

State:	ANDHRA PRADESH
Discom:	APEPDCL
Current Year (CY)	2026-27
Previous Year (PY)	2025-26

Profit & Loss

Table 1: Revenue Details

	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative (6M/9M/12M)	
	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26
Revenue from Operations (A = A1+A2+A3+A4+A5+A6)	5,16,581.70	4,33,913.73								
A1: Revenue from Sale of Power	4,98,661.27	4,19,868.60								
A2: Fixed Charges/Recovery from theft etc.	14,759.88	14,070.16								
A3: Revenue from Distribution Franchisee		-								
A4: Revenue from Inter-state sale and Trading	1,213.39	-								
A5: Revenue from Open Access and Wheeling	206.23	(25.03)								
A6: Any other Operating Revenue	1,740.93	-								
Revenue - Subsidies and Grants (B = B1+B2+B3)	1,31,627.71	1,30,843.96								
B1: Tariff Subsidy Booked	1,31,251.07	1,25,507.00								
B2: Revenue Grant under UDAY	-	-								
B3: Other Subsidies and Grants	376.64	5,336.96								
Other Income (C = C1+C2+C3)	33,269.41	11,735.03								
C1: Income booked against deferred revenue*		-								
C2: Misc Non-tariff income from consumers (including DPS)	24,111.97	12,041.34								
C3: Other Non-operating income	9,157.44	(306.31)								
Total Revenue on subsidy booked basis (D = A + B + C)	6,81,478.82	5,76,492.72								
Tariff Subsidy Received (E)	89,149.43	1,49,974.87								
Total Revenue on subsidy received basis (F = D - B1 + E)	6,39,377.18	6,00,960.59								
Whether State Government has made advance payment of subsidy for the quarter(Yes/No)	Yes	Yes								


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


DIRECTOR (FINANCE & ACCOUNTS)
CORPORATE OFFICE
APEPDCL
VISAKHAPATNAM

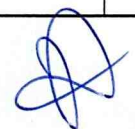

Chairman & Managing Director
A.P.E.P.D.C. LTD.
Visakhapatnam

Table 2: Expenditure Details	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative (6M/9M/12M)	
	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26
Cost of Power (G = G1 + G2+ G3)	5,12,581.29	4,40,808.29								
G1: Generation Cost (Only for GEDCOS)	4,71,892.84	4,07,110.63								
G2: Purchase of Power	40,688.44	33,697.66								
G3: Transmission Charges										
O&M Expenses	1,42,716.11	1,20,566.03								
(H = H1 + H2 + H3 + H4 + H5 + H6 + H7)										
H1: Repairs & Maintenance	9,049.51	5,275.03								
H2: Employee Cost	46,382.25	44,046.45								
H3: Admn & General Expenses	3,630.79	3,132.94								
H4: Depreciation	17,295.16	14,899.94								
H5: Total Interest Cost	66,064.45	53,005.90								
H6: Other expenses	293.95	205.77								
H7: Exceptional Items	-	-								
Total Expenses (I = G + H)	6,55,297.40	5,61,374.32								
Profit before tax (J = D - I)	26,181.42	15,118.40								
K1: Income Tax	-	-								
K2: Deferred Tax	-	-								
Profit after tax (L = J - K1 - K2)	26,181.42	15,118.40								


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


 DIRECTOR (FINANCE)
 CORPORATE OFFICE
 APEPDCL
 VISAKHAPATNAM


 Chairman & Managing Director
 A.P.E.P.D.C. LTD.
 Vissakhapatnam

Balance Sheet								
Table 3: Total Assets	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26
	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	12,13,692.79	9,58,080.57						
M2: Other Non-Current Assets	32,754.19	33,729.05						
M3: Net Trade Receivables	6,98,288.98	4,45,668.16						
M3a: Gross Trade Receivable Govt. Dept.	2,49,531.00	1,72,708.00						
M3b: Gross Trade Receivable Other-than Govt. Dept.	5,05,958.77	3,02,580.20						
M3c: Provision for bad debts	57,200.79	29,620.04						
M4: Subsidy Receivable	3,31,760.07	2,80,805.48						
M5: Other Current Assets	19,75,636.20	20,32,470.66						
Total Assets (M = M1 + M2 + M3 + M4 + M5)	42,52,132.23	37,50,753.91						


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


 DIRECTOR (FINANCE & ACCOUNTS)
 CORPORATE OFFICE
 APEPDCL
 VISAKHAPATNAM


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

Table 4: Total Equity and Liabilities	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26
	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	(6,14,679.76)	(6,99,966.04)						
N3: Grants & Consumer Contributions	9,97,241.29	8,45,250.12						
N4: Non-current liabilities	4,28,928.10	4,15,710.91						
N5: Capex Borrowings	2,45,008.97	1,59,627.00						
N6a: Long Term Loans - State Govt	2,460.52	2,460.52						
N6b: Long Term Loans - Banks & FIs	2,42,548.45	1,57,166.48						
N6c: Short Term/ Medium Term - State Govt	0.00	0.00						
N6d: Short Term/ Medium Term - Banks & FIs	0.00	0.00						
N6: Non-Capex Borrowings	22,10,821.44	18,99,613.13						
N7a: Short Term Borrowings/ from Banks/ FIs	21,46,967.35	17,81,852.13						
N7b: Cash Credit/ OD from Banks/ FIs	63,854.09	1,17,761.00						
N8: Payables for Purchase of Power	5,94,964.20	5,51,125.57						
N9: Other Current Liabilities	3,77,725.46	5,67,270.69						
Total Equity and Liabilities (N = N1 + N2 + N3 + N4 + N5 + N6 + N7 + N8 + N9)	42,52,132.23	37,50,753.91						
Balance Sheet Check	-0.00	0.00	-0.00	0.00	0.00	0.00	0.00	0.00


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


 DIRECTOR (FINANCE & ACCOUNTS)
 CORPORATE OFFICE
 APEPDCL
 VISAKHAPATNAM


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

Table 5: Technical Details	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative (6M/9M/12M)	
	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26
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)	8,845.68	7,483.32								
Gross Input Energy (MU) (O5 = O2 - O3 + O4)	8,845.68	7,483.32								
O6: Transmission Losses (MU) (Interstate & Intrastate)	296.66	207.32								
O7: Gross Energy sold (MU)	8,039.39	6,797.07								
O7a: Energy Sold to own consumers	8,039.39	6,797.07								
O7b: Bulk Sale to Distribution Franchisee	-	-								
O7c: Interstate Sale/ Energy Traded/Net UI Export	-	-								
Net Input Energy (MU) (O8 = O5 - O6 - O7c)	8,549.02	7,276.00								
Net Energy Sold (MU) (O9 = O7 - O7c)	8,039.39	6,797.07								
Revenue Billed including subsidy booked (O10 = A1 + A2 + A3 + B1)	6,44,672.22	5,59,445.76								
O11: Opening Gross Trade Receivables (including any adjustments) (Rs Lacs)	3,55,326.17	3,26,215.47								
O12: Adjusted Gross Closing Trade Receivables (Rs Lacs)	4,08,498.83	3,87,434.39								
Revenue Collected including subsidy received (O13 = A1 + A2 + A3 + E + O11 - O12)	5,49,397.92	5,22,694.71								
Billing Efficiency (%) (O14 = O9/O8*100)	94.04	93.42								
Collection Efficiency (%) (O15 = O13/O10*100)	85.22	93.43								
Energy Realised (MU) (O15a = O15*O9)	6,851.27	6,350.56								
AT&C Loss (%) (O16 = 100 - O14*O15/100)	19.86	12.72								


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


 DIRECTOR (FINANCE & ACCOUNTS)
 CORPORATE OFFICE
 APEPDCL
 VISAKHAPATNAM

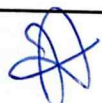

 Chairman & Managing Director
 A.P.E.P.D.C. LTD.
 Visakhapatnam

Table 6: Key Parameters	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative (6M/9M/12M)	
	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26
ACS (Rs./kWh) (P1 = I*10/O5)	740.81	750.17								
ARR on Subsidy Booked Basis (Rs./kWh) (P2 = D*10/O5)	770.41	770.37								
Gap on Subsidy Booked Basis (Rs./kWh) (P3 = P1 - P2)	-29.60	(20.20)								
ARR on Subsidy Received Basis (Rs./kWh) (P4 = F*10/O5)	722.81	803.07								
Gap on Subsidy Received Basis (Rs./kWh) (P5 = P1 - P4)	18.00	(52.90)								
ARR on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (P6 = (F- B-C1)*10/O5)	722.81	803.07								
Gap on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (P7 = P1 - P6)	18.00	(52.90)								
Receivables (Days) (P8 = 365*M5/A)	123	93.47								
Payables (Days) (P9 = 365*N10/G)	106	113.77								
Total Borrowings (P10 = N6 + N8 + N9)	24,55,830	20,59,240								


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


 DIRECTOR (FINANCE & ACCOUNTS)
 CORPORATE OFFICE
 APEPDCL
 VISAKHAPATNAM

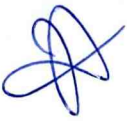

 Chairman & Managing Director
 A.P.E.P.D.C. LTD.
 Visakhapatnam

Table 7: Consumer Categorywise Details of Sale (MU)

	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative (6M/9M/12M)	
	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26
Q1: Domestic	2,532.24	2,224.82								
Q2: Commercial	786.68	696.10								
Q3: Agricultural	804.94	1,055.59								
Q4: Industrial	2,888.25	2,381.14								
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	122.73	113.19								
Q6: Others	904.54	326.23	-							
<i>Railways</i>	289.40	272.96								
<i>Bulk Supply</i>	-	-								
<i>Miscellaneous</i>	615.14	53.27								
<i>Distribution Franchisee</i>	-	-								
<i>Interstate/ Trading/ UI</i>	-	-								
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	8,039.39	6,797.07	-							


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


DIRECTOR (FINANCE & ACCOUNTS)
CORPORATE OFFICE
APEPDCL
VISAKHAPATNAM


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

Table 8: Consumer Categorywise Details of Sale (Rs. lakhs)	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative (6M/9M/12M)	
	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26
Q1: Domestic	1,48,947.91	1,39,306.60								
Q2: Commercial	88,251.88	73,715.87								
Q3: Agricultural	1,50,924.50	1,32,467.42								
Q4: Industrial	2,24,590.56	1,78,770.60								
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	13,676.05	14,913.77								
Q6: Others	55,087.93	37,312.49								
Railways	33,314.83	25,741.87								
Bulk Supply		-								
Miscellaneous	21,773.10	11,570.62								
Distribution Franchisee	-	-								
Interstate/ Trading/ UI	-	-								
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	6,81,478.82	5,76,486.74								


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


DIRECTOR (FINANCE & ACCOUNTS)
 CORPORATE OFFICE
 APEPDCL
 VISAKHAPATNAM


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

Table 8: Consumer Categorywise Details of Revenue (Rs. lakhs)	Quarter 1						Quarter 2			
	2026-27			2025-26			2026-27			Revenue Booked excluding subsidy
	Revenue Booked excluding subsidy	Subsidy Booked	Subsidy received	Revenue Booked excluding subsidy	Subsidy Booked	Subsidy received	Revenue Booked excluding subsidy	Subsidy Booked	Subsidy received	
R1: Domestic	1,48,947.91			1,39,306.60		-			-	
R2: Commercial	88,251.88			73,715.87	-	-		-	-	
R3: Agricultural	19,673.43	1,31,251.07	89,149.43	6,960.42	1,25,507.00	1,49,974.87				
R4: Industrial	2,24,590.56			1,78,770.60	-	-		-	-	
R5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	13,676.05			14,913.77	-	-		-	-	
R6: Others	55,087.93			37,312.49	-	-	-	-	-	
Railways	33,314.83			25,741.87				-	-	
Bulk Supply							-	-	-	
Miscellaneous	21,773.10			11,570.62				-	-	
Distribution Franchisee	-	-	-	-			-	-	-	
Interstate/ Trading/ UI	-	-	-				-	-	-	
Gross Energy Sold (R7 = R1 + R2 + R3 + R4 + R5 + R6)	5,50,227.75	1,31,251.07	89,149.43	4,50,979.74	1,25,507.00	1,49,974.87	-	-	-	


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


 DIRECTOR (FINANCE & ACCOUNTS)
 CORPORATE OFFICE
 APEPDCL
 VISAKHAPATNAM

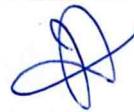
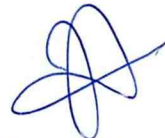

 Chairman & Managing Director
 A.P.E.P.D.C. LTD.
 Visakhapatnam

Table 9: Power Purchase Details	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative (6M/9M/12M)	
	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26
	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	8,216.21	7,012.51								
Own Generation for GEDCOs	-	-	-							
Power Purchase (Short term & Medium Term)	629.47	470.81								
Total Power Purchase	8,845.68	7,483.32	-							

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 & CORPORATE OFFICE)
APEPDCL
VISAKHAPATNAM


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

Independent Auditor's Review Report on the Unaudited Financial results of the company for the period from 1st April 2026 to 30th June 2026.

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 1st April 2026 to 30th June 2026 (the "Statement"), being submitted by the company pursuant to the requirements of corporate governance guidelines issued by The 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 procedures 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 on 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 30th June 2026, 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. During the year, APPCC, constituted under G.O.Ms.No.21, Energy (Power-III), dated 12.05.2014, as a non-statutory body exclusively for bulk power purchase coordination, transferred Rs. 3,500 crores to APSFCL on behalf of APEPDCL, comprising Rs. 2,500 crores from its internal power purchase pool accounts and Rs. 1,000 crores borrowed from APPFCL. The transaction was executed without prior Board approval of APEPDCL and without obtaining prior Government approval, and thus lacked formal authorization at the time of execution. The activity is also outside APPCC's stated mandate under the constituting G.O. This is in contravention of Sections 179 and 186 of the Companies Act, 2013, exposes the DISCOMs to liquidity risk, and reveals a significant weakness in internal financial controls over the authorization and oversight of high-value transactions.
6. The Company has collected (FPPCA) charges at the rate of ₹0.40 per unit during FY 26-27 despite the actual cost variation per unit being less than ₹0.40 during these periods in violation of pg 33 of FPPCA order FY 24-25. Furthermore, the Company has included in its power purchase cost variation calculation LPS and costs related to power purchase from Central Generating Stations (CGS) for which Power Purchase Agreements (PPA) are not approved, and these amounts have been previously disallowed in the annual FPPCA calculation done by APERC. Due to these discrepancies between monthly FPPCA collections and inclusion of disallowed costs, we are unable to quantify the overstatement of revenue from operations resulting from collection of excessive FPPCA/unit.
7. As per Point No. 3 of Letter No. 2728422/2025, Government of Andhra Pradesh has assured a discount on Electricity Duty remitted in advance by the Company. As on 30th June 2026, Electricity Duty remitted in advance by the Company amounts to Rs. 2,823.44 Crores. The Company has not made any claim/recognised any receivable in respect of the discount assured by GoAP on the said advance remittance. This has resulted in understatement of Other Income to the extent of the discount not claimed.
8. The Government of Andhra Pradesh, vide Para 5 of G.O.M. No. 203 dated 14th October 2025, has directed that power dues payable by RINL from August 2024 shall be converted into non-cumulative redeemable preference share capital. Upon publication of the said G.O.M., the outstanding power charges of RINL stand restructured by operation of the Government Order and consequently cease to constitute overdue obligations for the period thereunder. Notwithstanding this, the Company has continued to levy Late Payment Surcharge (LPS) of Rs. 2,881 lakhs and Interest on Electricity Duty of Rs. 163 lakhs on RINL's power consumption for Q1 FY 2026-27, a period covered within the G.O.M. window. Such levy is contrary to the principles governing tariff and surcharges under the APERC regulatory framework and has resulted in an overstatement of profit amounting to Rs. 3,044 lakhs.
9. The Company has recognised Rs. 10,407 lakhs as receivables from the Government of Andhra Pradesh, towards payments made to vendors in connection with the Underground (UG) Cables Project. No formal Government Order, sanction letter, or written confirmation from GoAP evidencing an obligation or commitment to reimburse the aforesaid expenditures has been placed on record. In the absence of any such documentary basis establishing the reimbursement obligation with reasonable certainty, the recognition



of these amounts as receivables is not in accordance with applicable accounting principles and has resulted in an overstatement of current assets by Rs. 10,407 lakhs.

10. The APPCC, on behalf of APEPDCL, has availed a rebate of Rs. 596 lakhs at the rate of 2.25% on power purchase bill payments made to HNPCL. It is observed that the Power Purchase Agreement dated 28th April 2016 does not specify any rebate percentage entitling the Company to such a claim, and the APERC guidelines expressly prescribe that rebate shall not exceed 2%. The rate of 2.25% applied is in excess of the regulatory ceiling and finds no basis in the governing PPA. The rebate so claimed is in contravention of both the PPA and APERC guidelines leading to understatement of payables and Power Purchase Cost by Rs. 596 Lakhs.
11. The Hon'ble Supreme Court, vide its order in Civil Appeal No. 7977/2026, has stayed the levy of Grid Supporting Charges (GSC). Despite the said stay, the Company has continued to levy and recognize GSC amounting to Rs. 1299.75 Lakhs for Q1 FY 2026-27 and Rs. 4973.38 Lakhs for FY 2025-26. As per Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets," where there is no virtual certainty of a favourable outcome of the appeal, a corresponding provision ought to have been recognized towards refund/reimbursement to the affected vendors to the extent of the amount so levied. In the absence of such provisioning, this has resulted in overstatement of Revenue/Profit and understatement of Provisions by Rs. 6273.13 Lakhs.
12. We observed that APPCC, on behalf of APEPDCL, continues to borrow funds and on-lend the same to APSFCL (Andhra Pradesh State Finance Corporation Limited), outside its stated mandate, despite the Company having a negative net worth and negligible cash and cash equivalents relative to its outstanding liabilities, evidenced by instances of poor management of the Company's working capital, such as the loan of Rs. 130 crores availed from APTRANSCO being utilised towards payment of APTRANSCO's own outstanding bills, an amount of Rs. 1,500 crores borrowed from APPFCL being placed in a Fixed Deposit instead of being utilised to clear the Company's outstanding liabilities, and further, during Q1 FY 2026-27, APEPDCL having made a Fixed Deposit of Rs. 150 crores despite delaying payments to APGENCO towards ICD dues and incurring Late Payment Surcharge (LPS) on the same. These instances collectively indicate a weakness in the Company's fund management and internal financial controls leading to increased Interest cost/LPS burden.
13. The Hon'ble APERC, through the FPPCA Order for FY 2023-24, has considered the price of domestic coal for coal imported for 7 months for recovery through FPPCA, and has disallowed the excess amount. Despite the said orders of APERC disallowing the excess amount, the excess provision of Rs. 8,282 Lakhs (being EPDCL's share), after adjusting the approved amount, has continued to be carried in the books. We further observed that, notwithstanding the disallowance by APERC, the Board of APPCC has decided to pay a consolidated amount to HNPCL. Further, the impact of Late Payment Surcharge (LPS) on the said outstanding amount has not been ascertained or recognised by the Company.
14. The Company has not created a provision for Late Payment Surcharge (LPS) amounting to Rs. 8,604 lakhs (calculated as Rs. 23,754.65 lakhs * 36.22%) on outstanding power



purchase dues payable to Telangana State Northern Power Distribution Company Limited (TSNPDCL). As per the applicable Power Purchase Agreements and regulatory guidelines, LPS is payable for delayed payments and is a legitimate cost that should be recognized. The omission of this provision has resulted in an understatement of power purchase costs by Rs. 8,604 lakhs and a corresponding overstatement of profit for the period.

15. The APPCC has recorded APEPDCL's power purchase units from contributing Discoms at a unit price of ₹5.60, whereas the correct unit price should be the weighted average power purchase cost of the contributing Discoms, i.e., ₹5.81. Due to the adoption of this lower unit price for the purchase of 515.20 MU from Discoms, the power purchase cost charged to D-D has been understated by Rs. 1091 lakhs.
16. The Company has not recognised provision in respect of the Late Payment Surcharge (LPS) amounting to Rs. 23153 Lakhs payable to Wind and Solar power plants. Further, the amount of LPS payable in respect of GBI, and the differential NC Wind & Solar Energy charges arising from restricting payments to the Capacity Utilisation Factor (CUF) as against actual units injected per the APERC orders cannot be ascertained. The non-recognition of the above has resulted in an understatement of liabilities/power purchase costs and a corresponding overstatement of profit to that extent.
17. 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 lakhs 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. 29,248.30 lakhs payable for the period from October 2016 to June 2026 on the outstanding amount of FRP bonds. Thus, omission to account for finance cost resulted in understatement of Other Current Liabilities by Rs. 29,248.30 lakhs and Finance Cost by Rs. 29,248.30 lakhs.
18. Contrary to the accounting policy of valuing Investments at fair value, the Investments as on 30th June, 2026 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. 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.
19. No provisions have been made for the period from 1st April 2026 to 30th June 2026 in respect of (a) impairment of financial assets using the Expected Credit Loss approach, (b) amortisation of grants and consumer contributions, and (c) past service cost arising from the implementation of the Code on Social Security, 2020. Further, balances of trade receivables, trade payables, suppliers, contractors, ICD (DISCOMs), long-term and short-term loans and advances, and receivables from Government, along with long-pending unreconciled entries in the bank reconciliation statements, are subject to confirmation and further adjustment upon reconciliation. In the absence of sufficient and appropriate audit



evidence in respect of the above matters, we are unable to comment on the impact thereof on the amounts reported in the Financial Results.

20. Qualified Conclusion

Based on our review conducted as above, with the exception of the possible effects of matters described in the paragraphs 4 to 19 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.

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



D. T. Sagar

CA. D Teja Sagar
Partner
MNo: 227878

Place: Visakhapatnam
Date: 27/08/2026

UDIN: 26227878RBOEJN2202