

State:	ANDHRA PRADESH
Discom:	APEPDCL
Current Year (CY)	2025-26
Previous Year (PY)	2024-25

## Profit & Loss

**Table 1: Revenue Details**  
(Rs in Lakhs)

	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative (6M/9M/12M)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Revenue from Operations (A = A1+A2+A3+A4+A5+A6)	4,33,913.73	4,75,453.67							4,33,913.73	4,75,453.67
A1: Revenue from Sale of Power	4,19,868.60	4,63,504.68							4,19,868.60	4,63,504.68
A2: Fixed Charges/Recovery from theft etc.	14,070.16	11,950.35							14,070.16	11,950.35
A3: Revenue from Distribution Franchisee		-								-
A4: Revenue from Inter-state sale and Trading		0.00							-	0.00
A5: Revenue from Open Access and Wheeling	(25.03)	(1.36)							(25.03)	(1.36)
A6: Any other Operating Revenue	0.00	-								-
Revenue - Subsidies and Grants (B = B1+B2+B3)	1,30,843.96	98,417.99							1,30,843.96	98,417.99
B1: Tariff Subsidy Booked	1,25,507.00	98,417.99							1,25,507.00	98,417.99
B2: Revenue Grant under UDAY									-	-
B3: Other Subsidies and Grants	5,336.96	-							5,336.96	
Other Income (C = C1+C2+C3)	11,735.03	13,564.39							11,735.03	13,564.39
C1: Income booked against deferred revenue*										-
C2: Misc Non-tariff income from consumers (including DPS)	12,041.34	13,039.08							12,041.34	13,039.08
C3: Other Non-operating income	(306.31)	525.31							(306.31)	525.31
<b>Total Revenue on subsidy booked basis (D = A + B + C)</b>	<b>5,76,492.72</b>	<b>5,87,436.05</b>							<b>5,76,492.72</b>	<b>5,87,436.05</b>
Tariff Subsidy Received (E)	1,49,974.87	64,715.40							1,49,974.87	64,715.40
<b>Total Revenue on subsidy received basis (F = D - B1 + E)</b>	<b>6,00,960.59</b>	<b>5,53,733.46</b>							<b>6,00,960.59</b>	<b>5,53,733.46</b>
Whether State Government has made advance payment of subsidy for the quarter(Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		

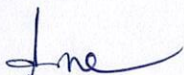
  
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Table 2: Expenditure Details (Rs in Lakhs)	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative (6M/9M/12M)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Cost of Power ( G = G1 + G2+ G3)	4,40,808.29	4,96,004.73							4,40,808.29	4,96,004.73
G1: Generation Cost (Only for GEDCOS)									-	-
G2: Purchase of Power	4,07,110.63	4,75,974.98							4,07,110.63	4,75,974.98
G3: Transmission Charges	33,697.66	20,029.75							33,697.66	20,029.75
O&M Expenses ( H = H1 + H2 + H3 + H4 + H5 + H6 + H7)	1,20,566.03	1,08,358.52							1,20,566.03	1,08,358.52
H1: Repairs & Maintenance	5,275.03	4,545.37							5,275.03	4,545.37
H2: Employee Cost	44,046.45	44,825.77							44,046.45	44,825.77
H3: Admn & General Expenses	3,132.94	3,182.51							3,132.94	3,182.51
H4: Depreciation	14,899.94	12,440.37							14,899.94	12,440.37
H5: Total Interest Cost	53,005.90	43,325.95							53,005.90	43,325.95
H6: Other expenses	205.77	38.55							205.77	38.55
H7: Exceptional Items	-	-							-	-
Total Expenses ( I = G + H )	5,61,374.32	6,04,363.25							5,61,374.32	6,04,363.25
BLANK										
Profit before tax ( J = D - I )	15,118.40	(16,927.20)							15,118.40	(16,927.20)
K1: Income Tax	-	-								
K2: Deferred Tax	-	-								
Profit after tax ( L = J - K1 - K2)	15,118.40	(16,927.20)							15,118.40	(16,927.20)

  
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# Balance Sheet

Table 3: Total Assets (Rs in Lakhs)

	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
	As on 30th June	As on 30th June	As on 30th Sep	As on 30th Sep	As on 31st Dec	As on 31st Dec	As on 31st Mar	As on 31st Mar
M1: Net Tangible Assets & CWIP	9,58,080.57	7,99,632.55						
M2: Other Non-Current Assets	33,729.05	34,763.55						
M3: Net Trade Receivables	4,45,668.16	4,21,084.05						
M3a: Gross Trade Receivable Govt. Dept.	1,72,708.00	2,56,423.00						
M3b: Gross Trade Receivable Other-than Govt. Dept.	3,02,580.20	1,91,801.25						
M3c: Provision for bad debts	29,620.04	27,140.20						
M4: Subsidy Receivable	2,80,805.48	3,04,790.61						
M5: Other Current Assets	20,32,470.66	14,04,828.56						
Total Assets ( M = M1 + M2 + M3 + M4 + M5)	37,50,753.91	29,65,099.32						

  
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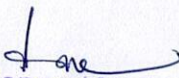
  
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**Table 4: Total Equity and Liabilities  
(Rs in Lakhs)**

	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
	As on 30th June	As on 30th June	As on 30th Sep	As on 30th Sep	As on 31st Dec	As on 31st Dec	As on 31st Mar	As on 31st Mar
N1: Share Capital & General Reserves	12,122.53	12,122.53						
N2: Accumulated Surplus/ (Deficit) as per Balance Sheet	-6,99,966.04	-6,99,482.53						
N3: Grants & Consumer Contributions	8,45,250.12	7,38,545.81						
N4: Non-current liabilities	4,15,710.91	3,89,908.45						
N5: Capex Borrowings	1,59,627.00	1,43,722.59						
N5a: Long Term Loans - State Govt	2,460.52	2,460.52						
N5b: Long Term Loans - Banks & FIs	1,57,166.48	1,41,262.07						
N5c: Short Term/ Medium Term - State Govt	0.00	0.00						
N5d: Short Term/ Medium Term - Banks & FIs	0.00	0.00						
N6: Non-Capex Borrowings	18,99,613.13	13,08,624.25						
N6a: Short Term Borrowings/ from Banks/ FIs	17,81,852.13	12,22,836.00						
N6b: Cash Credit/ OD from Banks/ FIs	1,17,761.00	85,788.25						
N8: Payables for Purchase of Power	5,51,125.57	6,19,156.85						
N9: Other Current Liabilities	5,67,270.69	4,52,501.37						
<b>Total Equity and Liabilities ( N = N1 + N2 + N3 + N4 + N5 + N6 + N7 + N8 + N9)</b>	<b>37,50,753.91</b>	<b>29,65,099.32</b>						
Balance Sheet Check	-0.00	0.00	0.00	0.00	0.00	-0.01	-0.00	

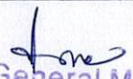
  
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Table 5: Technical Details	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative (6M/9M/12M)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
O1: Total Installed Capacity (MW) (Quarter Ended) (Only for GEDCOs)	-	-								
O1a: Hydel										
O1b: Thermal										
O1c: Gas										
O1d: Others										
O2: Total Generation (MU) (Quarter Ended) (Only for GEDCOs)	-	-							-	-
O2a: Hydel									-	-
O2b: Thermal									-	-
O2c: Gas									-	-
O2d: Others									-	-
O3: Total Auxiliary Consumption (MU) (Quarter Ended)									-	-
O4 : Gross Power Purchase (MU) (Quarter Ended)	7,483.32	8,145.40							7,483.32	8,145.40
Gross Input Energy (MU) (O5 = O2 - O3 + O4)	7,483.32	8,145.40							7,483.32	8,145.40
O6: Transmission Losses (MU) (Interstate & Intrastate)	207.32	320.32							207.32	320.32
O7: Gross Energy sold (MU)	6,797.07	7,335.71							6,797.07	7,335.71
O7a: Energy Sold to own consumers	6,797.07	7,335.71							6,797.07	7,335.71
O7b: Bulk Sale to Distribution Franchisee	-	-							-	-
O7c: Interstate Sale/ Energy Traded/Net UI Export	-								-	-
Net Input Energy (MU) (O8 = O5 - O6 - O7c)	7,276.00	7,825.08							7,276.00	7,825.08
Net Energy Sold (MU) ( O9 = O7 - O7c)	6,797.07	7,335.71							6,797.07	7,335.71
Revenue Billed including subsidy booked (O10 = A1 + A2 + A3 + B1)	5,59,445.76	5,73,873.02							5,59,445.76	5,73,873.02
O11: Opening Gross Trade Receivables (including any adjustments) (Rs Lacs)	3,26,215.47	3,21,445.00							3,26,215.47	3,21,445.00
O12: Adjusted Gross Closing Trade Receivables (Rs Lacs)	3,87,434.39	3,46,207.00							3,87,434.39	3,21,857.09
Revenue Collected including subsidy received (O13 = A1 + A2 + A3 + E + O11 - O12)	5,22,694.72	5,15,408.43							5,22,694.72	5,15,408.43
Billing Efficiency (%) (O14 = O9/O8*100)	93.42	93.75							93.42	93.75
Collection Efficiency (%) (O15 = O13/O10*100)	93.43	89.81							93.43	89.81
Energy Realised (MU) (O15a = O15*O9)	6,350.56	6,588.37							6,350.56	6,588.37
AT&C Loss (%) (O16 = 100 - O14*O15/100)	12.72	15.80							12.72	15.80

  
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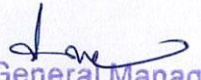
  
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Table 6: Key Parameters	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative (6M/9M/12M)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
ACS (Rs./kWh) ( $P1 = I \times 10 / O5$ )	750.17	741.97							750.17	741.97
ARR on Subsidy Booked Basis (Rs./kWh) ( $P2 = D \times 10 / O5$ )	770.37	721.19							770.37	721.19
Gap on Subsidy Booked Basis (Rs./kWh) ( $P3 = P1 - P2$ )	-20.20	20.78							-20.20	20.78
ARR on Subsidy Received Basis (Rs./kWh) ( $P4 = F \times 10 / O5$ )	803.07	679.81							803.07	679.81
Gap on Subsidy Received Basis (Rs./kWh) ( $P5 = P1 - P4$ )	-52.90	62.16							-52.90	62.16
ARR on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) ( $P6 = (F - B - C1) \times 10 / O5$ )	803.07	679.81							803.07	679.81
Gap on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) ( $P7 = P1 - P6$ )	-52.90	62.16							-52.90	62.16
Receivables (Days) ( $P8 = 365 \times M5 / A$ )	93.47	80.59							93.47	80.59
Payables (Days) ( $P9 = 365 \times N10 / G$ )	113.77	113.59							113.77	113.59
Total Borrowings ( $P10 = N6 + N8 + N9$ )	30,18,009.39	23,80,282.47							30,18,009.39	23,80,282.47

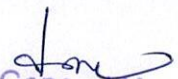
  
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Table 7: Consumer Categorywise Details of Sale (MU)	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative (6M/9M/12M)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Q1: Domestic	2,224.82	2,350.26							2,224.82	2,350.26
Q2: Commercial	696.10	625.58							696.10	625.58
Q3: Agricultural	1,055.59	1,146.94							1,055.59	1,146.94
Q4: Industrial	2,381.14	2,680.98							2,381.14	2,680.98
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	113.19	217.06							113.19	217.06
Q6: Others	326.23	314.89							326.23	314.89
Railways	272.96	260.44							272.96	260.44
Bulk Supply		-							-	-
Miscellaneous	53.27	54.45							53.27	54.45
Distribution Franchisee	-	-							-	-
Interstate/ Trading/ UI		-							-	-
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	6,797.07	7,335.71							6,797.07	7,335.71

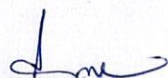
  
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Table 8: Consumer Categorywise Details of Sale (Rs. lakhs)	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative (6M/9M/12M)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Q1: Domestic	1,39,306.60	1,51,971.96							1,39,306.60	1,51,971.96
Q2: Commercial	73,715.87	74,954.93							73,715.87	74,954.93
Q3: Agricultural	1,32,467.42	94,080.56							1,32,467.42	94,080.56
Q4: Industrial	1,78,770.60	2,02,674.01							1,78,770.60	2,02,674.01
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	14,913.77	16,633.85							14,913.77	16,633.85
Q6: Others	37,312.49	47,120.74							37,312.49	47,120.74
Railways	25,741.87	21,607.36							25,741.87	21,607.36
Bulk Supply									-	-
Miscellaneous	11,570.62	25,513.38							11,570.62	25,513.38
Distribution Franchisee	-	-							-	-
Interstate/ Trading/ UI	-	-							-	-
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	5,76,486.74	5,87,436.05							5,76,486.74	5,87,436.05

  
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**Table 8: Consumer Categorywise  
Details of Revenue (Rs. lakhs)**

	Quarter 1						Quarter 2				
	2025-26			2024-25			2025-26		2024-25		
	Revenue Booked excluding subsidy	Subsidy Booked	Subsidy received	Revenue Booked excluding subsidy	Subsidy Booked	Subsidy received	Revenue Booked excluding subsidy	Subsidy Booked	Subsidy received	Revenue Booked excluding subsidy	Subsidy Booked
R1: Domestic	1,39,306.60		-	1,32,849.66	19,122.30	-					
R2: Commercial	73,715.87		-	74,779.55	175.38	-					
R3: Agricultural	6,960.42	1,25,507.00	1,49,974.87	14,960.25	79,120.31	64,715.40					
R4: Industrial	1,78,770.60	-	-	2,02,674.01	-	-					
R5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	14,913.77		-	16,633.85		-					
R6: Others	37,312.49	-	-	47,120.74	-	-					
<i>Railways</i>	25,741.87	-	-	21,607.36	-	-					
<i>Bulk Supply</i>		-	-		-	-					
<i>Miscellaneous</i>	11,570.62	-	-	25,513.38	-	-					
<i>Distribution Franchisee</i>	-	-	-	-	-	-					
<i>Interstate/ Trading/ UI</i>	-	-	-	-	-	-					
Gross Energy Sold (R7 = R1 + R2 + R3 + R4 + R5 + R6)	4,50,979.74	1,25,507.00	1,49,974.87	4,89,018.06	98,417.99	64,715.40					

  
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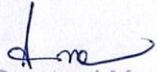
  
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**Table 8: Consumer Categorywise  
Details of Revenue (Rs. lakhs)**

	Cumulative (6M/9M/12M)					
	2025-26			2024-25		
	Revenue Booked excluding subsidy	Subsidy Booked	Subsidy received	Revenue Booked excluding subsidy	Subsidy Booked	Subsidy received
R1: Domestic	1,39,306.60		-	1,32,849.66	19,122.30	-
R2: Commercial	73,715.87		-	74,779.55	175.38	-
R3: Agricultural	6,960.42	1,25,507.00	1,49,974.87	14,960.25	79,120.31	64,715.40
R4: Industrial	1,78,770.60		-	2,02,674.01	-	-
R5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	14,913.77		-	16,633.85	-	-
R6: Others	37,312.49	-	-	47,120.74	-	-
Railways	25,741.87	-	-	21,607.36	-	-
Bulk Supply		-	-	-	-	-
Miscellaneous	11,570.62	-	-	25,513.38	-	-
Distribution Franchisee	-	-	-	-	-	-
Interstate/ Trading/ UI		-	-	-	-	-
<b>Gross Energy Sold (R7 = R1 + R2 + R3 + R4 + R5 + R6)</b>	<b>4,50,979.74</b>	<b>1,25,507.00</b>	<b>1,49,974.87</b>	<b>4,89,018.05</b>	<b>98,418.00</b>	<b>64,715.40</b>

  
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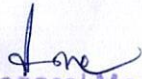
  
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Table 9: Power Purchase Details	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative (6M/9M/12M)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
	in MUs	in MUs	in MUs	in MUs	in MUs	in MUs	in MUs	in MUs	in MUs	in MUs
Power Purchase through Long term PPA	7,012.51	7,348.04							7,012.51	7,348.04
Own Generation for GEDCOs	-	-							-	-
Power Purchase (Short term & Medium Term)	470.81	797.36							470.81	797.36
<b>Total Power Purchase</b>	<b>7,483.32</b>	<b>8,145.40</b>							<b>7,483.32</b>	<b>8,145.40</b>

**Note:-** Power Departments (PDs) are not required to fill the data of Balance Sheet. However, the Trade Receivables data are required to be filled in Table – 5: Technical Details at Row O11 (Opening Gross Trade Receivables ) and O12 (Gross Closing Trade Receivables)

  
**Chief General Manager (Fin)**  
**CORPORATE OFFICE**  
**A.P.E.P.D.C. LTD.**  
**VISAKHAPATNAM**

  
**DIRECTOR (FINANCE & HRD)**  
**CORPORATE OFFICE**  
**APEPDCL**  
**VISAKHAPATNAM**

  
**Chairman & Managing Director**  
**A.P.E.P.D.C. LTD.**  
**Visakhapatnam**





**Independent Auditor's Review Report on the Unaudited Quarterly Financial results of the company for the period from 1<sup>st</sup> April 2025 to 30<sup>th</sup> June 2025.**

To

The Board of Directors of

M/s Eastern Power Distribution Company of Andhra Pradesh Limited.

1. We have reviewed the accompanying Statement of unaudited financial results of M/s Eastern power Distribution Company of Andhra Pradesh Limited (the "Company") for the period from 1<sup>st</sup> April 2025 to 30<sup>th</sup> June 2025 (the "Statement"), being submitted by the company pursuant to the requirements of corporate governance guidelines issued by Ministry of Power for State DISCOMS dated 27.04.2023 (F.No.05/01/2021-UR&SI-II-Part (1) - (E-258189)).
2. The Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by The Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with the Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

**Basis for Qualified Conclusion**

4. For the period ending 30<sup>th</sup> June 2025, the power purchase cost is recorded on provisional basis, as the accounting of provisional power purchase bills/invoices along with the debit and credit notes may be revised due to factors such as Fuel Cost Adjustment, Supplementary Claims (including Minimum Alternate Tax, Income Tax and Amendments in Law, etc.) and Transmission and Distribution cost adjustment. As a result, the corresponding effect on Creditor's balances and the profit for the financial year cannot be determined at this stage.





5. The Company has not recognized the Distribution and Transmission adjustment of Rs. 376.75 crores for the previous year ending 31<sup>st</sup> March 2025 , as approved in the Retail Supply Tariff Order (RSTO) for FY 2025-26. As a result, the subsidy receivable is overstated by Rs. 376.75 crores, with a corresponding understatement of transmission costs by the same amount in the Statement of Profit and Loss.
6. In respect of Power purchase cost, as per the Power Purchase Agreement between the Company and APPDCL, the Company is eligible for a rebate at the rate of 2% of bill amount, if the bills are paid within seven days from the bill date. In line with the contractual clause, the company has claimed a rebate of Rs. 4499.06 Lakhs out of which Rs. 1419.86 Lakhs pertains to previous year. The same should be disclosed as an error and corresponding figures in the financial statements should have been restated. Further, the company has not considered eligible rebate of Rs. 203.49 Lakhs in respect of provisional FCA Bills amounting to Rs. 10174.20 Lakhs for the FY 24-25. This resulted in overstatement of power purchase cost and Trade payables by Rs.203.49 lakhs and corresponding understatement of profit to the same extent.
7. Contrary to the accounting policy of valuing Investments at fair value, the Investments as on 30<sup>th</sup> June, 2025 are valued at a carrying cost of Rs. 26,855.92 lakhs. No Impairment exercise was carried out by the company to impair the financial assets as per its accounting policy, though indicators of significant increase in the expected credit loss prevailed due to negative net worth over past many years, which was Rs. 3,19,640 lakhs reported in financial statements of APPDCL for FY 2023-24. Further, in respect of contingency reserve investment fund amounting to Rs. 3.37 lakhs, no supportings are available with the company. In the absence of Fair Values and Valuation Reports by a Registered Valuer, we are unable to state the impact of this departure on the Financial Results.
8. The company has to recognize deferred tax assets and liabilities as per the Company's accounting policy but the same are not recognized. In the absence of required information, we are unable to ascertain the impact on the Financial Results.
9. The allocation of tariff subsidies across categories such as agricultural, aquaculture, domestic, ST/SC consumers could not be verified due to the absence of a detailed breakdown and allocation of the subsidy sanctioned by the government during the year. As a result, the basis for reconciling subsidies received with subsidies receivable for these categories could not be ascertained.
10. In respect of tariff/concession subsidy, The Government of Andhra Pradesh is allocating subsidy every year which is lower than the actual subsidy to be received. The subsidy received is in line with the budget allocated by Government of Andhra Pradesh. On account of this we observed, in many years that the actual subsidy over and above the budget is lying due. No confirmation has been sought from the Government in respect of such due. Due to the above said reasons we are unable to verify the recoverability of subsidy receivable from Government in the absence of allocated budget and confirmations from the Government. Considering the non-availability of schedules, reconciliations and





confirmations as specified above, we are not in a position to ascertain and comment on the recovery of the outstanding balances and the resultant impact on the financial statements.

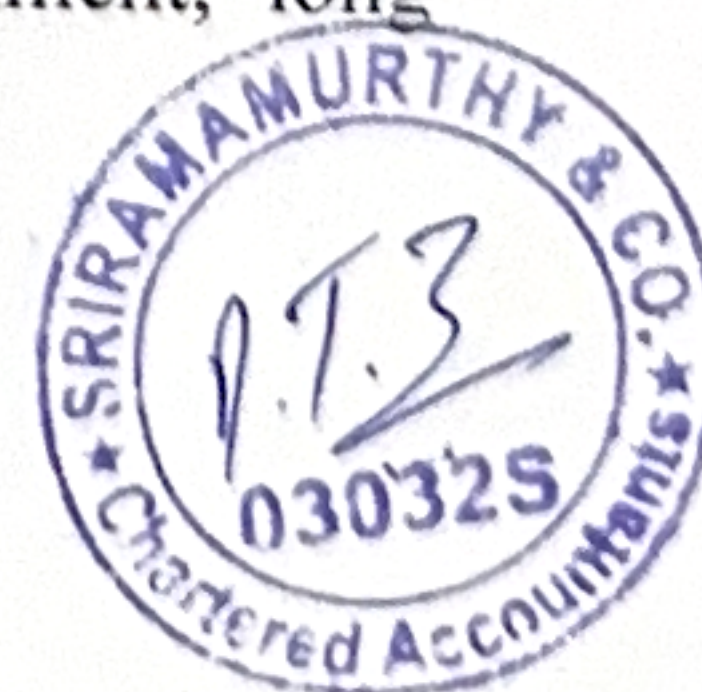
11. Other Financial assets include Rs. 12,007.11 lakhs receivable from State Government of Andhra Pradesh (GoAP) towards reimbursement of salaries paid to Energy Junior Lineman Gr-II recruited by the Company as per the directions of the GOAP in G.O.Ms No. 110 Dt. 19-07-2019 and G.O.Ms No. 217 Dt. 20.07.2019, from 01-10-2019 to 30-06-2022 and no amounts were reimbursed by GoAP since inception. In absence of acceptance and confirmation of communications, on prudent basis provision towards the above should be made, yet the company has not made the same resulting in understatement of loss and overstatement of receivable.
12. No provisions are made for the period from 1<sup>st</sup> April 2025 to 30<sup>th</sup> June 2025 in respect of a) Impairment of Financial Assets using Expected Credit Loss approach, b) Employee Terminal benefits as required by provisions of Ind AS 19, Employee Benefits, c) Interest on Consumer Security Deposits and d) Amortisation of Grants and Consumer Contributions. Further, the provisions made for the previous financial year ended 31<sup>st</sup> March, 2025 are being continued. In the absence of sufficient and appropriate audit evidence, we are unable to comment on the impact thereof on the Financial Results.
13. The company previously recognized revenue upon receipt of approval from the Honourable APERC and in the manner specified by them. However, during the FY 2023-24, the company changed its accounting policy to recognize such revenue as and when petitions are filed, or when orders or regulations are issued by Judicial/Regulatory Authorities. We are of the opinion that the company's accounting policy of recognizing revenue as and when petitions or claims are filed with Judicial/Regulatory Authorities is not in accordance with the Regulations or orders issued by the Judicial/Regulatory Authority. Therefore, the application of this accounting policy, which does not align with the prescribed Regulations, can led to an overstatement/understatement of receivables resulting in a corresponding overstatement/understatement of profit by the same amount.
14. Other operating income of Rs. 1,44,889.09 lakhs include Recoveries for theft of power/malpractices amounting to Rs. 425.27 lakhs. However, such income forms part of the non-tariff income as per the orders of the Commission on tariff for retail sale of electricity, the same should have been classified as "Other Income". Thus, wrong classification resulted in overstatement of Revenue from operations and understatement of Other Income by Rs. 425.27 lakhs each for the year ended 30<sup>th</sup> June, 2025.
15. The Company has recognized additional provisional True-down of Rs. 22207 Lakhs pertaining to FY 2023-24 based on the Letter received from APTRANSCO which is subject to the finalization and approval of the commission. Further, the company has recognised True-Up of Rs. 180000 Lakhs in respect of Distribution business which is approved provisionally in the RSTO for FY 2024-25. Accordingly, we are of the opinion that the recognition of True-Up/True-down is not in accordance with the prevailing regulations of the commission. This resulted in understatement of Trade Payables by Rs.





22,207 lakh and receivable from Government by Rs. 180000 Lakhs along with consequent understatement of retained earnings for the year by Rs 157793 Lakhs.

16. The Power Purchase cost of Rs. 4,40,808.29 lakhs includes a Late Payment Surcharge (LPS) amounting to Rs. 237.08 lakhs. However, Delayed Payment Surcharge by the very nature is a form of compensation paid to vendors for delayed payment of dues. Therefore, it should have been appropriately accounted for under "Other Expenses". As a result, the Power Purchase cost is overstated, while the "Other Expenses" is understated by Rs. 237.08 lakhs for the year ended 30<sup>th</sup> June, 2025.
17. The Trade Payables include Rs. 18180 lakhs being provision for variable cost in connection with purchase of power by APDISCOMs from a power supplier. As the provision was recognized based on the APPCC's instructions during the year to HNPCL before the approval/orders of APERC, which permitted blend of given approval only for April 2023 and March 2024 and rejected the blending of imported coal with domestic coal for the remaining months as against permission sought by APCPDCL, on behalf of all APDISCOMs to allow HNPCL to blend imported coal with domestic coal. Despite the orders of APERC, the excess provision of Rs. 18180 lakhs after adjusting Rs. 3658 lakhs for allowed two months had continued. This resulted in overstatement of Current Liabilities by Rs. 18180 lakhs and consequent understatement of Profit for the corresponding previous year to the same extent.
18. Government of Andhra Pradesh vide GO Rt. No.10 dated 19.01.2023 (Energy Department) agreed to take over balance 25% of FRP bonds liability amounting to Rs. 30,149.00 lakh under UDAY Scheme. There was no provision available in the said GO to reimburse the interest by the Government nor any confirmation received from the Government to that effect. The Company did not recognize interest cost of Rs. 26,252.59 lakhs payable for the period from October 2016 to June 2025 on the outstanding amount of FRP bonds. Thus, omission to account for finance cost resulted in understatement of Other Current Liabilities by Rs. 26,252.59 lakhs and Finance Cost by Rs. 26,252.59 lakhs.
19. The company reports a balance of Rs. 10,724.42 lakhs in its Contingency Reserve. However, the details pertaining to the basis on which the reserve has been created and being continued is not available. Further, the corresponding earmarked investments of the Contingency Reserve, if any could not be mapped in the financial statements. In the absence of information, we are unable to comment upon the appropriateness and adequacy of the Contingency Reserve and the resultant impact on the Financial Results.
20. The company has not created a reserve fund for Rs. 1,000 lakhs for meeting the expenditure on payment of compensation for electrical accidents as on reporting date which is in contravention to the Orders of the Commission vide Para No 90 of the Retail Supply Tariff Order (RSTO) for the FY 2024-25 r/w Clause 28 of Regulation No.2 of 2017. This resulted in understatement of Reserves and Other expenses by Rs. 1,000 lakhs and corresponding overstatement of the Profit.
21. Balance of Trade receivables, Trade Payables, Suppliers, Contractors, ICD (DISCOMs), Long term and short term loans and advances, Receivables from government, long





pending unreconciled entries in the bank reconciliation statements are subject to confirmations and further adjustments upon reconciliation. In absence of sufficient and appropriate audit evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Results.

## 22. Qualified Conclusion

Based on our review conducted as above, with the exception of the possible effects of matters described in the paragraphs 4 to 21 above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with applicable Indian Accounting Standards specified under section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Visakhapatnam  
Date: 28/08/2025



For Sriramamurthy & Co  
Chartered Accountants  
Firm Reg. No: 003032S

A handwritten signature in blue ink, appearing to read "D. T. Sagar".

CA. Dondeti Teja Sagar  
Partner

Memb. No: 227878  
UDIN: 25227878BMJFWA7405