination Committee (APPCC), based on the order and directive of Andhra Pradesh Electricity Regulatory Commission ("APERC"), raised a demand on the company for INR 5,616.33 (2020: INR 5,616.33) towards discrepancy in demand allocation made to the participating industries from 2002 onwards and APDISCOMS for the period from 1990 to 2010. Out of which INR 1,039.55 (2020: INR 1,039.55) was already recovered by APPCC.

Aggrieved of the said demand of INR 5,616.33 (2020: INR 5,616.33) and recovery of INR 1,039.55 (2020: INR 1,039.55). The Company filed a petition in Hon'ble High Court of Andhra Pradesh. The Hon'ble High Court of Andhra Pradesh and Telangana granted stay and directed not to recover inflated demand charges and reverted the case to APERC. The Company also pleaded with the Hon'ble High Court to give direction for refunding the amount of INR 1,039.55 (2020: INR 1,039.55) which already was recovered from them. This amount was shown as "Paid under protest" under "Other Assets". However, Hon'ble High Court of Andhra Pradesh and Telangana reverted the case to APERC to give an opportunity to the Company and accordingly the Company filed a petition before APERC. Pending disposal of the same no provision is made for this in the accounts.

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

(iv) Interest on delayed payment of water cess to Andhra Pradesh Pollution Control Board (APPCB):

The Company received demand from Andhra Pradesh Pollution Control Board (APPCB) for payment of water cess of INR 192.71 (2020: INR 192.71) for the period November 01, 2012 to October 31, 2013 with due date of December 30, 2013. The Company paid the same on September 10, 2014 with a delay of 254 days. In view of the delay APPCB charged interest of INR 32.18 (2020: INR 32.18) on delayed payment of water cess from the due date @ 2% per month. The Company filed a petition before The Chairman, Appellate Committee for water cess, Vijayawada for stay all further proceedings. During the year The Chairman, Appellate Committee for water cess, Hyderabad passed order against the Company. Aggrieved by the said order the Company filed writ petition before the Hon'ble High Court of Andhra Pradesh. Pending disposal of the appeal no provision is made in the books.

(v) Electricity Duty:

The Company has received a demand from The Director of Electrical Safety and Chief Electrical Inspector to Government of erstwhile Andhra Pradesh for INR 836.44 (2020: INR 836.44) towards Electricity duty on power sold by the Company during the years 2013-14 to 2015-16. The Company contested that it has not sold power to any third party and being captive power plant, power generated has been utilized only by its shareholders and therefore is exempted from payment of electricity duty. Pending disposal of the same no provision is made in the accounts.

(vi) Section 17B of the Industrial Disputes Act, 1947:

Hon'ble High Court of Andhra Pradesh and Telangana on the award passed by Labour Court in case of one terminated employee directed the Company to comply with provisions of the Section 17B of the Industrial Disputes Act, 1947. The Company has appealed in the Hon'ble Supreme Court against the order of the Hon'ble High Court of Andhra Pradesh and Telangana and requested to depositsalary of the terminated employee based on the last drawn salary in the court till the dispute is setteled. Accordingly, the Company has deposited INR 32.42 (2020: INR 23.96) in the Court for the period June 2017 to March 2021, subject to the final decission of the Hon'ble Supreme Court. The said amount was shown as paid under protest under Other assets.

(v) Wheeling Charges:

The Hon'ble Supreme Court, vide Judgement dated 29 Novemeber, 2019, has upheld Andhra Pradesh Electricity Regulatory Commission (APERC) order dated 24-03-2002 on Wheeling/Transmission Charges, observing that the Commission has jurisdiction to determine the same. Consequent to the said order Transmission Corporation of Andhra Pradesh Ltd. (APTRNSACO) has invoked the Bank Guarantees of INR 3,047 and with drawn deposits of INR 7,273. Aggrieved by the said order the Company filed a review petition and same was dismissed by the Hon'ble Sumpreme Court. In view of the Company's writ petition before Hon'ble High Court of Andhra Pradesh (refer note no 34) the he said amount was shown as paid under protest under Other assets.

(d) State Load Disptch Charges (SLDC) deducted by APTRANSCO:

The Company entered into MOUs dated October 17, 1988 and April 19, 1997 with APSEB (presently "Transmission Corporation of Andhra Pradesh Ltd. (APTRANSCO) for Stage-I and Stage-II respectively to transmit power generated by it to its participating industries utilizing their grid system by paying wheeling charges.

Subsequently Andhra Pradesh Electricity Regulatory Commission (APERC) framed regulations known as "AP Electricity Regulatory Commission (Levy and Collection of Fees and charges by the state Load Dispatch Centre) Regulations, 2006," exercising the power vested in it under The Electricity Act, 2003. According to the said regulations, any organization utilizing the grid for the transmission of power has to pay charges for such use. Transmission Corporation of Andhra Pradesh Ltd., (APTRANSCO) was notified on April 01, 2007 as State Load Dispatch Centre (SLDC) by Government of Andhra Pradesh till such time the State Government establishes a Government Company or any authority or corporation for regulating transmission of power. Based on said regulations, APTRANSCO has deducted SLDC charges amounting to INR 579.51 (2020: INR 579.51) for the period April 01, 2007 to March 31, 2015 from the Consumer Charges (CC) payable by APTRANSCO to the company.

Aggrieved by such deduction the Company filed writ petition before Hon'ble High Court of Andhra Pradesh contesting levy of dispatch charges. Pending disposal of the same such charges are not considered in the accounts. From April 01, 2015 till March 31, 2021 the company paid SLDC charges of INR 306.65 (2020: INR 306.65). Hence, the said amounts totalling to INR 886.16 (2020: INR 886.16) is shown as "paid under protest" under Other Assets.

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Note No. 31:

The Company has contested the order of the Dy. Commissioner of Customs, Visakhapatnam before erstehilr Customs, Excise & Gold Appellate Tribunal (CEGAT), Chennai on Charging of higher rate of Customs Duty on imports.

i. CEGAT, Chennai vide their order directed the Dy. Commissioner of Customs, Visakhapatnam to refund the excess collection of customs duty of INR 2,601.38 (2020: INR 2,601.38) on imports and to redo the assessment in respect of the duty on Design and Engineering.The Dy. Commissioner of Customs, Visakhapatnam rejected the said refund on the ground of "unjust enrichment" and directed that it may be credited to Consumer Welfare Fund. Appeal filed by the company on levy of customs duty on Design and Engineering was dismissed by the Dy. Commissioner of Customs, Visakhapatnam. The above orders were upheld by the Commissioner of Customs, Hyderabad against which the Company filed appeal before the Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Bangalore. CESTAT, Bangalore has upheld the order of Deputy Commissioner, Vishakhapatnam.

   On the application, by the Company, for rectification of mistake apparent in the order, CESTAT, Bangalore reconsidered its order and rectified the mistake and passed an order in favour of the company. The company, referring the rectification order, requested the Commissioner of Customs, Visakhapatnam for refund of the duty. The Commissioner of Customs, Visakhapatnam preferred an appeal before Hon'ble High Court of Andhra Pradesh and Telangana on the order of CESTAT, Bangalore. The Hon'ble High Court granted stay on the order of CESTAT, Bangalore.

ii. Charging duty on Design and Engineering charges for Stage-IIIn respect of Design & Engineering, Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Vishakhapatnam had passed an order holding that the inclusion of cost of Design & Engineering in the machinery is not in line with the order passed by the Central Excise & Gold Appellate Tribunal (CEGAT), Chennai. Therefore, the Impugned Order was set aside and matter was remanded to the Dy. Commissioner of Customs, Visakhapatnam for reconsidering the matter de-novo in the light of the earlier directions given by the Tribunal in the remand order. The matter is pending before the said authority.

Note No. 32:

Central Bureau of Investigation ("CBI") has registered a case against Mr. EVS Rao General Manager of Gas Authority of India Limited for charging lower price for APM Gas intentionally and dishonestly did not implementing the pricing order of Ministry of Petroleum & Natural Gas (MoP&NG)and issued letter No. L-12015/2/2005-GP dated 27 June, 2006 read with circular No. L-12015/2/04-GP dated 05 June, 2006 read with circular No. L-12015/504-GP(1) dated 20 June, 2005 for supplying APM gas to 7 Companies including the Company. On 07 June, 2018 the Company has received summons from CBI court stating that there is suffiient material to proceed against accused compaies including the Company and on 28 July, 2018 filed charge sheet on all the accused companies. The case is pending with CBI Court.

Note No. 33:

The Company claimed INR 1,584 from The New India Assurance Company Limited towards loss of profit against GAIL's pipeline blast for the period 07 November, 2014 to 22 September, 2015. As the Company's claim was not admitted by The New India Assurance Company Limited the Company filed petition before the National Consumer Disputes Redressal Commission, New Delhi and The New India Assurance Company Limited yet to file rejoinder.

Note No. 34:

The Company has filed a writ petition before Hon'ble High Court of Andhra Pradesh to give effect to the Hon'ble Supreme Court, Judgement dated 29 Novemeber, 2019 passed in SLP No. 9397 of 2002 regarding compution of the wheeling charges for the years 2002-2003 to 2018-2019 in terms of the wheeling charges as determined by Andhra Pradesh Electricity Regulatory Commission (APERC) for recovery of INR 59,700 along with Interest @ 24% per annum INR 127,000. The Hon'ble High Court of Andhra Pradesh passed the order "the respondents shall consider the representation of the petitioner dated 28 December 2019 and pass appropriate orders, with in a period of 15days from today, keeping in view the orders of the apex court in SLA (Civil) No. 88920 of 2003. Till then the respondents shall not impose any wheeling charges on the petitioner". The case is pending before Hon'ble High Court of Andhra Pradesh.

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Note No. 35:
Segment Reporting:

The Managing Director of the company has been identified as the Chief Operating Decision Maker (CODM). In the opinion of the CODM, the company operates in only one segment i.e generation of elctricity. Accordingly, disclosure of segment information as prescribed in the Indian Accounting Standard 108 “Operating segments” is not applicable except Information about major customers.

Revenue (net) from external customers

Particulars	for the year ended March 31, 2021	for the year ended March 31, 2020
Andhra Pradesh Power Purchase Co-Ordination Committee (APTRANSCO)	7,197.44	9,593.00
Telangana State Power Purchase Co-Ordination Committee (TSTRANSCO)	-	3,094.13
The Andhra Sugars Ltd	7,797.74	6,840.02
TGV SRAAC Limited (formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)	5,071.44	708.79
The India Cements Ltd	4,110.70	4,528.72

Note No. 36 - Employee Benefits:
(a) Defined Contribution Plans:
The Company has recognised following amounts as Expense in the Statement of Profit and Loss :

Particulars	for the year ended March 31, 2021	for the year ended March 31, 2020
Included in Contribution to Provident and Other Funds		
Employer’s Contribution to Provident Fund	69.16	63.81

(b) Defined Benefit Plans:
a. Compensated Absences : (Included as part of Salaries, Wages and Bonus)

The Company’s liability towards un-funded compensated absences is determined by independent actuarial valuation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.Compensated benefits are payable to all the eligible employees of the Company on their separation from the Company for the balance unutilised leaves available to them on the date of separation as per Company Rules. Benefits would be paid at the time of separation based on last drawn basic salary.

Particulars	for the year ended March 31, 2021	for the year ended March 31, 2020
Expenses recognised in Statement of Profit and Loss	216.04	226.65

The Defined Benefit Obligation of compensated absences in respct of the employees of the Company

Particulars	As at March 31, 2021	As at March 31, 2020
Defined Benefit Obligation at the end of the year	757.61	681.18

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

b. Gratuity :

The Company has a funded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972 (as amended).

The plan exposes the Company to actuarial risks such as interest rate risk, investment risk, longevity risk and inflation risk.

The following table sets out the funded status of the gratuity and the amounts recognized in the Company's financial statements as at March 31, 2021 and March 31, 2020:

Change in benefit obligation

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance of benefit obligations	649.07	554.95
Current service cost	33.78	31.64
Interest cost	44.20	42.34
Actuarial Gain /(loss)	53.63	20.13
Benefits paid	(87.83)	-
Closing balance of benefit obligations	**692.85**	**649.06**
Change in plan assets		
Fair Value of plan assets at the beginning of the year	706.03	471.38
Expected return on plan assets	48.08	35.97
Contributions	181.98	202.57
Benefits paid	(87.83)	-
Acquisition adjustment	(1.54)	(1.26)
Actuarial Gain / (Loss) on the plan Assets	0.10	(2.62)
Plan Value of the assets at the end of the year	**846.82**	**706.04**
Expenses recognised in the statement of profit and loss for the year		
Particulars	**for the year ended March 31, 2021**	**for the year ended March 31, 2020**
Current service cost	33.78	31.64
Past service cost	-	-
Expected return on plan assets	(48.08)	(35.97)
Interest cost	44.20	42.34
Total expenses included in employee benefits expense	**29.90**	**38.01**
Recognised in other comprehensive income for the year		
Particulars	**for the year ended March 31, 2021**	**for the year ended March 31, 2020**
Changes in financial assumptiopns	9.33	35.75
Experience variance (i.e.Actual experience Vs assumptions)	44.30	(15.61)
Acturial (Gain) / Loss on plan assets	(0.10)	2.62
Recognised in other comprehensive income	**53.53**	**22.76**

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at March 31, 2021	As at March 31, 2020
Fund managed by the Insurer - LIC	100%	100%

Demographic Assumptions

Particulars	for the year ended March 31, 2021	for the year ended March 31, 2020
Indian Assured Lives Mortality (2012-14-Ult) *	100%	100%
Attrition rate:		
Age at valuation date / valuation date: 18-30	1%	1%
Age at valuation date / valuation date: 31-40	1%	1%
Age at valuation date / valuation date: 41and above	1%	1%

*** Table of sample mortality rates from Indian Assured Lives Mortality (2012-14-Ult)**

Age	Male	Female
20 years	0.092%	0.092%
25 years	0.093%	0.093%
30 years	0.098%	0.098%
35 years	0.120%	0.120%
40 years	0.168%	0.168%
45 years	0.258%	0.258%
50 years	0.444%	0.444%
55 years	0.751%	0.751%
60 years	1.116%	1.116%
65 years	1.593%	1.593%
70 years	2.406%	2.406%

2. Senstivity Analysis Method

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were proved not to be true on different count. Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As at March 31, 2021	As at March 31, 2020
Defined Benefit Obligation (Base)	**692.85**	**649.06**

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	for the year ended March 31, 2021	for the year ended March 31, 2020
Discount Rate (-/+1%) (% change compared to base due to sensitivity)		
Increase	647.48	606.06
Decrease	743.98	696.82
Salary Growth Rate (-/+1%) (% change compared to base due to sensitivity)		
Increase	710.94	667.94
Decrease	673.74	625.67
Attrition Rate (-/+50%) (% change compared to base due to sensitivity)		
Increase	698.87	653.12
Decrease	686.36	644.69
Mortality Rate (-/+10%) (% change compared to base due to sensitivity)		
Increase	693.50	649.50
Decrease	692.21	648.64

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated

Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2021	As at March 31, 2020
Weighted average duration (based on discounted cashflows) in years	11.04	11.04
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Within the next 12 months (next annual reporting period)	42.93	59.49
Between 2 and 5 years	246.18	169.05
Between 6 and 10 years	422.90	440.93
Beyond 10 years	500.82	475.44

The weighted- average assumptions used to determine net periodic benefit cost for the year ended March 31, 2021 and March 31, 2020:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.61%	6.81%
Further salary raises	8.00%	8.00%

Notes :

(i) The present value of the defined benefit obligation were carried out as at March 31, 2021. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields as at the balance sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

Note No. 37 - Related party disclosures:

Related party transactions have been disclosed in accordance with Indian Accounting Standards 24 “Related Party Disclosures”

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

(a) Names of the related parties and description of the relationship

Name of related parties	Nature of relationship
Sri Srikant Nagulapally IAS	Key Management Personnel - Chairman (from 29-06-2019)
Sri CA D Venkateswara Reddy	Key Management Personnel - Managing Director
Sri S. Anil Kumar Kutty, IAS (Retd.) (upto 06-08-2020) Sri K. Vijayanand, IAS (upto 09-08-2019) Dr. Usha Ramachandran (upto 18-12-2020) Sri. Venkata Naresh Chakradhara Babu Kandregula (from 09-08-2019) Sri P. Narendranath Chowdary Sri T. G. Bharath Dr. Ramachandra N. Galla (upto 18-05-2021) Sri. R.P.Agarwal Dr. V. N. Rao (upto 19-08-2020 and from 27-08-2020) Sri D. Muruganandam Sri C Srinivasa Rao (upto 23-08-2021)	Directors
The Andhra Sugars Limited The Andhra Petro Chemicals Limited Amara Raja Batteries Limited (upto 18-05-2021) The India Cements Limited Sree Akkamamba Textiles Limited Sree Satyanarayana Spinning Mills Limited TGV SRAAC Limited (formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited) Sri Shiva Spinning Mills Private Limited Andhra Pradesh Power Purchase Co-Ordination Committee Telangana Power Purchase Co-ordination Committee Mishra Dhatu Nigam Limited (MIDHANI)	Enterprises in which Directors are interested

b) Related party transactions

Particulars	for the year ended March 31, 2021	for the year ended March 31, 2020
Remuneration		
Sri CA D Venkateswara Reddy (refer note iii below)	503.24	163.90
Sitting fee		
Sri Srikant Nagulapally IAS	0.04	-
Sri C.Srinivasa Rao	-	0.07
Sri. R.P.Agarwal	0.67	0.14
Dr.V.N.Rao	0.60	0.28
Sri S. Anil Kumar Kutty, IAS (Retd.)	0.07	0.18
Sri T. G. Bharath	0.25	0.11
Sri. D. Muruganandam	0.14	0.07
Dr. Usha Ramachandran	0.18	0.32

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

b) Related party transactions	for the year ended March 31, 2021	for the year ended March 31, 2020
Sale of Energy		
Amara Raja Batteries Limited	822.76	1,059.55
The Andhra Petro Chemicals Limited	208.20	179.41
The Andhra Sugars Limited	7,797.74	6,840.02
Andhra Pradesh Power Purchase Co-Ordination Committee	7,197.44	9,593.00
Telangana Power Purchase Co-ordination Committee	-	3,094.13
The India Cements Limited	4,110.70	4,528.72
Sree Akkamamba Textiles Limited	124.24	119.61
TGV SRAAC Limited (formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)	5,071.44	708.79
Sree Satyanarayana Spinning Mills Limited	313.76	179.42
Mishra Dhatu Nigam Limited (MIDHANI)	1,010.36	1,828.82
Sri Shiva Spinning Mills Private Limited	8.35	128.27
Purchase of materials		
The Andhra Sugars Limited	9.64	11.30

c) Closing Balances	As at March 31, 2021	As at March 31, 2020
Receivables		
Amara Raja Batteries Limited	221.00	109.19
The Andhra Petro Chemicals Limited	41.06	14.66
The Andhra Sugars Limited	779.72	810.45
Andhra Pradesh Power Purchase Co-Ordination Committee	7,365.09	9,968.88
The India Cements Limited	512.89	516.52
Sree Akkamamba Textiles Limited	20.84	9.77
TGV SRAAC Limited (formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)	1,331.96	114.91
Sree Satyanarayana Spinning Mills Limited	42.44	14.66
Mishra Dhatu Nigam Limited (MIDHANI)	126.19	87.65
Sri Shiva Spinning Mills Private Limited	55.20	46.85
Payables		
The Andhra Sugars Limited	0.78	0.78

i) No guarantees were provided or received for any related party receivables or payables.

ii) For the year ended March 31, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2020: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

iii) Remuneration paid to Managing Director is inclusive of arrears.

Note No. 38 Disclosure under “Micro, Small and Medium Enterprises Development Act, 2006”:

There are no dues to Micro, small and medium enterprises as at March 31, 2021 and March 31, 2020. The identification of Micro, small and medium enterprises as defined under the provisions of “Micro, Small and Medium Enterprises Act, 2006”.

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Note No. 39 - Fair Values:

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as of:

March 31, 2021

Particulars	Note	Amortized Cost	Total Carrying Value	Total fair value
Assets				
Deposits Recoverable	4	34.63	34.63	34.63
Interest accrued	12	173.75	173.75	173.75
Cash and Cash Equivalents	10	757.61	757.61	757.61
Other Bank Balances	11	198.50	198.50	198.50
Investments	8	4.48	4.48	4.48
Trade Receivables	9	12,820.68	12,820.68	12,820.68
Total		**13,989.65**	**13,989.65**	**13,989.65**
Liabilities				
Trade Payables	18	3,102.35	3,102.35	3,102.35
Security Deposits Refundable	19	114.80	114.80	114.80
Creditors for Expenses	19	705.83	705.83	705.83
Total		**3,922.98**	**3,922.98**	**3,922.98**
March 31, 2020				
Assets				
Deposits Recoverable	4	9.30	9.30	9.30
Interest accrued	12	605.87	605.87	605.87
Cash and Cash Equivalents	10	48.92	48.92	48.92
Other Bank Balances	11	649.06	649.06	649.06
Investments	8	4.34	4.34	4.34
Trade Receivables	9	14,352.77	14,352.77	14,352.77
Total		**15,670.26**	**15,670.26**	**15,670.26**
Liabilities				
Trade Payables	18	1,798.75	1,798.75	1,798.75
Security Deposits Refundable	19	113.87	113.87	113.87
Creditors for Expenses	19	672.62	672.62	672.62
Total		**2,585.24**	**2,585.24**	**2,585.24**

i) The management assessed that fair value of trade receivables, trade payables and other liabilities approximate their carrying amounts mainly due to the short-term maturities of these instruments.

ii) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The method and assumption used to estimate the fair values is Long-term fixed-rate and variable-rate receivables/advances given are evaluated by the company based on parameters such as Interest rates, risk factors and individual creditworthiness of the customer. based on this evaluation, allowances are taken into account for the expected credit losses of the receivables.

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Note No. 40 - Fair vlaue hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

All financial assets and liabilities have been fair valued using Level 3 hierarchy except cash and bank balance which is fair valued using Level 1.

Note No. 41:

Financial risk management:

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents those are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Managing Director oversees the management of these risks which are summarised below:

a) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk are deposits with Banks.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2021 and March 31, 2020.

i) 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 market interest rates. The company has no outstanding bank borrowings. The company believes that the working capital available is sufficient to meet its current requirements. The company's exposure to interest rate risk arises primarily from deposits with Banks.The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in interest rate on deposits with Banks. The Company's exposure to interest rate changes are as under:.

Particulars	Increase / (decrease) in Interest rate	Increase / (decrease) in profit/Loss before tax
For the year ended March 31, 2021	0.50% -0.50%	21.46 (21.16)
For the year ended March 31, 2020	0.50% -0.50%	80.66 (80.66)

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

ii) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities i.e Cost of fuel consumed which is denominated in a foreign currency though the same is payable in INR.The following table demonstrates the sensitivity to a reasonably possible change in foreign curreny rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in foreign curreny rate on Cost of fuel consumed. The Company's exposure to foreign curreny changes are as under:

Particulars	Increase / (decrease) in Interest rate	Increase / (decrease) in profit/Loss before tax
For the year ended March 31, 2021	0.50%	75.28
	-0.50%	(75.28)
For the year ended March 31, 2020	0.50%	1,326.53
	-0.50%	(1,326.53)

As the Company doesn't have any other transactions in foreign currency, there is no impact on the financial statements because of foreign currency risk except as stated above.

c) Credit risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and other financial instruments.

Trade receivables:

The Company supplies energy only to participating industires who are shareholders of the Company and allocation is primarily in proportion to their share holding. At March 31, 2021, the Company had 10 customers (2020: 10 customers) that owed approximately 88% (2020: 86%) of all the receivables outstanding.

An impairment analysis is performed at each reporting date.

In the opinion of the Management of the Company, loss due to credit risk has no significant impact on financial statements as majority of company's customers are Shareholders and/or Govt companies. From past experience of realizing financial assets company does not foresee any credit loss (ECL) on trade receivables

d) Liquidity risk:

The Company monitors its risk of shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, trade and other payables. Liquidity risk is that the Company might be unable to meet its obligations. The Company's approach to managing liability is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The company believes that the available working capital is sufficient to meet its current requirements.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2021	On demand	Less than 1 Year	1 to 5 years	Total
Trade Payables	-	3,102.35	-	3,102.35
Liabilities for Expenses	-	705.83	-	705.83
Deposits Refundable	114.80	-	-	114.80

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

As at March 31, 2020	On demand	Less than 1 Year	1 to 5 years	Total
Current Borrowings	-	1,695.00	-	1,695.00
Trade Payables	-	1,798.75	-	1,798.75
Liabilities for Expenses	-	672.62	-	672.62
Deposits Refundable	113.87	-	-	113.87

Note No. 42 - Capital management:

For the purpose of the Company's capital management, capital includes issued capital and all other equity including reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at March 31, 2021, the Company has only one class of equity shares and has no debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

Note No 43:

Net debts reconciliation (Changes in liabilities arising from financing activities) as required under Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flow"

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	757.61	48.92	304.81
Liquid investments	4.48	4.34	21.79
Current borrowings	-	(1,695.00)	-
Net debt	**762.09**	**(1,641.74)**	**326.60**

Particulars	Assets		Liabilities from financing activities	Total
	Cash and cash equivalents	Liquid Investments	current borrowings	
Net debt as at 01 April 2019	**304.81**	**21.79**	**-**	**326.60**
Cash flows	(255.89)	(17.45)	(1,695.00)	(1,968.34)
Interest expense	-	-	45.46	45.46
Interest paid	-	-	(45.46)	(45.46)
Net debt as at 31 March 2020	**48.92**	**4.34**	**(1,695.00)**	**(1,641.74)**
Cash flows	708.69	0.14	1,695.00	2,403.83
Interest expense			94.31	94.31
Interest paid			(94.31)	(94.31)
Net debt as at 31 March 2021	**757.61**	**4.48**	**-**	**762.09**

Note No. 44 - Significant accounting judgements, estimates and assumptions

a) Taxes:

Significant judgment is required in determining provision for income tax. There are many transactions and calculations because of which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

b) Property, Plant and Equipment:

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

c) Defined Benefit Plans:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

d) Impairement of Non-Financial Asset:

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

e) Impairement of Financial Asset:

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) Fair Value Measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities disclosed in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments. The Company has considered Weighted Average Cost of Capital (WACC) rate of respective periods in which transaction had occurred for measuring deposit, being financial liabilities, at amortised cost.

g) Allowance for Uncollectable Receivables:

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not to be collectible.

Notes to Ind AS financial statements for the year ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

h) Provisions and Contingencies:

Provisions: A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liability: A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent asset: A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable.

Note No. 45:

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments are extensive and the Company is evaluating the same to give effect to them as required by law.

Note No. 46 The Code on Social Security, 2020:

The Code on Social Security 2020 (‘Code’) has been notified in the Official Gazette on 29 September, 2020.The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.

Note No. 47 Balances with Trade Receivables, Suppliers and Advances etc are subject to confirmations and reconciliation.

Note No. 48 - Impact due to COVID 19

The Company is in the business of generation of electricity which is an essential service as emphasized by the Ministry of Power, Government of India. The Company’s primary source of revenue is from generation of electricity through natural gas as fuel. Power supply being an essential service and considering the scheduling to the extent possible by State Load Dispatch Centres in case of gas availability. The availability of power plant to generate electricity as per the demand of the customers is important. Hence, the Company has ensured not only the availability of its power plant to generate power subject to availability of natural gas considering essential service as declared by the Government of India. On long term basis also, the Company does not anticipate any major challenge in meeting its financial obligations. Based on above, the management has estimated its future cash flows for the Company subject to availability of fuel which is natural gas, which indicates no major change in the financial performance as estimated prior to COVID-19 impact and hence, the Company believes that there is no impact on its ability to continue as a going concern and meeting its liabilities as and when they fall due.

For and on behalf of Board of Directors

For K.S.Rao &Co
Chartered Accountants
Firm’s Registration No.003109S

Sd/-
(Pardhasaradhi Rao P.)
Partner
Membership No. 224777

Sd/-
(CA. D. Venkateswara Reddy)
Managing Director

Sd/-
(M.V.R.L.S. Rao)
Company Secretary

Sd/-
(R. P. Agarwal)
Director

Place: Hyderabad.
Date: 06.12.2021.

ANDHRA PRADESH GAS POWER CORPORATION LIMITED

Regd. Office # 201, 2nd Floor, My Home Sarovar Plaza, Secretariat Road, Hyderabad – 500 063

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]*

Name of the Company: AP Gas Power Corporation Ltd. CIN: U24111TG1988PLC009231

Registered office: 201, 2nd Floor, Myhome Sarovar Plaza, Opp. Secretariat Road, Hyderabad-500062

Name of the Member		Email ID	
Registerd Address		Folio No./Client ID	
No.of shares held			

I/ We being the member of …………, holding….. shares, hereby appoint

1. Name: …………….

Address:

E-mail Id:

Signature: ………..

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 32nd Annual General Meeting of members of the Company, to be held on **Thursday, the 30th December,2021 at 12.30 PMthrough Video conferencing/Audio Visual Means (VC)**, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote For Against
1.	Adoption of Audited Annual Accounts for the Financial year 2020-21	
2.	Re appointment of Sri R.P. Agarwal, Director retiring by rotation	
3.	Re appointment of Sri T. G. Bharath, Director retiring by rotation	
4.	To remove Sri NagulapalliSrikant, IAS, Director representing AP Transco.	
5.	To remove Sri S.V.N ChakradharaBabu, IAS, Director representing AP Transco.	
6.	To amend the following provisions/clauses in MoUs and in Articles of Association	
7.	Ratification of excess remuneration paid to Managing Director to the extent of Rs.372.80 lakhs and recovery of the said amount is waived as per Section 197(9) & (10) of the Companies Act 1956.	

Signed this ….. day of…… 2021

Revenue Stamp

Signature of shareholder Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ANDHRA PRADESH GAS POWER CORPORATION LTD
HYDERABAD

BALLOT FORM

Sequence No:

01. Name & Registered Address of the Sole/first named Member
02. Name(s) of the Joint Holder(s), (if any)
03. Registered Folio No.
04. Number of Equity Shares held

05. I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the Thirty Second Annual General Meeting ("AGM") of the Company to be held on 30th December, 2021 by conveying my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Item No.	Brief Description of Resolution	Type of Resolution	No. of Equity Shares for which votes cast	(FOR) I/We assent to the Resolution	(AGAINST) I/We dissent to the Resolution
1	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2021 and Profit and Loss Account for the Financial Year ended 31st March, 2021 together with the Report of Auditors' and Directors' thereon.	Ordinary			
2	To appoint a Director in place of Sri. R.P. Agarwal, who retires by rotation and being eligible offers himself for re-appointment.	Ordinary			
3	To appoint a Director in place of Sri. T G Bharath who retires by rotation and being eligible offers himself for re-appointment.	Ordinary			
4	To remove Sri. NagulapalliSrikant, IAS, Director, representing A P Transco	Ordinary			
5	To remove Sri. K V N Chakradhara Babu, IAS, Director, representing A.P. Transco	Ordinary			
6	To amend the provisions/ clauses in MoUs and in Articles of Association	Special			
7	Ratification of excess remuneration paid to Managing Director to the extent of Rs.372.80 lakhs and recovery of the said amount is waived as per Section 197(9) & (10) of the Companies Act 1956.	Special			

Date:-
Place:-

——————————————————

Signature of Member/Power of Attorney Holder/ Authorised Representative

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