



**ANDHRA PRADESH
INDUSTRIAL INFRASTRUCTURE CORPORATION LTD
CIN: U99999TG1973SGC001630**

**Regd.Office : Parisrama Bhavanam, 6th Floor, 5-9-58/B
Fateh Maidan Road, Hyderabad-500004.**

**Corporate office : APIIC Towers, Plot No.1, IT Park
Mangalagiri - 522503**

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GENERAL INFORMATION

BOARD OF DIRECTORS :

a) Chairman:

1.	Dr. Krishnaiah Pirrala, IAS (Retd.) Executive Chairman	From 21-08-2014 to 24-05-2019
2.	Smt R K Roja, MLA, Nagiri	From 14-08-2019 to 09-07-2021

b) Vice-Chairman & Managing Director:

3.	Sri Babu A, IAS, Vice Chairman & Managing Director	From 08-05-2017 to 04-07-2019
4.	Sri Pratap Madireddy, IPS, Vice Chairman & Managing Director	From 04-07-2019 to 01-01-2020
5.	Sri Rajat Bhargava, IAS, Vice Chairman & Managing Director (FAC)	From 01-01-2020 to 04-05-2020

c) Directors:

During the Financial Year 2019-20, the following are the Members of the Board

6.	Dr. Krishnaiah Pirrala, IAS (Retd.) Executive Chairman	From 21-08-2014 to 24-05-2019
7.	Smt R K Roja, MLA, Nagiri	From 14-08-2019 to 09-07-2021
8.	Sri Solomon Arokiaraj, IAS	From 10-08-2016 to 23-10-2019
9.	Sri Rajat Bhargava, IAS	From 27-11-2019 to 29-04-2020
10.	Sri Babu.A, IAS	From 14-06-2017 to 04-07-2019
11.	Sri Pratap Madireddy, IPS	From 14-08-2019 to 01-01-2020
12.	Sri Siddharth Jain Fouzdar, IAS	From 14-06-2017 to 23-10-2019
13.	Sri J.V.N. Subramanyam, IAS	From 27-11-2019 to 23-10-2021
14.	Sri Kaveti Vijayanand, IAS	From 27-02-2017 to 23-10-2019
15.	Sri Anoop Singh, IFS	
16.	Sri Kona Sasidhar, IAS	From 27-11-2019 to 10-07-2020
17.	Sri Peeyush Kumar, IAS	From 09-08-2018 to 23-10-2019
18.	Dr. Veera Venkata Satyanarayana Kadiyam, IRAS	From 27-11-2019 Till date
19.	Sri Anantha Ramu Govinda Swamy Naik, IAS	From 29-04-2019 to 23-10-2019
20.	Sri VivekYadav, IAS	From 27-11-2019 to 03-02-2021
21.	Sri Nagulapalli Srikant, IAS	From 27-11-2019 to 24-01-2022

COMPANY SECRETARY

Sri M. Siva S Reddy

BANKERS

Union Bank of India

State Bank of India

HDFC Bank

Kotak Mahindra Bank

Bank of India

Canara Bank

AUDITORS

Statutory Auditors

M/s. Polineni Associates

Chartered Accountants

6-12-47, 12/1-Arundelpet,

Guntur- 522002

COST AUDITORS

M/s. Shivan & Co Cost Accountants

9-1-175/2, Garlapati Plaza,

Railway Station Road,

Narasaraopet Guntur - 522601

ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

(An undertaking of the Government of Andhra Pradesh)

CIN: U99999TG1973SGC001630

Regd. Office : 4th Floor, Parisrama Bhavan, 5-9-58/B, Fatehmaidan
Road, P.O.Bag.No.5, Basheerbagh, Hyderabad-4

Corporate Office : APIIC Towers, Plot No.1, IT Park, Mangalagiri, Guntur
District Andhra Pradesh- 522503.

N O T I C E

Notice is hereby given that the Adjourned 47th Annual General Meeting of the Members of Andhra Pradesh Industrial Infrastructure Corporation Limited will be held on Thursday, the 26th day of October, 2023 at 11:00 A.M at the Corporate Office of the Company to transact the following business:

ORDINARY BUSINESS :

To receive, consider and adopt the Financial Statements including the consolidated Financial Statements of the Company for the Financial Year 2019-20 containing Balance Sheet, Profit & Loss Statement, Cash Flow Statement, Accounting Policies, Notes to Accounts, Consolidated Balance Sheet, Consolidated Profit and Loss Statement, Consolidated Cash Flow Statement, Consolidated accounting Policies, Consolidated Notes to Accounts for the year ending 31st March 2020, Directors Report, Statutory Auditors Report, final Comments of the Comptroller and Auditor General of India and replies of the management thereon.

BY ORDER OF THE BOARD
FOR APIIC LIMITED

Sd/-
Company Secretary

Place: Mangalagiri
Date : 19.10.2023

Note: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy in the form enclosed to attend and vote instead of himself and the proxy need not be a Member of the Company.

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Regd. Office : 4th Floor, Parisrama Bhavan, 5-9-58/B, Fatehmaidan
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Corporate Office : APIIC Towers, Plot No.1, IT Park, Mangalagiri, Guntur
District Andhra Pradesh- 522503.

N O T I C E

Notice is hereby given that the 47th Annual General Meeting of the Members of Andhra Pradesh Industrial Infrastructure Corporation Limited will be held on Wednesday, the 30th day of September, 2020 at 11:00 A.M. at the Corporate Office of the Company situated at APIIC Towers, Plot No.1, IT Park, Mangalagiri, Guntur District, Andhra Pradesh to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements including the Consolidated Financial Statements of the company for the Financial Year 2019-20 containing Balance Sheet, Profit & Loss Statement, Cash Flow Statement, accounting policies, Notes to Accounts, Consolidated Balance Sheet, Consolidated Profit and Loss Statement, Consolidated Cash Flow Statement, Consolidated accounting policies, Consolidated Notes to Accounts for the year ending 31st March, 2020, Directors Report along with the Auditor's & Comptroller and Auditor General of India report.
2. To authorise the Board of Directors of the Corporation to fix the remuneration and out of pocket expenses to Statutory Auditors Who has been appointed by the Comptroller and Auditor General of India under section 139(5) of the Companies Act, 2013 for the audit of annual accounts for the financial year 2019-20.

BY ORDER OF THE BOARD
FOR APIIC LIMITED

Sd/-

M.Siva S Reddy
Company Secretary

Place: Mangalagiri

Date: 22.09.2020

Note: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy in the form enclosed to attend and vote instead of himself and the proxy need not be a Member of the Company.

BOARD OF DIRECTOR'S REPORT

To
The Members,
Andhra Pradesh Industrial Infrastructure Corporation Limited.

The Board of Directors presents the 47th Annual Report (Adjourned 47th AGM) on the business and operations of the Company and its Audited Statement of Financial statements for the year ended 31st March, 2020 together with the Auditors Reports and comments on the Accounts by the Comptroller and Auditor General (C&AG) of India.

CHANGE IN THE STATE OF COMPANY'S AFFAIRS

There has been no change in the business of the Company during the financial year ended 31st March 2020.

FINANCIAL RESULTS:

The performance of the Company during the year 2019-20 vis-a-vis the previous year is summarized in the table below :

Financial Results	(Amount in Rs. Crores)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
(a) Turnover (including Other Income)	687.64	435.93
(b) Net Profit/Loss (before depreciation and tax)	39.66	39.19
Less : Depreciation	(4.98)	(3.92)
(c) Net Profit/(Loss) before tax	34.68	35.27
Less : Tax expenses (including for deferred tax)	(7.45)	(13.81)
(d) Net Profit/(Loss) after tax	27.23	21.46

ACCOUNTING SYSTEM:

To comply with the IND AS which are mandatory from 01.04.2015 the Land, Building, Sheds and other development works in the Industrial Parks, Industrial Development Areas, Autonagars, etc., of the Corporation are treated as Current Assets, till they are disposed off either on Outright Sale / long lease.

All lands and other assets relating to Special Economic Zones are treated Investment Property accounted on historical cost and the accumulated depreciation on land development cost is shown separately.

Property held to earn rentals or for capital appreciation in which portions could be sold separately is accounted for as investment property. The Lands, Buildings etc., held for usage by APIIC for administrative purpose is treated as Fixed Assets.

In respect of Government Lands taken possession in various places in the state pending alienation orders from the Government of Andhra Pradesh, the land taken possession is being capitalized in the Books of Accounts on provisional basis. Further the Government of Andhra Pradesh vide G.O.Ms.No. 106 dated 16.03.2017 of Industries and Commerce Department ordered for allotment of government lands to the company at free of cost. As such, the Government lands taken possession during the year is capitalized provisionally at a nominal cost of Rs.1/- per acre pending alienation orders. Where specific alienation orders are received in respect of government lands handed over to the company during the year, the same were capitalized at the rate/ amount mentioned in the alienation orders.

The Government of Andhra Pradesh have entrusted certain local authority powers to the Corporation like collection of Property Tax, maintenance of Common facility in respect of certain Industrial Parks and Industrial Development Areas. The local authority powers are vested with Industrial Area Local Authority (IALA) for each industrial area and the income and expenditure in this regard is being accounted for in the books of accounts maintained by the respective IALs and hence not accounted for in the accounts of the Company.

BIFURCATION STATUS OF APIIC PURSUANT TO A.P. REORGANISATION ACT, 2014:

The business of the company was reorganised and segregated into Andhra region and Telangana region as per the provisions of the AP Reorganisation Act, 2014, w.e.f 02.06.2014 consequent to bifurcation of the erstwhile state of Andhra Pradesh. A new company namely TSIIC Limited was incorporated on 04.09.2014 under the Companies Act, 2013 and took over the Telangana Division of APIIC w.e.f 02.06.2014.

The company prepared demerger scheme as per the provisions of AP Reorganisation Act, 2014 and the same was approved by the joint Board represented by the Govt. of Andhra Pradesh and Telangana in its 199th meeting held on 02.05.2014 and 202nd meeting held on 26.03.2015 duly authorising the Vice Chairman and Managing Directors of both AP and TS Divisions to make necessary modifications. The same was reviewed and approved by the expert committee constituted by the Government for the purpose and was sent to both the Governments for approval vide its letter dated 16.05.2015.

The Board of APIIC further authorised the Vice Chairman and Managing Director of both the divisions to finalise the modalities and allocation of employees in its 202nd meeting held on 26.03.2015. Accordingly, final allocation of employees to APIIC Limited and TSIIC Limited was made which is subject to scrutiny and approval of the committee appointed/ guidelines issued if any by the Central Government for allocation of employees of PSUs. The assignment of division of employees was entrusted to the expert committee vide G.O. Rt. No. 2066, Dt: 26.09.2016.

The orders on approval of the Demerger Scheme is yet to be issued by the Government (s). Pending issue of orders from both the Governments, the assets, liabilities, employees and proceedings of Telangana were transferred and vested with TSIIC Limited. The Accounts were prepared considering the demerger scheme approved by the expert committee and necessary entries were made in the books of accounts accordingly. The entries made are subject to review, reconciliation and modification.

The Assets and Liabilities pertaining to operational units were apportioned on location basis and pertaining to Head Quarters were apportioned on population basis. Investments are apportioned on location basis where the projects are located in a specific region and in case of projects having multiple units falling within the territories of states of Andhra Pradesh and Telangana on population basis.

MEETINGS OF THE BOARD

The Board of Directors of the Company duly met Five (5) times during the Year.

Sl. No	Name of the Director	BM No.219 29.04.2019	BM No.220 14.08.2019	BM No.221 12.09.2019	BM No.222 27.11.2019	BM No.223 03.02.2020
1	Sri Krishnaiah Pirrala, IAS (Retd.,)	No	NA	NA	NA	NA
2	Smt R K Roja, MLA, Nagiri	NA	Yes	Yes	Yes	Yes
3	Sri Solomon Arokiaraj, IAS	Yes	NA	NA	NA	NA
4	Sri RajatBhargava, IAS	NA	No	No	Yes	Yes
5	Sri Babu.A, IAS	Yes	NA	NA	NA	NA
6	Sri PratapMadireddy, IPS	NA	Yes	Yes	Yes	NA
7	Sri Siddharth Jain Fouzdar, IAS	No	Yes	No	NA	No
8	Sri J.V.N. Subramanyam, IAS	NA	NA	NA	Yes	Yes

9	Sri Kaveti Vijayanand, IAS	No	NA	NA	NA	NA
10	Sri Anoop Singh, IFS	NA	No	Yes	NA	NA
11	Sri Kona Sasidhar, IAS	NA	NA	NA	No	Yes
12	Sri Peeyush Kumar, IAS	Yes	NA	NA	NA	NA
13	Dr. Veera Venkata Satyanarayana Kadiyam, IRAS	NA	No	No	Yes	No
14	Sri Anantha Ramu Govinda Swamy Naik, IAS	No	NA	NA	NA	NA
15	Sri VivekYadav, IAS	NA	No	No	No	No
16	Sri Nagulapalli Srikant, IAS	NA	NA	NA	No	No

DIRECTORS:

APIIC is a wholly owned by GoAP, hence it is a Government Company. The GoAP has the authority to nomination or removal of Directors from time to time, therefore, during the year the following officers are nominated or removed:

Sl. No	Name of the Director	Date of appointment	Date of Cessation
1	Sri Krishnaiah Pirrala, IAS (Retd.,)	27.09.2014	28.05.2019
2	Smt R K Roja, MLA, Nagiri	14.08.2019	09.07.2021
3	Sri Solomon Arokiaraj, IAS	10.08.2016	23.10.2019
4	Sri RajatBhargava, IAS	27.11.2019	29.04.2020
5	Sri Babu.A, IAS	14.06.2017	04.07.2019
6	Sri Pratap Madireddy, IPS	14.08.2019	01.01.2020
7	Sri Siddharth Jain Fouzdar, IAS	14.06.2017	23.10.2019
8	Sri J.V.N. Subramanyam, IAS	27.11.2019	23.10.2021
9	Sri Kaveti Vijayanand, IAS	27.02.2017	23.10.2019
10	Sri Anoop Singh, IFS		
11	Sri Kona Sasidhar, IAS	27.11.2019	10.07.2020
12	Sri Peeyush Kumar, IAS	09.08.2018	23.10.2019
13	Dr. Veera Venkata Satyanarayana Kadiyam, IRAS	27.11.2019	Till date
14	Sri Anantha Ramu Govinda Swamy Naik, IAS	29.04.2019	23.10.2019
15	Sri VivekYadav, IAS	27.11.2019	03.02.2021
16	Sri Nagulapalli Srikant, IAS	27.11.2019	24.01.2022

KEY MANAGERIAL PERSONNEL:

1	Sri Babu Ahamed, IAS, Vice-Chairman & Managing Director	From 14.06.2017 to 04.07.2019
2	Sri Pratap Madireddy, IPS, Vice-Chairman & Managing Director	From 14.08.2019 to 01.01.2020
3	Sri Rajat Bhargava, IAS, Vice-Chairman & Managing Director (FAC)	From 03.02.2020 to 04.05.2020
4	Sri Siva Satyanarayana Reddy Manda Company Secretary, APIIC Limited	From 01-05-2006 to till date

DIVIDEND

In order to conserve the resources for further growth of the Company, the Directors on Board of APIIC do not recommended payment of dividend on the equity shares for the FY 2019-20.

RESERVES AND SURPLUS:

During the year under review the company as shown other equity of Rs.402.49 Crores in the financial statements.

EXTRACT OF ANNUAL RETURN

The Extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, forms part of this report as **ANNEXURE-A**.

COST AUDITORS:

The Company has appointed M/s. Shivan & Co Cost Accountants, Guntur to conduct cost audit and issue report thereon. The Company has obtained the report for the year 2019-2020.

INTERNAL AUDITORS:

Internal Auditors of the Company for the FY 2019-2020		
S.No	Name of the Firm	Zone
1	M/s.Kanaka Mahalakshmi Associates	Visakhapatnam Regular Zone

2	M/s.Kanaka Mahalakshmi Associates	Visakhapatnam Special Zone (Anakapalli Zone)
3	M/s.Kanaka Mahalakshmi Associates	Kakinada
4	M/s.Somayajulu & Associates	Nellore(Tirupathi SPL Projects)
5	M/s.Somayajulu & Associates	Tirupathi
6	M/s.K.V.K.S.N & CO	Kadapa
7	M/s.A.M.Reddy & D.R.Reddy	Ananthapur
8	M/s.Niranjan & Narayana	Kurnool

SECRETARIAL AUDIT REPORT :

The provisions of the Section 204 of the Companies Act 2013, is not applicable.

CORPORATE GOVERNANCE PRACTICE:

APIIC an unlisted wholly owned Andhra Pradesh State Government Company is strictly adhering to the principles of Corporate Governance as envisaged in the Companies Act, 2013. Further, APIIC continues to believe in observing the best corporate governance practices and benchmarking itself against each such practice on an ongoing basis.

POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION AND OTHER DETAILS

As per the Articles of Association of the Company, the Government of Andhra Pradesh has the right to nominate and appoint Managing Director & other Directors on the Board of the Company.

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

DEPOSITS

The company has not accepted any deposits from Public. Therefore, the requirement of Chapter V of the Companies Act, 2013 is not applicable to it. There were no outstanding public deposits pending as on 31st March, 2020.

INVESTMENTS IN SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

Details of Investments in Subsidiary, Joint Venture and Associate Companies are as follows :

S. No.	Name of the Company	Percentage (%) of Shareholding	No. of Shares Held	Face value of each share (In Rs.)	Total value of Shares
Investment in Subsidiary Co's					
1	APIIC Food Park (Krishna District) Limited	100	10000	10	1,00,000
Investments in Joint Ventures					
2	Atchutapuram Effluent Treatment Limited	72.32	3,85,03,775	10	38.50.37,750
3	Andhra Pradesh Gas Infrastructure Corporation Private Limited	51	27,16,600	10	2,71,66,000
4	Krishnapatnam International Leather Complex Private Limited	51	51,000	10	5,10,000
5	NICDIT Krishnapatnam Industrial City Development Limited	50	25,00,000	10	2,50,00,000
6	Visakhapatnam Industrial Water Supply Company Limited	49	2,20,27,071	10	22,02,70,710
7	Bhagyanagar Gas Limited	2.49	22,30,961	10	2,23,09,610
8	Andhra Pradesh Gas Distribution Corporation Limited	7.65	58,70,849	10	5,87,08,490
Investment in Associate Co's					
9	Ace Urban Hitech City Limited (formerly L&T Hitech City Limited)	26	52,00,000	10	5,20,00,000
10	KP Agri Warehousing Company Private Limited	26	26000	10	2,60,000
11	Andhra Pradesh Aerospace & Defence Electronics Park Private Limited	26	1,30,00,000	10	13,00,00,000
12	Bhartiya International SEZ Limited	11.05	15,00,000	10	1,50,00,000
13	Ramky Pharma City (India) Limited	11	19,80,000	10	1,98,00,000
14	Ace Urban Infocity Limited	6.42	11,54,736	10	1,15,47,360
15	Hyderabad Information Technology Venture Enterprises Limited	4.86	12,145	10	1,21,450

16	Cyberabad Trustee Company Private Limited	4.86	2,429	10	24,290
17	Vizag IT Park Limited	0.49	44,000	10	4,40,000

PARTICULARS OF RELATED PARTY TRANSACTIONS

The Related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. The details of related party transactions are mentioned in **ANNEXURE-B** in Form AOC-2.

PARTICULARS OF EMPLOYEES

Section 197 of the Companies Act, 2013 regarding Overall Maximum Managerial Remuneration and Managerial Remuneration in Case of Absence or Inadequacy of Profits shall not apply to the Company as the Company is a Government company and wholly owned by Government of Andhra Pradesh.

DETAILS OF COMPANY'S CORPORATE SOCIAL RESPONSIBILITY

The provisions of the Corporate Social Responsibility as contained under the Companies Act, 2013 are applicable on the Company.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **ANNEXURE-C** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required to be disclosed in accordance with the Companies (Accounts) Rules, 2014 is 'nil' as the Company is mainly engaged in trading activities.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE AND OUTGO:

The Company is not engaged in any manufacturing activity, so information regarding pursuant to section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is not applicable to the company.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars of foreign exchange earnings and outgo are given below:

(Amount in Rs.)

Particulars	2019-20	2018-19
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	NIL	NIL

COMMENTS OF STATUTORY AND C&AG AUDITORS :

The observations / comments of Statutory auditors and C&AG auditors under Section 143(6) of the Companies Act, 2013 on the accounts of the Corporation for the year 2019-20 and replies of the management thereto are attached as **ANNEXURE-D**.

INTERNAL FINANCIAL CONTROLS :

The Company has maintained adequate financial control system, commensurate with the size, scale and complexity of its operations and ensures compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations.

AUDIT COMMITTEE:

The Company being a private limited, provisions of Section 177 of the Companies Act, 2013 is not applicable.

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

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

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

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

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

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

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

Report on Performance Evaluation of the Board, Committees and Individual Directors is applicable only for listed companies having a paid up share capital of Rs.25.00 crores or more at the end of preceding financial year.

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

DISCLOSURE UNDER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

APIIC has not received any complaints during the financial year. Pursuant to the applicable provisions of the Prevention of Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

That in the preparation of the accounts for the financial year ended 31st March, 2020 the applicable accounting standards had been followed along with proper explanation relating to material departures;

That the Directors have selected such accounting policies, procedures and applied them consistently and made adjustments and estimates that were 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 or loss of the company for the year;

That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

That the directors have prepared the accounts for the financial year ended 31st March, 2020 on a going concern basis.

The Board thanks the Industries Department, Public Enterprises Department, Finance Department, Revenue Department, for their continued co-operation and assistance rendered.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the co-operation and support extended by the Share Holders, various authorities, banks, dealers and vendors.

The Directors also acknowledge with gratitude the dedicated efforts and valuable contribution made by all the employees of the Company.

For and on behalf of the Board of APIIC Limited

**Sd/-
G. Prabhakar Reddy
Director
DIN: 10279974**

**Sd/-
Pravin Kumar, IAS
VC&MD
DIN: 07106418**

Place: Mangalagiri

Date: 19.10.2023

FormNo.MGT-9**Extract of Annual Return****As on the Financial Year ended on 31.03.2020***[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	U99999TG1973SGC001630
ii.	Registration Date	26.09.1973
iii.	Name of the Company	Andhra Pradesh Industrial Infrastructure Corporation Limited
iv.	Category/Sub-Category of the Company	Company limited by Shares/ State Government Company
v.	Address of the Registered office and contact details Corporate Office Address:	5-9-58/B, 6 th Floor, Parisrama Bhavanam, Fateh Maidan Road, Hyderabad- 500004. APIIC Towers, Plot No.1 IT Park, Mangalagiri, Andhra Pradesh, India, 522503.
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S.No	Name and Description of main products/ services	NIC Code of the product/ Service	% to total turnover of the company
1	Support Service to Organizations (Development of Industrial Infrastructure in the State of A.P)	N7	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares held
1.	APIIC Food Park (Krishna District) Limited	U15130AP2016SGC103409	Subsidiary	100
2.	Atchutapuram Effluent Treatment Limited	U41000AP2016PLC103829	Joint Venture	72.32
3.	Andhra Pradesh Gas Infrastructure Corporation Private Limited	U11100AP2009SGC107233	Joint Venture	51
4.	Krishnapatnam International Leather Complex Private Limited	U19115TG2008SGC060643	Joint Venture	51
5.	NICDIT Krishnapatnam Industrial City Development Limited	U45200AP2018PLC108963	Joint Venture	50
6.	Visakhapatnam Industrial Water Supply Company Limited	U90009AP1999PLC032051	Joint Venture	49
7.	Bhagyanagar Gas Limited	U40200TG2003PLC041566	Joint Venture	2.54
8.	Ace Urban Hitech City Limited	U70102TG2007PLC053938	Associate	26
9.	KP Agri Ware Housing Company Private Limited	U63023AP2014PTC093639	Associate	26
10.	Andhra Pradesh Aerospace & Defence Electronics Park Private Limited	U45206AP2015PTC097806	Associate	26
11.	Bhartiya International SEZ Limited	U74999DL2007PLC159827	Associate	11.05
12.	Ramky Pharma City (India) Limited	U24239TG2004PLC042855	Associate	11
13.	Andhra Pradesh Gas Distribution Corporation Limited	U11100AP2011SGC106844	Associate	7.65
14.	Ace Urban Infocity Limited	U72200TG1997PLC026885	Associate	6.42

15.	Hyderabad Information Technology Venture Enterprises Limited	U72200TG1998PLC029282	Associate	4.86
16.	Cyberabad Trustee Company Private Limited	U72200TG1999PTC033128	Associate	4.86
17.	Vizag IT Park Limited	U45200AP2003PLC041374	Associate	0.49

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) @ Rs.1,000/- each share face value

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	De ma t	Phys ical	total	% of total share s	De ma t	Phys ical	total	% of total share s	
A. PROMOTER									
1) INDIAN									
a) Individual/HUF									
b) Central Govt.									
c) State Govt.(s)			95219	100			95219	100	Nil
d) Bodies Corp.									
e) Banks/FI									
f) Any other									
Sub-total(A)(1):-			95219	100			95219	100	Nil
2) FOREIGN									
g) NRIs-Individuals									
h) other-individuals									
i) Bodies Corp.									
j) Banks/FI									
k) Any other									
Sub- total (A)(2):-			--	--			--	--	--
B. PUBLIC SHARE HOLDING									
1. INSTITUTIONS									
a) Mutual Funds									

b) Banks / FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1):-			--	--			--	--	--
2. NON-INSTITUTIONS									
a) Bodies Corp. (i) Indian (ii) Overseas									
b) Individuals i) Individual shareholders holding nominal share capital up to Rs. 1 lakh ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									
c) Others (3 Individuals holding on behalf of Govt. of A.P)			3				3		Nil
Sub-total(B)(2):-			3				3		Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)			3				3		Nil

C. SHARES HELD BY CUSTODIAN FOR GDRS &ADRS									
GRAND TOTAL (A+B+C)			95222	100			95222	100	Nil

ii. Shareholding of Promoters: (@ the favour of Rs.1,000/- each)

S. No	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Governor of Andhra Pradesh	95219	100	95219	100
2	Sri Mohana Rao Inapanuri	1		1	
3	Sri P. Venkateswara Rao	1		1	
4	Sri T. Srinivasulu	1		1	
	Total	95222		95222	100

iii. Change in Promoters' Share holding (please specify, if there is no change

There is no Change in the Promoters Share Holding during the financial year 2019-20.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	2000.00			2000.00
ii) Interest due but not paid				
iii) Interest accrued but not due	145.28			114.02
Total (i + ii + iii)	2,145.28	-	-	2114.02

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebted- ness
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	2000.00			2000.00
ii) Interest due but not paid				
iii) Interest accrued but not due	114.02			114.02
Total (i + ii + iii)	2114.02	-	-	2114.02

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

As Andhra Pradesh Industrial Infrastructure Corporation Limited is a Government Company, remuneration to Managing Director, Whole-time Directors and/or Manager/ Key Managerial Personnel not applicable.

PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There are no penalties/ punishments/ compounding of offences under the Companies Act during the year.

For and on behalf of the Board of APIIC Limited

Sd/-
G. Prabhakar Reddy
Director
DIN: 10279974

Sd/-
Pravin Kumar, IAS
VC&MD
DIN: 07106418

Place: Mangalagiri
Date: 19.10.2023

Annexure-B**Form No. AOC-2**

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

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

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

There were no contracts or arrangements or transactions entered in to during the year ended 31st March 2020, which were not arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis
(Rs. In Crores)

S. No	Name of the Related Party	Relationship	Volume of Transaction during the Year	Outstanding as on 31.03.2020
1	AP Gas Infrastructure Corporation Private Limited	Subsidiary	0.11	1.93
2	Krishnapatnam International Leather Complex Private Limited	Subsidiary	2.39	29.29
3	Visakhapatnam Industrial Water Supply Company Limited (Acc. Interest on Secured Loan)	Joint Venture	-31.26	114.02
4	Atchutapuram Effluent Treatment Limited	Joint Venture	0.00	0.00
5	Atchutapuram Effluent Treatment Limited(Acc. Interest)	Joint Venture	1.20	2.59
Total			-27.56	147.83

For and on behalf of the Board of APIIC Limited

Sd/-
G. Prabhakar Reddy
Director
DIN: 10279974

Sd/-
Pravin Kumar, IAS
VC&MD
DIN: 07106418

Place: Mangalagiri
Date: 19.10.2023

ANNUAL REPORT ON CSR ACTIVITIES**1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken to the CSR policy and projects or programs:**

APIIC Limited, CSR policy is aimed at demonstrating care for the community through its focus on education & skill development, health & wellness and environmental sustainability including energy & water conservation. Also embedded in this objective is support to the disadvantaged/marginalized cross section of the society by providing opportunities to improve their quality of life.

The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013.

2. The composition of the CSR committee:

In 222nd Board meeting re-constituted the Corporate Social Responsibility Committee (CSR Committee) of the Board of Directors (Board) of the Company comprises as follows:

Chairperson, APIIC

VC&MD, APIIC

Special Secretary to Govt., Finance Department"

3. Average net profit of the company for last three financial years

The average net profits for the company in the financial year calculated as per section 198 of the Act read with the Companies (Corporate Social Responsibility) Rules thereof (average net profit) accrued during the three immediately preceding Financial Years to Rs. 35,00,000/-.

Financial Year	Net Profit for Computation of CSR (Amount in Cr.)
2016-17	33.52
2017-18	(2.41)
2018-19	21.46
Total	52.57

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

The prescribed CSR Expenditure (two per cent of the average net profit) amounts to Rs. 35,00,000/-

5. Details of CSR spent during the financial year 2019-20.

a) Total amount to be spent for the financial year: Rs. 35,00,000/-

During the Financial Year, the Company allocated CSR Expenditure Rs. **54,74,313/-**

b) Manner in which the amount spent during the financial year is detailed below:

S. No	Name of the Work	Amount (Rs.)
1	Jungle clearance at R&R Colony veduruwada expansion,Atchutapuram	37,170.00
2	Earth filling for balance low laying areas for the plots in between the cross roads at R&R colony layout, veduruwada,Atchutapuram	47,748.00
3	Providing water supply facilities to R&R Colony,Veduruwada.	13,40,121.00
4	Providing electrification to R&R colony to beneficiaries of south side , laying of 11 kv line on 11 mts Spun poles with 100 sq.mm AAA conductor, Providing 8 nos DTRS and laying of LT 3 Phase 5 wire line on 9.5 mtrs spun poles with 55 sq.mm AAA conductor and Providing 200 Nos street light fittings all along the internal roads in the R&R colony layout at Veduruwada(v),Atchuthapuram(m),Vskp.	1,71,360.00
5	Construction of building for sub centre (PHC) at dibbapalem R&R colony,Atchutapuram Agt no.15/CE(N)/APIIC/2018-19 Dt:20.08.2018	17,69,984.00
6	Construction of Bus shelter at R&R colony, Dibbapalem,Atchutapuram	2,96,161.00
7	Construction of community halls(9nos) at R&R colony,Dibbapalem, Atchupuram. Agt no.06/CE(N)/APIIC/2018-19 Dt:12.06.18	18,11,769.00
	TOTAL	54,74,313.00

6. We hereby confirm on behalf of CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of APIIC Limited

Sd/-
G. Prabhakar Reddy
Director
DIN: 10279974

Sd/-
Pravin Kumar, IAS
VC&MD
DIN: 07106418

Place: Mangalagiri
Date: 19.10.2023

ANNEXURE – D(a)																	
Replies to the observations of the statutory auditor on the standalone financial statements																	
Sl. No.	Observation of the Statutory Auditor	Reply of the Company															
1	<p>Equity Share Capital: Current year amount of Rs.9.52 Crores (Previous Year Rs.9.52 Crores)</p> <p>The Equity Share Capital of Rs.9.52 Crores (Previous Year Rs.9.52 Crores) is subject to reconciliation with the Government of Andhra Pradesh (Refer Note No: 11)</p>	<p>The paid up share capital of the company was apportioned in the population ratio to APIIC Ltd., and TSIIC Ltd., as a part of demerger of the corporation as per the Demerger Scheme approved by the Expert Committee. Accordingly, the share of the company is Rs. 9.52 crores w.e.f. 02.06.2014.</p> <p>The paid up share capital account is under reconciliation with the advances section of o/o Principal Accountant General. The matter is under persuasion O/o P&AG for rectification.</p>															
2	<p>Other Equity: Capital Reserve: Current Year Rs.57.58 Crores (Previous Year Rs.57.58 Crores)</p> <p>An amount of Rs.7.58 Crores received from the Government of Andhra Pradesh as Share Capital vide G.O Nos 107 dated 22.07.1995, 108 dated 26.07.1995, 284 dated 17.08.1998, 330 dated 16.09.1998, 171 dated 27.05.1999 and 224 dated 28.05.2002 pending for many years is classified as Capital Reserve. In our opinion, this needs to be classified as share capital pending allotment (Refer to Statement of changes in consolidated equity)</p>	<p>The Capital Reserve as per the books of accounts of the company as on 01.06.2014 was apportioned in the population ratio to APIIC Ltd., and TSIIC Ltd., as a part of demerger of the corporation as per the Demerger Scheme approved by the Expert Committee. Accordingly, the share of the company is Rs. 7.58 crores w.e.f. 02.06.2014.</p> <p>The capital reserve amount pertains the EPIP Grant which was sanctioned to the Company as Investment in APIIC by the Government. Later, the company was directed to treat it as a Grant in the Inter Ministerial Steering Committee meeting held on 4th & 5th of April, 2000. But, no orders were received so far converting Equity as a Grant. The matter is under persuasion.</p> <p>The treatment will be reviewed and necessary action will be taken on reconciliation of the Equity with office of the Principal Accountant General.</p>															
3	<p>Deposits Received from Allottees: Current year Rs.1402.77 Crores (Previous Year Rs. 1370.02 Crores)</p> <p>This includes unreconciled amounts with Head office and Zonal offices which are yet to be reconciled (Refer Note No: 17)</p> <table border="1"> <thead> <tr> <th>Sl. No.</th><th>Name of the Zone</th><th>Rs. in crores</th></tr> </thead> <tbody> <tr> <td>1</td><td>Head Office</td><td>21.61</td></tr> <tr> <td>2</td><td>Vijayawada</td><td>12.90</td></tr> <tr> <td colspan="2">TOTAL</td><td>34.51</td></tr> <tr> <td colspan="2"></td><td></td></tr> </tbody> </table>	Sl. No.	Name of the Zone	Rs. in crores	1	Head Office	21.61	2	Vijayawada	12.90	TOTAL		34.51				<p>The amounts deposited by the allottees were reviewed and the schedule showing party wise details of deposits was prepared. With respect to the un-reconciled deposits mentioned, was also reconciled and further reconciliation is in progress.</p>
Sl. No.	Name of the Zone	Rs. in crores															
1	Head Office	21.61															
2	Vijayawada	12.90															
TOTAL		34.51															

4	<p>Provision for contractual obligations: Current year – Rs. 1043.40 Crores (Previous Year – Rs 674.00 Crores)</p> <p>Adequacy of Provision: As per the information and explanations given to us, the Corporation after reviewing various pending contractual obligations at the year-end estimated the provision against contractual obligations as Rs. 1043.30 Crores (Previous Year Rs. 674.00 Crores) and accordingly provided. We are not clear, whether the provision is pertaining to earlier year sales or current year sales. Hence, in our opinion, we are not able to comment upon the adequacy of the provision made by the Corporation (Refer Note No: 18.3)</p> <p>Disclosure: Since the contractual works are extending beyond one year, we are of the opinion that this provision should be disclosed under Long term provisions.</p>	<p>The Audit Comment is self explanatory.</p> <p>The provision for Contractual Obligations is being reviewed from time to time and necessary provision is being made accordingly. Hence, the provision shown in the Financial Statements is adequate.</p> <p>As the provision for Contractual Obligations is reviewed on yearly basis, the same was disclosed under Short Term Provisions.</p>
5	<p>Inventory Rs. 3645.52 Crores (Previous Year Rs. 3586.35 Crores):</p> <p>Due to non- reconciliation of the deposits and its impact on revenue as per Comment No. c above, we are not in a position to quantify the impact on inventory and not in a position to confirm the value of the inventory (Refer Note No: 7)</p>	<p>The inventory is being reviewed from time to time and reflected in the financial statements accordingly.</p> <p>There is no impact on the inventory due to reconciliation of the deposits.</p>
6	<p>Non Conformity of Indian Accounting Standards 115</p> <p>Revenue Recognition–Sale of Land, Sheds etc. Rs. 492.70 Crores (Previous Year Rs. 306.174 Crores): (Refer Accounting Policy No. 2.10)</p> <p>Under Ind AS 115, Revenue Income Recognition is on Five Step Model as gisted hereunder:</p> <p>1: Identify the contracts with the customers</p> <p>An entity shall account for a contract with a customer only when all of the following criteria are met -</p> <ul style="list-style-type: none"> -the contract is approved and parties are committed to perform their respective obligation, -entity can identify each party's rights regarding the goods or services to be transferred, -entity can identify the payment terms for the goods or services to be transferred, -the contract has commercial substance, -it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will 	<p>As per Letter and Spirit of Ind AS 115, Income received in Advance is bifurcated from HAC 4101 – Sale of Land to the extent of infrastructure not provided instead of making a provision for contractual obligations as was done earlier.</p> <p>So, Ind AS 115 is followed in Letter and Spirit in case of Sale Agreement from the FY 2020-21</p>

	<p>be transferred to the customer.</p> <p>2: Identifying separate performance obligations</p> <p>Identify as a Performance obligation being a promise to transfer to a customer -</p> <ul style="list-style-type: none"> - A good or service (or bundle of goods or services) that is distinct or - A series of goods or services that are substantially the same and are transferred in the same way - If a promise to transfer a good or service is not distinct from other goods & services in a contract, then the goods or services are combined into a single performance obligation. <p>Satisfaction of performance obligations</p> <ul style="list-style-type: none"> - An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. <p>3: Determine the Transaction Price</p> <ul style="list-style-type: none"> - The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. - The consideration promised in a contract with a customer may include fixed amounts, variable amounts or both. - For the purpose of determining transaction price, an entity shall assume that the goods or services will be transferred to the customer as promised in accordance with the existing contract and that the contract will not be cancelled, renewed or modified. <p>4: Allocate the transaction price to the performance obligations</p> <ul style="list-style-type: none"> - The objective when allocating the transaction price is for an entity to allocate the transaction price to each performance obligation (or distinct goods or service) in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer. 	
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- Allocation of transaction price can be done proportionately based on stand-alone selling prices. The stand-alone selling price is the price at which an entity would sell a promised good or service separately to a customer

5: Revenue Recognition when performance obligations are satisfied

- Performance obligation is satisfied over time or at a point in time.
- Performance obligation is satisfied over time if one of the criteria is met out of three:
 - The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
 - The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced or
 - The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.
- Based on above the Revenue Recognition for a performance obligation is done over time if one of the criteria is met out of three else Revenue Recognition for a performance obligation is done at a point in time.

Satisfaction of performance obligations: An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

For each performance obligation identified, determine at contract inception whether it satisfies the performance obligation over time or at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

Revenue is to be recognized basis the Steps indicated in the Ind AS 115.

Corporation recognized the Revenue upon entering into Agreement of sale with the Allottees on receipt of full consideration,

	<p>without identifying performance obligations in the contracts with the Allottees and without allocating the transaction price to the performance obligations and without testing for the satisfaction of identified performance obligations for the transferring of the promised good or service to Allottees.</p> <p>As the Corporation has not identified for each of the performance obligation, and has not determined at contract inception whether it satisfies the performance obligation over time or at a point in time and has not arrived at the conclusion for the test as to if the Corporation does or does not satisfy a performance obligation over time, and has not arrived at conclusion about for if the performance obligation is not satisfied over time, than the same will be satisfied at a point in time, and in the light of the foregoing, the corporation has not adhered to Ind As-115 “Revenue From Contracts With Customers” while adapting the Revenue recognition policy. Hence we are not in a position to comment on accuracy of the income recognition and its impact on Profit and loss account and Balance sheet.</p>	<p>The revenue from sale of land is recognised as per IND AS 115 from the F.Y. 2020 -21.</p>															
7	<p><i>Non-availability of Share Certificates:</i></p> <p><i>A reference is invited to Note No. 5.1 in the ‘Notes to standalone Financial Statements’ wherein the investments of the Company in equity shares of other companies was disclosed. During verification of the respective certificates, it was observed that the certificates in respect of the following Companies were not available.</i></p> <table><tr><th><i>S. No.</i></th><th><i>Name of the Company</i></th><th><i>Nature of investment/ No. of Shares – AP State portion (after apportioning the total shares between AP and Telangana in population ratio)</i></th><th><i>Per cent age of hold ing</i></th><th><i>Am ount of inve stme nt (in cror e)</i></th></tr><tr><td>1</td><td>Hyderabad Information Technology Venture Enterprises Ltd.</td><td>Equity Shares – 12145 Nos.</td><td>4.86 %</td><td>0.01</td></tr><tr><td>2</td><td>Cyberabad Trustee Company (P) Ltd.</td><td>Equity Shares – 2429 Nos.</td><td>4.86 %</td><td>0.00</td></tr></table>	<i>S. No.</i>	<i>Name of the Company</i>	<i>Nature of investment/ No. of Shares – AP State portion (after apportioning the total shares between AP and Telangana in population ratio)</i>	<i>Per cent age of hold ing</i>	<i>Am ount of inve stme nt (in cror e)</i>	1	Hyderabad Information Technology Venture Enterprises Ltd.	Equity Shares – 12145 Nos.	4.86 %	0.01	2	Cyberabad Trustee Company (P) Ltd.	Equity Shares – 2429 Nos.	4.86 %	0.00	<p><i>Letters were addressed to the respective joint venture companies for issue of fresh share certificates and the concerned companies are in the process of issue of share certificates.</i></p> <p><i>APIIC has already requested to issue Duplicate Share Certificates.</i></p> <p><i>Vide Ref. HITVEL/012/202-22, dt. 30.09.2021, HITVEL confirmed that APIIC Ltd is holding the following Investments in the Companies as stated below :</i></p> <p><i>Hyderabad Information Technology Venture Enterprises Ltd. (HITVEL) – 8.33%</i></p> <p><i>Cyberabad Trustee Company Pvt Ltd. (CTCPL) – 8.33%</i></p>
<i>S. No.</i>	<i>Name of the Company</i>	<i>Nature of investment/ No. of Shares – AP State portion (after apportioning the total shares between AP and Telangana in population ratio)</i>	<i>Per cent age of hold ing</i>	<i>Am ount of inve stme nt (in cror e)</i>													
1	Hyderabad Information Technology Venture Enterprises Ltd.	Equity Shares – 12145 Nos.	4.86 %	0.01													
2	Cyberabad Trustee Company (P) Ltd.	Equity Shares – 2429 Nos.	4.86 %	0.00													

	3	Cyberabad Trustee Company (P) Ltd. – HIVE Fund	Units – 449 Nos.	--	1.12		HIVE Fund (Trust) - Nil
8	<p>Provision for leave encashment:</p> <p>According to Chapter IX of Companies' Act, 2013, every company must prepare books of accounts in accordance with the relevant applicable Ind AS as issued by ICAI. One of these accounting standards, Ind AS 19, requires an actuarial valuation to be done for certain types of employee benefit schemes, including the leave schemes. Though Ind AS 19 does not require disclosure about other long-term employee benefits, Ind AS 1 may require disclosure in respect of leave encashment.</p> <p>Non provision of leave encashment in accordance with Ind AS 19 will lead to increase in profits of the Corporation and decrease in corresponding liability/provision. We are unable to quantify the impact on financial position as the Corporation has not provided for leave encashment at the year end in accordance with Ind AS 19. (Refer Note No: 13)</p>						<p>Necessary provision towards leave encashment was retained in the books of accounts based on the leave balance available at the credit of the employee for the year ending 31st March, 2020 duly considering the respective salary.</p>
9	<p>APIIC Food Park (Krishna District) Limited:</p> <p>An amount of Rs.1,00,000/- made towards investment in APIIC Food Park (Krishna District) Limited shown as "Deposit towards share application money" under Note 5.1 (B)(Financial Accounts – Non Current assets)). The share allotment has to be completed within two months from the date of incorporation, in case of subscribers to memorandum (as per clause "a" sub section 4 of Section 56 of the Companies Act, 2013). If a company fails to allot the shares within the prescribed time limit, it shall liable to repay the application money with interest at a rate of 12% p.a. from the expiry of 60th day (as per sub section 6 of Section 42 of the Companies Act, 2013). In the instant case, no adherence observed to the relevant provisions of the Act.</p>						<p>Since, APIIC Food Park is 100% subsidiary of APIIC (formed as per Food Park Policy of GOI Ministry of Food Procesing), APIIC did not insist for payment of Interest and repayment of principal, further, now Share Certificate is received in 2023-24, it will be shown as Subscribed Capital.</p>

For and on behalf of the Board of APIIC Limited

Sd/-
G. Prabhakar Reddy
Director
DIN: 10279974

Sd/-
Pravin Kumar, IAS
VC&MD
DIN: 07106418

Place: Mangalagiri
Date: 19.10.2023

ANNEXURE – D (b)

Replies to the observations of the statutory auditor on the consolidated financial statements

Sl. No.	Observation of the Statutory Auditor	Reply of the Company															
1	<p>Equity Share Capital: Current year amount of Rs.9.52 Crores (Previous Year Rs.9.52 Crores)</p> <p>The Equity Share Capital of Rs.9.52 Crores (Previous Year Rs.9.52 Crores) is subject to reconciliation with the Government of Andhra Pradesh (Refer Note No: 11)</p>	<p>The paid up share capital of the company was apportioned in the population ratio to APIIC Ltd., and TSIIC Ltd., as a part of demerger of the corporation as per the Demerger Scheme approved by the Expert Committee. Accordingly, the share of the company is Rs. 9.52 crores w.e.f. 02.06.2014.</p> <p>The paid up share capital account is under reconciliation with the advances section of o/o Principal Accountant General. The matter is under persuasion O/o P&AG for rectification.</p>															
2	<p>Other Equity: Capital Reserve: Current Year Rs.57.58 Crores (Previous Year Rs.17.58 Crores)</p> <p>An amount of Rs.7.58 Crores received from the Government of Andhra Pradesh as Share Capital vide G.O Nos 107 dated 22.07.1995, 108 dated 26.07.1995, 284 dated 17.08.1998, 330 dated 16.09.1998, 171 dated 27.05.1999 and 224 dated 28.05.2002 pending for many years is classified as Capital Reserve. In our opinion, this needs to be classified as share capital pending allotment (Refer to Statement of changes in consolidated equity)</p>	<p>The Capital Reserve as per the books of accounts of the company as on 01.06.2014 was apportioned in the population ratio to APIIC Ltd., and TSIIC Ltd., as a part of demerger of the corporation as per the Demerger Scheme approved by the Expert Committee. Accordingly, the share of the company is Rs. 7.58 crores w.e.f. 02.06.2014.</p> <p>The capital reserve amount pertains the EPIP Grant which was sanctioned to the Company as Investment in APIIC by the Government. Later, the company was directed to treat it as a Grant in the Inter Ministerial Steering Committee meeting held on 4th & 5th of April, 2000. But, no orders were received so far converting Equity as a Grant. The matter is under persuasion.</p> <p>The treatment will be reviewed and necessary action will be taken on reconciliation of the Equity with office of the Principal Accountant General.</p>															
3	<p>Deposits Received from Allottees: Current year Rs.1370.02 Crores (Previous Year Rs. 1177.91Crores)</p> <p>This includes unreconciled amounts with Head office and Zonal offices which are yet to be reconciled (Refer Note No: 17)</p> <table border="1"> <thead> <tr> <th>Sl. No.</th><th>Name of the Zone</th><th>Rs. in crores</th></tr> </thead> <tbody> <tr> <td>1</td><td>Head Office</td><td>21.92</td></tr> <tr> <td>2</td><td>Vijayawada</td><td>12.90</td></tr> <tr> <td>3</td><td>Kakinada</td><td>0.12</td></tr> <tr> <td align="center" colspan="2">TOTAL</td><td>34.94</td></tr> </tbody> </table>	Sl. No.	Name of the Zone	Rs. in crores	1	Head Office	21.92	2	Vijayawada	12.90	3	Kakinada	0.12	TOTAL		34.94	<p>The amounts deposited by the allottees were reviewed and the schedule showing party wise details of deposits was prepared. With respect to the un-reconciled deposits mentioned, was also reconciled and further reconciliation is in progress.</p>
Sl. No.	Name of the Zone	Rs. in crores															
1	Head Office	21.92															
2	Vijayawada	12.90															
3	Kakinada	0.12															
TOTAL		34.94															

4	<p>Provision for contractual obligations: Current year – Rs. 674.00 Crores (Previous Year – Rs 644.25 Crores)</p> <p>Adequacy of Provision: As per the information and explanations given to us, the Corporation after reviewing various pending contractual obligations at the year-end estimated the provision against contractual obligations as Rs.674.00 Crores (Previous Year Rs. 644.25 Crores) and accordingly provided. We are not clear, whether the provision is pertaining to earlier year sales or current year sales. Hence, in our opinion, we are not able to comment upon the adequacy of the provision made by the Corporation (Refer Note No: 18.3)</p> <p>Disclosure: Since the contractual works are extending beyond one year, we are of the opinion that this provision should be disclosed under Long term provisions.</p>	<p>The Audit Comment is self explanatory.</p> <p>The provision for Contractual Obligations is being reviewed from time to time and necessary provision is being made accordingly. Hence, the provision shown in the Financial Statements is adequate.</p> <p>As the provision for Contractual Obligations is reviewed on yearly basis, the same was disclosed under Short Term Provisions.</p>
5	<p>Inventory Rs. 3636.03 Crores (Previous Year Rs. 3363.78 Crores):</p> <p>Due to non- reconciliation of the deposits and its impact on revenue as per Comment No. c above, we are not in a position to quantify the impact on inventory and not in a position to confirm the value of the inventory (Refer Note No: 7)</p>	<p>The inventory is being reviewed from time to time and reflected in the financial statements accordingly.</p> <p>There is no impact on the inventory due to reconciliation of the deposits.</p>
6	<p><i>Non Conformity of Indian Accounting Standards 115</i></p> <p><i>Revenue Recognition–Sale of Land, Sheds etc. Rs. 306.17 Crores (Previous Year Rs. 413.99 Crores): (Refer Accounting Policy No. 2.10)</i></p> <p>Under Ind AS 115, Revenue Income Recognition is on Five Step Model as gisted hereunder:</p> <p>1: Identify the contracts with the customers</p> <p>An entity shall account for a contract with a customer only when all of the following criteria are met -</p> <ul style="list-style-type: none"> -the contract is approved and parties are committed to perform their respective obligation, -entity can identify each party's rights regarding the goods or services to be transferred, -entity can identify the payment terms for the goods or services to be transferred, -the contract has commercial substance, -it is probable that the entity will collect the consideration to which it will be entitled in 	<p>As per Letter and Spirit of Ind AS 115, Income received in Advance is bifurcated from HAC 4101 – Sale of Land to the extent of infrastructure not provided instead of making a provision for contractual obligations as was done earlier.</p> <p>So, Ind AS 115 is followed in Letter and Spirit in case of Sale Agreement from the FY 2020-21</p>

	<p>exchange for the goods or services that will be transferred to the customer.</p> <p>2: Identifying separate performance obligations</p> <p>Identify as a Performance obligation being a promise to transfer to a customer -</p> <ul style="list-style-type: none"> - A good or service (or bundle of goods or services) that is distinct or - A series of goods or services that are substantially the same and are transferred in the same way - If a promise to transfer a good or service is not distinct from other goods & services in a contract, then the goods or services are combined into a single performance obligation. <p>Satisfaction of performance obligations</p> <ul style="list-style-type: none"> - An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. <p>3: Determine the Transaction Price</p> <ul style="list-style-type: none"> - The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. - The consideration promised in a contract with a customer may include fixed amounts, variable amounts or both. - For the purpose of determining transaction price, an entity shall assume that the goods or services will be transferred to the customer as promised in accordance with the existing contract and that the contract will not be cancelled, renewed or modified. <p>4: Allocate the transaction price to the performance obligations</p> <ul style="list-style-type: none"> - The objective when allocating the transaction price is for an entity to allocate the transaction price to each performance obligation (or distinct goods or service) in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to 	
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	<p>the customer.</p> <ul style="list-style-type: none"> - Allocation of transaction price can be done proportionately based on stand-alone selling prices. The stand-alone selling price is the price at which an entity would sell a promised good or service separately to a customer <p>5: Revenue Recognition when performance obligations are satisfied</p> <ul style="list-style-type: none"> - Performance obligation is satisfied over time or at a point in time. - Performance obligation is satisfied over time if one of the criteria is met out of three: <ul style="list-style-type: none"> The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced or The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. - Based on above the Revenue Recognition for a performance obligation is done over time if one of the criteria is met out of three else Revenue Recognition for a performance obligation is done at a point in time. <p>Satisfaction of performance obligations: An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.</p> <p>For each performance obligation identified, determine at contract inception whether it satisfies the performance obligation over time or at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.</p> <p>Revenue is to be recognized basis the Steps indicated in the Ind AS 115.</p> <p>Corporation recognized the Revenue upon entering into Agreement of sale with the Allottees on receipt of full consideration,</p>	
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	<p>without identifying performance obligations in the contracts with the Allottees and without allocating the transaction price to the performance obligations and without testing for the satisfaction of identified performance obligations for the transferring of the promised good or service to Allottees.</p> <p>As the Corporation has not identified for each of the performance obligation, and has not determined at contract inception whether it satisfies the performance obligation over time or at a point in time and has not arrived at the conclusion for the test as to if the Corporation does or does not satisfy a performance obligation over time, and has not arrived at conclusion about for if the performance obligation is not satisfied over time, than the same will be satisfied at a point in time, and in the light of the foregoing, the corporation has not adhered to Ind As-115 “Revenue From Contracts With Customers” while adapting the Revenue recognition policy. Hence we are not in a position to comment on accuracy of the income recognition and its impact on Profit and loss account and Balance sheet.</p>	<p>The revenue from sale of land is recognised as per IND AS 115 from the F.Y. 2020-21.</p>																				
7	<p>Non-availability of Share Certificates: <i>A reference is invited to Note No. 5.1 in the ‘Notes to standalone Financial Statements’ wherein the investments of the Company in equity shares of other companies was disclosed. During verification of the respective certificates, it was observed that the certificates in respect of the following Companies were not available.</i></p> <table><tr><th>S. No.</th><th>Name of the Company</th><th>Nature of investment/ No. of Shares – AP State portion (after apportioning the total shares between AP and Telangana in population ratio)</th><th>Percent age of holding</th><th>Amount of investment (in crore)</th></tr><tr><td>1.</td><td>Hyderabad Information Technology Venture Enterprises Ltd.</td><td>Equity Shares – 12145 Nos.</td><td>4.86 %</td><td>0.01</td></tr><tr><td>2.</td><td>Cyberabad Trustee Company (P) Ltd.</td><td>Equity Shares – 2429 Nos.</td><td>4.86 %</td><td>0.00</td></tr><tr><td>3.</td><td>Cyberabad Trustee Company</td><td>Units – 449 Nos.</td><td>--</td><td>1.12</td></tr></table>	S. No.	Name of the Company	Nature of investment/ No. of Shares – AP State portion (after apportioning the total shares between AP and Telangana in population ratio)	Percent age of holding	Amount of investment (in crore)	1.	Hyderabad Information Technology Venture Enterprises Ltd.	Equity Shares – 12145 Nos.	4.86 %	0.01	2.	Cyberabad Trustee Company (P) Ltd.	Equity Shares – 2429 Nos.	4.86 %	0.00	3.	Cyberabad Trustee Company	Units – 449 Nos.	--	1.12	<p><i>Letters were addressed to the respective joint venture companies for issue of fresh share certificates and the concerned companies are in the process of issue of share certificates.</i></p> <p><i>APIIC has already requested to issue Duplicate Share Certificates.</i></p> <p><i>Vide Ref. HITVEL/012/202-22, dt. 30.09.2021, HITVEL confirmed that APIIC Ltd is holding the following Investments in the Companies as stated below :</i></p> <p><i>Hyderabad Information Technology Venture Enterprises Ltd. (HITVEL) – 8.33%</i></p> <p><i>Cyberabad Trustee Company Pvt Ltd. (CTCPL) – 8.33%</i></p> <p><i>HIVE Fund (Trust) - Nil</i></p>
S. No.	Name of the Company	Nature of investment/ No. of Shares – AP State portion (after apportioning the total shares between AP and Telangana in population ratio)	Percent age of holding	Amount of investment (in crore)																		
1.	Hyderabad Information Technology Venture Enterprises Ltd.	Equity Shares – 12145 Nos.	4.86 %	0.01																		
2.	Cyberabad Trustee Company (P) Ltd.	Equity Shares – 2429 Nos.	4.86 %	0.00																		
3.	Cyberabad Trustee Company	Units – 449 Nos.	--	1.12																		

8	<p>Provision for leave encashment:</p> <p>According to Chapter IX of Companies' Act, 2013, every company must prepare books of accounts in accordance with the relevant applicable Ind AS as issued by ICAI. One of these accounting standards, Ind AS 19, requires an actuarial valuation to be done for certain types of employee benefit schemes, including the leave schemes. Though Ind AS 19 does not require disclosure about other long-term employee benefits, Ind AS 1 may require disclosure in respect of leave encashment.</p> <p>Non provision of leave encashment in accordance with Ind AS 19 will lead to increase in profits of the Corporation and decrease in corresponding liability/provision. We are unable to quantify the impact on financial position as the Corporation has not provided for leave encashment at the year end in accordance with Ind AS 19. (Refer Note No: 13)</p>	<p>Necessary provision towards leave encashment was retained in the books of accounts based on the leave balance available at the credit of the employee for the year ending 31st March, 2020 duly considering the respective salary.</p>
9	<p>APIIC Food Park (Krishna District) Limited:</p> <p>An amount of Rs.1,00,000/- made towards investment in APIIC Food Park (Krishna District) Limited shown as "Deposit towards share application money" under Note 5.1 (B)(Financial Accounts – Non Current assets)). The share allotment has to be completed within two months from the date of incorporation, in case of subscribers to memorandum (as per clause "a" sub section 4 of Section 56 of the Companies Act, 2013). If a company fails to allot the shares within the prescribed time limit, it shall liable to repay the application money with interest at a rate of 12% p.a. from the expiry of 60th day (as per sub section 6 of Section 42 of the Companies Act, 2013). In the instant case, no adherence observed to the relevant provisions of the Act.</p>	<p>Since, APIIC Food Park is 100% subsidiary of APIIC (formed as per Food Park Policy of GOI Ministry of Food Processing), APIIC did not insist for payment of Interest and repayment of principal, further, now Share Certificate is received in 2023-24, it will be shown as Subscribed Capital.</p>

For and on behalf of the Board of APIIC Limited

Sd/-
G. Prabhakar Reddy
Director
DIN: 10279974

Sd/-
Pravin Kumar, IAS
VC&MD
DIN: 07106418

Place: Mangalagiri
Date: 19.10.2023

ANNEXURE – D (c)**Replies to the Final comments on the Standalone Financial Statements for the year 2019-20**

PC. No.	Final Comment	Reply of the Management
1	<p>Balance Sheet(Standalone) Equity and Liabilities Liabilities Non-Current Liabilities Other Non-Current Liabilities (Note No.15) Rs. 1791.00 crore</p> <p>The above does not include Rs. 574.61 Crore towards land conversion charges payable to the State Government in respect of agriculture lands allotted to the Company upto 31.01.2018 in accordance with provisions of Andhra Pradesh Agricultural Land (Conversion for Non Agricultural Purposes) Act, 2006 (the Act). As per the Act, as amended through Act No. 13 of 2018, the agriculture lands allotted to the Company for non-agricultural purpose are exempted from payment of land conversion charges only from 01.02.2018. Instead, the same amount was incorrectly shown as contingent Liability in Notes to Accounts, though the exemption request of the Company was not accepted by the Competent Authority of State Government. Thus, non-recognition of liability towards land conversion charges resulted in understatement of Current Liabilities and understatement of Current Assets (Inventories) by Rs. 574.61 Crores. The Government of Andhra Pradesh amended the Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006 by enacting Act No.13 of 2018. As per Sub-section (g) of Section 7 of amended Act, the lands allotted to the Company are exempted from the provisions of the Act, 2006. In this regard, GoAP issued orders (G.O.No.37 dated 25.01.2018) stating that the Act shall come into force from 01-02-2018. Further, GoAP also issued orders (G.O Ms.No.98 dated 19-02-2018) stating that in case of lands allotted to APIIC, the lands stand converted to Non-Agricultural purpose.</p>	<p>It is to inform that the Government of Andhra Pradesh have amended section 7 of A P Agricultural Land (Conversion for non-agricultural purpose) Act, 2006 duly incorporating that the act shall not be applicable to the lands allotted to APIIC.</p> <p>The gazette notification was issued w.e.f. 01.02.2018.</p> <p>In this regard, a letter was addressed by the company to the Government of Andhra Pradesh requesting for considering the exemption of conversion charges for the lands allotted prior to 01.02.2018 also. The Government orders in this regard are still awaited.</p> <p>However, the company has already provided clear liability in the books of accounts for conversion charges to a tune of Rs. 266.41 crores upto the end of the F.Y 2014-15 in respect of developed lands which is being continued in the books of accounts till 31.03.2020. Further, contingent liability to a tune of Rs. 552.41 crores was indicated in the notes to accounts for the year ending 31.03.2018 as per the suggestions of the Principal Accountant General (Audit), Andhra Pradesh, Hyderabad vide Lr. No.PAG(AUDIT) /AP/ES/D2-I/APIIC/2017-18/261, dated 20.07.2017 and the same is being continued as on 31.03.2020.</p>

PC. No.	Final Comment	Reply of the Management
	<p>Though exemption under Act No.13 is applicable for lands allotted only from 01-02-2018, the Company has not provided the liability for conversion charges for lands allotted up to 01-02-2018. The company has instead disclosed a contingent liability to the extent of Rs. 574.61 crore towards conversion charges pertaining to the period up to 2017-18.</p> <p>Thus, non-provision for the liability towards conversion charges for the lands allotted prior to exemption has resulted in understatement of Current Liabilities and understatement of Current Assets (Inventories) by Rs. 574.61 crore</p>	<p>Further, as per clause 5 of G.O. Ms. No. 98, dated 19.02.2018 of the Special Chief Secretary to Government, Government of Andhra Pradesh, in the case of lands allotted to APIIC Limited, the lands stand converted to Non-Agricultural purpose. The APIIC Limited shall issue certificate to individual industrial units that the lands allotted to them are converted for non-agricultural purpose. Also no demands are received from the Revenue Department, GoAP towards conversion charges for the F.Y 2017-18. As such the company has not made any provision towards conversion charges for the period from April 2015 to February 2018.</p> <p>Hence, there is no understatement of Other Non-Current Liabilities and understatement of Current Assets (Inventories).</p> <p>In view of the above, the same is in order</p>
2.	<p>Assets Non-Current Assets Financial Assets Others (Note – 5.3) : Rs. 1530.95 Crore</p> <p>The above is overstated by Rs. 1448.30 Crore due to recognizing Personal Deposit (PD) Account balance as Non-Current Assets instead of Other Current Assets, other than Cash and Cash equivalents / bank balance. Thus, wrong classification resulted in overstatement of Other Financial Assets (Non-Current) and understatement of Other Current Assets by Rs. 1448.30 Crores each.</p> <p>Since the amount borrowed from the Banks against Government Guarantee was deposited in the PD Account, as per the instructions of the State Government, the amount receivable from State Government (including interest) should have been reconciled and disclosed.</p>	<p>The part of the amount borrowed from the banks against Government guarantee was deposited in the PD account of the corporation i.e., No. 16/CRT, A.P. Capital Region Treasury. The balance which is being reflected in the PD account includes the balance available out of the loan funds.</p> <p>Reconciliation is being done on a quarterly basis duly furnishing the Certificate of Acceptance of Balance in the CFMS portal and necessary disclosure with regard to deposit of loan funds in the PD account was made vide Note No. 12.1.2 of Notes to Accounts to the financial statements.</p>

PC. No.	Final Comment	Reply of the Management
B.	<p>Other Comments</p> <p>The Company did not have any Accounting Policy with regard to Deposit towards works undertaken on behalf of various Departments / Undertakings of the State and Central Government. Net amount after netting off receivables from Undertakings with payables to the Government Works is disclosed under Note-15 Deposit towards works undertaken at Rs. 246.63 Crores, which is deviating from the provisions of Para 32 of Ind AS-I on Presentation of Financial statements, according to which an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an Ind AS.</p>	<p>The unspent amount of deposits received towards works of other Departments is shown under other non-current liabilities in HAC – 9167 Deposit towards works undertaken. Any money received from any User Department is deposited to HAC 9167. Since, it is a liability, it is shown under Liability grouping only. Further, as and when bills are released to the Contractor, expenditure is also booked to the same HAC 9167. Where any building / structure /roads construction done on behalf of User Department under Deposit work can never be considered as an Asset or expenditure of APIIC. As a result, the liability head i.e., 9167 and the liability of APIIC gets reduced to that extent and the same has been accepted by the earlier CAG Audit Team also and hence the same is in order.</p>

For and on behalf of the Board of APIIC Limited

Sd/-
G. Prabhakar Reddy
Director
DIN: 10279974

Sd/-
Pravin Kumar, IAS
VC&MD
DIN: 07106418

Place: Mangalagiri
Date: 19.10.2023

ANNEXURE – D (d)**Replies to the Final comments on the Standalone Financial Statements for the year 2019-20**

PC. No.	Final Comment	Reply of the Management
1	<p>Balance Sheet (Consolidated) Equity and Liabilities Liabilities Non-Current Liabilities Other Non-Current Liabilities (Note No.15) Rs. 1773.09 crore</p> <p>The above does not include Rs. 574.61 Crore towards land conversion charges payable to the State Government in respect of agriculture lands allotted to the Company upto 31.01.2018 in accordance with provisions of Andhra Pradesh Agricultural Land (Conversion for Non Agricultural Purposes) Act, 2006 (the Act). As per the Act, as amended through Act No. 13 of 2018, the agriculture lands allotted to the Company for non-agricultural purpose are exempted from payment of land conversion charges only from 01.02.2018. Instead, the same amount was incorrectly shown as contingent Liability in Notes to Accounts, though the exemption request of the Company was not accepted by the Competent Authority of State Government. Thus, non-recognition of liability towards land conversion charges resulted in understatement of Current Liabilities and understatement of Current Assets (Inventories) by Rs. 574.61 Crores.</p>	<p>It is to inform that the Government of Andhra Pradesh have amended section 7 of A P Agricultural Land (Conversion for nonagricultural purpose) Act, 2006 duly incorporating that the act shall not be applicable to the lands allotted to APIIC. The gazette notification was issued w.e.f. 01.02.2018.</p> <p>In this regard, a letter was addressed by the company to the Government of Andhra Pradesh requesting for considering the exemption of conversion charges for the lands allotted prior to 01.02.2018 also. The Government orders in this regard are still awaited.</p> <p>However, the company has already provided clear liability in the books of accounts for conversion charges to a tune of Rs. 266.41 crores upto the end of the F.Y 2014-15 in respect of developed lands which is being continued in the books of accounts till 31.03.2020. Further, contingent liability to a tune of Rs. 552.41 crores was indicated in the notes to accounts for the year ending 31.03.2018 as per the suggestions of the Principal Accountant General (Audit), Andhra Pradesh, Hyderabad vide Lr. No.PAG(AUDIT)/AP/ES/D2-I/APIIC/2017-18/261, dated 20.07.2017 and the same is being continued as on 31.03.2020.</p> <p>Further, as per clause 5 of G.O. Ms. No. 98, dated 19.02.2018 of the Special Chief Secretary to Government, Government of Andhra Pradesh, in the case of lands allotted to APIIC Limited, the lands stand converted to Non-Agricultural purpose. The APIIC Limited shall issue certificate to individual industrial units that the lands allotted to them are converted for non-agricultural purpose. Also no demands are received from the Revenue Department, GoAP towards conversion charges upto 31.03.2020. As such the company has not made any provision towards conversion charges for the period from April 2015 to March 2020.</p> <p>Hence, there is no understatement of Other Non-Current Liabilities and understatement of Current Assets (Inventories).</p> <p>In view of the above, the same is in order.</p>

PC. No.	Final Comment	Reply of the Management
2.	<p>Assets Non-Current Assets Financial Assets Others (Note – 5.3) : Rs. 1530.95 Crore</p> <p>The above is overstated by Rs. 1448.30 Crore due to recognizing Personal Deposit (PD) Account balance as Non-Current Assets instead of Other Current Assets, other than Cash and Cash equivalents / bank balance. Thus, wrong classification resulted in overstatement of Other Financial Assets (Non-Current) and understatement of Other Current Assets by Rs. 1448.30 Crores each.</p> <p>Since the amount borrowed from the Banks against Government Guarantee was deposited in the PD Account, as per the instructions of the State Government, the amount receivable from State Government (including interest) should have been reconciled and disclosed.</p>	<p>The part of the amount borrowed from the banks against Government guarantee was deposited in the PD account of the corporation i.e., No. 16/CRT, A.P. Capital Region Treasury. The balance which is being reflected in the PD account includes the balance available out of the loan funds.</p> <p>Reconciliation is being done on a quarterly basis duly furnishing the Certificate of Acceptance of Balance in the CFMS portal and necessary disclosure with regard to deposit of loan funds in the PD account was made vide Note No. 12.1.2 of Notes to Accounts to the financial statements.</p>
3.	<p>Other Comments</p> <p>The Company did not have any Accounting Policy with regard to Deposit towards works undertaken on behalf of various Departments / Undertakings of the State and Central Government. Net amount after netting off receivables from Undertakings with payables to the Government Works is disclosed under Note-15 Deposit towards works undertaken at Rs. 246.63 Crores, which is deviating from the provisions of Para 32 of Ind AS-I on Presentation of Financial statements, according to which an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an Ind AS.</p>	<p>The unspent amount of deposits received towards works of other Departments is shown under other non-current liabilities in HAC – 9167 Deposit towards works undertaken. Any money received from any User Department is deposited to HAC 9167. Since, it is a liability, it is shown under Liability grouping only. Further, as and when bills are released to the Contractor, expenditure is also booked to the same HAC 9167. Where any building / structure /roads construction done on behalf of User Department under Deposit work can never be considered as an Asset or expenditure of APIIC. As a result, the liability head i.e., 9167 and the liability of APIIC gets reduced to that extent and the same has been accepted by the earlier CAG Audit Team also and hence the same is in order.</p>

For and on behalf of the Board of APIIC Limited

Sd/-
G. Prabhakar Reddy
Director
DIN: 10279974

Sd/-
Pravin Kumar, IAS
VC&MD
DIN: 07106418

Place: Mangalagiri
Date: 19.10.2023



ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH 2020

(Rs. in Crores)

	Particulars	Note No.	Figures as at 31.03.2020	Figures as at 31.03.2019	Figures as at 01.04.2018
	ASSETS				
(1)	Non - Current Assets				
a	Property, Plant and Equipment	3.1.3	65.59	250.02	223.78
b	Capital Work in Progress	4.1	62.99	39.21	95.84
c	Investment Property	4.2.3	267.95	94.82	31.93
d	Financial Assets				
	(i) Investments	5.1	92.01	59.21	52.24
	(ii) Loans	5.2	659.09	491.41	214.68
	(iii) Others	5.3	1,530.95	1,388.50	1,565.32
e	Other Non - Current Assets				
	(i) Non-Current Tax Assets (Net)	6.1	4.91	4.91	4.91
	(ii) Other Non - Current Assets	6.2	820.60	676.74	669.08
	Non - Current Assets - Total		3,504.09	3,004.82	2,857.78
(2)	Current Assets				
a	Inventories	7	3,645.52	3,586.35	3,350.64
b	Financial Assets				
	(i) Trade Receivables	8.1	63.73	63.44	50.87
	(ii) Cash and Cash Equivalents	8.2	838.41	805.60	437.33
	(iii) Loans	8.3	1.10	2.23	59.35
	(iv) Others	8.4	8.72	6.86	34.38
c	Other Current Assets	9	24.29	18.88	12.45
(3)	AP Reorganisation Adjustment Account	10	225.62	225.62	225.62
	Current Assets - Total		4,807.39	4,708.98	4,170.64
	Total Assets		8,311.48	7,713.80	7,028.42
	EQUITY AND LIABILITIES				
(1)	Equity				
	(i) Equity Share Capital	11	9.52	9.52	9.52
	(ii) Other Equity		402.49	382.69	363.18
	Equity - Total		412.01	392.21	372.70
	LIABILITIES				
(2)	Non - Current Liabilities				
a	Financial Liabilities				
	(i) Borrowings	12.1	2,114.02	2,145.28	2,144.51
	(ii) Other Financial Liabilities	12.2	1,062.28	1,199.12	774.07
b	Provisions	13	9.54	9.54	10.54
c	Deferred tax liabilities (Net)	14	2.99	2.52	0.36
d	Other Non - Current Liabilities	15	1,791.00	1,760.54	1,756.94
	Non - Current Liabilities - Total		4,979.83	5,117.00	4,686.42
(3)	Current Liabilities				
a	Financial Liabilities				
	(i) Borrowings	16.1	3.27	9.63	0.34
	(ii) Trade Payables	16.2	117.81	30.01	0.06
	(iii) Other Financial Liabilities	16.3	295.30	62.61	99.08
b	Other Current Liabilities	17	1,432.88	1,411.92	1,220.24
c	Provisions	18	1,070.38	690.42	649.58
	Current Liabilities - Total		2,919.64	2,204.59	1,969.30
(4)	Accounting Policies	2			
	Total Equity and Liabilities		8,311.48	7,713.80	7,028.42

AS PER OUR REPORT DATED 28.02.2022
for POLINENI ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.: 0061325

FOR AND ON BEHALF OF THE BOARD

Sd/-
M V S R PRASAD
PARTNER
M. NO.: 029076

Sd/-
J V N SUBRAMANYAM, IAS
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
M GOVINDA REDDY
CHAIRMAN

PLACE : MANGALAGIRI
DATE : 31.12.2021

Sd/-
M SIVA S REDDY
COMPANY SECRETARY

Sd/-
P V SUBBA REDDY
CHIEF GENERAL MANAGER (F)i/c



ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED **STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31.03.2020**

(Rs. in Crores)

	Particulars	Note No.	Current Year (2019-20)	Previous Year (2018-19)
I	Revenue from operations	19	565.89	375.17
II	Other Income	20	121.75	60.76
III	Total Revenue (I + II)		687.64	435.93
IV	Expenses			
a	Cost of Sales	21	485.00	237.88
b	Employee Benefits expense	22	35.50	37.94
c	Finance Costs	23	56.60	53.23
d	Depreciation and amortization expense		4.98	3.92
e	Other expenses	24	70.88	67.69
	Total Expenses		652.96	400.66
V	Profit/(Loss) before Exceptional items and tax (III - IV)		34.68	35.27
VI	Exceptional items		0.00	0.00
VII	Profit/(Loss) before tax (V - VI)		34.68	35.27
VIII	Tax expense:			
	(1) Current Tax - Current Year		7.37	11.66
	- Previous Years		0.00	0.00
	(2) Deffered Tax - Current Year		0.46	2.15
	(2) MAT Credit		(0.38)	0.00
IX	Profit/ (Loss) for the period (VII - VIII)		27.23	21.46
X	Other Comprehensive Income			
	(i) Items that will not be reclassified to Profit or (Loss)		0.00	0.00
	Employee Cost - Acturial gain/(loss)			
	Tax expense:			
	(1) Current Tax		0.00	0.00
	(2) Deffered Tax - Current Year		0.00	0.00
XI	Total Comprehensive Income/ (Loss) for the year		27.23	21.46
XII	Earning per equity share (in Rupees):			
	- Basic & Diluted		2,860	2,254
	(Face value of Rs. 1000/- per Share)			

See Accompanying notes to the financial statements

AS PER OUR REPORT DATED 28.02.2022
for POLINENI ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.: 0061325

Sd/-
M V S R PRASAD
PARTNER
M. NO.: 029076

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J V N SUBRAMANYAM, IAS
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
M SIVA S REDDY
COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD

Sd/-
M GOVINDA REDDY
CHAIRMAN

Sd/-
P V SUBBA REDDY
CHIEF GENERAL MANAGER (F)i/c

PLACE : MANGALAGIRI
DATE : 31.12.2021



ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

(Rs. in Crores)

Details	Share Capital	Other Equity				
	Equity shares of Rs.1,000/- each fully paid	Reserves and Surplus			Other items of other comprehensive income (Employee cost - Actuarial gain (loss))	Total
		Capital Reserve	General Reserve	Retained Earnings		
Balance as at the beginning of the year 2017-18	9.52	7.58	0.00	359.66	0.00	367.24
Changes in accounting policy or prior period errors	0.00	0.00	0.00	(1.27)	0.00	(1.27)
Restated balance at the beginning of the reporting period	0.00	0.00	0.00	0.00	0.00	0.00
Other comprehensive income for the year	0.00	0.00	0.00	0.00	0.00	0.00
Dividends	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to retained earnings	0.00	0.00	0.00	(2.79)	0.00	(2.79)
Any other changes	0.00	0.00	0.00	0.00	0.00	0.00
Balance at the end of the reporting year 2017-18	9.52	7.58	0.00	355.60	0.00	363.18
Balance as at the beginning of the year 2018-19	9.52	7.58	0.00	355.60	0.00	363.18
Changes in accounting policy or prior period errors	0.00	0.00	0.00	(1.92)	0.00	(1.92)
Restated balance at the beginning of the reporting period	0.00	0.00	0.00	0.00	0.00	0.00
Other comprehensive income for the year	0.00	0.00	0.00	0.00	0.00	0.00
Dividends	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to retained earnings	0.00	0.00	0.00	21.46	0.00	21.46
Any other changes	0.00	0.00	0.00	(0.03)	0.00	(0.03)
Balance at the end of the reporting year 2018-19	9.52	7.58	0.00	375.11	0.00	382.69
Balance as at the beginning of the year 2019-20	9.52	7.58	0.00	375.11	0.00	382.69
Changes in accounting policy or prior period errors	0.00	0.00	0.00	(7.43)	0.00	(7.43)
Restated balance at the beginning of the reporting period	0.00	0.00	0.00	0.00	0.00	0.00
Other comprehensive income for the year	0.00	0.00	0.00	0.00	0.00	0.00
Dividends	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to retained earnings	0.00	0.00	0.00	27.23	0.00	27.23
Any other changes	0.00	0.00	0.00	0.00	0.00	0.00
Balance at the end of the reporting year 2019-20	9.52	7.58	0.00	394.91	0.00	402.49

AS PER OUR REPORT DATED 28.02.2022
for POLINENI ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.: 006132S

Sd/-
M V S R PRASAD
PARTNER
M. NO.: 029076

PLACE : MANGALAGIRI
DATE : 31.12.2021

FOR AND ON BEHALF OF THE BOARD

Sd/-
J V N SUBRAMANYAM, IAS
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
M SIVA S REDDY
COMPANY SECRETARY

Sd/-
M GOVINDA REDDY
CHAIRMAN

Sd/-
P V SUBBA REDDY
CHIEF GENERAL MANAGER (F)i/c

ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED
Notes forming part of Balance Sheet and Statement of Profit & Loss

1. COMPANY INFORMATION:

Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC Ltd.), the company was incorporated in the year 1973 under the Companies Act, 1956 to formulate, promote, finance, aid, assist, establish, manage and control schemes, projects or programmes, to provide and develop infrastructure facilities and other services of any description in order to promote and assist the rapid and orderly establishment, growth and development of industries and commerce in the State of Andhra Pradesh.

As per section 53 of the A.P Reorganisation of Act, 2014, the assets and liabilities as on 01.06.2014 were divided between the company and TSIIC Limited as per the approved Demerger Scheme.

The financial statements have been prepared in accordance with the Schedule III of the Companies Act, 2013 to the extent applicable and the necessary details have been disclosed in the said statement as per the schedule.

2. SIGNIFICANT ACCOUNTING POLICIES:

Statement of Compliance

The Financial Statements of the company are prepared as per the Ind AS prescribed under section 133 of the Act read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company is governed by the provisions of the Companies Act, 2013.

The Accounting Policies have been consistently applied except a newly issued Accounting Standard which is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

Based on the nature of its activities, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

Amounts in the Financial Statements are presented in Rs. crores except for per share data and as otherwise stated. All exact amounts are stated with suffix "/-".

These Financial Statements are approved for issue by the Board of Directors of the company on 31.12.2021

2.1 Basis of preparation of Financial Statements

The Financial Statements of the Company are prepared under the Historical Cost convention on the accrual basis in accordance with Indian Accounting Standards (Ind AS) except for certain financial instruments which are measured at fair values as per the provisions of the Companies Act, 2013 (the Act).

2.2 Use of Estimates:

The preparation of Financial Statements in conformity with Ind AS requires the management of the company to make estimates, judgements and assumptions that affect the application of Accounting Policies, reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of Financial Statements and reported amounts of revenue and expenses during the period. The accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements

Significant Accounting Policies:

2.3 Plant, Property and Equipment:

Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment if any. Historical cost includes purchase price and all attributable costs (freight and non refundable duties and taxes) for bringing the asset to working condition for intended use. Self constructed assets / addition to assets are taken into account after receiving the information from the competent authority.

Any profit/loss on sale, discard /disposal of an asset is charged to statement of profit and loss in the year. In case of purchase / addition of assets whose value \leq Rs.5000/- are charged to Profit & Loss Account.

Property held to earn rentals or for capital appreciation in which portions could be sold separately are accounted for as investment property or tangible asset as the case may be. If the portions could not be sold separately and if an insignificant portion is held for use for administrative purposes, such property is accounted as investment property.

Property in which insignificant portion is let out on rental basis to facilitate the operations of the business like post offices, banks etc., is accounted as tangible asset.

The cost of assets not put to use as at Balance Sheet date is disclosed under Capital Work-in-Progress.

The portion of land in Non-SEZs to the extent for which Lease Deeds are executed under Investment Property and the portion of land held for allotments on lease in Non-SEZs to the extent for which lease deeds are yet to be executed/ to be allotted under Inventory

The lands in SEZ areas are exhibited under Investment Property irrespective of the execution of Lease Deed.

2.4 DEPRECIATION:

Depreciation on assets is charged on Straight Line method at the rates prescribed in schedule II of Companies Act, 2013.

In the case of any addition/transfer/deletion of an asset, depreciation is charged proportionately based on number of days, from the date when the asset is ready for intended use or till the date of disposal or transfer, as the case may be.

2.5 Financial Instruments

Initial Recognition

The company recognises financial assets and financial liabilities when it becomes party to the contractual provisions of the instrument. All financial assets and financial liabilities are recognised 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 liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Financial asset carried at amortised cost

A Financial Asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows under 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.

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 with in a business model whose objective is achieved by both by collecting contractual cash flows and selling financial asset under contractual terms of 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 is recognised in other comprehensive income.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss

Borrowings and other financial liabilities

Borrowings and other financial liabilities are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facility is recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down.

For trade and other receivables maturing one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of the instruments.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost in separate financial statements. Impairment if any on investments is accounted for where there is permanent impairment

Share Capital

Ordinary shares are classified as equity. Incremental costs if any directly attributable to the issuance of new ordinary shares recognised as a deduction from equity.

De-recognition of financial instruments

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

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 reporting date. The methods used to determine fair values include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may never actually be realised.

For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short term maturity of these instruments.

2.7 IMPAIRMENT

Financial assets

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution and banks repayable on demand or maturity within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

Other current interest bearing deposits, principally comprising funds held with banks are carried at amortised cost using effective method. Gains and losses are recognised in profit and loss when the deposits are derecognised or impaired as well as through the amortisation process.

Trade and other receivables are stated at cost less allowance made for doubtful receivables, which approximates fair value given the short term nature of these assets. Provision for impairment of receivables (allowance for doubtful receivables) is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of the receivables.

Losses in respect of impairment in the value of investments if any are recognised in statement of Profit & Loss.

Non-financial assets

The company evaluates the impairment losses on the property, plant and equipment and intangible assets at the each reporting period where there is an indication that an asset may be impaired. Whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable and such assets are considered to be impaired, the impairment loss is then recognised for the amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the smallest level for which there are separate identifiable cash flows.

2.8 Inventories

Inventories and work-in-progress are valued at cost.

Inventories include land cost and development cost in respect of the lands other than those for which sale agreements and lease deeds pertaining to Non-SEZs are executed and development cost in respect of SEZs other than those for which lease deeds are executed.

Provision for write down if any, in value of materials, spares and other inventory is made from time to time as per an appropriate and prudent policy determined by the company.

2.9 Provisions and Contingencies

A Provision is recognised if as a result of a past event, the company has present legal or constructive obligation that is reasonably estimatable, and is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the company of a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and expected net cost of continuing with the contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are neither accounted for nor disclosed in the accounts.

2.10 Income Recognition

Income from sale of land, sheds and buildings is recognised on execution of sale agreement and handing over physical possession of the premises.

Lease income is recognised in the statement of Profit and Loss on the following lines:

A) Upfront cost of Land received in respect of Lease Deeds executed is being amortised over the lease term and revenue recognised accordingly considering the lease as operating lease.

B) Upfront cost of Infrastructure/ Development received in respect of Lease Deeds executed is recognised as revenue in the year in which the lease deeds are executed.

Processing fee, penal interest income on delayed payments towards land cost and dividend income are recognised on receipt basis.

Allotments cancelled on account of non fulfilment of terms and conditions as per the sale agreement are considered as sales returns.

2.11 Expenditure

Expenditure is accounted for on actual basis and provision is made for all known losses and liabilities unless stated otherwise.

2.12 Government Grants

Grants from the government are recognised only when there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government Grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented within other income.

2.13 Employee Cost and Retirement Benefits

Defined Contribution Plans

The Company makes defined contribution to the Provident Fund Trust under the provisions of Employee Provident Fund & Miscellaneous Provisions Act for provident fund and pension for the employees to the regional provident fund commissioner. The Company has no further obligation beyond the monthly contributions.

The contributions made by the employees towards Provident Fund are credited to APIIC Employees Provident Fund Trust. The company has obligation to make good the shortfall if any between the return from the investment of the Trust and the notified interest rate. The contribution, if any, towards such shortfall will be accounted for in the year in which it is made.

Defined Benefit Plans

Liability for Leave encashment benefits provided for all Employees is considered based on the actuarial Valuation made at the end of the year which is computed using projected unit credit method.

The interest income/ expenses are calculated by applying the discount rate to the net defined benefit liability or asset. The interest income/ expenses on the net interest income /expense on the net defined benefit liability or asset is recognised in the statement of Profit and loss.

Re-measurement gains and losses arising of experience adjustments and changes in actuarial assumptions are recognised 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. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss past service cost.

2.14 Borrowing Cost

Borrowing cost (Interest etc.) that is directly attributable to the acquisition, construction or production of a qualifying capital asset is capitalised as part of the cost of that asset. The borrowing cost incurred on funds borrowed generally and used for the purpose of obtaining a qualifying capital asset, is capitalised applying a capitalisation rate on weighted average basis. Other borrowing costs are recognised as an expense in the period in which these are incurred.

2.15 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and loss, except when they relate to items that are recognised in the other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in the other comprehensive income or directly in equity respectively.

2.16 Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

2.17 Deffered Tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affect neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and they carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax asset shall be reviewed at the end of 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 income tax asset to be utilised.

Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances are to the same taxation authority.

2.18 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as on the date of the financial statements and the reported amounts of the revenue and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimate is revised if the revision affect only that period or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements

Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have materially adverse impact on our financial position or profitability.

Key Sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of receivables. The identification of doubtful debts requires use of judgements and estimates. When the expectation is different from the original estimate, such difference will impact the carrying value of the receivables and doubtful debt expenses in the period in which such estimate has been made.

Provision for bad and doubtful debts is made at 100% on sundry debtors exceeding 3 years in respect of water, rentals, hire purchase etc., for both principal and interest except deposit works.

Allowance for inventories

The management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow moving items. The management is satisfied that adequate allowance for obsolete inventories was made in the financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE F.Y 2019-20

BALANCE SHEET:

NON-CURRENT ASSETS

3.1 TANGIBLE ASSETS

3.1.1 GROSS BLOCK AT COST

(Rs.in Crores)

PARTICULARS	As at 31st March, 2019	Additions during the year	Deductions during the year	As at 31st March, 2020
LAND including Land Development	0.06	0.00	0.00	0.06
BUILDINGS	34.25	16.46	0.48	50.23
REFRIGERATORS, ACs AND AIR COOLERS	0.14	0.01	0.00	0.15
FURNITURE AND FIXTURES	5.00	0.36	0.26	5.10
OFFICE EQUIPMENT	0.74	0.00	0.06	0.68
VEHICLES	1.51	0.00	0.00	1.51
ELECTRICAL EQUIPMENT	0.31	0.01	0.04	0.28
DRAWING EQUIPMENT	0.01	0.00	0.00	0.01
COMPUTER	7.04	1.76	0.04	8.76
LAND - SEZ	138.90	2.49	141.39	0.00
LAND DEVELOPMENT - SEZ	47.06	0.00	47.06	0.00
BUILDING - SEZ	0.06	0.45	0.51	0.00
WATER SUPPLY - SEZ	10.04	0.00	10.04	0.00
SEWERAGE - SEZ	10.29	0.00	10.29	0.00
EXTERNAL ELECTRIFICATION - SEZ	5.03	0.00	5.03	0.00
ROADS AND BRIDGES - SEZ	62.21	4.35	66.56	0.00
SOLAR POWER PLANT	12.64	0.00	0.00	12.64
CURRENT YEAR	335.29	25.89	281.76	79.42
PREVIOUS YEAR	308.71	40.89	14.31	335.29

3.1.2 DEPRECIATION BLOCK

(Rs.in Crores)

PARTICULARS	As at 31st March, 2019	Additions during the year	Deductions during the year	As at 31st March, 2020
BUILDINGS	0.91	0.80	0.06	1.65
REFRIGERATORS, ACs AND AIR COOLERS	0.12	0.01	0.01	0.12
FURNITURE AND FIXTURES	0.82	0.54	0.33	1.03
OFFICE EQUIPMENT	0.53	0.08	0.08	0.53
VEHICLES	1.05	0.22	0.05	1.22
ELECTRICAL EQUIPMENT	0.20	0.04	0.04	0.20
DRAWING EQUIPMENT	0.01	0.00	0.00	0.01
COMPUTER	3.27	2.10	0.32	5.05
BUILDING - SEZ	0.01	0.00	0.01	0.00
WATER SUPPLY - SEZ	5.62	0.00	5.62	0.00
SEWERAGE - SEZ	2.72	0.00	2.72	0.00
EXTERNAL ELECTRIFICATION - SEZ	4.25	0.00	4.25	0.00
ROADS AND BRIDGES - SEZ	62.21	0.00	62.21	0.00
SOLAR POWER PLANT	3.55	0.47	0.00	4.02
CURRENT YEAR	85.27	4.26	75.70	13.83
PREVIOUS YEAR	84.93	3.62	3.28	85.27

3.1.3 NET BLOCK

(Rs.in Crores)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
LAND including Land Development	0.06	0.06
BUILDINGS	48.58	33.34
REFRIGERATORS, ACs AND AIR COOLERS	0.03	0.02
FURNITURE AND FIXTURES	4.07	4.18
OFFICE EQUIPMENT	0.15	0.21
VEHICLES	0.29	0.46
ELECTRICAL EQUIPMENT	0.08	0.11
DRAWING EQUIPMENT	0.00	0.00
COMPUTER	3.71	3.77
LAND - SEZ	0.00	138.90
LAND DEVELOPMENT - SEZ	0.00	47.06
BUILDING - SEZ	0.00	0.05
WATER SUPPLY - SEZ	0.00	4.42
SEWERAGE - SEZ	0.00	7.57
EXTERNAL ELECTRIFICATION - SEZ	0.00	0.78
ROADS AND BRIDGES - SEZ	0.00	0.00
SOLAR POWER PLANT	8.62	9.09
CURRENT YEAR	65.59	250.02
PREVIOUS YEAR	250.02	223.78

3.1.4 Land including Land Development

During the year, Land and Infrastructure Costs pertaining to Special Economic Zones to a tune of Rs.141.39 crores was transferred at historical cost to Investment Property from Plant, Property and Equipment as per Ind AS 40.

3.1.5 Buildings

The company purchased 6th floor (11840 sft) from APIDC on outright purchase basis for a consideration of Rs. 0.13 crores in the year 1979, subsequent additions made of Rs.0.59 crores and 4th floor (11867 sft) from APSSIDC for a consideration of Rs. 1.50 crores in the year 1998 in Parisrama Bhavan, Basheerbagh, Hyderabad. As per the AP Reorganisation Act, 2014 and the Demerger Scheme made thereunder, out of the total extent of 23,707 sft, an area of 9,881.08 sft (i.e., 41.68% of total area) in 6th floor book value of which is Rs.0.60 crores was transferred to TSIIC Limited during the F.Y 2014-15. The 4th floor and the portion relating to the company in the 6th floor was shown under the head Buildings in Plant, Property and Equipment pending completion of registration formalities by the respective parties.

3.1.6 Vehicles

During the year, M/s Kia Motors Corporation handedover Four (04) motor cars manufactured by the unit established in the state at free of cost to the corporation and registered the four vehicles in the name of the corporation. The same was considered in the books of accounts at Re.1/- per vehicle and exhibited under Plant, Property and Equipment. The corporation has obtained insurance policy for the said four vehicles and the cost incurred for insurance policy is charged off in the accounts during the year.

3.1.7 Depreciation:

The depreciation is calculated based on the useful life of the asset as per the provisions of schedule II of the Companies Act, 2013. Accordingly, an amount of Rs.3.90 crores (Previous Year: Rs.3.82 crores) was charged to Profit and Loss statement.

3.1.8 SPECIAL ECONOMIC ZONES (SEZ):

The company was appointed as Nodal Agency for development of Special Economic Zones (SEZs) in Andhra Pradesh in respect of SEZs developed by the company as a developer. In respect of the allotments made under lease basis during the year and lease deeds executed, the upfront cost pertaining to land in respect of lease deeds executed is being recognised proportionately depending upon the lease period and lease rentals are accounted for as revenue.

The lands related to Special Economic Zones are exhibited under Investment Property as the same are held for allotment to Industrial Entrepreneurs on lease basis for development of SEZs. During the year, the cost of infrastructure incurred in respect of SEZs to the extent for which lease deeds are executed are charged off in the accounts.

3.1.9 There is no impairment of Fixed Assets during the year

4.1 CAPITAL WORK IN PROGRESS	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
As per last Balance Sheet	39.21	95.84	72.50
Add: Additions during the period	23.78	44.32	23.34
Less: Adjustment against Grant/ Capitalisation	0.00	100.95	0.00
TOTAL	62.99	39.21	95.84

4.2 INVESTMENT PROPERTY

4.2.1 GROSS BLOCK AT COST (Rs.in Crores)

PARTICULARS	As at 31st March, 2019	Additions during the year	Deductions during the year	As at 31st March, 2020
LAND	22.79	176.86	2.57	197.08
BUILDINGS	72.96	0.00	0.00	72.96
CURRENT YEAR	95.75	176.86	2.57	270.04
PREVIOUS YEAR	32.56	63.19	0.00	95.75

4.2.2 DEPRECIATION BLOCK (Rs.in Crores)

PARTICULARS	As at 31st March, 2019	Additions during the year	Deductions during the year	As at 31st March, 2020
BUILDINGS	0.93	1.16	0.00	2.09
CURRENT YEAR	0.93	1.16	0.00	2.09
PREVIOUS YEAR	0.63	0.30	0.00	0.93

4.2.3 NET BLOCK (Rs.in Crores)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
LAND	197.08	22.79
BUILDINGS	70.87	72.03
CURRENT YEAR	267.95	94.82
PREVIOUS YEAR	94.82	31.93

Land and Buildings held by the company for allotment on Lease/ Rental basis and in respect of those in which insignificant portion is held for administrative purpose are treated as investment property. In addition, the lands in SEZ areas are exhibited under Investment Property irrespective of the execution of Lease Deed.

5 FINANCIAL ASSETS (NON - CURRENT ASSETS)

5.1 INVESTMENTS

A. INVESTMENTS IN EQUITY INSTRUMENTS

INVESTMENTS IN SUBSIDIARY COMPANIES

	% of Holding	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
I 3,85,03,775 equity shares of Rs.10/- each fully paid-up in Atchutapuram Effluent Treatment Limited (P.Y - 1,16,59,790 equity shares of Rs.10/- each)	72.32	38.50	11.66	7.22
II 2,71,66,000 equity shares of Rs.10/- each fully paid up in A P Gas Infrastructure Corporation P Ltd (Rs.9/- per equity share written off)	51	2.72	2.72	2.72
III 51,000 equity shares of Rs. 10/- each fully paid-up in Krishnapatnam International Leather Complex Pvt. Ltd.	51	1.80	1.80	1.80

INVESTMENTS IN JOINT VENTURES

IV 25,00,000 equity shares of Rs.10/- each fully paid-up in NICDIT Krishnapatnam Industrial City Development Limited	50	2.50	2.50	0.00
--	----	------	------	------

	% of Holding	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
V 2,20,27,071 equity shares of Rs.10/- each fully paid-up in Visakhapatnam Industrial Water Supply Company Ltd	49	22.03	22.03	22.03
<u>INVESTMENTS IN ASSOCIATE COMPANIES</u>				
VI 52,00,000 equity shares of Rs.10/- each fully paid up in Ace Urban Hitech City Limited	26	5.20	5.20	5.20
VII 26,000 equity shares of Rs.10/- each fully paid up in KP Agri Ware Housing Company Private Limited	26	0.03	0.03	0.00
VIII 1,30,00,000 equity shares of Rs.10/- each fully paid up in Andhra Pradesh Aerospace & Defence Electronics Park Private Limited	26	13.00	13.00	0.00
<u>INVESTMENTS IN RELATED PARTY COMPANIES</u>				
IX 15,00,000 equity shares of Rs.10/- each full pad-up in Bharatiya International SEZ Ltd	11.05	1.98	1.98	1.98
X 19,80,000 equity shares of Rs.10/- each fully paid-up in Ramky Pharma City (India) Ltd	11	1.50	1.50	1.50
XI 58,70,849 equity shares of Rs.10/- each fully paid-up in AP Gas Distribution Corporation Limited	7.65	5.87	0.00	0.00
XII 17,32,104 equity shares of Rs.10/- each fully paid-up in Ace Urban Infocity Limited includes 5,77,368 Bonus shares issued on May 12, 2003	6.42	1.15	1.15	1.15
XIII 12,145 equity shares of Rs.10/- each fully paid-up in Hyderabad Information Technology Venture Enterprises Ltd	4.86	0.01	0.01	0.01
XIV 2,429 equity shares of Rs.10/- each fully paid-up in Cyberabad Trustee Company (P) Ltd (Rs. 24,290/-)	4.86	0.00	0.00	0.00
XV 22,30,961 equity shares of Rs.10/- each fully paid-up in Bhagyanagar Gas Limited	2.54	2.23	0.00	0.00
XVI 44,000 equity shares of Rs.10/- each fully paid-up in Vizag IT Park Ltd	0.49	0.04	0.04	0.04
B. OTHER INVESTMENTS				
I 449 Units of Rs.25,000/- each fully paid-up in Cyberabad Trustee Company (P) Ltd (HIVE FUND)		1.12	1.12	1.12
		99.68	64.74	44.77
<i>Add: Deposit towards share application money</i>				
A.P Aerospace & Defence Electronics Park P Ltd		0.00	0.00	13.00
Bhagyanagar Gas Ltd		0.00	2.39	2.39
APIIC Food Park (Krishna District) Limited		0.01	0.00	0.00
		99.69	67.13	60.16
<i>Less: Provision for impairment of investments</i>				
A P Gas Infrastructure Corporation Limited		2.72	2.72	2.72
Ace Urban Hitech City Limited		4.91	5.20	5.20
Bharatiya International SEZ Limited		0.03	0.00	0.00
AP Gas Distribution Corporation Limited		0.02	0.00	0.00
TOTAL		92.01	59.21	52.24

5.1.1 Investment in AP Gas Infrastructure Corporation Pvt Limited :

As per the directions of Government of AP in G.O. Ms. No. 222 of Industries & Commerce (INF) Department dated 09.10.2009, the Corporation has acquired 51% of equity (Rs.27.17 crores) in Andhra Pradesh Gas Infrastructure Corporation (P) Ltd upto the end of the previous year.

An amount of Rs. 24.45 crores was written off in the books of accounts duly retaining Rs. 2.72 crores (i.e., 10% value in investment of 2,71,66,000 equity shares @ Rs. 10/- each) in the earlier years towards investment in APGIC as the subsidiary company had incurred losses continuously. Further, an amount of Rs.2.72 crores was provided towards impairment of investments during the previous year as the subsidiary has incurred further losses. In addition, an amount of Rs.1.24 crores released to APGIC for day to day expenses was provided as Bad Debts upto the end of the year (P.Y - Rs.1.24 crores).

5.1.2 Investment in Krishnapatnam International Leather Complex :

The Company invested an amount of Rs.0.05 crores in Krishnapatnam International Leather Complex Limited towards 51% of Equity upto the end of the year. Further, as a part of discounting of the loan given to KPILC, as per Ind AS-109: Financial Instruments, the fair value of the loan to an extent of Rs.1.75 crores is added to the original cost of investments and exhibited as Rs.1.80 crores as at the end of the year (Previous Year Rs. 1.80 crores).

5.1.3 Investments in Visakhapatnam Industrial Water Supply Company Limited :

The Company has allotted land for an extent of 120.305 Acres on Lease basis for a period of 32 Years for which an amount of Rs. 15.50 crores was received in the form of Equity Shares in earlier years. The Company invested an amount of Rs.6.53 crores in cash in the JV Company in earlier years.

5.1.4 Investments in Atchutapuram Effluent Treatment Limited :

The company has invested an amount of Rs.11.66 crores in Atchutapuram Effluent Treatment Limited towards 49% of equity upto the end of the year as per the orders of Government of Andhra Pradesh vide GO Ms No.135, dated 18.10.2016 of Industries and Commerce (Infra) Department for which Equity Shares were allotted. During the Year, it was decided to increase the share holding to 74% of the equity duly converting the loan component into Equity. Accordingly, 2,68,43,985 Equity Shares of Rs.10/- each were allotted to the company during the year making the total share holding as 72.32% upto the end of the year.

5.1.5 Investments in A.P Aerospace & Defence Electronics Park Pvt. Limited

The company has allotted an extent of 264.06 acres of land to M/s Andhra Pradesh Aerospace & Defence Electronics Park Private Limited in anantapuramu district for which part consideration worth Rs.13.00 crores towards 26% share was invested in the SPV as per the orders of Government of Andhra Pradesh vide G.O Ms. No.76, dated 14.09.2015 of Industries and Commerce (Infra) Department during the previous year. Accordingly, 1,30,00,000 equity shares of Rs.10/- each were allotted to the company during the year.

5.1.6 Investments in NICDIT Krishnapatnam Industrial City Development Limited

The company has invested an amount of Rs.2.50 crore towards 50% share in the SPV as per the orders of Government of Andhra Pradesh vide G.O RT No.133, dated 07.05.2018 of Industries and Commerce (Infra) Department.

5.1.7 Investments in KP Agri Ware Housing Company Private Limited

The company has invested an amount of Rs.0.26 crore towards 26% share in the SPV as per the orders of Government of Andhra Pradesh vide G.O Ms No.25, dated 09.02.2017 of Industries and Commerce (Infra) Department.

5.1.8 Investments in AP Gas Distribution Corporation Limited

The Company allotted an extent of Ac 0.587 cts at a total cost of Rs.5.87 crores for which 58,70,849 equity shares of Rs.10/- each were allotted during the year towards the land cost.

5.1.9 Investments in Bhagyanagar Gas Limited

The Company allotted an extent of Ac 2.90 cts at a total cost of Rs.2.23 crores for which 22,30,961 equity shares of Rs.10/- each were allotted during the year towards the land cost. The equity participation is made as per the G.O Ms No.234, dated 30.10.2009 of Principal Secretary to GoAP & CIP, I & C Dept.

5.1.10 Provision for Impairment of investments

An amount of Rs. 7.68 crores was provided towards impairment in the value of investments during the year (Previous Year - Rs.7.92 crores) in respect of investments made in certain Subsidiaries/ JVs as indicated at note no.5.1.

5.1.11 Investments transferred to TSIIC Limited :

The Investments held by the company in the following Subsidiary Companies/ Joint Ventures/ Associate Companies were transferred to TSIIC Limited during the Financial Year 2014-15 on location/ population basis mentioned against each including the provision for impairment of investments as a part of AP Reorganisation Act, 2014 and the Demerger Scheme made thereunder.

Pending approval of the demerger scheme by the Government of India, the share/ debenture certificates in respect of the investments apportioned to TSIIC Limited are in the name of APIIC Limited and continues to be in the name of APIIC Limited till approval of the Demerger Scheme by the Government of India.

Name of the Company	% of Holding	Amount (Rs. In crores)	Basis of allocation
1. Fab City SPV India Pvt Limited	89	0.01	Location
2. E City manufacturing Cluster Limited	100	0.01	Location
3. Maheswaram Science Park Limited	100	0.01	Location
4. Cyberabad Convention Centre Pvt Limited	26	38.48	Location
5. Boulderhills Leisure Pvt Limited	26	19.75	Location
6. Emmar Hills Township Pvt Limited	26	25.03	Location
7. K Raheja IT Park Limited	11	2.20	Location
8. Intime Properties Pvt Limited	11	0.14	Location
9. Sundew Properties Pvt Limited	11	0.12	Location
10. CBT Towers Pvt Limited	11	20.94	Location
11. Patancheru Enviro Tech Pvt Limited	10	0.25	Location
12. Hyderabad Pharma Infrastructure & Technologies Limited	1	0.00	Location
13. Nano Tech Silican India Limited	20	0.47	Location
14. Debentures in CBT Towers Pvt Limited	--	159.06	Location
15. L & T Infocity Limited	4.58	0.83	Population
16. Hyderabad Information Technology Venture Enterprises Ltd	3.33	0.01	Population
17. Cyberabad Trustee Company Pvt Limited	3.33	0.00	Population
18. Cyberabad Trustee Company Pvt Limited (HIVE Fund)	--	0.80	Population

(Rs.in Crores)
As at 31-3-2020
(Rs.in Crores)
As at 31-3-2019
(Rs.in Crores)
As at 01-4-2018

5.2 LOANS

Secured and Considered Good:

Loans & Advances to related Parties

Advances to Staff

Sub-Total

114.02 145.28 144.51

1.46 1.73 1.30

115.48 147.01 145.81

Unsecured and Considered Good:

Loans & Advances to related Parties

Advances to Staff

Other Loans & Advances

Sub-Total

60.51 90.61 65.33

0.06 0.07 0.07

483.04 253.72 3.47

543.61 344.40 68.87

TOTAL

659.09 491.41 214.68

5.2.1 RELATED PARTY TRANSACTIONS:

(Rs.in Crores)

NAME OF THE TRANSACTING RELATED PARTY	RELATIONSHIP	VOLUME OF TRANSACTION DURING THE YEAR	OUTSTANDING AS ON 31.03.2020	AMOUNTS WRITTEN OFF/ WRITTEN BACK
1. AP Gas Infrastructure Corporation Pvt Limited	Subsidiary	0.11	1.93	0.00
2. Krishnapatnam International Leather Complex P Ltd	Subsidiary	2.39	29.29	0.00
3. Visakhapatnam Industrial Water Supply Company. (Acc. Interest on Secured Loan)	Joint Venture	-31.26	114.02	0.00
4. Atchutapuram Effluent Treatment Limited	Joint Venture	0.00	0.00	0.00
5. Atchutapuram Effluent Treatment Limited (Acc. Interest)	Joint Venture	1.20	2.59	0.00
TOTAL		-27.56	147.83	0.00

5.2.2 Transactions relating to APIIC Food Park (Krishna District) Limited

As per the directions of DAG, O/o. AG (Audit), Vijayawada vide Lr. No: PAG(Audit) /AMG-II/A.ACs.APIIC/2021-22/49 dt: 14.10.2021. All the transactions upto the end of the year pertaining to APIIC Food Park (Krishna District) Limited are withdrawn on 31.03.2020 and necessary entries have been passed in the accounts of APIIC Ltd., to that effect.

The following are the details of the transactions withdrawn:

PARTICULARS	AMOUNT (Rs. in Crores)
1. Share Application Money	0.01
2. Advance paid to Consultant	(0.01)
3. Civil Work expenditure incurred on behalf of SPV	(71.10)
4. Interest on Loan - Capitalised	(0.33)
5. Income pertaining to SPV booked revenue during the year	0.45
6. Income pertaining to SPV booked revenue upto previous year	0.03
7. EMD/WHA/FSDs of Contractors pertaining to SPV	0.35
8. GoI Grant pertaining to SPV	34.20
9. Loan taken for SPV and Acc. Interest thereon	14.08
10. Unpaid Bills	0.66
11. Cash Book Balance of all 3 Accounts (4.20 + 3.17 + 0.01)	(7.38)
TOTAL	(29.04)
1. Due from SPV	(29.53)
2. Due to SPV	0.49
TOTAL	(29.04)

The value of land admeasuring Acre 57.45 cents of Rs. 3.16 crores pertaining to the SPV is retained in the books of APIIC Limited only as the land is neither physically handedover nor legally transferred to the SPV as on the date of Balance Sheet. Further, the amounts received from the entrepreneurs to a tune of Rs. 3.18 crores upto the end of the year towards allotment of land are retained in the books of APIIC Ltd only and the same will be transferred to the SPV on execution of lease deeds in favour of allottees as the legal liability vests with APIIC only till execution of Sale Agreement/ Lease Deed as per Accounting Policy.

5.2.3 Loan to Kondapalli Effluent Treatment Limited:

The company has given a loan of Rs. 0.50 crores during the F.Y 2015-16 with applicable rate of interest @ 8% p.a repayable in 3 years after a moratorium period of 2 years. The loan is treated as arms length transaction and hence no discounting is made in this regard. The principal and interest accrued and due are yet to be received from the said company as at the end of the year.

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
5.3 OTHERS			
Public Deposit Account	1,448.30	1,326.59	1,527.55
Securities against Guarantees	16.55	0.20	0.20
Accrued int. on Fixed Deposits	0.43	0.04	0.03
Others	65.67	61.67	37.54
TOTAL	1,530.95	1,388.50	1,565.32
6 OTHER NON - CURRENT ASSETS			
6.1 CURRENT TAX ASSETS (NET)	4.91	4.91	4.91
6.2 OTHER NON - CURRENT ASSETS			
Due from GoAP	24.33	0.00	0.00
Taxes paid under protest	56.22	47.99	47.59
Security Deposits (Unsecured)	0.52	0.47	0.46
Deposit towards Land Acquisition	717.70	621.06	611.59
Others	21.83	7.22	9.44
TOTAL	820.60	676.74	669.08
CURRENT ASSETS			
7 INVENTORIES			
(As certified by the management)			
Construction materials	0.46	0.44	0.44
Stock in trade - Land	2,988.94	3,224.27	2,820.21
Stock in Trade - Development	208.28	146.85	142.74
Stock in Trade - Development (Leased Lands)	12.11	0.00	0.00
Sub-Total	3,209.79	3,371.56	2,963.39
Work - in progress	435.73	214.79	387.25
TOTAL	3,645.52	3,586.35	3,350.64

7.1 Government Lands:

The company is taking possession of Government Lands at various places in the state pending alienation orders from the Government of Andhra Pradesh. Pending alienation orders, the lands taken possession are being capitalised in the Books of Accounts on provisional basis. Further, the Government of Andhra Pradesh vide G.O. Ms. No. 106 dated 16.03.2017 of Industries and Commerce Department ordered for allotment of government lands to the company at free cost. As such, the government lands taken possession during the year is capitalised provisionally at a nominal cost of Re. 1/- per acre pending alienation orders. Where specific alienation orders are received in respect of government lands handed over to the company during the year, the same were capitalised at the rate / amount mentioned in the alienation orders.

Stock in trade - Land includes the following lands which are under dispute.

NAME OF THE ESTATE	EXTENT IN ACRES	VALUE (Rs. in crores)
IP - RAMANNAPALEM, KAKINADA	2.48	0.25
	2.48	0.25

During the year, Land in Non-SEZs to the extent for which Lease Deeds are executed to a tune of Rs.67.07 crores was transferred at cost to Investment Property from Inventory as per Ind AS 40.

8 FINANCIAL ASSETS

8.1 TRADE RECEIVABLES

(Unsecured and Considered Good)

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
Debts exceeding 12 months	62.93	60.88	52.06
Other debts	8.82	9.98	8.01
	71.75	70.86	60.07
Less: Provision for doubtful debts	8.02	7.42	9.20
TOTAL	63.73	63.44	50.87

The age wise analysis for the sundry debtors was done based on the date of invoice. Provision for doubtful debts is created as per Accounting Policy No.2.18 of the company. In respect of Deposit towards works undertaken, no provision was created towards bad and doubtful debts.

8.2 CASH AND BANK BALANCES

I) CASH AND CASH EQUIVALENTS

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
Balance in Bank Accounts	70.15	40.94	27.73
Balance with Banks - Estates	13.59	0.66	2.53
Cash in Transit	0.00	0.00	0.44
Bank Deposits less than 3 months			
Fixed Deposits	170.00	109.37	32.34
Accrued interest on Fixed Deposits	10.22	6.34	1.04
Sub-total	263.96	157.31	64.08

II) BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Earmarked Balances with Banks

Bank Accounts - Govt. Grants	94.75	143.12	34.29
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Bank Deposits more than 3 months and less than 12 months

Fixed Deposits	463.04	489.86	326.61
Securities against Guarantees	7.93	3.16	6.40
Accrued interest on Fixed Deposits	8.73	12.15	5.95
Sub-total	574.45	648.29	373.25

TOTAL

838.41	805.60	437.33
---------------	---------------	---------------

8.2.1 Fixed Deposits include the following amounts held with the banks mentioned against each towards collateral Security in respect of Bank Guarantees arranged by the company upto the end of the year

	(Rs.in Crores)		
NAME OF THE BANK	Amount Invested	Collateral Security	Free Hold Amount
Andhra Bank, Ring Road Branch, Vijayawada	0.20	0.20	0.00
HDFC Bank, Gurunanak Colony Branch, Vijayawada	3.91	3.91	0.00
Canara Bank, SME Branch, Vijayawada	20.37	17.82	2.55
TOTAL	24.48	21.93	2.55

8.2.2 The accrued interest on fixed deposits for the year ending is calculated on simple interest rate basis.

8.3 LOANS

Secured and Considered Good:

Loans & Advances to related Parties

Advances to Staff

Sub-Total**Unsecured and Considered Good:**

Advances to Staff

Interest free Loans & Advances to Staff & Others

Sub-Total**TOTAL**(Rs.in Crores)
As at 31-3-2020(Rs.in Crores)
As at 31-3-2019(Rs.in Crores)
As at 01-4-2018

0.72

1.82

59.00

0.34

0.33

0.31

1.06**2.15****59.31**

0.01

0.02

0.03

0.03

0.06

0.01

0.04**0.08****0.04****1.10****2.23****59.35****8.4 OTHERS**

Due from TSIIC

Due from GoAP

Other Advances

TOTAL

8.33

4.33

5.14

0.00

0.00

27.69

0.39

2.53

1.55

8.72**6.86****34.38****9 OTHER CURRENT ASSETS**

Tax Deducted at Source

MAT Credit

Other advances

TOTAL

15.28

8.05

3.95

3.59

3.21

3.21

5.42

7.62

5.29

24.29**18.88****12.45****9.1** MAT Credit Receivable comprises of amounts relating to F.Y 2014-15 Rs.3.59 crores(Rs.in Crores)
As at 31-3-2020(Rs.in Crores)
As at 31-3-2019(Rs.in Crores)
As at 01-4-2018**10 AP REORGANISATION ADJUSTMENT ACCOUNT****225.62****225.62****225.62****11 EQUITY SHARE CAPITAL**

Authorised Capital

2,00,000 equity shares of Rs. 1000/- each

20.00

20.00

20.00

Issued, Subscribed and Paid up Capital

Equity Shares of Rs. 1000/- each

9.52

9.52

9.52

Total 95,222 equity shares of Rs. 1000/- each**9.52****9.52****9.52****11.1 Details of Shareholders holding more than 5% (percent) shares in the Company:**As at 31st
March, 2020
No. of sharesAs at 31st
March, 2019
No. of sharesAs at 31st
March, 2018
No. of shares

Governor of Andhra Pradesh (100% holding)

95222

95222

95222

11.2 The Company has only one class of shares i.e., equity shares ranking pari passu with all respects including entitlement of dividend, voting and repayment of capital. Each equity share carries one vote.**NON-CURRENT LIABILITIES:****12 FINANCIAL LIABILITIES****12.1 BORROWINGS - Secured**

Term Loans from Banks

Interest accrued but not due

(Payable from 2022-23)

TOTAL

2,000.00

2,000.00

2,000.00

114.02

145.28

144.51

2,114.02**2,145.28****2,144.51**

12.1.1 Loan from NTPC and RINL:

As per the minutes of VIWSCO Board meeting dated 19.11.2012, loans drawn from RINL, NTPC & VMC were restructured by VIWSCO. As per the restructuring plan i) rate of interest is 10% pa on principal outstanding, ii) Loan is repayable in ten equal yearly instalments commencing from 2012-13, iii) Outstanding interest and outstanding penal interest as on 31.03.2011 together called as ""Funded Interest"" payable in ten equal yearly instalments starting from 2012-13, iv) Yearly interest payment commencing from 2012-13 is deferred till loan amount is fully paid by 2021-22 as ""Deferred yearly interest"", v) Deferred yearly interest outstanding as on 31.03.2022 is payable in five equal yearly instalments commencing from 2022-23, vi) Funded interest and deferred yearly interest will not carry any interest. The Government of Andhra Pradesh vide G.O. Ms. No.24, Dt:25.02.2016 accepted the proposal as agreed in the minutes of the meeting held on 19.11.2012 duly approving the agreed terms and conditions for repayment of loan, outstanding interest, penal interest and yearly interest. The supplementary agreements are to be executed by the company."

VIWSCO is directly servicing the loan to RINL and NTPC from time to time and no entries are passed in the books of accounts of APIIC for servicing of interest as it has no impact on the Profit and Loss statement. The figures adopted are from the annual accounts of VIWSCO by making necessary entries in the books of accounts during the year and the loans from RINL and NTPC includes accrued interest repayable from 2022-23.

VIWSCO has created the first charge on its assets to RINL and NTPC for the loan amount.

As at the beginning of the year, there is no outstanding balance due towards principal in respect of RINL, NTPC and GVMC.

12.1.2 Loan from Banks

During the previous year, an amount of Rs.2,000.00 crores was borrowed as long term loan for land acquisition and infrastructure development in four projects at monthly MCLR with repayment period of 12 years after completion of moratorium period of 3 years from the date of availment from the following three banks. The Government of Andhra Pradesh have given Guarantee for principal and interest thereon in respect of the loans availed from all the three banks vide G.O. Ms No.83 dated 06.06.2017 of Industries and Commerce (Infra) Department (Rs.in Crores)

NAME OF THE BANK	PRINCIPAL & ACCRUED INTEREST THEREON		
	2019-20	2018-19	2017-18
Union Bank of India (Principal - Rs.500 crores)	503.27	503.55	500.00
Canara Bank (Principal - Rs.750 crores)	750.00	750.00	750.50
Bank of India (Principal - Rs.750 crores)	750.00	756.08	750.04
TOTAL	2,003.27	2,009.63	2,000.54

Government of Andhra Pradesh while giving Guarantee to the banks for the loan amount of Rs.2,000.00 crores requested the company to remit Guarantee Commission @ 2% on the total loan amount. Accordingly an amount of Rs.10.00 crores was remitted to the account of the Government during the previous year towards Guarantee Commission on loan availed from Union Bank of India and the balance amount of Rs.30.00 crores was adjusted during the previous year against the amount due from Government of Andhra Pradesh towards expenditure incurred in respect of Somasila Water Supply Scheme.

Out of the total loan amount, an amount of Rs.520.00 crores was held with the corporation and Rs.1,480.00 crores was deposited in the PD Account of the corporation as per the instructions of the Government of Andhra Pradesh vide Lr. No.21025/23/CM/2017, dated 02.01.2018 of Finance (DM) Department. The interest component on the loan amount deposited in the PD Account is being serviced by Government of Andhra Pradesh by release of amount to the PD Account of the company. Accordingly, during the year an amount of Rs.335.99 crores was received from GoAP out of which Rs.252.95 crore is available. The same is exhibited as Due to GoAP under Other Current Liabilities (Financial).

An amount of Rs.354.75 crores was incurred towards land acquisition and others out of the loan amount upto the end of the year. Further, an amount of Rs.410.35 crores was incurred towards land acquisition and infrastructure works for KIA Motors as per the instructions of Government of Andhra Pradesh vide G.O. Ms No.125 dated 14.09.2017 of Industries and Commerce (Infra) Department upto the end of the year."

12.2 OTHER FINANCIAL LIABILITIES

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
Due to GoAP - Land	1,019.93	1,165.82	712.61
Other Liabilities	42.35	33.30	61.46
TOTAL	1,062.28	1,199.12	774.07

13 PROVISIONS

Provision for leave Benefits

As per the last balance sheet	9.54	10.54	11.28
Add: Additions during the year	0.00	9.54	10.54
Less: Payments/adjustments during year	0.00	10.54	11.28
TOTAL	9.54	9.54	10.54

13.1 The Board of APIIC authorised the Vice Chairman and Managing Director of both the divisions to finalise the modalities and allocation of employees in its 202nd meeting held on 26.03.2015. Accordingly, final allocation of employees to APIIC Limited and TSIIC Limited was made which is subject to scrutiny and approval of the committee appointed/ guidelines issued if any by the Central Government for allocation of employees of PSUs. The assignment of division of employees was entrusted to the expert committee vide G.O. Rt. No. 2066, Dt: 26.09.2016.

The Final Allocation of Employees between APIIC Limited and TSIIC Limited was approved by the Expert Committee on 21.08.2018. The same was forwarded by the Government of Andhra Pradesh to the Government of India for concurrence. Pending concurrence from Government of India, the provision in respect of leave benefits was made in respect of the employees allocated and working in APIIC Limited as at the end of the Financial Year."

14 DEFERRED TAX LIABILITIES (NET)

As per Indian Accounting Standards (Ind AS - 12) on Income Taxes, the deferred tax liability as on 31st March comprises the following:

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
Deferred Tax Liability	5.59	6.13	4.39
Less: Deferred Tax Asset	2.60	3.61	4.03
Net Deferred Tax Liability (Asset)	2.99	2.52	0.36

15 OTHER NON - CURRENT LIABILITIES

Funds from ITE & C Department	57.80	29.67	48.93
Deposit towards works undertaken	246.63	317.46	285.64
Deposits towards Lease Premium - SEZ & NON SEZ	949.06	996.88	974.24
Land Conversion Charges	262.93	262.93	262.93
Other liabilities	274.58	153.60	185.20
TOTAL	1,791.00	1,760.54	1,756.94

15.1 Deposit towards works undertaken:

The Company has been executing civil works on behalf of various Departments/ Undertakings of State and Central Governments. These works which are in various stages of completion are in possession of the Company and they are to be handed over to the respective Departments after their completion. The amounts of unspent balance outstanding are shown under Deposits towards works undertaken.

15.2 Land Conversion Charges:

As per the AP Non Agricultural Land (conversion for non agricultural purpose) Act, 2006, conversion charges are payable by the owner or occupier for conversion of agricultural land. The company sought exemption from the Government of Andhra Pradesh from levy of conversion charges for the lands acquired by the company. Pending receipt of decision of the Government, an amount of Rs.262.93 crores was retained in the books of accounts towards conversion charges. However the company has not made provision for conversion charges where lands are allotted on as is where is basis (UDL) as the allottees are required to pay / seek exemption in respect of conversion charges.

During the year 2018, section 7 of the AP Non Agricultural Land (conversion for non agricultural purpose) Act, 2006 was amended as ""in section 7 of the principal Act, after item (f), the following item shall be added namely - (g) Lands allotted to the Andhra Pradesh Industrial Infrastructure Corporation (APIIC)"". Accordingly, the Government of Andhra Pradesh issued notification vide G.O Ms. No.98, dated 19.02.2018. Accordingly, no provision was made towards conversion charges in books of accounts from the F.Y 2015-16 to 2017-18.

The corporation has requested GoAP for clarification on non applicability of conversion charges to APIIC Limited with retrospective effect. Pending clarification, the existing provision as at the end of the previous year is retained in the Books of Accounts.

15.3 Assistance to States For Developing Export Infrastructure & Allied Activities (ASIDE):

The Government of India formulated a scheme namely "Assistance to States For Developing Export Infrastructure & Allied Activities (ASIDE)" for involvement of States in export efforts. Under this scheme, funds to the State are directly disbursed to State Level Nodal Agency by Government of India. In this process, no funds were received from Government of India during the year and previous year.

15.4 Industrial Infrastructure Upgradation Fund (IIDF):

Government of Andhra Pradesh created a fund called IIDF for taking up infrastructure works wherever there is no provision to take up such works under regular budget. Under this Scheme, no funds were received from Government during the year and previous year.

15.5 Grants received from Government of India for implementation of projects / schemes

The Government of India have sanctioned various projects/ Schemes for which grants were received by the corporation the details of which are as follows:

(Rs.in Crores)

SCHEME	2019-20	2018-19	2017-18
MIUS, Hindupur	0.00	0.00	5.76
EMC-II, Vikruthamala	0.00	22.29	0.00
Mega Food Park, Mallavalli	4.20	15.00	15.00
MSECDP	2.00	12.00	0.00
JRD Tata	0.00	0.00	1.55
TOTAL	6.20	49.29	22.31

CURRENT LIABILITIES(Rs.in Crores)
As at 31-3-2020(Rs.in Crores)
As at 31-3-2019(Rs.in Crores)
As at 01-4-2018**16 FINANCIAL LIABILITIES****16.1 BORROWINGS**

Accrued interest on Loan from Banks

TOTAL

3.27	9.63	0.34
3.27	9.63	0.34

16.2 TRADE PAYABLES

Trade Payables

TOTAL

117.81	30.01	0.06
117.81	30.01	0.06

16.3 OTHER FINANCIAL LIABILITIES

Other Liabilities

Current maturities of long term Debt

Interest accrued and due on borrowings

TOTAL

295.30	62.61	40.08
0.00	0.00	46.00
0.00	0.00	13.00
295.30	62.61	99.08

16.3.1 The partywise schedules in respect of deposits received from allottees is under review and reconciliation. Deposits received from allottees includes EMD of Rs.84.65 crores (Previous Year - Rs.73.35 crores).

(Rs.in Crores)
As at 31-3-2020(Rs.in Crores)
As at 31-3-2019(Rs.in Crores)
As at 01-4-2018**17 OTHER CURRENT LIABILITIES**

Deposits received from allottees

Other Current Liabilities

TOTAL

1,402.77	1,370.02	1,177.91
30.11	41.90	42.33
1,432.88	1,411.92	1,220.24

The company sold industrial plots at Visakhapatnam on behalf of M/s Vizag Apparel Park. Accordingly, an amount of Rs.5.60 crores is included in other current liabilities as Due to textile department i.e., M/s Vizag Apparel Park. The same is under reconciliation with the company.

18 PROVISIONS(Rs.in Crores)
As at 31-3-2020(Rs.in Crores)
As at 31-3-2019(Rs.in Crores)
As at 01-4-2018**(a) PROVISION FOR EMPLOYEE BENEFITS****18.1 Provision for leave Benefits**

As per the last balance sheet

Add: Additions during the year

Less: Payments/adjustments during year

SUB-TOTAL**(b) OTHERS**

0.80	1.10	1.10
0.00	0.80	1.10
0.00	1.10	1.10
0.80	0.80	1.10

18.2 Provision for PS charges

As per the last balance sheet

Add: Additions during the year

Less: Payments/adjustments during year

SUB-TOTAL

2.24	2.51	3.11
6.96	0.58	3.60
3.59	0.85	4.20
5.61	2.24	2.51

18.3 Provision for Contractual Obligations

As per the last balance sheet

Add: Additions during the year

Less: Adjustments made during year

SUB-TOTAL

674.00	644.25	536.77
1,043.30	674.00	644.25
674.00	644.25	536.77
1,043.30	674.00	644.25

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
18.4 Provision for taxation			
As per the last balance sheet	12.57	0.91	20.12
Add: Additions during the year	7.37	11.66	0.65
Less: Payments/adjustments during year	0.00	0.00	19.86
Sub-total	19.94	12.57	0.91

18.5 Provision for Writedown of Inventories

As per the last balance sheet	0.81	0.81	0.46
Add: Additions during the year	0.00	0.00	0.35
Less: Payments/adjustments during year	0.08	0.00	0.00
Sub-total	0.73	0.81	0.81
TOTAL	1,070.38	690.42	649.58

18.6 Provision for write down of inventories was made in earlier years towards old balances of Inventories, Hire Purchase Sheds and Houses - Stock included under inventories (refer note no. 7)

18.7 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

(Rs.in Crores)

S.No.	PARTICULARS	31.03.2020 (Rs.in crores)	31.03.2019 (Rs.in crores)	01-04-2018 (Rs.in crores)
a.	Claims against the company not acknowledged as debts	0.00	0.00	0.00
b.	Guarantees	3.11	3.16	6.60
c.	<u>Other money for which the company is contingently liable :</u>			
	i) Income Tax Demands	18.61	18.58	3.68
	ii) Service Tax Demands	0.16	0.00	5.45
	iii) Legal cases	733.75	886.15	754.30
	iv) Conversion Charges	574.61	552.41	552.41
	TOTAL	1,327.13	1,457.14	1,315.84
	GRAND TOTAL	1,330.24	1,460.30	1,322.44

Commitments

(Rs.in Crores)

S.No.	PARTICULARS	31.03.2020 (Rs.in crores)	31.03.2019 (Rs.in crores)	01-04-2018 (Rs.in crores)
a.	Other Commitments	237.97	96.09	71.66
	Total	237.97	96.09	71.66

19 REVENUE FROM OPERATIONS

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019
Sale of Land, Sheds, lease etc... less Sales Returns	492.70	306.17
Lease and other rental income	14.51	19.02
Water Demands	37.17	33.57
Interest on Hire Purchase, ORS and lease	9.77	5.66
Other Operating Revenue	11.74	10.75
TOTAL	565.89	375.17

20 OTHER INCOME

Interest Income	52.05	46.95
Dividend	0.03	0.42
Other non operating income	69.67	13.39
TOTAL	121.75	60.76

EXPENDITURE

21 COST OF SALES

Cost of sales - Land, Sheds & Lease	485.00	237.88
TOTAL	485.00	237.88

22 EMPLOYEE BENEFITS EXPENSE

Salaries and Allowances	32.21	29.37
Contribution towards Provident and other Funds	2.25	2.16
Contribution to Group Gratuity Premium	0.00	4.98
Staff Welfare Expenses	1.04	1.43
TOTAL	35.50	37.94

22.1 Salaries and Allowances includes managerial remuneration to Directors

22.2 The Company is holding a policy with Life Insurance Corporation of India for payment of Gratuity to the employees retired on attaining the age of super annuation or expired during the service for which the company pays annual premium to LIC of India which is charged off in the accounts.

Further, the Government of India vide Notification No.1283, dated 29.03.2018 issued orders that the amount of gratuity payable to an employee under the said act shall not exceed Twenty lakh rupees. The corporation has considered payment of gratuity as per the provisions of the Payment of Gratuity Act since inception. During the previous year, an amount of Rs.4.97 crore was provided in the books of accounts towards additional liability towards enhancement of Gratuity from Rs. 0.10 crore to Rs.0.20 crore.

22.3 Managerial Remuneration to Directors	For the year 2019-20 Rs. in crores	For the year 2018-19 Rs. in crores
Salaries and Allowances	0.59	0.50
Medical Expenses	0.02	0.00
Rent	0.02	0.07
TOTAL	0.63	0.57
23 FINANCE COST		
Interest on Term Loans from banks	56.60	53.23
TOTAL	56.60	53.23
24 OTHER EXPENSES	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019
(a) Rebate to allottees on Land Cost	12.29	10.59
(b) Repairs and Maintainance	0.53	0.57
(c) Expenditure on ERP & Others	0.82	1.16
(d) ADMINISTRATION & GENERAL EXPENSES		
Travelling Expenses	0.48	0.61
Rent	0.31	0.70
Rates and taxes	0.05	0.07
Vehicle maintenance	2.54	2.64
Electricity charges	3.98	3.57
Water charges	17.78	17.24
R&M - Estates, Preliminary Land Survey Etc.,	3.46	1.04
Insurance	0.03	0.01
Expenditure on Social Welfare	0.15	0.56
Other expenses	28.46	28.93
SUB-TOTAL	57.24	55.37
TOTAL (a + b + c + d + e)	70.88	67.69
24.1 Other Administrative expenses includes the following auditors' remuneration:	(Rs.in Lakhs) As at 31-3-2020	(Rs.in Lakhs) As at 31-3-2019
Statutory Audit fee	3.00	3.00
Out of pocket expenses	0.50	0.50
Fee for Audit of Consolidation of Accounts	1.50	1.50
Others	0.30	0.30
TOTAL	5.30	5.30

24.2 Outstanding provision in respect of expenditure is made excluding GST component as input tax credit will be claimed at a later date as per the provisions of GST Act.

24.3 No provision was made in the Books of Accounts during the year and previous year towards Payment of Interest on GST duly adjusting the Input Tax Credit to the Output GST as per the company's calculations which will be finalised on completion of GST Audit and filing of GST Annual Return for the F.Y 2019-20.

24.4 As per section 135 of the Companies Act, 2013, the company is required to spend an amount of Rs. 0.33 crores during the year (P.Y - Rs.0.57 crores) towards expenditure on Corporate Social Responsibility. Accordingly, during the year an amount of Rs.0.55 crore (P.Y - Rs.1.10 crore) was spent towards Corporate Social Responsibility for construction of rythu bazar, cremation shelter, anganvadi schools and community halls at Veduruwada and Dibbapalem, Visakhapatnam.

25 Reconciliation of comparative figures after regrouping and withdrawal of transactions pertaining to APIIC Food Park (Krishna District) Limited

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
I ASSETS			
Non - Current Assets			
Financial Assets			
Loans (Note No.5.2)			
-- Previous balances	629.55	448.02	198.96
-- After regrouping	629.55	448.02	198.96
-- After withdrawal of Food Park transactions	659.09	491.41	214.68
RE-GROUPNG DIFFERENCE	0.00	0.00	0.00
FOOD PARK TRANSACTIONS DIFFERENCE	(29.54)	(43.39)	(15.72)
TOTAL DIFFERENCE	(29.54)	(43.39)	(15.72)
II ASSETS			
Non - Current Assets			
Financial Assets			
Others (Note No.5.3)			
-- Previous balances	190.06	61.91	37.77
-- After regrouping	1,530.95	1,388.50	1,565.32
-- After withdrawal of Food Park transactions	1,530.95	1,388.50	1,565.32
RE-GROUPNG DIFFERENCE	(1,340.89)	(1,326.59)	(1,527.55)
FOOD PARK TRANSACTIONS DIFFERENCE	0.00	0.00	0.00
TOTAL DIFFERENCE	(1,340.89)	(1,326.59)	(1,527.55)
III ASSETS			
Non - Current Assets			
Other Non - Current Assets			
Other Non - Current Assets (Note No.6.2)			
-- Previous balances	820.61	676.75	669.08
-- After regrouping	820.61	676.75	669.08
-- After withdrawal of Food Park transactions	820.60	676.74	669.08
RE-GROUPNG DIFFERENCE	0.00	0.00	0.00
FOOD PARK TRANSACTIONS DIFFERENCE	0.01	0.01	0.00
TOTAL DIFFERENCE	0.01	0.01	0.00
IV ASSETS			
Current Assets			
Inventories (Note No.7)			
-- Previous balances	3,716.85	3,636.03	3,363.78
-- After regrouping	3,716.85	3,636.03	3,363.78
-- After withdrawal of Food Park transactions	3,645.52	3,586.35	3,350.64
RE-GROUPNG DIFFERENCE	0.00	0.00	0.00
FOOD PARK TRANSACTIONS DIFFERENCE	71.33	49.68	13.14
TOTAL DIFFERENCE	71.33	49.68	13.14
V ASSETS			
Current Assets			
Financial Assets			
Cash and Cash Equivalents (Note No.8.2)			
-- Previous balances	2,186.68	2,160.59	1,977.70
-- After regrouping	845.79	834.00	450.15
-- After withdrawal of Food Park transactions	838.41	805.60	437.33
RE-GROUPNG DIFFERENCE	1,340.89	1,326.59	1,527.55
FOOD PARK TRANSACTIONS DIFFERENCE	7.38	28.40	12.82
TOTAL DIFFERENCE	1,348.27	1,354.99	1,540.37
NET DIFFERENCE IN ASSETS	49.18	34.70	10.24

The balance in the PD Account of the corporation is regrouped from Cash and Cash Equivalents to Other Non-Current Assets during the year as per the suggestion of O/o the Principal Accountant General, Hyderabad.

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
VI EQUITY AND LIABILITIES			
Equity			
Other Equity			
-- Previous balances	405.19	382.71	363.22
-- After regrouping	405.19	382.71	363.22
-- After withdrawal of Food Park transactions	402.49	382.69	363.18
RE-GROUPNG DIFFERENCE	0.00	0.00	0.00
FOOD PARK TRANSACTIONS DIFFERENCE	2.70	0.02	0.04
TOTAL DIFFERENCE	2.70	0.02	0.04
VII EQUITY AND LIABILITIES			
Non - Current Liabilities			
Financial Liabilities			
Other Financial Liabilities (Note No.12.2)			
-- Previous balances	1,059.63	1,190.71	754.45
-- After regrouping	1,059.63	1,203.79	769.26
-- After withdrawal of Food Park transactions	1,062.28	1,199.12	774.07
RE-GROUPNG DIFFERENCE	0.00	(13.08)	(14.81)
FOOD PARK TRANSACTIONS DIFFERENCE	(2.65)	4.67	(4.81)
TOTAL DIFFERENCE	(2.65)	(8.41)	(19.62)
VIII EQUITY AND LIABILITIES			
Non - Current Liabilities			
Other Non - Current Liabilities (Note No.15)			
-- Previous balances	1,825.20	1,790.54	1,771.94
-- After regrouping	1,825.20	1,790.54	1,771.94
-- After withdrawal of Food Park transactions	1,791.00	1,760.54	1,756.94
RE-GROUPNG DIFFERENCE	0.00	0.00	0.00
FOOD PARK TRANSACTIONS DIFFERENCE	34.20	30.00	15.00
TOTAL DIFFERENCE	34.20	30.00	15.00
IX EQUITY AND LIABILITIES			
Current Liabilities			
Financial Liabilities			
Borrowings (Note No.16.1)			
-- Previous balances	17.35	9.63	0.34
-- After regrouping	17.35	9.63	0.34
-- After withdrawal of Food Park transactions	3.27	9.63	0.34
RE-GROUPNG DIFFERENCE	0.00	0.00	0.00
FOOD PARK TRANSACTIONS DIFFERENCE	14.08	0.00	0.00
TOTAL DIFFERENCE	14.08	0.00	0.00
X EQUITY AND LIABILITIES			
Current Liabilities			
Financial Liabilities			
Trade Payables (Note No.16.2)			
-- Previous balances	118.44	30.02	0.07
-- After regrouping	118.44	30.02	0.07
-- After withdrawal of Food Park transactions	117.81	30.01	0.06
RE-GROUPNG DIFFERENCE	0.00	0.00	0.00
FOOD PARK TRANSACTIONS DIFFERENCE	0.63	0.01	0.01
TOTAL DIFFERENCE	0.63	0.01	0.01

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
XI EQUITY AND LIABILITIES			
Current Liabilities			
Financial Liabilities			
Other Financial Liabilities (Note No.16.3)			
-- Previous balances	295.30	75.69	113.89
-- After regrouping	295.30	62.61	99.08
-- After withdrawal of Food Park transactions	295.30	62.61	99.08
RE-GROUPNG DIFFERENCE	0.00	13.08	14.81
FOOD PARK TRANSACTIONS DIFFERENCE	0.00	0.00	0.00
TOTAL DIFFERENCE	0.00	13.08	14.81
XII EQUITY AND LIABILITIES			
Current Liabilities			
Other Current Liabilities (Note No.17)			
-- Prior to regrouping	1,432.91	1,411.92	1,220.24
-- After regrouping	1,432.91	1,411.92	1,220.24
-- After withdrawal of Food Park transactions	1,432.88	1,411.92	1,220.24
RE-GROUPNG DIFFERENCE	0.00	0.00	0.00
FOOD PARK TRANSACTIONS DIFFERENCE	0.03	0.00	0.00
TOTAL DIFFERENCE	0.03	0.00	0.00
XIII EQUITY AND LIABILITIES			
Current Liabilities			
Other Current Liabilities (Note No.17)			
-- Previous balances	1,070.57	690.42	649.58
-- After regrouping	1,070.57	690.42	649.58
-- After withdrawal of Food Park transactions	1,070.38	690.42	649.58
RE-GROUPNG DIFFERENCE	0.00	0.00	0.00
FOOD PARK TRANSACTIONS DIFFERENCE	0.19	0.00	0.00
TOTAL DIFFERENCE	0.19	0.00	0.00
NET DIFFERENCE IN EQUITY AND LIABILITIES	49.18	34.70	10.24

The balances towards EMDs and FSDs payable to the contractors as per the terms of the agreements are regrouped due to merging of two ledger accounts of like nature.

26 Demerger Scheme:

The business of the company was reorganised and segregated into Andhra region and Telangana region as per the provisions of the AP Reorganisation Act, 2014, w.e.f 02.06.2014 consequent to bifurcation of the erstwhile state of Andhra Pradesh. A new company namely TSIIC Limited was incorporated on 04.09.2014 under the Companies Act, 2013 and took over the Telangana Division of APIIC w.e.f 02.06.2014.

The company prepared demerger scheme as per the provisions of AP Regorganisation Act, 2014 and the same was approved by the joint Board represented by the Govt. of Andhra Pradesh and Telangana in its 199th meeting held on 02.05.2014 and 202nd meeting held on 26.03.2015 duly authorising the Vice Chairman and Managing Directors of both AP and TS Divisions to make necessary modifications. The same was reviewed and approved by the expert committee constituted by the Government for the purpose and was sent to both the Governments for approval vide its letter dated 16.05.2015.

The Board of APIIC further authorised the Vice Chairman and Managing Director of both the divisions to finalise the modalities and allocation of employees in its 202nd meeting held on 26.03.2015. Accordingly, final allocation of employees to APIIC Limited and TSIIC Limited was made which is subject to scrutiny and approval of the committee appointed/ guidelines issued if any by the Central Government for allocation of employees of PSUs. The assignment of division of employees was entrusted to the expert committee vide G.O. Rt. No. 2066, Dt: 26.09.2016.

The orders on approval of the Demerger Scheme is yet to be issued by the Government (s). Pending issue of orders from both the Governments, the assets, liabilities, employees and proceedings of Telangana were transferred and vested with TSIIC Limited. The Accounts were prepared considering the demerger scheme approved by the expert committee and necessary entries were made in the books of accounts accordingly. The entries made are subject to review, reconciliation and modification.

The Assets and Liabilities pertaining to operational units were apportioned on location basis and pertaining to Head Quarters were apportioned on population basis. Investments are apportioned on location basis where the projects are located in a specific region and in case of projects having multiple units falling within the territories of states of Andhra Pradesh and Telangana on population basis.

Book value of total assets of Rs. 3,734.90 crores and liabilities of Rs. 3,509.31 crores as on 01.06.2014 were transferred and vested with Telangana region i.e., TSIC Limited as a part of bifurcation of the state, the details of which are mentioned below. As per the Demerger Scheme, an amount of Rs. 225.60 crores is receivable from TSIC Limited which is shown under AP Reorganisation adjustment A/c.

EQUITY AND LIABILITIES	(Rs. In crores)
1. Share Capital:	6.81
2. Reserves and Surplus:	203.09
3. Long term borrowings:	24.29
4. Other Long term liabilities:	246.42
5. Long term provisions:	5.09
6. Trade Payables:	0.58
7. Other current liabilities:	2,778.95
8. Short term Provisions:	244.07
9. AP Reorganisation adj. account:	225.60
TOTAL EQUITY AND LIABILITIES	3,734.90

ASSETS	(Rs. In crores)
1. Tangible Assets:	128.13
2. Non-current Investments:	267.36
3. Long term loans and advances:	1,744.29
4. Inventories:	1,440.59
5. Trade receivables:	18.51
6. Cash and Cash equivalents:	51.30
7. Short term loans and advances:	1.11
8. Other Current Assets:	83.61
TOTAL ASSETS	3,734.90

27. The Government of Andhra Pradesh entrusted certain Local Authority powers to the Company like collection of Property Tax, maintainance of Common facilities in respect of certain Industrial Parks and Industrial Development Areas. The local authority powers are vested with APIIC Industrial Area Local Authority (IALA) for each industrial area and the income and expenditure in this regard is being accounted for in the books of accounts maintained by the respective IALAs and hence not accounted for in the accounts of the Company.
28. Loan from RINL and NTPC are in substance guarantee by the company to RINL and NTPC on behalf of VIWSCO and Govt. of AP. There are no net cash flows in this regard.
29. The balances in Receivables, creditors and various advances are subject to reconciliation/confirmations and adjustments, if any. Such adjustments, in the opinion of the management, are not likely to be material and will be carried out as and when ascertained.
30. Previous year's figures have been regrouped/ reclassified / rearranged wherever necessary and have been rounded off to crores.

AS PER OUR REPORT DATED 28.02.2022
for POLINENI ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.: 0061325

Sd/-
M V S R PRASAD
PARTNER
M. NO.: 029076

PLACE : MANGALAGIRI
DATE : 31.12.2021

FOR AND ON BEHALF OF THE BOARD

Sd/-
J V N SUBRAMANYAM, IAS
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
M SIVA S REDDY
COMPANY SECRETARY

Sd/-
M GOVINDA REDDY
CHAIRMAN

Sd/-
P V SUBBA REDDY
CHIEF GENERAL MANAGER (F)i/c



ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED **CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

(Rs. in Crores)

Particulars	Current Year (2019-20)	Previous Year (2018-19)
Cash flows from operating activities:		
Net profit before taxation and exceptional items	34.68	35.27
Add: Adjustments for:		
Depreciation and amortisation	4.98	3.92
Dividend Income	(0.03)	(0.42)
Interest Expenses	56.60	53.23
Profit / loss on sale of fixed assets	0.00	0.00
Operating profit before working capital changes	96.23	92.00
Add: Adjustments for:		
Inventories	(82.42)	46.32
Trade receivables	0.78	(12.57)
Other current and non current assets	(272.19)	(348.51)
Loans and advances	(137.02)	21.49
Payables, liabilities and provisions	504.69	652.49
Net Cash Flow from operating activity before Income tax	110.07	451.22
Add: Income tax paid	(2.11)	0.00
Net Cash Flow from operating activities before exceptional items	107.96	451.22
Add: Exceptional item	0.00	0.00
Net Cash Flow from operating activities (I)	107.96	451.22
Cash flows from investing activities:		
Acquisition of fixed assets	(18.58)	(40.43)
Purchase of investments	(0.00)	(2.53)
Dividend income	0.03	0.42
Sale of fixed assets	0.00	0.00
Net cash flow from investing activities (II)	(18.55)	(42.54)
Cash flow from financing activities:		
Proceeds from issuance of share capital	0.00	0.00
Proceeds from long term borrowings	0.00	0.00
Interest paid on long term borrowings	(56.60)	(53.23)
Net cash flow from financing activities (I + II + III)	(56.60)	(53.23)
Net increase in cash and cash equivalents	32.81	355.45
Cash and cash equivalents at the beginning of the year	805.60	450.15
Cash and cash equivalents at the end of the year	838.41	805.60
This is the Cash flow statement referred to in our report		

AS PER OUR REPORT DATED 28.02.2022

FOR AND ON BEHALF OF THE BOARD

for POLINENI ASSOCIATES
 CHARTERED ACCOUNTANTS
 FIRM REG. NO.: 0061325

Sd/-
 M V S R PRASAD
 PARTNER
 M. NO.: 029076

Sd/-
 J V N SUBRAMANYAM, IAS
 VICE CHAIRMAN &
 MANAGING DIRECTOR

Sd/-
 M GOVINDA REDDY
 CHAIRMAN

Sd/-
 M SIVA S REDDY
 COMPANY SECRETARY

Sd/-
 P V SUBBA REDDY
 CHIEF GENERAL MANAGER (F)i/c

PLACE : MANGALAGIRI
 DATE : 31.12.2021



Revised Independent Auditor's Report

To

The Members of

ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED
Mangalagiri.

I. Report on the Audit of the Standalone IND AS Financial Statements

1. Qualified Opinion

A. This Revised Independent Auditor's Report is being issued in suppression of our earlier Independent Auditor's Report ("the Original Report") dated 10th May, 2021 on the Financial Statements as adopted by Board of Directors on 22nd March, 2021. This Revised Independent Auditor's Report being issued at the instance of the Dy. Accountant General, O/o. AG(Audit) AP, Vijayawada who after receiving the Annual Financial statements and upon review, directed the ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED to resubmit the Financial Statements after withdrawing the figures pertaining to APIIC Food Park (Krishna District) Limited along with revised Independent Auditor's Report (Because the Financial statements of APIIC Limited includes the financial figures pertaining to APIIC Food Park (Krishna District) Limited, a subsidiary of APIIC Limited and further that the same is against the provisions of Companies Act, 2013 and Ind - AS; and hence, that the standalone financials for year 2019-20 be revised by restating the opening balances and the comparative figures of the previous year, by withdrawing the figures pertaining to APIIC Food Park (Krishna District) Limited. Further it is advised by the Dy. Accountant General, O/o. AG(Audit) AP, Vijayawada that detailed disclosures for necessary understanding of the readers to be mentioned in the Notes to Accounts). Pursuant to the said observations of Dy. Accountant General, O/o. AG(Audit) AP, Vijayawada, the accounts have been revised, and disclosure made in the "Notes to Accounts" at **Note No 5.5.2** and the accounts adopted by the Board of Directors on 31-12-2021. In light of the observations arising from the Dy. Accountant General, O/o. AG(Audit) AP, Vijayawada, vide letter Ref : File No.PAG(Audit)/AMG-II/A.ACs.APIIC/2021-22/48 dated 14th October 2021 communicated, revision made are not material by considering the size and the nature of the items revised. Our opinion is not modified in respect of these matters.

B. We have audited the accompanying Standalone Ind AS Financial Statements of ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED, which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year ended and notes to the Standalone Ind AS Financial Statements, including a summary of the significant accounting policies and other explanatory information.

Other Places :

D.No. 20-10-8 & 8A, Beside SBI, Sangadigunta, Etukur Road, **GUNTUR - 522 003**, ☎ 0863-2220154 1 | Page

Flat No. GF-1, Koneti Enclave, Dwarakanagar, **VISAKHAPATNAM - 530016**, ☎ - 0891-2794166, Cell : 9849373008

~~H.No. 8-3-199, Hari Nilayam, Vengal Rao Nagar Colony, HYDERABAD - 500 036, Cell : 9581412304~~

- C. In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Ind AS of the State of affairs(Financial Position) of the Corporation as at 31 March 2020, and its Profit(Financial Performance including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

2. Basis for Qualified Opinion

- A. We conducted our audit in accordance with the Standard on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Corporation in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 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 Standalone Ind AS Financial Statements.

- B. We draw attention to the matters described below and the effects/ possible effects of those matters could not be reasonably determined/quantified, on the elements of accompanying Standalone Ind AS Financial Statements.

- a) **Equity Share Capital:** Current year amount of Rs. 9.52 Crores (Previous Year Rs.9.52 Crores)

The Equity Share Capital of Rs.9.52 Crores (Previous Year Rs. 9.52 Crores) is subject to reconciliation with the Government of Andhra Pradesh (Refer Note No: 11)

- b) **Other Equity:** Capital Reserve: Current Year Rs.7.58 Crores (Previous Year Rs. 7.58 Crores)

An amount of Rs.7.58 Crores received from the Government of Andhra Pradesh as Share Capital vide G.O Nos 107 dated 22.07.1995, 108 dated 26.07.1995, 284 dated 17.08.1998, 330 dated 16.09.1998, 171 dated 27.05.1999 and 224 dated 28.05.2002 pending for many years is classified as Capital Reserve. In our opinion, this needs to be classified as share capital pending allotment (Refer to Statement of changes in equity)

- c) **Deposits Received from allottees:** Current year Rs.1402.77 Crores (Previous Year Rs. 1370.02 Crores)

This includes unreconciled amounts with Head office and Zonal offices which are yet to be reconciled(Refer Note No:17)

<i>Sl. No.</i>	<i>Name of the Zone</i>	<i>Rs. in crores</i>
<i>1</i>	<i>Head Office</i>	<i>21.61</i>
<i>2</i>	<i>Vijayawada</i>	<i>12.90</i>
<i>TOTAL</i>		<i>34.51</i>

d) Provision for contractual obligations: Current year – Rs. 1043.30 Crores (Previous Year – Rs.674.00 Crores)

Adequacy of Provision:As per the information and explanations given to us, the Corporation after reviewing various pending contractual obligations at the year-end estimated the provision against contractual obligations as Rs.1043.30 Crores(Previous Year Rs.674.00Crores) and accordingly provided. We are not clear, whether the provision is pertaining to earlier year sales or current year sales. Hence, in our opinion, we are not able to comment upon the adequacy of the provision made by the Corporation(**Refer Note No: 18.3**)

Disclosure:Since the contractual works are extending beyond one year, we are of the opinion that this provision should be disclosed under Long term provisions.

e) Inventory Rs. 3645.52 Crores(Previous Year Rs. 3586.35Crores):

Due to non- reconciliation of the deposits and its impact on revenue as per Comment No. c above, we are not in a position to quantify the impact on inventory and not in a position to confirm the value of the inventory (**Refer Note No: 7**)

f) Non Conformity of Indian Accounting Standards 115

Revenue Recognition–Sale of Land, Sheds etc. less Sales Returns Rs. 492.70 Crores (Previous Year Rs. 306.17 Crores): (Refer Accounting Policy No. 2.10)

Under Ind AS 115, Revenue Income Recognition is on Five Step Model as gisted hereunder:

1: Identify the contracts with the customers

An entity shall account for a contract with a customer only when all of the following criteria are met -

- the contract is approved and parties are committed to perform their respective obligation,
- entity can identify each party's rights regarding the goods or services to be transferred,
- entity can identify the payment terms for the goods or services to be transferred,
- the contract has commercial substance,
- it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

2: Identifying separate performance obligations

Identify as a Performance obligation being a promise to transfer to a customer -

- A good or service (or bundle of goods or services) that is distinct or
- A series of goods or services that are substantially the same and are transferred in the same way
- If a promise to transfer a good or service is not distinct from other goods & services in a contract, then the goods or services are combined into a single performance obligation.

Satisfaction of performance obligations

- An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. **An asset is transferred when (or as) the customer obtains control of that asset.**

3: Determine the Transaction Price

- The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- The consideration promised in a contract with a customer may include fixed amounts, variable amounts or both.
- For the purpose of determining transaction price, an entity shall assume that the goods or services will be transferred to the customer as promised in accordance with the existing contract and that the contract will not be cancelled, renewed or modified.

4: Allocate the transaction price to the performance obligations

- The objective when allocating the transaction price is for an entity to allocate the transaction price to each performance obligation (or distinct goods or service) in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer.
- Allocation of transaction price can be done proportionately based on stand-alone selling prices. The stand-alone selling price is the price at which an entity would sell a promised good or service separately to a customer

5: Revenue Recognition when performance obligations are satisfied

- Performance obligation is satisfied over time or at a point in time.
- Performance obligation is satisfied over time if one of the criteria is met out of three:
 - ✓ The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
 - ✓ The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced or
 - ✓ The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.
- Based on above the Revenue Recognition for a performance obligation is done over time if one of the criteria is met out of three else Revenue Recognition for a performance obligation is done at a point in time.

Satisfaction of performance obligations: An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the **customer obtains control of that asset**.

For each performance obligation identified, determine at contract inception whether it satisfies the performance obligation over time or at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

Revenue is to be recognized basis the Steps indicated in the Ind AS 115.

Corporation recognized the Revenue upon entering into Agreement of sale with the Allottees on receipt of full consideration, without identifying performance obligations in the contracts with the Allottees and without allocating the transaction price to the performance obligations and without testing for the satisfaction of identified performance obligations for the transferring of the promised good or service to Allottees.

As the Corporation has not identified for each of the performance obligation, and has not determined at contract inception whether it satisfies the performance obligation over time or at a point in time and has not arrived at the conclusion for the test as to if the Corporation does or does not satisfy a performance obligation over time, and has not arrived at conclusion about for if the performance obligation is not satisfied over time, than the same will be satisfied at a point in time, and in the light of the foregoing, the corporation has not adhered to Ind AS-115 "Revenue From Contracts With Customers" while adapting the Revenue recognition policy. Hence we are not in a position to comment on accuracy of the income recognition and its impact on Profit and loss account and Balance sheet.

g) Non-availability of Share Certificates:

A reference is invited to Note No. 5.1 in the 'Notes to standalone Financial Statements' wherein the investments of the Company in equity shares of other companies was disclosed. During verification of the respective certificates, it was observed that the certificates in respect of the following Companies were not available.

<i>S. No.</i>	<i>Name of the Company</i>	<i>Nature of investment/ No. of Shares – AP State portion (after apportioning the total shares between AP and Telangana in population ratio)</i>	<i>Percentage of holding</i>	<i>Amount of investment ('in crore)</i>
1.	Hyderabad Information Technology Venture Enterprises Ltd.	Equity Shares – 12145 Nos.	4.86 %	0.01
2.	Cyberabad Trustee Company (P) Ltd.	Equity Shares – 2429 Nos.	4.86 %	0.00
3.	Cyberabad Trustee Company (P) Ltd. – HIVE Fund	Units – 449 Nos.	--	1.12

h) Provision for leave encashment:

According to Chapter IX of Companies' Act, 2013, every company must prepare books of accounts in accordance with the relevant applicable Ind AS as issued by ICAI. One of these accounting standards, Ind AS 19, requires an actuarial valuation to be done for certain types of employee benefit schemes, including the leave schemes. Though Ind AS 19 does not require disclosure about other long-term employee benefits, Ind AS 1 may require disclosure in respect of leave encashment.

Non provision of leave encashment in accordance with Ind AS 19 will lead to increase in profits of the Corporation and decrease in corresponding liability/provision. We are unable to quantify the impact on financial position as the Corporation has not provided for leave encashment at the yearend in accordance with Ind AS 19. (Refer Note No: 13)

i) APIIC Food Park (Krishna District) Limited:

An amount of Rs. 1,00,000/- made towards investment in APIIC Food Park (Krishna District) Limited shown as "Deposit towards share application money" under Note: 5.1(B) (Financial Accounts (Non – Current Assets)). The share allotment has to be completed within 2 months from the date of incorporation, in case of subscribers to Memorandum (As per clause "a" subsection 4 of section 56 of the Companies Act, 2013). If a company fails to allot the shares within the prescribed time limit, it shall liable to repay the application money with interest at a rate of twelve percent per annum from the expiry of sixtieth day (As per sub section 6 of section 42 of the Companies Act, 2013). In the instant case, no adherence observed to the relevant provisions of the Act.

3. Emphasis of Matter:

We draw attention to the following matters in the Notes to the Ind AS Financial Statements:

1) Drawal of Standalone Ind AS Financial Statements excluding Telangana region:

Based on the approval of demerger scheme by the expert committee on 16.05.2015 the Standalone Ind AS financial statements are drawn exclusive of Telangana region, though the approval by the Central Government authorities or its nominees for the Scheme of Apportionment/Demerger/Arrangement of Andhra Pradesh Industrial Infrastructure Corporation Limited And Telangana State Industrial Infrastructure Corporation Limited is pending. (Refer Note No.26)

2) Non-Confirmation of Balances:

Attention is drawn to note no.29 to the Standalone Financial Statements, in respect of Receivables, Creditor and various advances (Note No.'s: 8.1 & 16.2) wherein external confirmations of the balances are not available and thus not reconciled. Due to non-availability of confirmation of balances, we are unable to quantify the impact, if any, arising from the confirmation of balances.

3) GST Liability:

Attention is drawn to **Note No.24.3** which states the information submitted in GST returns for the year are yet to be co-related with the books of Account. The amount of interest payable if any could not be quantified.

The consequential impact of the above matters is known only when the issues are resolved.

4) Finalisation and approval of revised accounts for the year 2019-20 pending adoption of accounts by the shareholders in the AGM

Pending adoption of accounts of the previous financial year, the Corporation has finalised and approved the revised accounts for the FY 2019-20 to clear the arrears in accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements. However, subsequently, at the AGM of the corporation, held on 11-01-2022, the said accounts of the previous financial year were adopted.

5) Disclosures on Operating Leases:

The Corporation in the status of Lessor in case of operating leases required to disclose maturity analysis of future minimum lease rental receivables in respect of non-cancellable operating leases along with description about the broad identification of leased assets and their range of lease tenures as well as the amount of total contingent rents recognized as leases as at the year end. This is in accordance with Ind AS 116 disclosure requirement. The Corporation has not disclosed the said information as required by the Ind AS 116. (Refer Note No.19)

6) Treatment of transactions pertaining to Industrial Area Local Authority:

As per the information and explanation given to us, the guidelines for the functioning of Industrial Area Local Authorities (IALAs) states that IALAs will be exercising the functions of a Municipal Corporation/Municipality/Gram Panchayat with a condition that 35% or 50% of property tax collected is remitted to the parent local body. Zonal Manager is responsible for proper reconciliation and accounting of the revenues generated by IALA and the expenditure incurred. Accordingly, IALAs are preparing their Income and Expenditure accounts separately.

Further, a reference is invited to Note No: 27 of the financial statements, wherein it was stated that “The Government of Andhra Pradesh entrusted certain Local Authority powers to the Company like collection of Property Tax, maintenance of Common facilities in respect of certain Industrial Parks and Industrial Development Areas. The local authority powers are vested with APIIC Industrial Area Local Authority (IALA) for each industrial area and the income and expenditure in this regard is being accounted for in the books of accounts maintained by the respective IALAs and hence not accounted for in the accounts of the Company”.

Further as per the information and explanation given to us, the assets and liabilities, profit or losses of IALAs have not been brought into the books of account and these transactions are not clubbed/consolidated in the Financial Statements. (Refer Note No: 27)

4. Key Audit Matters

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

In addition to the matter described in the Basis for Qualified Opinion Section, we have determined that there are no other key audit matters to communicate in our report.

5. Information other than the Standalone Ind AS Financial Statements and Auditor's Report thereon.

A. The Corporation's Management & Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in Director's Report and annexure but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon. The Director's Report and annexure is expected to be made available to us after the date of this auditor's report. Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

B. In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

6. Responsibility of Management and Those Charged with Governance for the Standalone Ind AS financial statements

A. The Corporation's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs (Financial position), Profit or Loss (financial performance including other comprehensive income), cash flows and changes in equity of the Corporation in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant Rule issued thereunder.

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

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

The Board of Directors are also responsible for overseeing the Corporation's financial reporting process.

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

- A. Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the Standalone Ind AS 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.
 - ii) 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 Corporation has adequate internal financial controls system in place and the operating effectiveness of such controls
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- iv) 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 Corporation'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 Corporation to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- C. 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.
- D. 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.
- E. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. 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 Section 143(11) of the Act, we give in the **Annexure "A"**, a Statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- B. In our opinion, proper books of account as required by law have been kept by the Corporation so far as it appears from our examination of those books;
 - C. The Standalone Ind AS Balance Sheet, the Statement of Profit and Loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - D. Except for the matters described in “Basis for Qualified Opinion” paragraph, in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant rules issued thereunder,
 - E. In accordance with Notification No. G.S. R. 463 (E) dated 5 June 2015: the requirement of section 164(2) of the Companies Act, 2013 is not applicable to Government Companies.
 - F. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Corporation and the operating effectiveness of such controls, refer to our separate Report in **Annexure “B”**; and
 - G. As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Corporation.
 - H. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of Companies(Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Corporation has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements as at 31.03.2020.
 - ii. The Corporation 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 Corporation.
3. Based on verification of books of accounts of the corporation and according to information and explanation given to us, we give a report in **Annexure “C”** on the Directions issued by the Comptroller and Auditor General of India in terms of Section 143(5) of the Act.

For **POLINENI ASSOCIATES**

Chartered Accountants

FRN: 006132S

Sd/-

(M V S R PRASAD)

Partner

M.No.029076

UDIN:22029076AEBVGX9613

Place: Guntur

Date: 28-02-2022

ANNEXURE – “A” TO THE REVISED INDEPENDENT AUDITOR’S REPORT

(Referred to in Paragraph II(1) of our ‘Revised Independent Auditor’s Report’ of even date) to the members of **M/s.ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED**(the “Corporation”) on the Standalone Ind AS Financial Statements of the Corporation for the year ended on 31st March 2020.

1. a)The Corporation has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
b)The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
c)According to the information and explanations given to us and on the basis of records examined by us, the title deeds of the immovable properties are held in the name of the Corporation except for the portion of the building at “ParishramBhawan” as mentioned vide **Note No. 3.1.4** to the notes to accounts.
2. As per the information and explanation given to us, the inventories have been physically verified during the year by the Management at reasonable intervals and as explained to us no material discrepancies were noticed on such physical verification.
3. The Corporation has granted advances/loans, secured and unsecured, to Subsidiaries and Joint Ventures covered in the register to be maintained under section 189 of the Companies Act.

Name of the party	Relation ship	Type	Amount (₹.in Crores) Outstanding as on 31.03.2020
AP Gas Infrastructure Corporation Pvt Ltd	Subsidiary	Unsecured Loan	1.93
Krishnapatnam International Leather Complex Pvt Ltd	Subsidiary	Expenses	0.22
		Unsecured Loan	23.85
		Acc. Interest on unsecured loan	5.22
Visakhapatnam Industrial Water Supply Corporation	Joint Venture	Acc. Interest on secured loan	114.02
Atchutapuram Effluent Treatment Ltd	Joint Venture	Acc. Interest	2.59

An amount of Rs. 29.53 Crores is Outstanding as on 31-03-2020 from APIIC Food Park (Krishna District) Limited which is a proposed 100% wholly owned subsidiary as an Unsecured Loan but the shares are not allotted. Attention invited to Para I (2) (B) (i) under Basis for Qualified Opinion of our Revised Independent Auditor’s Report, wherein the shares are yet to be allotted to corporation by the said APIIC Food Park (Krishna District) Limited.

- a) As per the information and explanation given to us by the management, the interest free advances other than VIWSCO are not prejudicial to the interest of the corporation since they are subsidiary companies.
 - b) As per the information and explanation given to us by the management, all the above advances except advances given to VIWSCO are without any repayment schedules. The loan of VIWSCO is rescheduled as per the G.O Ms. No.24 dated 25.02.2015.
 - c) As per the information and explanation given to us, the total amount overdue for more than 90 days is Rs.30.23Crores.
4. In our opinion and according to the information and explanation given to us, the Corporation has not granted any loans nor made any investments and provided guarantee and securities, as per the provisions of Section 185 and Section 186 of the Companies Act, 2013. The corporation has not invested in not more than two layers of investment under section 186(1) of Companies Act, 2013. In our opinion; other sub-sections of section 186 of the Companies Act, 2013 prescribing the limits are not applicable to the Corporation since it is Infrastructure Corporation.
 5. According to the information and explanation given to us the Corporation has not accepted any deposits from the Public during the year as per the provision of sec 73 to 76 or any other relevant provision of Companies Act, 2013 and the rules framed there under. Hence Clause 3(v) of the Order is not applicable.
 6. Maintenance of cost records has been made mandatory by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 for the corporation. As informed to us, the Corporation has not maintained separate cost records and the same are being extracted from the Financial Records. We have not made detailed examination of the financial records with a view to determine they are accurate and complete in respect of cost records.
 7. (a) According to the information and explanations given to us, and the records of the corporation examined by us, in our opinion, the Corporation is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, Goods & Service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable with the appropriate authorities. There are no arrears of undisputed statutory dues outstanding as at March 31, 2020 for a period of more than six months from the date they become payable.
 - (b) According to the information and explanations given to us and the records of the Corporation examined by us, the following are the dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.

Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)	Assessment year	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	186.04	2016-17	DCIT Circle -I(I) Hyderabad
Income Tax Act, 1961	Income Tax	1,655.31	2017-18	DCIT Circle -I(I) Hyderabad
Income Tax Act, 1961	TDS Defaults	19.64	2007-08 to 2016-17	TDS Ward -I Tirupati Range

8. According to the information and explanations given to us, the Corporation has not defaulted in repayment of dues to its bankers. The Corporation does not have any loans or borrowings from Financial Institutions and Government, nor has it issued any debentures during the year.
9. According to the information and explanations given to us, the Corporation did not raise any money by way of initial public offer (including debt instrument).

According to the information and explanations given to us, the Corporation has raised loans from Banks to the extent of Rs 2,000 Crores during an earlier financial year i.e., financial year 2017-18 to meet land acquisition and Infrastructure development expenditure for four specified projects. However, the Corporation has spent amounts as under out of the aforesaid loans:

S.No.	Purpose for which amount was spent	F. Y. 2018-19	F. Y. 2019-20
1	Land Acquisition for the mandated projects	155.43	7.98
2	Infrastructure Development works in respect of M/s KIA Motors, Penugonda, Anantapur District	80.44	80.06

In addition, the Corporation deposited an amount of Rs. 1480.00 Crores out of the loans availed from the banks in the Public Deposit (PD) a/c of Corporation vide GoAP letter dated 02-01-2018 i.e., during the Financial Year 2017-18

The amounts thus spent on KIA Motors Project, not in accordance with the terms of sanction given by the bankers and is to be considered as deviation

10. According to the information and explanations given to us, on the basis of examination of our books and records of corporation, no fraud on or by the Corporation, by its officers or employees has been noticed or reported during year.

11. The provisions of section 197 read with Schedule V to the Companies Act, 2013 in respect of managerial remuneration are not applicable to the Government Corporation. Accordingly, paragraph 3 (xi) of the order is not applicable.
12. In our opinion and according to the information and explanation given to us, the Corporation is not a Nidhi Corporation. Accordingly, Paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Corporation, transactions with the related parties are in compliance with Sections 177 & 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed vide **Note no.5.2.1** in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
14. According to the information and explanation given to us and based on the examination of the records of the Corporation, the Corporation has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year. Hence, paragraph 3(xiv) of the Order is not applicable.
15. According to the information and explanations given to us and based on the examination of the records of the Corporation, the Corporation has not entered into non-cash transaction with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. In our opinion and according to the information and explanations provided to us, the Corporation is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **POLINENI ASSOCIATES**

Chartered Accountants

FRN: 006132S

Sd/-

(M V S R PRASAD)

Partner

M.No.029076

UDIN:22029076AEBVGX9613

Place: Guntur

Date: 28-02-2022

ANNEXURE- “B” TO THE REVISED INDEPENDENT AUDITOR’S REPORT

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

(Referred to in Paragraph II (2) (F) of ‘Revised Independent Auditor’s Report’ of our report of even date)

We have audited the Internal Financial Controls Over Financial Reporting of **M/s.ANDHRA PRADESH INDSTRIAL INFRASTRUCTURE CORPORATION LIMITED** (“the Corporation”) as at 31st March 2020 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Corporation for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Corporation’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these Corporations 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 Corporation’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

Our responsibility is to express an opinion on the Corporation’s Internal Financial Controls Over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under 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 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 over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of Internal Financial Control System over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Corporation’s Internal Financial Controls Systems over Financial Reporting

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Corporation has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial over financial reporting were operating effectively as at 31st March, 2020 based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal controls stated in the guidance note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **POLINENI ASSOCIATES**

Chartered Accountants

FRN: 006132S

Sd/-

(M V S R PRASAD)

Partner

M.No.029076

UDIN:22029076AEBVGX9613

Place: Guntur

Date: 28-02-2022

ANNEXURE "C" TO THE REVISED INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph II(3) of our 'Revised Independent Auditor's Report' of even date) to the members of **M/s. ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED** ("the Corporation") on the Standalone Ind AS Financial Statements of the Corporation for the year ended on 31st March 2020.

Report under section 143(5) of the Companies Act, 2013

S.No	Audit Observations	Reply
1.	Whether the Corporation has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	In the case of the Corporation, IT Enabled Program is under the process of development. At present all the accounting transactions are not being processed through IT system.
2.	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc made by a lender to the Corporation due to the Corporation's inability to repay the loan? if yes, the financial impact may be stated	There are no such cases made by a lender to the company due to its inability to repay the loan during the year.
3.	Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation	As explained to us, the funds received/ receivable by the Corporation for specific schemes from Central/ State agencies have been properly accounted for/ utilized as per respective terms and conditions.

For **POLINENI ASSOCIATES**

Chartered Accountants

FRN: 006132S

Sd/-

(M V S R PRASAD)

Partner

M.No.029076

UDIN:22029076AEBVGX9613

Place: Guntur

Date: 28-02-2022



प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय,
आन्ध्र प्रदेश, विजयवाडा - 520 002.
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
ANDHRA PRADESH, VIJAYAWADA - 520 002.



Lr.No.PAG(Audit)/AP/TSC-I/APIIC-FY20/2023-24/ 110

Date: 25-07-2023

To
VC & Managing Director,
Andhra Pradesh Industrial Infrastructure Corporation Limited
APIIC Towers, Plot No-1 (9th - 11th floors),
IT Park, Mangalagiri, Guntur (District),
Andhra Pradesh -522503

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements (Standalone and Consolidated) of Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) for the year ended 31 March 2020.

Sir,

I am to forward herewith Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the financial statements (Standalone and Consolidated) of APIIC for the year ended 31 March 2020 for necessary action.

2. The date of placing of Comments along with Financial Statements and Auditor Report before the shareholders of the Company may please be intimated and a copy of the proceedings of AGM meeting be furnished.

3. The date of forwarding the Annual report and financial statements of the Company together with the Auditors' Report and Comments of the Comptroller and Auditor General of India to the State Government of Andhra Pradesh for the year ended 31 March 2020 for being laid before the Legislature may be intimated. Copy of letter from the Legislature Secretariat indicating date on which Annual Report laid before State Legislature may also be intimated.

4. Five copies of the Annual report of APIIC for the year 2019-20 may be furnished to this office.

Encl: As above.

Yours faithfully,

Sd/-

BHASKAR KALLURU
Senior Deputy Accountant General

Address : 8th Floor, Stalin Central Mall, M.G.Road, Governorpet, Vijayawada - 520 002.
Website : www.cag.gov.in/ag/andhra-pradesh/en e-mail : agauandhrapradesh@cag.gov.in

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE
STANDALONE FINANCIAL STATEMENTS OF ANDHRA PRADESH INDUSTRIAL
INFRASTRUCTURE CORPORATION LIMITED FOR THE YEAR ENDED 31
MARCH 2020**

The preparation of financial statements of Andhra Pradesh Industrial Infrastructure Corporation Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 28.02.2022 which supersedes their earlier Audit Report dated 10.05.2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Standalone financial statements of Andhra Pradesh Industrial Infrastructure Corporation Limited for the year ended 31 March 2020 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory auditors and Company personnel and a selective examination of some of the accounting records. The Standalone financial statements of the Company have been revised by the Management as indicated in Note No 5.2.2 of the financial statements, to give effect to some of my audit observations raised during supplementary audit.

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

A. Comments on Financial Position:

Balance Sheet (Standalone)

Equity and Liabilities

Liabilities

Non-Current Liabilities

Other Non-Current Liabilities (Note- 15): ₹1791.00 crore

1. The above does not include ₹574.61 crore towards land conversion charges payable to the State Government in respect of agriculture lands allotted to the Company up to 31.01.2018 in accordance with provisions of Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006 (the Act). As per the Act, as amended through Act No.13 of 2018, the agriculture lands allotted to the Company for non-agricultural purpose are exempted from payment of land conversion charges only from 01.02.2018. Instead, the same amount was incorrectly shown as Contingent Liability in Notes to Accounts, though the exemption request of the Company was not accepted by the competent authority of State Government. Thus, non-recognition of liability towards land conversion charges resulted in understatement of Current Liabilities and understatement of Current Assets (Inventories) by ₹574.61 crore.

Assets

Non-Current Assets

Financial Assets

Others (Note-5.3): ₹1530.95 crore

2. The above is overstated by ₹1448.30 crore due to recognising Personal Deposit (PD) Account balance as non-current assets instead of Other Current Assets, other than Cash and Cash equivalents/bank balance. Thus, wrong classification resulted in overstatement of Other Financial Assets (Non-Current) and understatement of Other Current Assets by ₹1448.30 crore each.

Since the amount borrowed from the Banks against Government Guarantee was deposited in the PD Account, as per the instructions of the State Government, the amount receivable from State Government (including interest) should have been reconciled and disclosed.

B. Other Comments.

3. The Company did not have any accounting policy with regard to Deposit towards works undertaken on behalf of various Departments/Undertakings of the State and Central Government. Net amount after netting off receivables from undertakings with payables to the Government works is disclosed under Note-15 Deposit towards works undertaken at ₹246.63 crore, which is deviating from the provisions of Para 32 of Ind AS-1 on Presentation of Financial Statements, according to which an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an Ind AS.

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

Sd/-

INDU AGRAWAL

प्रधान महालेखाकार (ले.प.)

Principal Accountant General (Audit)

Place: Vijayawada

Date: 25.07.2023



ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2020

(Rs. in Crores)

	Particulars	Note No.	Figures as at 31.03.2020	Figures as at 31.03.2019	Figures as at 01.04.2018
	ASSETS				
(1)	Non - Current Assets				
a	Property, Plant and Equipment	3.1	65.96	250.03	223.80
b	Right of Use Assets	3.2	0.34	0.00	0.00
c	Capital Work in Progress	4.1	328.28	217.42	197.46
d	Investment Property	4.2	267.95	94.82	31.93
e	Other Intangible Assets	4.3	0.05	0.00	0.00
f	Financial Assets				
(i)	Investments	5.1	80.00	54.90	43.65
(ii)	Loans	5.2	627.21	466.40	195.03
(iii)	Others	5.3	1,531.11	1,388.50	1,565.32
g	Other Non - Current Assets				
(i)	Non-Current Tax Assets (Net)	6.1	4.91	4.91	4.91
(ii)	Other Non - Current Assets	6.2	823.26	676.76	669.10
	Non - Current Assets - Total		3,729.07	3,153.74	2,931.20
(2)	Current Assets				
a	Inventories	7	3,645.52	3,586.35	3,350.64
b	Financial Assets				
(i)	Trade Receivables	8.1	63.73	63.44	50.87
(ii)	Cash and Cash Equivalents	8.2	875.57	838.75	461.43
(iii)	Loans	8.3	1.42	0.85	58.27
(iv)	Others	8.4	8.74	6.88	34.40
c	Other Current Assets	9	26.28	19.12	16.28
(3)	AP Reorganisation Adjustment Account	10	225.62	225.62	225.62
	Current Assets - Total		4,846.88	4,741.01	4,197.51
	Total Assets		8,575.95	7,894.75	7,128.71
	EQUITY AND LIABILITIES				
(1)	Equity				
(i)	Equity Share Capital	11	9.52	9.52	9.52
(ii)	Other Equity		367.86	337.51	275.28
(iii)	Non Controlling Interest	11.3	13.66	0.30	1.98
(iv)	Share application money pending allotment		0.39	0.39	0.20
	Equity - Total		391.43	347.72	286.98
(2)	Non - Current Liabilities				
a	Financial Liabilities				
(i)	Borrowings	12.1	2,114.40	2,145.28	2,144.51
(ii)	Other Financial Liabilities	12.2	1,062.47	1,199.10	774.05
b	Provisions	13	9.54	9.54	10.54
c	Deferred tax liabilities (Net)	14	2.99	2.52	0.36
d	Other Non - Current Liabilities	15	1,773.09	1,726.69	1,756.94
	Non - Current Liabilities - Total		4,962.49	5,083.13	4,686.40
(3)	Current Liabilities				
a	Financial Liabilities				
(i)	Borrowings	16.1	3.27	9.63	0.34
(ii)	Trade Payables	16.2	117.86	30.18	0.21
(iii)	Other Financial Liabilities	16.3	595.95	320.66	283.19
b	Other Current Liabilities	17	1,433.13	1,411.93	1,220.26
c	Provisions	18	1,071.82	691.50	651.33
	Current Liabilities - Total		3,222.03	2,463.90	2,155.33
(4)	Accounting Policies	2			
	Total Equity and Liabilities		8,575.95	7,894.75	7,128.71

AS PER OUR REPORT DATED 28.02.2022

FOR AND ON BEHALF OF THE BOARD

for POLINENI ASSOCIATES
 CHARTERED ACCOUNTANTS
 FIRM REG. NO.: 0061325

Sd/-
 M V S R PRASAD
 PARTNER
 M. NO.: 029076

PLACE : MANGALAGIRI
 DATE : 31.12.2021

Sd/-
 J V N SUBRAMANYAM, IAS
 VICE CHAIRMAN &
 MANAGING DIRECTOR

Sd/-
 M SIVA S REDDY
 COMPANY SECRETARY

Sd/-
 M GOVINDA REDDY
 CHAIRMAN

Sd/-
 P V SUBBA REDDY
 CHIEF GENERAL MANAGER (F)/i/c



ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED 31.03.2020

(Rs. in Crores)

	Particulars	Note No.	Current Year (2019-20)	Previous Year (2018-19)
I	Revenue from operations	19	565.97	375.35
II	Other Income	20	150.18	62.20
III	Total Revenue (I + II)		716.15	437.55
IV	Expenses			
a	Cost of Sales	21	485.00	237.88
b	Exploratory Cost Written off		14.54	0.27
c	Employee Benefits expense	22	35.96	38.04
d	Finance Costs	23	56.64	53.23
e	Depreciation and amortization expense		5.11	3.93
f	Other expenses	24	72.73	68.48
	Total Expenses		669.98	401.83
V	Profit/(Loss) before Exceptional items and tax (III - IV)		46.17	35.72
VI	Exceptional items		0.00	0.00
VII	Profit/(Loss) before tax (V - VI)		46.17	35.72
VIII	Tax expense:			
	(1) Current Tax - Current Year		7.37	11.66
	- Previous Years		0.00	(0.58)
	(2) Deffered Tax - Current Year		0.46	2.15
	(2) MAT Credit		(0.38)	0.00
IX	Profit/ (Loss) for the period (VII - VIII)		38.72	22.49
X	Other Comprehensive Income			
	(i) Items that will not be reclassified to Profit or (Loss)			
	Employee Cost - Acturial gain/(loss)		0.00	0.00
	Tax expense:			
	(1) Current Tax		0.00	0.00
	(2) Deffered Tax - Current Year		0.00	0.00
XI	Total Comprehensive Income/ (Loss) for the year		38.72	22.49
XII	Earning per equity share (in Rupees):			
	- Basic & Diluted		4,066	2,362
	(Face value of ` 1000/- per Share)			

See Accompanying notes to the financial statements

AS PER OUR REPORT DATED 28.02.2022
for POLINENI ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.: 006132S

Sd/-
M V S R PRASAD
PARTNER
M. NO.: 029076

PLACE : MANGALAGIRI
DATE : 22-03-2021

FOR AND ON BEHALF OF THE BOARD

Sd/-
J V N SUBRAMANYAM, IAS
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
M SIVA S REDDY
COMPANY SECRETARY

Sd/-
M GOVINDA REDDY
CHAIRMAN

Sd/-
P V SUBBA REDDY
CHIEF GENERAL MANAGER (F)i/c



ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED
STATEMENT OF CHANGES IN CONSOLIDATED EQUITY
FOR THE YEAR ENDED 31st MARCH, 2020

(Rs. in Crores)

Details	Share Capital	Other Equity					
	Equity shares of Rs.1,000/- each fully paid	Reserves and Surplus			Other items of other comprehensive income (Employee cost - Acturial gain (loss))	Non-Controlling Interest	Total
		Capital Reserve	General Reserve	Retained Earnings			
Balance as at the beginning of the year 2017-18	9.52	17.58	0.00	302.55	0.00	14.09	334.22
Changes in accounting policy or prior period errors	0.00	0.00	0.00	(1.27)	0.00	0.00	(1.27)
Restated balance at the beginning of the reporting period	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other comprehensive income for the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to retained earnings	0.00	0.00	0.00	(83.66)	0.00	12.26	(71.40)
Any other changes	0.00	0.00	0.00	13.73	0.00	0.00	13.73
Balance at the end of the reporting year 2017-18	9.52	17.58	0.00	231.35	0.00	26.35	275.28
Balance as at the beginning of the year 2018-19	9.52	17.58	0.00	231.35	0.00	26.35	275.28
Changes in accounting policy or prior period errors	0.00	0.00	0.00	(1.92)	0.00	0.00	(1.92)
Restated balance at the beginning of the reporting period	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other comprehensive income for the year	0.00	40.00	0.00	0.00	0.00	0.00	40.00
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to retained earnings	0.00	0.00	0.00	22.49	0.00	1.68	24.17
Any other changes	0.00	0.00	0.00	(0.02)	0.00	0.00	(0.02)
Balance at the end of the reporting year 2018-19	9.52	57.58	0.00	251.90	0.00	28.03	337.51
Balance as at the beginning of the year 2019-20	9.52	57.58	0.00	251.90	0.00	28.03	337.51
Changes in accounting policy or prior period errors	0.00	0.00	0.00	(9.75)	0.00	0.64	(9.11)
Restated balance at the beginning of the reporting period	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other comprehensive income for the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to retained earnings	0.00	0.00	0.00	38.72	0.00	0.74	39.46
Any other changes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance at the end of the reporting year 2019-20	9.52	57.58	0.00	280.87	0.00	29.41	367.86

AS PER OUR REPORT DATED 28.02.2022
for POLINENI ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.: 0061325

Sd/-
M V S R PRASAD
PARTNER
M. NO.: 029076

PLACE : MANGALAGIRI
DATE : 31.12.2021

FOR AND ON BEHALF OF THE BOARD

Sd/-
J V N SUBRAMANYAM, IAS
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
M SIVA S REDDY
COMPANY SECRETARY

Sd/-
M GOVINDA REDDY
CHAIRMAN

Sd/-
P V SUBBA REDDY
CHIEF GENERAL MANAGER (F)i/c

ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED
Notes forming part of Consolidated Balance Sheet and Statement of Profit & Loss

1. COMPANY INFORMATION:

Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC Ltd.), the company was incorporated in the year 1973 under the Companies Act, 1956 to formulate, promote, finance, aid, assist, establish, manage and control schemes, projects or programmes, to provide and develop infrastructure facilities and other services of any description in order to promote and assist the rapid and orderly establishment, growth and development of industries and commerce in the State of Andhra Pradesh.

As per section 53 of the A.P Reorganisation of Act, 2014, the assets and liabilities as on 01.06.2014 were divided between the company and TSIIIC Limited as per the approved Demerger Scheme.

The financial statements have been prepared in accordance with the Schedule III of the Companies Act, 2013 to the extent applicable and the necessary details have been disclosed in the said statement as per the schedule.

2. SIGNIFICANT ACCOUNTING POLICIES:

Statement of Compliance

The Financial Statements of the company are prepared as per the Ind AS prescribed under section 133 of the Act read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company is governed by the provisions of the Companies Act, 2013.

The Accounting Policies have been consistently applied except a newly issued Accounting Standard which is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

Based on the nature of its activities, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

Amounts in the Financial Statements are presented in Rs. crores except for per share data and as otherwise stated. All exact amounts are stated with suffix "/-".

These Financial Statements are approved for issue by the Board of Directors of the company on 31.12.2021

2.1 Basis of preparation of Financial Statements

The Financial Statements of the Company are prepared under the Historical Cost convention on the accrual basis in accordance with Indian Accounting Standards (Ind AS) except for certain financial instruments which are measured at fair values as per the provisions of the Companies Act, 2013 (the Act).

2.2 Use of Estimates:

The preparation of Financial Statements in conformity with Ind AS requires the management of the company to make estimates, judgements and assumptions that affect the application of Accounting Policies, reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of Financial Statements and reported amounts of revenue and expenses during the period. The accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

Significant Accounting Policies:

2.3 Plant, Property and Equipment:

Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment if any. Historical cost includes purchase price and all attributable costs (freight and non refundable duties and taxes) for bringing the asset to working condition for intended use. Self constructed assets / addition to assets are taken into account after receiving the information from the competent authority.

Any profit/loss on sale, discard /disposal of an asset is charged to statement of profit and loss in the year. In case of purchase / addition of assets whose value \leq Rs.5000/- are charged to Profit & Loss Account.

Property held to earn rentals or for capital appreciation in which portions could be sold separately are accounted for as investment property or tangible asset as the case may be. If the portions could not be sold separately and if an insignificant portion is held for use for administrative purposes, such property is accounted as investment property.

Property in which insignificant portion is let out on rental basis to facilitate the operations of the business like post offices, banks etc., is accounted as tangible asset.

The cost of assets not put to use as at Balance Sheet date is disclosed under Capital Work-in-Progress.

The portion of land in Non-SEZs to the extent for which Lease Deeds are executed under Investment Property and the portion of land held for allotments on lease in Non-SEZs to the extent for which lease deeds are yet to be executed/ to be allotted under Inventory.

The lands in SEZ areas are exhibited under Investment Property irrespective of the execution of Lease Deed.

2.4 DEPRECIATION:

Depreciation on assets is charged on Straight Line method at the rates prescribed in schedule II of Companies Act, 2013.

In the case of any addition/transfer/deletion of an asset, depreciation is charged proportionately based on number of days, from the date when the asset is ready for intended use or till the date of disposal or transfer, as the case may be.

2.5 Financial Instruments

Initial Recognition

The company recognises financial assets and financial liabilities when it becomes party to the contractual provisions of the instrument. All financial assets and financial liabilities are recognised 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 liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Financial asset carried at amortised cost

A Financial Asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows under 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.

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 with in a business model whose objective is achieved by both by collecting contractual cash flows and selling financial asset under contractual terms of 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 is recognised in other comprehensive income.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss

Borrowings and other financial liabilities

Borrowings and other financial liabilities are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facility is recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. For trade and other receivables maturing one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of the instruments.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost in separate financial statements.

Impairment if any on investments is accounted for where there is permanent impairment

Share Capital

Ordinary shares are classified as equity. Incremental costs if any directly attributable to the issuance of new ordinary shares recognised as a deduction from equity.

De-recognition of financial instruments

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

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 reporting date. The methods used to determine fair values include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may never actually be realised.

For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short term maturity of these instruments.

2.7 IMPAIRMENT

Financial assets

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution and banks repayable on demand or maturity within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

Other current interest bearing deposits, principally comprising funds held with banks are carried at amortised cost using effective method. Gains and losses are recognised in profit and loss when the deposits are derecognised or impaired as well as through the amortisation process.

Trade and other receivables are stated at cost less allowance made for doubtful receivables, which approximates fair value given the short term nature of these assets. Provision for impairment of receivables (allowance for doubtful receivables) is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of the receivables.

Losses in respect of impairment in the value of investments if any are recognised in statement of Profit & Loss.

Non-financial assets

The company evaluates the impairment losses on the property, plant and equipment and intangible assets at the each reporting period where there is an indication that an asset may be impaired. Whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable and such assets are considered to be impaired, the impairment loss is then recognised for the amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the smallest level for which there are separate identifiable cash flows.

2.8 Inventories

Inventories and work-in-progress are valued at cost.

Inventories include land cost and development cost in respect of the lands other than those for which sale agreements and lease deeds pertaining to Non-SEZs are executed and development cost in respect of SEZs other than those for which lease deeds are executed.

Provision for write down if any, in value of materials, spares and other inventory is made from time to time as per an appropriate and prudent policy determined by the company.

2.9 Provisions and Contingencies

A Provision is recognised if as a result of a past event, the company has present legal or constructive obligation that is reasonably estimatable, and is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the company of a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and expected net cost of continuing with the contract. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are neither accounted for nor disclosed in the accounts.

2.10 Income Recognition

Income from sale of land, sheds and buildings is recognised on execution of sale agreement and handing over physical possession of the premises.

Lease income is recognised in the statement of Profit and Loss on the following lines:

A) Upfront cost of Land received in respect of Lease Deeds executed is being amortised over the lease term and revenue recognised accordingly considering the lease as operating lease.

B) Upfront cost of Infrastructure/ Development received in respect of Lease Deeds executed is recognised as revenue in the year in which the lease deeds are executed.

Processing fee, penal interest income on delayed payments towards land cost and dividend income are recognised on receipt basis.

Allotments cancelled on account of non fulfilment of terms and conditions as per the sale agreement are considered as sales returns.

2.11 Expenditure

Expenditure is accounted for on actual basis and provision is made for all known losses and liabilities unless stated otherwise.

2.12 Government Grants

Grants from the government are recognised only when there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government Grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented within other income.

2.13 Employee Cost and Retirement Benefits

Defined Contribution Plans

The Company makes defined contribution to the Provident Fund Trust under the provisions of Employee Provident Fund & Miscellaneous Provisions Act for provident fund and pension for the employees to the regional provident fund commissioner. The Company has no further obligation beyond the monthly contributions.

The contributions made by the employees towards Provident Fund are credited to APIIC Employees Provident Fund Trust. The company has obligation to make good the shortfall if any between the return from the investment of the Trust and the notified interest rate. The contribution, if any, towards such shortfall will be accounted for in the year in which it is made.

Defined Benefit Plans

Liability for Leave encashment benefits provided for all Employees is considered based on the actuarial Valuation made at the end of the year which is computed using projected unit credit method.

The interest income/ expenses are calculated by applying the discount rate to the net defined benefit liability or asset. The interest income/ expenses on the net interest income /expense on the net defined benefit liability or asset is recognised in the statement of Profit and loss.

Re-measurement gains and losses arising of experience adjustments and changes in actuarial assumptions are recognised 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. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss past service cost.

2.14 Borrowing cost

Borrowing cost (Interest etc.) that is directly attributable to the acquisition, construction or production of a qualifying capital asset is capitalised as part of the cost of that asset. The borrowing cost incurred on funds borrowed generally and used for the purpose of obtaining a qualifying capital asset, is capitalised applying a capitalisation rate on weighted average basis. Other borrowing costs are recognised as an expense in the period in which these are incurred.

2.15 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and loss, except when they relate to items that are recognised in the other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in the other comprehensive income or directly in equity respectively.

2.16 Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

2.17 Deferred Tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affect neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and they carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax asset shall be reviewed at the end of 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 income tax asset to be utilised.

Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances are to the same taxation authority.

2.18 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as on the date of the financial statements and the reported amounts of the revenue and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimate is revised if the revision affect only that period or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements

Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have materially adverse impact on our financial position or profitability.

Key Sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of receivables. The identification of doubtful debts requires use of judgements and estimates. When the expectation is different from the original estimate, such difference will impact the carrying value of the receivables and doubtful debt expenses in the period in which such estimate has been made.

Provision for bad and doubtful debts is made at 100% on sundry debtors exceeding 3 years in respect of water, rentals, hire purchase etc., for both principal and interest except deposit works.

Allowance for inventories

The management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow moving items. The management is satisfied that adequate allowance for obsolete inventories was made in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE F.Y 2019-20

3.1 BALANCE SHEET:

NON-CURRENT ASSETS

TANGIBLE ASSETS

NET BLOCK

	(Rs.in Crores)	
PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
LAND including Land Development	0.06	0.06
BUILDINGS	48.58	33.34
REFRIGERATORS, ACs AND AIR COOLERS	0.03	0.02
FURNITURE AND FIXTURES	4.14	4.19
OFFICE EQUIPMENT	0.20	0.21
VEHICLES	0.29	0.46
ELECTRICAL EQUIPMENT	0.25	0.11
DRAWING EQUIPMENT	0.00	0.00
COMPUTER	3.72	3.77
OTHER PLANT & MACHINERY	0.07	0.00
LAND - SEZ	0.00	138.90
LAND DEVELOPMENT - SEZ	0.00	47.06
BUILDING - SEZ	0.00	0.05
WATER SUPPLY - SEZ	0.00	4.42
SEWERAGE - SEZ	0.00	7.57
EXTERNAL ELECTRIFICATION - SEZ	0.00	0.78
ROADS AND BRIDGES - SEZ	0.00	0.00
SOLAR POWER PLANT	8.62	9.09
CURRENT YEAR	65.96	250.03
PREVIOUS YEAR	250.03	223.80

3.1.1 Land including Land Development

During the year, Land and Infrastructure Costs pertaining to Special Economic Zones to a tune of Rs.141.39 crores was transferred at historical cost to Investment Property from Plant, Property and Equipment as per Ind AS 40.

3.1.2 Buildings

The company purchased 6th floor (11840 sft) from APIDC on outright purchase basis for a consideration of Rs. 0.13 crores in the year 1979, subsequent additions made of Rs.0.59 crores and 4th floor (11867 sft) from APSSIDC for a consideration of Rs. 1.50 crores in the year 1998 in Parisrama Bhavan, Basheerbagh, Hyderabad. As per the AP Reorganisation Act, 2014 and the Demerger Scheme made thereunder, out of the total extent of 23,707 sft, an area of 9,881.08 sft (i.e., 41.68% of total area) in 6th floor book value of which is Rs.0.60 crores was transferred to TSILC Limited during the F.Y 2014-15. The 4th floor and the portion relating to the company in the 6th floor was shown under the head Buildings in Fixed Assets pending completion of registration formalities by the respective parties.

3.1.3 Vehicles

During the year, M/s Kia Motors Corporation handedover Four (04) motor cars manufactured by the unit established in the state at free of cost to the corporation and registered the four vehicles in the name of the corporation. The same was considered in the books of accounts at Re.1/- per vehicle and exhibited under Plant, Property and Equipment. The corporation has obtained insurance policy for the said four vehicles and the cost incurred for insurance policy is charged off in the accounts during the year.

3.1.4 Depreciation:

The depreciation is calculated based on the useful life of the asset as per the provisions of schedule II of the Companies Act, 2013. Accordingly, an amount of Rs.3.90 crores (Previous Year: Rs.3.82 crores) was charged to Profit and Loss statement.

3.1.5 SPECIAL ECONOMIC ZONES (SEZ):

The company was appointed as Nodal Agency for development of Special Economic Zones (SEZs) in Andhra Pradesh in respect of SEZs developed by the company as a developer. In respect of the allotments made under lease basis during the year and lease deeds executed, the upfront cost pertaining to land in respect of lease deeds executed is being recognised proportionately depending upon the lease period and lease rentals are accounted for as revenue.

The lands related to Special Economic Zones are exhibited under Investment Property as the same are held for allotment to Industrial Entrepreneurs on lease basis for development of SEZs. During the year, the cost of infrastructure incurred in respect of SEZs to the extent for which lease deeds are executed are charged off in the accounts.

3.1.6 There is no impairment of Fixed Assets during the year

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
3.2 RIGHT OF USE ASSETS			
Land	0.34	0.00	0.00
TOTAL	0.34	0.00	0.00

4.1 CAPITAL WORK IN PROGRESS

Construction of Incubation Centres etc.,

As per last Balance Sheet

Add: Additions during the period

Less: Adjustment against Grant/ Capitalisation

Sub-Total

Exploratory Work-in-progress

TOTAL

217.42	197.46	80.08
85.73	44.52	23.58
0.00	100.95	0.00
303.15	141.03	103.66
25.13	76.39	93.80
328.28	217.42	197.46

4.2 INVESTMENT PROPERTY

NET BLOCK

(Rs.in Crores)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
LAND	197.08	22.79
BUILDINGS	70.87	72.03
CURRENT YEAR	267.95	94.82
PREVIOUS YEAR	94.82	31.93

Land and Buildings held by the company for allotment on Lease/ Rental basis and in respect of those in which insignificant portion is held for administrative purpose are treated as investment property. In addition, the lands in SEZ areas are exhibited under Investment Property irrespective of the execution of Lease Deed.

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
4.3 OTHER INTANGIBLE ASSETS			
License from APPCB	0.05	0.00	0.00
TOTAL	0.05	0.00	0.00

5 FINANCIAL ASSETS (NON - CURRENT ASSETS)

5.1 INVESTMENTS

A INVESTMENTS IN EQUITY INSTRUMENTS

% of
Holding

INVESTMENTS IN SUBSIDIARY COMPANIES

- I. 3,85,03,775 equity shares of Rs.10/- each fully paid-up in Atchutapuram Effluent Treatment Limited
P.Y - 1,16,59,790 equity shares of Rs.10/- each.

72.32 0.00 11.66 7.22

INVESTMENTS IN JOINT VENTURES

- II. 25,00,000 equity shares of Rs.10/- each fully paid-up in NICDIT Krishnapatnam Industrial City Development Ltd.

50 2.50 2.47 0.00

- III. 2,20,27,071 equity shares of Rs.10/- each fully paid-up in Visakhapatnam Industrial Water Supply Company Ltd

49 35.57 5.11 0.00

INVESTMENTS IN ASSOCIATE COMPANIES

- IV. 52,00,000 equity shares of Rs.10/- each fully paid up in Ace Urban Hitech City Limited

26 0.63 0.08 0.00

- V. 26,000 equity shares of Rs.10/- each fully paid up in KP Agri Ware Housing Company Private Limited

26 0.00 0.01 0.00

- VI. 1,30,00,000 equity shares of Rs.10/- each fully paid up in Andhra Pradesh Aerospace & Defence Electronics Park Private Limited

26 11.91 12.14 0.00

	% of Holding	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
INVESTMENTS IN RELATED PARTY COMPANIES				
VII. 15,00,000 equity shares of Rs.10/- each full pad-up in Bharatiya International SEZ Ltd	11.05	1.50	1.50	1.50
VIII. 19,80,000 equity shares of Rs.10/- each fully paid-up in Ramky Pharma City (India) Ltd	11	1.98	1.98	1.98
IX. 58,70,849 equity shares of Rs.10/- each fully paid-up in AP Gas Distribution Corporation Limited	7.65	26.31	20.44	20.44
X. 17,32,104 equity shares of Rs.10/- each fully paid-up in Ace Urban Infocity Limited. includes 5,77,368 Bonus shares issued on May 12, 2003	6.42	1.15	1.15	1.15
XI. 12,145 equity shares of Rs.10/- each fully paid-up in Hyderabad Information Technology Venture Enterprises Ltd	4.86	0.01	0.01	0.01
XII. 2,429 equity shares of Rs.10/- each fully paid-up in Cyberabad Trustee Company (P) Ltd. Rs. 24,290/-	4.86	0.00	0.00	0.00
XIII. 22,30,961 equity shares of Rs.10/- each fully paid-up in Bhagyanagar Gas Limited	2.54	2.23	0.00	0.00
XIV. 44,000 equity shares of Rs.10/- each fully paid-up in Vizag IT Park Ltd	0.49	0.04	0.04	0.04
B. OTHER INVESTMENTS				
I. 449 Units of Rs.25,000/- each fully paid-up in Cyberabad Trustee Company (P) Ltd (HIVE FUND)		1.12	1.12	1.12
		84.95	57.71	33.46
Add: Deposit towards share application money				
A.P Aerospace & Defence Electronics Park P Ltd		0.00	0.00	13.00
Bhagyanagar Gas Ltd		0.00	2.39	2.39
APIIC Food Park (Krishna District) Limited		0.01	0.00	0.00
		84.96	60.10	48.85
Less: Provision for impairment of investments				
Ace Urban Hitech City Limited		4.91	5.20	5.20
Bharatiya International SEZ Limited		0.03	0.00	0.00
AP Gas Distribution Corporation Limited		0.02	0.00	0.00
TOTAL		80.00	54.90	43.65

5.1.1 Investment in AP Gas Infrastructure Corporation Pvt Limited :

As per the directions of Government of AP in G.O. Ms. No. 222 of Industries & Commerce (INF) Department dated 09.10.2009, the Corporation has acquired 51% of equity (Rs.27.17 crores) in Andhra Pradesh Gas Infrastructure Corporation (P) Ltd upto the end of the previous year.

An amount of Rs. 24.45 crores was written off in the books of accounts duly retaining Rs. 2.72 crores (i.e., 10% value in investment of 2,71,66,000 equity shares @ Rs. 10/- each) in the earlier years towards investment in APGIC as the subsidiary company had incurred losses continuously. Further, an amount of Rs.2.72 crores was provided towards impairment of investments during the previous year as the subsidiary has incurred further losses. In addition, an amount of Rs.1.24 crores released to APGIC for day to day expenses was provided as Bad Debts upto the end of the year (P.Y - Rs.1.24 crores).

5.1.2 Investment in Krishnapatnam International Leather Complex :

The Company invested an amount of Rs.0.05 crores in Krishnapatnam International Leather Complex Limited towards 51% of Equity upto the end of the year. Further, as a part of discounting of the loan given to KPILC, as per Ind AS-109: Financial Instruments, the fair value of the loan to an extent of Rs.1.75 crores is added to the original cost of investments and exhibited as Rs.1.80 crores as at the end of the year (Previous Year Rs. 1.80 crores).

5.1.3 Investments in Visakhapatnam Industrial Water Supply Company Limited :

The Company has allotted land for an extent of 120.305 Acres on Lease basis for a period of 32 Years for which an amount of Rs. 15.50 crores was received in the form of Equity Shares in earlier years. The Company invested an amount of Rs.6.53 crores in cash in the JV Company in earlier years.

5.1.4 Investments in Atchutapuram Effluent Treatment Limited :

The company has invested an amount of Rs.11.66 crores in Atchutapuram Effluent Treatment Limited towards 49% of equity upto the end of the year as per the orders of Government of Andhra Pradesh vide GO Ms No.135, dated 18.10.2016 of Industries and Commerce (Infra) Department for which Equity Shares were allotted. During the Year, it was decided to increase the share holding to 74% of the equity duly converting the loan component into Equity. Accordingly, 2,68,43,985 Equity Shares of Rs.10/- each were allotted to the company during the year making the total share holding as 72.32% upto the end of the year.

5.1.5 Investments in A.P Aerospace & Defence Electronics Park Pvt. Limited

The company has allotted an extent of 264.06 acres of land to M/s Andhra Pradesh Aerospace & Defence Electronics Park Private Limited in anantapuramu district for which part consideration worth Rs.13.00 crores towards 26% share was invested in the SPV as per the orders of Government of Andhra Pradesh vide G.O Ms. No.76, dated 14.09.2015 of Industries and Commerce (Infra) Department during the previous year. Accordingly, 1,30,00,000 equity shares of Rs.10/- each were allotted to the company during the year.

5.1.6 Investments in NICDIT Krishnapatnam Industrial City Development Limited

The company has invested an amount of Rs.2.50 crore towards 50% share in the SPV as per the orders of Government of Andhra Pradesh vide G.O RT No.133, dated 07.05.2018 of Industries and Commerce (Infra) Department.

5.1.7 Investments in KP Agri Ware Housing Company Private Limited

The company has invested an amount of Rs.0.26 crore towards 26% share in the SPV as per the orders of Government of Andhra Pradesh vide G.O Ms No.25, dated 09.02.2017 of Industries and Commerce (Infra) Department.

5.1.8 Investments in AP Gas Distribution Corporation Limited

The Company allotted an extent of Ac 0.587 cts at a total cost of Rs.5.87 crores for which 58,70,849 equity shares of Rs.10/- each were allotted during the year towards the land cost.

5.1.9 Investments in Bhagyanagar Gas Limited

The Company allotted an extent of Ac 2.90 cts at a total cost of Rs.2.23 crores for which 22,30,961 equity shares of Rs.10/- each were allotted during the year towards the land cost. The equity participation is made as per the G.O Ms No.234, dated 30.10.2009 of Principal Secretary to GoAP & CIP, I & C Dept.

5.1.10 Provision for Impairment of investments

An amount of Rs. 7.68 crores was provided towards impairment in the value of investments during the year (Previous Year - Rs.7.92 crores) in respect of investments made in certain Subsidiaries/ JVs as indicated at note no.5.1.

5.1.11 Investments transferred to TSII Limited :

The Investments held by the company in the following Subsidiary Companies/ Joint Ventures/ Associate Companies were transferred to TSII Limited during the Financial Year 2014-15 on location/ population basis mentioned against each including the provision for impairment of investments as a part of AP Reorganisation Act, 2014 and the Demerger Scheme made thereunder.

Pending approval of the demerger scheme by the Government of India, the share/ debenture certificates in respect of the investments apportioned to TSII Limited are in the name of APIIC Limited and continues to be in the name of APIIC Limited till approval of the Demerger Scheme by the Government of India.

Name of the Company	% of Holding	Amount (Rs. In crores)	Basis of allocation
1. Fab City SPV India Pvt Limited	89	0.01	Location
2. E City manufacturing Cluster Limited	100	0.01	Location
3. Maheswaram Science Park Limited	100	0.01	Location
4. Cyberabad Convention Centre Pvt Limited	26	38.48	Location
5. Boulderhills Leisure Pvt Limited	26	19.75	Location
6. Emmar Hills Township Pvt Limited	26	25.03	Location
7. K Raheja IT Park Limited	11	2.20	Location
8. Intime Properties Pvt Limited11	11	0.14	Location
9. Sundew Properties Pvt Limited	11	0.12	Location
10. CBT Towers Pvt Limited	11	20.94	Location
11. Patancheru Enviro Tech Pvt Limited	10	0.25	Location
12. Hyderabad Pharma Infrastructure & Technologies Limited	1	0.00	Location
13. Nano Tech Silican India Limited	20	0.47	Location
14. Debentures in CBT Towers Pvt Limited	--	159.06	Location
15. L& T Infocity Limited	4.58	0.83	Population
16. Hyderabad Information Technology Venture Enterprises Ltd	3.33	0.01	Population
17. Cyberabad Trustee Company Pvt Limited	3.33	0.00	Population
18. Cyberabad Trustee Company Pvt Limited (HIVE Fund)	--	0.80	Population

5.2 LOANS

Secured and Considered Good:

Loans & Advances to related Parties

Advances to Staff

Sub-total

Unsecured and Considered Good:

Loans & Advances to related Parties

Advances to Staff

Other Loans & Advances

Sub- Total

TOTAL

(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
86.67	120.34	124.91
1.46	1.73	1.30
88.13	122.07	126.21
55.98	90.54	65.28
0.06	0.07	0.07
483.04	253.72	3.47
539.08	344.33	68.82
627.21	466.40	195.03

5.2.1 RELATED PARTY TRANSACTIONS:

Name of The Transacting Related Party	Relationship	Volume of Transaction during The Year	Outstanding as on 31.03.2020	Amounts Written Off/ Written Back
1. AP Gas Infrastructure Corporation Pvt Limited	Subsidiary	0.11	1.93	0.00
2. Krishnapatnam International Leather Complex P Ltd	Subsidiary	2.39	29.29	0.00
3. Visakhapatnam Industrial Water Supply Company Acc. Interest on Secured Loan	Joint Venture	-31.26	114.02	0.00
4. Atchutapuram Effluent Treatment Limited	Joint Venture	0.00	0.00	0.00
5. Atchutapuram Effluent Treatment Limited (Acc. Interest)	Joint Venture	1.20	2.59	0.00
TOTAL		-27.56	147.83	0.00

5.2.2 Transactions relating to APIIC Food Park (Krishna District) Limited

As per the directions of DAG, O/o. AG (Audit), Vijayawada vide Lr. No: PAG(Audit) /AMG-II/A.ACs.APIIC/2021-22/49 dt: 14.10.2021. All the transactions upto the end of the year pertaining to APIIC Food Park (Krishna District) Limited are withdrawn on 31.03.2020 and necessary entries have been passed in the accounts of APIIC Ltd., to that effect.

The following are the details of the transactions withdrawn:

PARTICULARS	AMOUNT (Rs. in Crores)
1. Share Application Money	0.01
2. Advance paid to Consultant	(0.01)
3. Civil Work expenditure incurred on behalf of SPV	(71.10)
4. Interest on Loan - Capitalised	(0.33)
5. Income pertaining to SPV booked revenue during the year	0.45
6. Income pertaining to SPV booked revenue upto previous year	0.03
7. EMD/WHA/FSDs of Contractors pertaining to SPV	0.35
8. GoI Grant pertaining to SPV	34.20
9. Loan taken for SPV and Acc. Interest thereon	14.08
10. Unpaid Bills	0.66
11. Cash Book Balance of all 3 Accounts (4.20 + 3.17 + 0.01)	(7.38)
TOTAL	(29.04)
1. Due from SPV	(29.53)
2. Due to SPV	0.49
TOTAL	(29.04)

The value of land admeasuring Acre 57.45 cents of Rs. 3.16 crores pertaining to the SPV is retained in the books of APIIC Limited only as the land is neither physically handedover nor legally transferred to the SPV as on the date of Balance Sheet. Further, the amounts received from the entrepreneurs to a tune of Rs. 3.18 crores upto the end of the year towards allotment of land are retained in the books of APIIC Ltd only and the same will be transferred to the SPV on execution of lease deeds in favour of allottees as the legal liability vests with APIIC only till execution of Sale Agreement/ Lease Deed as per the Accounting Policy.

5.2.3 Loan to Kondapalli Effluent Treatment Limited:

The company has given a loan of Rs. 0.50 crores during the F.Y 2015-16 with applicable rate of interest @ 8% p.a repayable in 3 years after a moratorium period of 2 years. The loan is treated as arms length transaction and hence no discounting is made in this regard. The principal and interest accrued and due are yet to be received from the said company as at the end of the year.

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
5.3 OTHERS			
Public Deposit Account	1,448.30	1,326.59	1,527.55
Securities against Guarantees	16.55	0.20	0.20
Accrued int. on Fixed Deposits	0.43	0.04	0.03
Others	65.83	61.67	37.54
TOTAL	1,531.11	1,388.50	1,565.32

6 OTHER NON - CURRENT ASSETS

6.1 CURRENT TAX ASSETS (NET)	4.91	4.91	4.91
6.2 OTHER NON - CURRENT ASSETS			
Due from GoAP	24.33	0.00	0.00
Taxes paid under protest	56.22	47.99	47.59
Security Deposits (Unsecured)	0.53	0.49	0.48
Deposit towards Land Acquisition	717.70	621.06	611.59
Others	24.48	7.22	9.44
TOTAL	823.26	676.76	669.10

CURRENT ASSETS

7 INVENTORIES (As certified by the management)

Construction materials	0.46	0.44	0.44
Stock in trade - Land	2,988.94	3,224.27	2,820.21
Stock in Trade - Development	208.28	146.85	142.74
Stock in Trade - Development (Leased Lands)	12.11	0.00	0.00
Sub-Total	3,209.79	3,371.56	2,963.39
Work - in progress	435.73	214.79	387.25
TOTAL	3,645.52	3,586.35	3,350.64

7.1 Government Lands:

The company is taking possession of Government Lands at various places in the state pending alienation orders from the Government of Andhra Pradesh. Pending alienation orders, the lands taken possession are being capitalised in the Books of Accounts on provisional basis. Further, the Government of Andhra Pradesh vide G.O. Ms. No. 106 dated 16.03.2017 of Industries and Commerce Department ordered for allotment of government lands to the company at free cost. As such, the government lands taken possession during the year is capitalised provisionally at a nominal cost of Re. 1/- per acre pending alienation orders. Where specific alienation orders are received in respect of government lands handed over to the company during the year, the same were capitalised at the rate / amount mentioned in the alienation orders.

Stock in trade - Land includes the following lands which are under dispute.

NAME OF THE ESTATE	EXTENTIN ACRES	VALUE (Rs. in crores)
IP - RAMANNAPALEM, KAKINADA	2.48	0.25
	2.48	0.25

During the year, Land in Non-SEZs to the extent for which Lease Deeds are executed to a tune of Rs.67.07 crores was transferred at cost to Invetment Property from Inventory as per Ind AS 40.

8 FINANCIAL ASSETS	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
8.1 TRADE RECEIVABLES			
(Unsecured and Considered Good)			
Debts exceeding 12 months	62.93	60.88	52.06
Other debts	8.82	9.98	8.01
	71.75	70.86	60.07
Less: Provision for doubtful debts	8.02	7.42	9.20
TOTAL	63.73	63.44	50.87

The age wise analysis for the sundry debtors was done based on the date of invoice. Provision for doubtful debts is created as per Accounting Policy No.2.18 of the company. In respect of Deposit towards works undertaken, no provision was created towards bad and doubtful debts.

8.2 CASH AND BANK BALANCES	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
I) CASH AND CASH EQUIVALENTS			
Balance in Bank Accounts	74.26	41.96	49.32
Balance with Banks - Estates	13.59	0.66	2.53
Cash in Transit	0.00	0.00	2.94
Bank Deposits less than 3 months			
Fixed Deposits	170.00	109.37	32.34
Accrued interest on Fixed Deposits	10.22	6.34	1.04
SUB-TOTAL	268.07	158.33	88.17
II) BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS			
Earmarked Balances with Banks			
Bank Accounts - Govt. Grants	94.75	143.12	34.29
Bank Deposits more than 3 months and less than 12 months			
Fixed Deposits	496.09	521.99	326.61
Securities against Guarantees	7.93	3.16	6.40
Accrued interest on Fixed Deposits	8.73	12.15	5.96
SUB-TOTAL	607.50	680.42	373.26
TOTAL	875.57	838.75	461.43

8.2.1 Fixed Deposits include the following amounts held with the banks mentioned against each towards collateral Security in respect of Bank Guarantees arranged by the company upto the end of the year

NAME OF THE BANK	AMOUNT INVESTED	COLLATERAL SECURITY	FREE HOLD AMOUNT
Andhra Bank, Ring Road Branch, VJA	0.20	0.20	0.00
HDFC Bank, Gurunanak Colony Branch, VJA	3.91	3.91	0.00
Canara Bank, SME Branch, VJA	20.37	17.82	2.55
TOTAL	24.48	21.93	2.55

8.2.2 The accrued interest on fixed deposits for the year ending is calculated on simple interest rate basis.

8.3 LOANS	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
Secured and Considered Good:			
Loans & Advances to related Parties	0.72	0.23	57.71
Advances to Staff	0.34	0.33	0.31
Sub-total	1.06	0.56	58.02
Unsecured and Considered Good:			
Advances to Staff	0.01	0.02	0.03
Interest free Loans & Advances to Staff & Others	0.35	0.27	0.22
Sub-total	0.36	0.29	0.25
TOTAL	1.42	0.85	58.27

8.4 OTHERS			
Due from TSIIIC	8.33	4.33	5.14
Due from GoAP	0.00	0.00	27.69
Other Advances	0.41	2.55	1.57
TOTAL	8.74	6.88	34.40

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
9 OTHER CURRENT ASSETS			
Tax Deducted at Source	15.41	8.18	3.97
MAT Credit	3.59	3.21	3.21
Other advances	7.28	7.73	9.10
TOTAL	26.28	19.12	16.28

9.1 MAT Credit Receivable comprises of amounts relating to F.Y 2014-15 Rs.3.59 crores

10 AP REORGANISATION ADJUSTMENT ACCOUNT **225.62** **225.62** **225.62**

11 EQUITY SHARE CAPITAL

Authorised Capital	20.00	20.00	20.00
2,00,000 equity shares of Rs. 1000/- each			
Issued,Subscribed and Paid up Capital	9.52	9.52	9.52
Equity Shares of Rs. 1000/- each	0.00		0.00
Add: Subscriptions during the year			
Less: Adjustment as per AP Regorganisation Act, 2014 and Demerger Scheme thereunder (68,053 Equity Shares)	0.00		0.00
Total 95,222 equity shares of Rs. 1000/- each	9.52	9.52	9.52

11.1 Details of Shareholders holding more than 5% (percent) shares in the Company:

	As at 31st March, 2020 No. of shares	As at 31st March, 2019 No. of shares	As at 31st March, 2018 No. of shares
Governor of Andhra Pradesh (100% holding)	95222	95222	95222

11.2 The Company has only one class of shares i.e., equity shares ranking pari passu with all respects including entitlement of dividend, voting and repayment of capital. Each equity share carries one vote.

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
11.3 NON CONTROLLING INTEREST			
Atchutapuram Effluent Treatment Limited	13.66	0.00	0.00
A P Gas Infrastructure Corporation P Ltd	0.00	0.00	0.00
Krishnapatnam International Leather Complex P Ltd.	0.00	0.30	1.98
TOTAL	13.66	0.30	1.98

NON-CURRENT LIABILITIES:

12 FINANCIAL LIABILITIES

12.1 BORROWINGS - Secured

Term Loans from Banks	2,000.00	2,000.00	2,000.00
Long term maturities of Lease Obligation	0.38	0.00	0.00
Interest accrued but not due (Payable from 2022-23)	114.02	145.28	144.51
TOTAL	2,114.40	2,145.28	2,144.51

12.1.1 Loan from NTPC and RINL:

As per the minutes of VIWSCO Board meeting dated 19.11.2012, loans drawn from RINL, NTPC & VMC were restructured by VIWSCO. As per the restructuring plan i) rate of interest is 10% pa on principal outstanding, ii) Loan is repayable in ten equal yearly instalments commencing from 2012-13, iii) Outstanding interest and outstanding penal interest as on 31.03.2011 together called as "Funded Interest" payable in ten equal yearly instalments starting from 2012-13, iv) Yearly interest payment commencing from 2012-13 is deferred till loan amount is fully paid by 2021-22 as "Deferred yearly interest, v) Deferred yearly interest outstanding as on 31.03.2022 is payable in five equal yearly instalments commencing from 2022-23, vi) Funded interest and deferred yearly interest will not carry any interest. The Government of Andhra Pradesh vide G.O. Ms. No.24, Dt:25.02.2016 accepted the proposal as agreed in the minutes of the meeting held on 19.11.2012 duly approving the agreed terms and conditions for repayment of loan, outstanding interest, penal interest and yearly interest. The supplementary agreements are to be executed by the company.

VIWSCO is directly servicing the loan to RINL and NTPC from time to time and no entries are passed in the books of accounts of APIIC for servicing of interest as it has no impact on the Profit and Loss statement. The figures adopted are from the annual accounts of VIWSCO by making necessary entries in the books of accounts during the year and the loans from RINL and NTPC includes accrued interest repayable from 2022-23.

"VIWSCO has created the first charge on its assets to RINL and NTPC for the loan amount.

As at the beginning of the year, there is no outstanding balance due towards principal in respect of RINL, NTPC and GVMC.

12.1.2 Loan from Banks

During the previous year, an amount of Rs.2,000.00 crores was borrowed as long term loan for land acquisition and infrastructure development in four projects at monthly MCLR with repayment period of 12 years after completion of moratorium period of 3 years from the date of availment from the following three banks. The Government of Andhra Pradesh have given Guarantee for principal and interest thereon in respect of the loans availed from all the three banks vide G.O. Ms No.83 dated 06.06.2017 of Industries and Commerce (Infra) Department

NAME OF THE BANK	PRINCIPAL & ACCRUED INTEREST THEREON		
	2019-20	2018-19	2017-18
Union Bank of India (Principal - Rs.500 crores)	503.27	503.55	500.00
Canara Bank (Principal - Rs.750 crores)	750.00	750.00	750.50
Bank of India (Principal - Rs.750 crores)	750.00	756.08	750.04
TOTAL	2,003.27	2,009.63	2,000.54

Government of Andhra Pradesh while giving Guarantee to the banks for the loan amount of Rs.2,000.00 crores requested the company to remit Guarantee Commission @ 2% on the total loan amount. Accordingly an amount of Rs.10.00 crores was remitted to the account of the Government during the previous year towards Guarantee Commission on loan availed from Union Bank of India and the balance amount of Rs.30.00 crores was adjusted during the previous year against the amount due from Government of Andhra Pradesh towards expenditure incurred in respect of Somasila Water Supply Scheme.

Out of the total loan amount, an amount of Rs.520.00 crores was held with the corporation and Rs.1,480.00 crores was deposited in the PD Account of the corporation as per the instructions of the Government of Andhra Pradesh vide Lr. No.21025/23/CM/2017, dated 02.01.2018 of Finance (DM) Department. The interest component on the loan amount deposited in the PD Account is being serviced by Government of Andhra Pradesh by release of amount to the PD Account of the company. Accordingly, during the year an amount of Rs.335.99 crores was received from GoAP out of which Rs.252.95 crore is available. The same is exhibited as Due to GoAP under Other Current Liabilities (Financial).

An amount of Rs.354.75 crores was incurred towards land acquisition and others out of the loan amount upto the end of the year Further,

An amount of Rs.410.35 crores was incurred towards land acquisition and infrastructure works for KIA Motors as per the instructions of Government of Andhra Pradesh vide G.O. Ms No.125 dated 14.09.2017 of Industries and Commerce (Infra) Department upto the end of the year.

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
12.2 OTHER FINANCIAL LIABILITIES			
Due to GoAP - Land	1,019.93	1,165.82	712.61
Other Liabilities	42.54	33.28	61.44
TOTAL	1,062.47	1,199.10	774.05
13 PROVISIONS			
Provision for leave Benefits			
As per the last balance sheet	9.54	10.54	11.28
Add: Additions during the year	0.00	9.54	10.54
Less: Payments/adjustments during year	0.00	10.54	11.28
TOTAL	9.54	9.54	10.54

13.1 The Board of APIIC authorised the Vice Chairman and Managing Director of both the divisions to finalise the modalities and allocation of employees in its 202nd meeting held on 26.03.2015. Accordingly, final allocation of employees to APIIC Limited and TSIIC Limited was made which is subject to scrutiny and approval of the committee appointed/ guidelines issued if any by the Central Government for allocation of employees of PSUs. The assignment of division of employees was entrusted to the expert committee vide G.O. Rt. No. 2066, Dt: 26.09.2016.

The Final Allocation of Employees between APIIC Limited and TSIIC Limited was approved by the Expert Committee on 21.08.2018. The same was forwarded by the Government of Andhra Pradesh to the Government of India for concurrence. Pending concurrence from Government of India, the provision in respect of leave benefits was made in respect of the employees allocated and working in APIIC Limited as at the end of the Financial Year.

14 DEFERRED TAX LIABILITIES (NET)

As per Indian Accounting Standards (Ind AS - 12) on Income Taxes, the deferred tax liability as on 31st March comprises the following:

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
Deferred Tax Liability	5.59	6.13	4.39
Less: Deferred Tax Asset	2.60	3.61	4.03
Net Deferred Tax Liability (Asset)	2.99	2.52	0.36

15 OTHER NON - CURRENT LIABILITIES

Funds from ITE & C Department	57.80	29.67	48.93
Deposit towards works undertaken	212.78	283.61	285.64
Deposits towards Lease Premium - SEZ & NON SEZ	949.06	996.88	974.24
Land Conversion Charges	262.93	262.93	262.93
Other liabilities	290.52	153.60	185.20
TOTAL	1,773.09	1,726.69	1,756.94

15.1 Construction of Incubation Centres, Millenium Towers etc.:

Information Technology, Electronics and Communication Department, Government of Andhra Pradesh have released the following amounts for undertaking various works like Construction of Incubation Centres, Millenium Towers, Electronic Manufacturing Cluster etc., which is as follows:

	(Rs.in Crores)	
SCHEME	2019-20	2018-19
IT Business Centre, Tirupati	0.00	1.20
IT Layout, Mangalagiri	0.00	0.00
TOTAL	0.00	1.20

An amount of Rs. NIL (Previous Year Rs.NIL) towards expenditure incurred for construction of IT Incubation Centers was adjusted during the year against the grants received from ITE & C Department, Government of Andhra Pradesh since the incubation centers are ready for use and are operational.

15.1 Deposit towards works undertaken:

The Company has been executing civil works on behalf of various Departments/ Undertakings of State and Central Governments. These works which are in various stages of completion are in possession of the Company and they are to be handed over to the respective Departments after their completion. The amounts of unspent balance outstanding are shown under Deposits towards works undertaken.

15.2 Land Conversion Charges:

"As per the AP Non Agricultural Land (conversion for non agricultural purpose) Act, 2006, conversion charges are payable by the owner or occupier for conversion of agricultural land. The company sought exemption from the Government of Andhra Pradesh from levy of conversion charges for the lands acquired by the company. Pending receipt of decision of the Government, an amount of Rs.262.93 crores was retained in the books of accounts towards conversion charges. However the company has not made provision for conversion charges where lands are allotted on as is where is basis (UDL) as the allottees are required to pay / seek exemption in respect of conversion charges.

During the year 2018, section 7 of the AP Non Agricultural Land (conversion for non agricultural purpose) Act, 2006 was amended as in section 7 of the principal Act, after item (f), the following item shall be added namely - (g) Lands

allotted to the Andhra Pradesh Industrial Infrastructure Corporation (APIIC)". Accordingly, the Government of Andhra Pradesh issued notification vide G.O Ms. No.98, dated 19.02.2018. Accordingly, no provision was made towards conversion charges in books of accounts from the F.Y 2015-16 to 2017-18.

The corporation has requested GoAP for clarification on non applicability of conversion charges to APIIC Limited with retrospective effect. Pending clarification, the existing provision as at the end of the previous year is retained in the Books of Accounts.

15.3 Assistance to States For Developing Export Infrastructure & Allied Activities (ASIDE):

The Government of India formulated a scheme namely "Assistance to States For Developing Export Infrastructure & Allied Activities (ASIDE)" for involvement of States in export efforts. Under this scheme, funds to the State are directly disbursed to State Level Nodal Agency by Government of India. In this process, no funds were received from Government of India during the year and previous year.

15.4 Industrial Infrastructure Upgradation Fund (IIDF):

Government of Andhra Pradesh created a fund called IIDF for taking up infrastructure works wherever there is no provision to take up such works under regular budget. Under this Scheme, no funds were received from Government during the year and previous year.

15.5 Grants received from Government of India for implementation of projects / schemes

The Government of India have sanctioned various projects/ Schemes for which grants were received by the corporation the details of which are as follows:

(Rs.in Crores)			
SCHEME	2019-20	2018-19	2017-18
MIIUS, Hindupur	0.00	0.00	5.76
EMC-II, Vikruthamala	0.00	22.29	0.00
Mega Food Park, Mallavalli	4.20	15.00	15.00
MSECDP	2.00	12.00	0.00
JRD Tata	0.00	0.00	1.55
TOTAL	6.20	49.29	22.31

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
CURRENT LIABILITIES			
16 FINANCIAL LIABILITIES			
16.1 BORROWINGS			
Accrued interest on Loan from Banks	3.27	9.63	0.34
TOTAL	3.27	9.63	0.34
16.2 TRADE PAYABLES			
Trade Payables	117.86	30.18	0.21
TOTAL	117.86	30.18	0.21
16.3 OTHER FINANCIAL LIABILITIES			
Other Liabilities	595.95	320.66	224.19
Current maturities of long term Debt	0.00	0.00	46.00
Interest accrued and due on borrowings	0.00	0.00	13.00
TOTAL	595.95	320.66	283.19
16.3.1 The partywise schedules in respect of deposits received from allottees is under review and reconciliation. Deposits received from allottees includes EMD of Rs.84.65 crores (Previous Year - Rs.73.35 crores).			
17 OTHER CURRENT LIABILITIES	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
Deposits received from allottees	1,402.77	1,370.02	1,177.91
Other Current Liabilities	30.36	41.91	42.35
TOTAL	1,433.13	1,411.93	1,220.26
The company sold industrial plots at Visakhapatnam on behalf of M/s Vizag Apparel Park. Accordingly, an amount of Rs.5.60 crores is included in other current liabilities as Due to textile department i.e., M/s Vizag Apparel Park. The same is under reconciliation with the company.			
18 PROVISIONS	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
(a) PROVISION FOR EMPLOYEE BENEFITS			
18.1 Provision for leave Benefits			
As per the last balance sheet	0.80	1.10	1.10
Add: Additions during the year	0.00	0.80	1.10
Less: Payments/adjustments during year	0.00	1.10	1.10
SUB-TOTAL	0.80	0.80	1.10
(b) OTHERS	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
18.2 Provision for PS charges			
As per the last balance sheet	2.24	2.51	3.11
Add: Additions during the year	6.96	0.58	3.60
Less: Payments/adjustments during year	3.59	0.85	4.20
SUB-TOTAL	5.61	2.24	2.51
18.3 Provision for Contractual Obligations			
As per the last balance sheet	674.00	644.25	536.77
Add: Additions during the year	1,043.30	674.00	644.25
Less: Adjustments made during year	674.00	644.25	536.77
SUB-TOTAL	1,043.30	674.00	644.25

	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
18.4 Provision for taxation			
As per the last balance sheet	12.57	1.49	20.70
Add: Additions during the year	7.37	11.66	0.65
Less: Payments/adjustments during year	0.00	0.58	19.86
SUB-TOTAL	19.94	12.57	1.49
18.5 Provision for Writedown of Inventories			
As per the last balance sheet	0.81	0.81	0.46
Add: Additions during the year	0.00	0.00	0.35
Less: Payments/adjustments during year	0.08	0.00	0.00
Sub-total	0.73	0.81	0.81
18.6 Other Provisions			
As per the last balance sheet	1.08	1.17	0.04
Add: Additions during the year	0.36	1.08	1.17
Less: Payments/adjustments during year	0.00	1.17	0.04
Sub-total	1.44	1.08	1.17
TOTAL	1,071.82	691.50	651.33

18.7 Provision for write down of inventories was made in earlier years towards old balances of Inventories, Hire Purchase Sheds and Houses - Stock included under inventories (refer note no. 7)

18.8 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

(Rs.in Crores)

S.No.	PARTICULARS	31.03.2020 (Rs.in crores)	31.03.2019 (Rs.in crores)	01-04-2018 (Rs.in crores)
a.	Claims against the company not acknowledged as debts	0.00	0.00	0.00
b.	Guarantees	3.11	3.16	6.60
c.	<u>Other money for which the company is contingently liable :</u>			
	i) Income Tax Demands	18.61	18.58	3.68
	ii) Service Tax Demands	0.16	0.00	5.45
	iii) Legal cases	733.75	886.15	754.30
	iv) Conversion Charges	574.61	552.41	552.41
	TOTAL	1,327.13	1,457.14	1,315.84
	GRAND TOTAL	1,330.24	1,460.30	1,322.44

Commitments

(Rs.in Crores)

S.No.	PARTICULARS	31.03.2020 (Rs.in crores)	31.03.2019 (Rs.in crores)	01-04-2018 (Rs.in crores)
a.	Other Commitments	305.36	101.86	71.66
	Total	305.36	101.86	71.66

19 REVENUE FROM OPERATIONS

(Rs.in Crores)
As at 31-3-2020

(Rs.in Crores)
As at 31-3-2019

Sale of Land, Sheds, lease etc... less Sales Returns	492.70	306.17
Lease and other rental income	14.59	19.20
Water Demands	37.17	33.57
Interest on Hire Purchase, ORS and lease	9.77	5.66
Other Operating Revenue	11.74	10.75
TOTAL	565.97	375.35

20 OTHER INCOME

Interest Income	49.68	44.11
Dividend	0.03	0.42
Other non operating income	69.67	13.39
Income/ (Loss) from Joint Ventures/ Associates	30.80	4.28
TOTAL	150.18	62.20

EXPENDITURE	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019
COST OF SALES		
Cost of sales - Land, Sheds & Lease	485.00	237.88
Cost of sales - Houses/ Buildings	0.00	0.00
TOTAL	485.00	237.88
EMPLOYEE BENEFITS EXPENSE		
Salaries and Allowances	32.67	29.47
Contribution towards Provident and other Funds	2.25	2.16
Contribution to Group Gratuity Premium	0.00	4.98
Staff Welfare Expenses	1.04	1.43
TOTAL	35.96	38.04

22.1 Salaries and Allowances includes managerial remuneration to Directors

22.2 The Company is holding a policy with Life Insurance Corporation of India for payment of Gratuity to the employees retired on attaining the age of super annuation or expired during the service for which the company pays annual premium to LIC of India which is charged off in the accounts.

Further, the Government of India vide Notification No.1283, dated 29.03.2018 issued orders that the amount of gratuity payable to an employee under the said act shall not exceed Twenty lakh rupees. The corporation has considered payment of gratuity as per the provisions of the Payment of Gratuity Act since inception. During the previous year, an amount of Rs.4.97 crore was provided in the books of accounts towards additional liability towards enhancement of Gratuity from Rs. 0.10 crore to Rs.0.20 crore.

	For the year 2019-20 (Rs. in crores)	For the year 2018-19 Rs. in crores
22.3 Managerial Remuneration to Directors		
	0.59	0.50
Salaries and Allowances	0.02	0.00
Medical Expenses	0.02	0.07
Rent	0.63	0.57
TOTAL		
	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019
23 FINANCE COST		
Interest on Term Loans from banks	56.60	53.23
Interest cost on Lease Liability	0.04	0.00
TOTAL	56.64	53.23
24 OTHER EXPENSES		
(a) Rebate to allottees on Land Cost	12.29	10.59
(b) Repairs and Maintainance	0.53	0.57
(c) Expenditure on ERP & Others	0.82	1.16
(d) ADMINISTRATION & GENERAL EXPENSES		
Travelling Expenses	0.52	0.66
Rent	0.31	0.70
Rates and taxes	0.05	0.07
Vehicle maintenance	2.54	2.64
Electricity charges	3.98	3.57
Water charges	17.78	17.24
R&M - Estates, Preliminary Land Survey Etc.,	3.46	1.04
Insurance	0.03	0.01
Expenditure on Social Welfare	0.15	0.56
Provision for impairment of investments	0.00	0.00
Other expenses	30.27	29.67
SUB-TOTAL	59.09	56.16
TOTAL (a + b + c + d + e)	72.73	68.48

		(Rs.in Crores)	
24.1	Other Administrative expenses includes the following auditors' remuneration:	For the year 2019-20 Rs. in Lakhs	For the year 2018-19 Rs. in Lakhs
	Statutory Audit fee	3.00	3.00
	Out of pocket expenses	0.50	0.50
	Fee for Audit of Consolidation of Accounts	1.50	1.50
	Others	0.30	0.30
	TOTAL	5.30	5.30

24.2 Outstanding provision in respect of expenditure is made excluding GST component as input tax credit will be claimed at a later date as per the provisions of GST Act.

24.3 No provision was made in the Books of Accounts during the year and previous year towards Payment of Interest on GST duly adjusting the Input Tax Credit to the Output GST as per the company's calculations which will be finalised on completion of GST Audit and filing of GST Annual Return for the F.Y 2019-20.

24.4 As per section 135 of the Companies Act, 2013, the company is required to spend an amount of Rs. 0.33 crores during the year (P.Y - Rs.0.57 crores) towards expenditure on Corporate Social Responsibility. Accordingly, during the year an amount of Rs.0.55 crore (P.Y - Rs.1.10 crore) was spent towards Corporate Social Responsibility for construction of rythu bazar, cremation shelter, anganvadi schools and community halls at Veduruwada and Dibbapalem, Visakhapatnam.

25 Reconciliation of comparative figures after regrouping and withdrawal of transactions pertaining to APIIC Food Park (Krishna District) Limited

		(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
I	ASSETS			
	Non - Current Assets			
	Financial Assets			
	Loans (Note No.5.2)			
	-- Previous balances	597.67	423.01	179.31
	-- After regrouping	597.67	423.01	179.31
	-- After withdrawal of Food Park transactions	627.21	466.40	195.03
	RE-GROUPNG DIFFERENCE	0.00	0.00	0.00
	FOOD PARK TRANSACTIONS DIFFERENCE	(29.54)	(43.39)	(15.72)
	TOTAL DIFFERENCE - A	(29.54)	(43.39)	(15.72)

II	ASSETS			
	Non - Current Assets			
	Financial Assets			
	Others (Note No.5.3)			
	-- Previous balances	190.22	61.91	37.77
	-- After regrouping	1,531.11	1,388.50	1,565.32
	-- After withdrawal of Food Park transactions	1,531.11	1,388.50	1,565.32
	RE-GROUPNG DIFFERENCE	(1,340.89)	(1,326.59)	(1,527.55)
	FOOD PARK TRANSACTIONS DIFFERENCE	0.00	0.00	0.00
	TOTAL DIFFERENCE-B	(1,340.89)	(1,326.59)	(1,527.55)

III	ASSETS			
	Non - Current Assets			
	Other Non - Current Assets			
	Other Non - Current Assets (Note No.6.2)			
	-- Previous balances	823.27	676.77	669.10
	-- After regrouping	823.27	676.77	669.10
	-- After withdrawal of Food Park transactions	823.26	676.76	669.10
	RE-GROUPNG DIFFERENCE	0.00	0.00	0.00
	FOOD PARK TRANSACTIONS DIFFERENCE	0.01	0.01	0.00
	TOTAL DIFFERENCE-C	0.01	0.01	0.00

IV ASSETS	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
Current Assets			
Inventories (Note No.7)			
-- Previous balances	3,716.85	3,636.03	3,363.78
-- After regrouping	3,716.85	3,636.03	3,363.78
-- After withdrawal of Food Park transactions	3,645.52	3,586.35	3,350.64
RE-GROUPNG DIFFERENCE	0.00	0.00	0.00
FOOD PARK TRANSACTIONS DIFFERENCE	71.33	49.68	13.14
TOTAL DIFFERENCE-D	71.33	49.68	13.14

V ASSETS

Current Assets			
Financial Assets			
Cash and Cash Equivalents (Note No.8.2)	2,223.84	2,193.74	2,001.80
-- Previous balances	882.95	867.15	474.25
-- After regrouping	875.57	838.75	461.43
-- After withdrawal of Food Park transactions	1,340.89	1,326.59	1,527.55
RE-GROUPNG DIFFERENCE	7.38	28.40	12.82
FOOD PARK TRANSACTIONS DIFFERENCE	1,348.27	1,354.99	1,540.37
TOTAL DIFFERENCE-E			
NET DIFFERENCE IN ASSETS (A+B+C+D+E)	49.18	34.70	10.24

The balance in the PD Account of the corporation is regrouped from Cash and Cash Equivalents to Other Non-Current Assets during the year as per the suggestion of O/o the Principal Accountant General, Hyderabad.

VI EQUITY AND LIABILITIES	(Rs.in Crores) As at 31-3-2020	(Rs.in Crores) As at 31-3-2019	(Rs.in Crores) As at 01-4-2018
Equity			
Other Equity			
-- Previous balances	370.56	337.53	275.32
-- After regrouping	370.56	337.53	275.32
-- After withdrawal of Food Park transactions	367.86	337.51	275.28
RE-GROUPNG DIFFERENCE	0.00	0.00	0.00
FOOD PARK TRANSACTIONS DIFFERENCE	2.70	0.02	0.04
TOTAL DIFFERENCE-F	2.70	0.02	0.04

VII EQUITY AND LIABILITIES

Non - Current Liabilities			
Financial Liabilities			
Other Financial Liabilities (Note No.12.2)			
-- Previous balances	1,059.63	1,190.71	754.45
-- After regrouping	1,059.63	1,203.79	769.26
-- After withdrawal of Food Park transactions	1,062.28	1,199.12	774.07
RE-GROUPNG DIFFERENCE	0.00	(13.08)	(14.81)
FOOD PARK TRANSACTIONS DIFFERENCE	(2.65)	4.67	(4.81)
TOTAL DIFFERENCE-G	(2.65)	(8.41)	(19.62)

VIII EQUITY AND LIABILITIES

Non - Current Liabilities			
Other Non - Current Liabilities (Note No.15)			
-- Previous balances	1,807.29	1,756.69	1,771.94
-- After regrouping	1,807.29	1,756.69	1,771.94
-- After withdrawal of Food Park transactions	1,773.09	1,726.69	1,756.94
RE-GROUPNG DIFFERENCE	0.00	0.00	0.00
FOOD PARK TRANSACTIONS DIFFERENCE	34.20	30.00	15.00
TOTAL DIFFERENCE-H	34.20	30.00	15.00

IX EQUITY AND LIABILITIES

Current Liabilities

Financial Liabilities

Borrowings (Note No.16.1)

-- Previous balances

-- After regrouping

-- After withdrawal of Food Park transactions

RE-GROUPNG DIFFERENCE**FOOD PARK TRANSACTIONS DIFFERENCE****TOTAL DIFFERENCE-I****(Rs.in Crores)**
As at 31-3-2020**(Rs.in Crores)**
As at 31-3-2019**(Rs.in Crores)**
As at 01-4-2018

17.35

9.63

0.34

17.35

9.63

0.34

3.27

9.63

0.34

0.00**0.00****0.00****14.08****0.00****0.00****14.08****0.00****0.00****X EQUITY AND LIABILITIES**

Current Liabilities

Financial Liabilities

Trade Payables (Note No.16.2)

-- Previous balances

-- After regrouping

-- After withdrawal of Food Park transactions

RE-GROUPNG DIFFERENCE**FOOD PARK TRANSACTIONS DIFFERENCE****TOTAL DIFFERENCE-J**

118.49

30.19

0.22

118.49

30.19

0.22

117.86

30.18

0.21

0.00**0.00****0.00****0.63****0.01****0.01****0.63****0.01****0.01****XI EQUITY AND LIABILITIES**

Current Liabilities

Financial Liabilities

Other Financial Liabilities (Note No.16.3)

-- Previous balances

-- After regrouping

-- After withdrawal of Food Park transactions

RE-GROUPNG DIFFERENCE**FOOD PARK TRANSACTIONS DIFFERENCE****TOTAL DIFFERENCE-K**

595.95

333.74

298.00

595.95

320.66

283.19

595.95

320.66

283.19

0.00**13.08****14.81****0.00****0.00****0.00****0.00****13.08****14.81****XII EQUITY AND LIABILITIES**

Current Liabilities

Other Current Liabilities (Note No.17)

-- Previous balances

-- After regrouping

-- After withdrawal of Food Park transactions

RE-GROUPNG DIFFERENCE**FOOD PARK TRANSACTIONS DIFFERENCE****TOTAL DIFFERENCE-L**

1,433.16

1,411.93

1,220.26

1,433.16

1,411.93

1,220.26

1,433.13

1,411.93

1,220.26

0.00**0.00****0.00****0.03****0.00****0.00****0.03****0.00****0.00****XIII EQUITY AND LIABILITIES**

Current Liabilities

Provisions (Note No.18)

-- Prior to regrouping

-- After regrouping

-- After withdrawal of Food Park transactions

RE-GROUPNG DIFFERENCE**FOOD PARK TRANSACTIONS DIFFERENCE****TOTAL DIFFERENCE - M**

1,072.01

691.50

651.33

1,072.01

691.50

651.33

1,071.82

691.50

651.33

0.00**0.00****0.00****0.19****0.00****0.00****0.19****0.00****0.00****NET DIFFERENCE IN EQUITY AND LIABILITIES****(F+G+H+I+J+K+L+M)****49.18****34.70****10.24**

The balances towards EMDs and FSDs payable to the contractors as per the terms of the agreements are regrouped due to merging of two ledger accounts of like nature.

26 Demerger Scheme:

The business of the company was reorganised and segregated into Andhra region and Telangana region as per the provisions of the AP Reorganisation Act, 2014, w.e.f 02.06.2014 consequent to bifurcation of the erstwhile state of Andhra Pradesh. A new company namely TSIIC Limited was incorporated on 04.09.2014 under the Companies Act, 2013 and took over the Telangana Division of APIIC w.e.f 02.06.2014.

The company prepared demerger scheme as per the provisions of AP Regorganisation Act, 2014 and the same was approved by the joint Board represented by the Govt. of Andhra Pradesh and Telangana in its 199th meeting held on 02.05.2014 and 202nd meeting held on 26.03.2015 duly authorising the Vice Chairman and Managing Directors of both AP and TS Divisions to make necessary modifications. The same was reviewed and approved by the expert committee constituted by the Government for the purpose and was sent to both the Governments for approval vide its letter dated 16.05.2015.

The Board of APIIC further authorised the Vice Chairman and Managing Director of both the divisions to finalise the modalities and allocation of employees in its 202nd meeting held on 26.03.2015. Accordingly, final allocation of employees to APIIC Limited and TSIIC Limited was made which is subject to scrutiny and approval of the committee appointed/ guidelines issued if any by the Central Government for allocation of employees of PSUs. The assignment of division of employees was entrusted to the expert committee vide G.O. Rt. No. 2066, Dt: 26.09.2016.

The orders on approval of the Demerger Scheme is yet to be issued by the Government (s). Pending issue of orders from both the Governments, the assets, liabilities, employees and proceedings of Telangana were transferred and vested with TSIIC Limited. The Accounts were prepared considering the demerger scheme approved by the expert committee and necessary entries were made in the books of accounts accordingly. The entries made are subject to review, reconciliation and modification.

The Assets and Liabilities pertaining to operational units were apportioned on location basis and pertaining to Head Quarters were apportioned on population basis. Investments are apportioned on location basis where the projects are located in a specific region and in case of projects having multiple units falling within the territories of states of Andhra Pradesh and Telangana on population basis.

Book value of total assets of Rs. 3,734.90 crores and liabilities of Rs. 3,509.31 crores as on 01.06.2014 were transferred and vested with Telangana region i.e., TSIIC Limited as a part of bifurcation of the state, the details of which are mentioned below. As per the Demerger Scheme, an amount of Rs. 225.60 crores is receivable from TSIIC Limited which is shown under AP Reorganisation adjustment A/c.

EQUITY AND LIABILITIES	(Rs. In crores)
1. Share Capital:	6.81
2. Reserves and Surplus:	203.09
3. Long term borrowings:	24.29
4. Other Long term liabilities:	246.42
5. Long term provisions:	5.09
6. Trade Payables:	0.58
7. Other current liabilities:	2,778.95
8. Short term Provisions:	244.07
9. AP Reorganisation adj. account:	225.60
TOTAL EQUITY AND LIABILITIES	3,734.90
ASSETS	(Rs. In crores)
1. Tangible Assets:	128.13
2. Non-current Investments:	267.36
3. Long term loans and advances:	1,744.29
4. Inventories:	1,440.59
5. Trade receivables:	18.51
6. Cash and Cash equivalents:	51.30
7. Short term loans and advances:	1.11
8. Other Current Assets:	83.61
TOTAL ASSETS	3,734.90

27 The Government of Andhra Pradesh entrusted certain Local Authority powers to the Company like collection of Property Tax, maintainance of Common facilities in respect of certain Industrial Parks and Industrial Development Areas. The local authority powers are vested with APIIC Industrial Area Local Authority (IALA) for each industrial area and the income and expenditure in this regard is being accounted for in the books of accounts maintained by the respective IALAs and hence not accounted for in the accounts of the Company.

28 Loan from RINL and NTPC are in substance guarantee by the company to RINL and NTPC on behalf of VIWSCO and Govt. of AP. There are no net cash flows in this regard.

29 Basis of Consolidation

Subsidiaries are entities (including special purpose entities) that are controlled by the Company. The Company determines the basis of control in line with the requirements of Ind AS 110, Consolidated Financial Statements. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the equity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. For the purpose of preparing the consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

Joint arrangements are those arrangements over which the Company has joint control, established by contractual agreement and require unanimous consent for strategic financial and operating decisions. A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. A joint venture is joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Associates are those entities over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies. Significant influence is generally presumed to exist when the Company holds between 20% and 50% of the voting power of another entity.

Investments in associates and joint ventures are accounted for using the equity method (equity accounted investees) and are initially recognized at cost. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to zero and the recognition of further losses are discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing the consolidated financial statements. Unrealised gains or losses arising from the transaction with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

30 Financial Information of Subsidiary Companies:

Andhra Pradesh Gas Infrastructure Company Limited (APGIC) :

Particulars	Rupees in Crores		
	31.03.2020	31.03.2019	31.03.2018
Authorised Share Capital (10,00,00,000 Equity Shares of Rs. 10/- each)	100.00	100.00	100.00
Issued,Subscribed and paid up capital: (4,00,00,000 Equity Shares of Rs. 10/- each fully paid)	55.44	55.44	55.44
Reserves and Surplus	(130.64)	(116.00)	(116.76)
Total assets	216.11	191.05	118.08
Total Liabilities	291.31	251.61	179.40
Total assets of APGIC include investments in Equity of shares of Rs.10 each fully paid in Andhra Pradesh Gas Distribution Company Limited, a 50:50 Joint Venture company between APGIC and GAIL.	20.44	20.44	20.44

Krishnapatnam International Leather Complex Private Limited (KPILC):

Particulars	31.03.2020	Rupees in Crores	
		31.03.2019	31.03.2018
Authorised Share Capital (5,00,000 Equity Shares of Rs. 10/- each)	0.50	0.50	0.50
Issued,Subscribed and paid up capital: (1,00,000 Equity Shares of Rs. 10/- each fully paid)	0.10	0.10	0.10
Reserves and Surplus (Grants in Aid)	37.53	40.52	3.94
Total assets	75.99	75.11	32.20
Total Liabilities	38.36	34.49	28.16

Atchutapuram Effluent Treatment Limited (AETL):

Particulars	31.03.2020	Rupees in Crores	
		31.03.2019	31.03.2018
Authorised Share Capital (5,00,000 Equity Shares of Rs. 10/- each)	66.00	66.00	66.00
Issued,Subscribed and paid up capital: (1,00,000 Equity Shares of Rs. 10/- each fully paid)	53.24	23.80	14.74
Reserves and Surplus (Grants in Aid)	(3.91)	(2.32)	(1.55)
Total assets	70.57	59.87	39.45
Total Liabilities	21.24	38.39	26.26

31 Investment in A P Gas Infrastructure Corporation P Limited

As per the directions of Government of AP in G.O. Ms. No. 222 of Industries & Commerce (INF) Department dated 09.10.2009, the Corporation has acquired 51% of equity (Rs.27.17 crores) in Andhra Pradesh Gas Infrastructure Corporation (P) Ltd upto the end of the previous year. Further, an amount of Rs. 24.45 crores was written off in the books of accounts and provision for write down in investments to a tune of Rs. 2.72 crores was made in the books of accounts upto the end of the previous year as the subsidiary company has been incurring losses continuously.

The company holds 51% of shareholding and APGENCO holds 49% of share holding in APGIC as per the Go. Ms. No.222, dated 09.10.2009 of Industries and Commerce (INF) Department whereas the percentage of shareholding of the company as per the books of the subsidiary is 49%. The change of shareholding percentage as per the financial statements of the subsidiary company i.e., 51% for APGENCO and 49% for APIIC is purely temporary. Further, APGENCO has treated its share as 49% and did not consider APGIC as subsidiary while preparing consolidated financial statements.

As the shareholding percentage in the subsidiary as per the books of the accounts of the company and the above Government Order is 51% and as that of APGENCO is 49% as per their financial statements, the company has considered APGIC as subsidiary and consolidated financial statements were prepared accordingly as per INDAS 110 – Consolidated Financial Statements."

32 Investment in Krishnapatnam International Leather Complex (P) Ltd.,

As per the directions of Government of Andhra Pradesh, an amount of Rs. 5,10,000/- was invested in Krishnapatnam International Leather Complex Pvt. Ltd., towards 51% equity contribution.

33 Investments in Atchutapuram Effluent Treatment Limited :

The company has invested an amount of Rs.11.66 crores in Atchutapuram Effluent Treatment Limited towards 49% of equity upto the end of the year as per the orders of Government of Andhra Pradesh vide GO Ms No.135, dated 18.10.2016 of Industries and Commerce (Infra) Department for which Equity Shares were allotted. During the Year, it was decided to increase the share holding to 74% of the equity duly converting the loan component into Equity. Accordingly, 2,68,43,985 Equity Shares of Rs.10/- each were allotted to the company during the year making the total share holding as 72.32% upto the end of the year.

34 The balances in Receivables, creditors and various advances are subject to reconciliation/confirmations and adjustments, if any. Such adjustments, in the opinion of the management, are not likely to be material and will be carried out as and when ascertained.

35 Previous year's figures have been regrouped/ reclassified / rearranged wherever necessary and have been rounded off to crores.

AS PER OUR REPORT DATED 28.02.2022
for POLINENI ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.: 0061325

Sd/-
M V S R PRASAD
PARTNER
M. NO.: 029076

PLACE : MANGALAGIRI
DATE : 31.12.2021

FOR AND ON BEHALF OF THE BOARD

Sd/-
J V N SUBRAMANYAM, IAS
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
M SIVA S REDDY
COMPANY SECRETARY

Sd/-
M GOVINDA REDDY
CHAIRMAN

Sd/-
P V SUBBA REDDY
CHIEF GENERAL MANAGER (F)i/c



ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. in Crores)

Particulars	Current Year (2019-20)	Previous Year (2018-19)
Cash flows from operating activities:		
Net profit before taxation and exceptional items	46.17	35.72
Add: Adjustments for:		
Depreciation and amortisation	5.11	3.93
Dividend Income	(0.03)	(0.42)
Interest Expenses	56.56	53.23
Profit / loss on sale of fixed assets	0.00	0.00
Operating profit before working capital changes	107.81	92.46
Add: Adjustments for:		
Inventories	(82.42)	46.32
Trade receivables	0.78	(12.57)
Other current and non current assets	(270.60)	(342.08)
Loans and advances	(132.95)	24.31
Payables, liabilities and provisions	555.55	691.92
Net Cash Flow from operating activity before Income tax	178.17	500.36
Add: Income tax paid	(2.11)	0.00
Net Cash Flow from operating activities before exceptional items	176.06	500.36
Add: Exceptional item	0.00	0.00
Net Cash Flow from operating activities (I)	176.06	500.36
Cash flows from investing activities:		
Acquisition of fixed assets	(54.51)	(117.02)
Purchase of investments	(30.80)	(6.81)
Dividend income	0.03	0.42
Sale of fixed assets	0.00	0.00
Net cash flow from investing activities (II)	(85.28)	(123.41)
Cash flow from financing activities:		
Proceeds from issuance of share capital	2.60	0.78
Proceeds from long term borrowings	0.00	40.00
Interest paid on long term borrowings	(56.56)	(53.23)
Net cash flow from financing activities (I + II + III)	(53.96)	(12.45)
Net increase in cash and cash equivalents	36.82	364.50
Cash and cash equivalents at the beginning of the year	838.75	474.25
Cash and cash equivalents at the end of the year	875.57	838.75
This is the Cash flow statement referred to in our report		

AS PER OUR REPORT DATED 028.02.2022

FOR AND ON BEHALF OF THE BOARD

for POLINENI ASSOCIATES
 CHARTERED ACCOUNTANTS
 FIRM REG. NO.: 0061325

Sd/-
 M V S R PRASAD
 PARTNER
 M. NO.: 029076

Sd/-
 J V N SUBRAMANYAM, IAS
 VICE CHAIRMAN &
 MANAGING DIRECTOR

Sd/-
 M GOVINDA REDDY
 CHAIRMAN

PLACE : MANGALAGIRI
 DATE : 31.12.2021

Sd/-
 M SIVA S REDDY
 COMPANY SECRETARY

Sd/-
 P V SUBBA REDDY
 CHIEF GENERAL MANAGER (F)i/c



Revised Independent Auditor's Report

To
The Members of
ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED
Mangalagiri.

I. Report on the Audit of the Consolidated IND AS Financial Statements

1. Qualified Opinion

A. This Revised Independent Auditor's Report is being issued in suppression of our earlier Independent Auditor's Report ("the Original Report") dated 10th May, 2021 on the Financial Statements as adopted by Board of Directors on 22nd March, 2021. This Revised Independent Auditor's Report being issued at the instance of the Dy. Accountant General, O/o. AG(Audit) AP, Vijayawada who after receiving the Annual Financial statements and upon review, directed the ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED to resubmit the Financial Statements after withdrawing the figures pertaining to APIIC Food Park (Krishna District) Limited along with revised Independent Auditor's Report (Because the Financial statements of APIIC Limited includes the financial figures pertaining to APIIC Food Park (Krishna District) Limited, a subsidiary of APIIC Limited and further that the same is against the provisions of Companies Act, 2013 and Ind – AS; and hence, that the standalone financials for year 2019-20 be revised by restating the opening balances and the comparative figures of the previous year, by withdrawing the figures pertaining to APIIC Food Park (Krishna District) Limited. Further it is advised by the Dy. Accountant General, O/o. AG (Audit) AP, Vijayawada that detailed disclosures for necessary understanding of the readers to be mentioned in the Notes to Accounts). Pursuant to the said observations of Dy. Accountant General, O/o. AG (Audit) AP, Vijayawada, the accounts have been revised, and disclosure made in the "Notes to Accounts" at **Note No 5.5.2** and the accounts adopted by the Board of Directors on 31-12-2021. In light of the observations arising from the Dy. Accountant General, O/o. AG(Audit) AP, Vijayawada, vide letter Ref : File No.PAG(Audit)/AMG-II/A.ACs.APIIC/2021-22/48 dated 14th October 2021 communicated, revision made are not material by considering the size and the nature of the items revised. Our opinion is not modified in respect of these matters.

B. We have audited the accompanying Consolidated Ind AS financial statements of **M/s. Andhra Pradesh Industrial Infrastructure Corporation Limited** and its share of profit(s) of its associates, which comprise the Consolidated Balance Sheet as at 31 March 2020, the consolidated Statement of Profit and loss (including Other Comprehensive Income), the Consolidated Cash Flow statement and the Consolidated Statement of Changes in Equity for the year ended and notes to the Consolidated Ind AS financial

Other Places :

D.No. 20-10-8 & 8A, Beside SBI, Sangadigunta, Etukur Road, **GUNTUR - 522 003**, ☎ 0863-2220154
Flat No. GF-1, Koneti Enclave, Dwarakanagar, **VISAKHAPATNAM - 530016**, ☎ - 0891-2794166, Cell : 9849373008

~~H.No. 8-3-199, Harid Nilayam, Vengal Rao Nagar Colony, HYDERABAD - 500 036, Cell : 9581412304~~

statements, including a summary of the significant accounting policies and other explanatory information (here-in-after referred to as “Consolidated Ind AS Financial Statements”).

- C. In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects of the matter described in the “Basis for Qualified Opinion” section of our report, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the Consolidated State of affairs (Financial Position) of the Corporation as at 31 March 2020, and its Consolidated Profit (Financial Performance including total comprehensive income), its Consolidated cash flows and the Consolidated changes in equity for the year ended on that date.

2. Basis for Qualified Opinion

- A. We conducted our audit in accordance with the Standard on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities” for the Audit of the “Consolidated Ind AS Financial Statements” section of our report. We are independent of the Corporation in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 Consolidated Ind AS financial statements.
- B. We draw attention to the matters described below and the effects/ possible effects of those matters could not be reasonably determined/quantified, on the elements of accompanying Consolidated Ind AS Financial Statements.
- a) **Equity Share Capital:** Current year amount of Rs.9.52 Crores (Previous Year Rs.9.52 Crores)
The Equity Share Capital of Rs.9.52 Crores (Previous Year Rs.9.52 Crores) is subject to reconciliation with the Government of Andhra Pradesh (Refer Note No: 11)
- b) **Other Equity:** Capital Reserve: Current Year Rs.57.58 Crores (Previous Year Rs.57.58 Crores)
An amount of Rs.7.58 Crores received from the Government of Andhra Pradesh as Share Capital vide G.O Nos 107 dated 22.07.1995, 108 dated 26.07.1995, 284 dated 17.08.1998, 330 dated 16.09.1998, 171 dated 27.05.1999 and 224 dated 28.05.2002 pending for many years is classified as Capital Reserve. In our opinion, this needs to be classified as share capital pending allotment (Refer to Statement of changes in consolidated equity)

- c) **Deposits Received from Allottees:** Current year Rs.1402.77 Crores (Previous Year Rs. 1370.02 Crores)

This includes unreconciled amounts with Head office and Zonal offices which are yet to be reconciled (Refer Note No: 17)

Sl. No.	Name of the Zone	Rs. in crores
1	Head Office	21.61
2	Vijayawada	12.90
TOTAL		34.51

- d) **Provision for contractual obligations:** Current year – Rs. 1043.30 Crores (Previous Year – Rs 674.00 Crores)

Adequacy of Provision: As per the information and explanations given to us, the Corporation after reviewing various pending contractual obligations at the year-end estimated the provision against contractual obligations as Rs.1043.30 Crores (Previous Year Rs. 674.00 Crores) and accordingly provided. We are not clear, whether the provision is pertaining to earlier year sales or current year sales. Hence, in our opinion, we are not able to comment upon the adequacy of the provision made by the Corporation (Refer Note No: 18.3)

Disclosure: Since the contractual works are extending beyond one year, we are of the opinion that this provision should be disclosed under Long term provisions

- e) **Inventory Rs. 3645.52 Crores (Previous Year Rs. 3586.35 Crores):**

Due to non- reconciliation of the deposits and its impact on revenue as per Comment No. c above, we are not in a position to quantify the impact on inventory and not in a position to confirm the value of the inventory (Refer Note No: 7)

- f) **Non Conformity of Indian Accounting Standards 115**

Revenue Recognition–Sale of Land, Sheds etc. Rs. 492.70 Crores (Previous Year Rs. 306.17 Crores): (Refer Accounting Policy No. 2.10)

Under Ind AS 115, Revenue Income Recognition is on Five Step Model as gisted hereunder:

1: Identify the contracts with the customers

An entity shall account for a contract with a customer only when all of the following criteria are met -

- the contract is approved and parties are committed to perform their respective obligation,
- entity can identify each party's rights regarding the goods or services to be transferred,
- entity can identify the payment terms for the goods or services to be transferred,
- the contract has commercial substance,
- it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

2: Identifying separate performance obligations

Identify as a Performance obligation being a promise to transfer to a customer -

- A good or service (or bundle of goods or services) that is distinct or
- A series of goods or services that are substantially the same and are transferred in the same way
- If a promise to transfer a good or service is not distinct from other goods & services in a contract, then the goods or services are combined into a single performance obligation.

Satisfaction of performance obligations

- An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. **An asset is transferred when (or as) the customer obtains control of that asset.**

3: Determine the Transaction Price

- The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- The consideration promised in a contract with a customer may include fixed amounts, variable amounts or both.
- For the purpose of determining transaction price, an entity shall assume that the goods or services will be transferred to the customer as promised in accordance with the existing contract and that the contract will not be cancelled, renewed or modified.

4: Allocate the transaction price to the performance obligations

- The objective when allocating the transaction price is for an entity to allocate the transaction price to each performance obligation (or distinct goods or service) in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer.
- Allocation of transaction price can be done proportionately based on stand-alone selling prices. The stand-alone selling price is the price at which an entity would sell a promised good or service separately to a customer

5: Revenue Recognition when performance obligations are satisfied

- Performance obligation is satisfied over time or at a point in time.
- Performance obligation is satisfied over time if one of the criteria is met out of three:
 - ✓ The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
 - ✓ The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced or
 - ✓ The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.
- Based on above the Revenue Recognition for a performance obligation is done over time if one of the criteria is met out of three else Revenue Recognition for a performance obligation is done at a point in time.

Satisfaction of performance obligations: An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

For each performance obligation identified, determine at contract inception whether it satisfies the performance obligation over time or at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

Revenue is to be recognized basis the Steps indicated in the Ind AS 115.

Corporation recognized the Revenue upon entering into Agreement of sale with the Allottees on receipt of full consideration, without identifying performance obligations in the contracts with the Allottees and without allocating the transaction price to the performance obligations and without testing for the satisfaction of identified performance obligations for the transferring of the promised good or service to Allottees.

As the Corporation has not identified for each of the performance obligation, and has not determined at contract inception whether it satisfies the performance obligation over time or at a point in time and has not arrived at the conclusion for the test as to if the Corporation does or does not satisfy a performance obligation over time, and has not arrived at conclusion about for if the performance obligation is not satisfied over time, than the same will be satisfied at a point in time, and in the light of the foregoing, the corporation has not adhered to Ind As-115 "Revenue From Contracts With Customers" while adapting the Revenue recognition policy. Hence we are not in a position to comment on accuracy of the income recognition and its impact on Profit and loss account and Balance sheet.

g) Non-availability of Share Certificates:

A reference is invited to Note No. 5.1 in the 'Notes to standalone Financial Statements' wherein the investments of the Company in equity shares of other companies was disclosed. During verification of the respective certificates, it was observed that the certificates in respect of the following Companies were not available.

S. No.	Name of the Company	Nature of investment/ No. of Shares – AP State portion (after apportioning the total shares between AP and Telangana in population ratio)	Percentage of holding	Amount of investment ('in crore)
1.	Hyderabad Information Technology Venture Enterprises Ltd.	Equity Shares – 12145 Nos.	4.86 %	0.01
2.	Cyberabad Trustee Company (P) Ltd.	Equity Shares – 2429 Nos.	4.86 %	0.00
3.	Cyberabad Trustee Company (P) Ltd. – HIVE Fund	Units – 449 Nos.	---	1.12

h) Provision for leave encashment:

According to Chapter IX of Companies' Act, 2013, every company must prepare books of accounts in accordance with the relevant applicable Ind AS as issued by ICAI. One of these accounting standards, Ind AS 19, requires an actuarial valuation to be done for certain types of employee benefit schemes, including the leave schemes. Though Ind AS 19 does not require disclosure about other long-term employee benefits, Ind AS 1 may require disclosure in respect of leave encashment.

Non provision of leave encashment in accordance with Ind AS 19 will lead to increase in profits of the Corporation and decrease in corresponding liability/provision. We are unable to quantify the impact on financial position as the Corporation has not provided for leave encashment at the year end in accordance with Ind AS 19. (Refer Note No: 13)

i) APIIC Food Park (Krishna District) Limited:

An amount of Rs. 1,00,000/- made towards investment in APIIC Food Park (Krishna District) Limited shown as "Deposit towards share application money" under **Note: 5.1(B)** (Financial Accounts (Non – Current Assets)). The share allotment has to be completed within 2 months from the date of incorporation, in case of subscribers to Memorandum (As per clause "a" subsection 4 of section 56 of the Companies Act, 2013). If a company fails to allot the shares within the prescribed time limit, it shall liable to repay the application money with interest at a rate of twelve percent per annum from the expiry of sixtieth day (As per sub section 6 of section 42 of the Companies Act, 2013). In the instant case, no adherence observed to the relevant provisions of the Act;

3. Emphasis of Matter:

We draw attention to the following matters in the Notes to the Ind AS financial statements:

1) Drawal of Consolidated Ind AS Financial Statements excluding Telangana region:

Based on the approval of demerger scheme by the expert committee on 16.05.2015 the Consolidated Ind AS financial statements are drawn exclusive of Telangana region, though the approval by the Central Government authorities or its nominees for the Scheme of Apportionment/Demerger/Arrangement of Andhra Pradesh Industrial Infrastructure Corporation Limited and Telangana State Industrial Infrastructure Corporation Limited, is pending (Refer Note No: 26)

2) **Non-Confirmation:**

Attention is drawn to note no.34 to the Consolidated Financial Statements, in respect of Receivables, Creditor and various advances (Note No.'s: 8.1 & 16.2) wherein external confirmations of the balances are not available and thus not reconciled. Due to non-availability of confirmation of balances, we are unable to quantify the impact, if any, arising from the confirmation of balances.

3) **GST Liability :**

Attention is drawn to (Note No: 24.3) which states the information submitted in GST returns for the year are yet to be co-related with the books of accounts. The amount of interest payable if any could not be quantified.

The consequential impact of the above matters is known only when the issues are resolved

4) **Finalisation and approval of revised accounts for the year 2019-20 pending adoption of accounts for the F.Y. 2018-19 by the shareholders in the AGM**

Pending adoption of accounts of the previous revised financial year, the Corporation has finalised and approved the accounts for the FY 2019-20 to clear the arrears in accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements. However, subsequently, at the AGM of the corporation, held on 11-01-2022, the said accounts of the previous financial year were adopted.

5) **Disclosures on Operating Leases:**

The Corporation in the status of Lessor in case of operating leases required to disclose maturity analysis of future minimum lease rental receivables in respect of non-cancellable operating leases along with description about the broad identification of leased assets and their range of lease tenures as well as the amount of total contingent rents recognized as leases as at the year end. This is in accordance with Ind AS 116 disclosure requirement. The Corporation has not disclosed the said information as required by the Ind AS 116. (Refer Note No.19)

6) **Treatment of transactions pertaining to Industrial Area Local Authority:**

As per the information and explanation given to us, the guidelines for the functioning of Industrial Area Local Authorities (IALAs) states that IALAs will be exercising the functions of a Municipal Corporation/Municipality/Gram Panchayat with a condition that 35% or 50% of property tax collected is remitted to the parent local body. Zonal Manager is responsible for proper reconciliation and accounting of the revenues generated by IALA and the expenditure incurred. Accordingly, IALAs are preparing their Income and Expenditure accounts separately.

Further, a reference is invited to Note No: 27 of the financial statements, wherein it was stated that "The Government of Andhra Pradesh entrusted certain Local Authority powers to the Company like collection of Property Tax, maintenance of Common facilities in respect of certain Industrial Parks and Industrial Development Areas. The local authority powers are vested with APIIC Industrial Area Local Authority (IALA) for each industrial area and the income and expenditure in this regard is being accounted for in the books of accounts maintained by the respective IALAs and hence not accounted for in the accounts of the Company".

Further as per the information and explanation given to us, the assets and liabilities, profit or losses of IALAs have not been brought into the books of account and these transactions are not clubbed/consolidated in the Financial Statements. **(Refer Note No: 27)**

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Basis for Qualified Opinion Section, we have determined that there are no other key audit matters to communicate in our report.

5. Information other than the Consolidated Ind AS Financial Statements and Auditor's Report thereon.

A. The Corporation's management is responsible for the preparation of the other information. The other information comprises the information included in director's report and annexure but does not include the Consolidated Ind AS financial statements and our auditor's report thereon. The director's report and annexure is expected to be made available to us after the date of this auditor's report. Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

B. In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

6. Responsibility of Management and Those Charges with Governance for the Consolidated Ind AS financial statements

A. The Corporation's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the state of affairs(Financial position), Consolidated Profit or Loss (financial performance including other comprehensive income), Consolidated cash flows and changes in Consolidated equity of the Corporation in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 the Act, read with relevant Rule issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Corporation 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 Consolidated Ind

AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Corporation's financial reporting process.

7. Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Consolidated Ind AS financial statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the Consolidated Ind AS 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.
 - ii) 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 Corporation has adequate internal financial controls system in place and the operating effectiveness of such controls
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv) 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 Corporation'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 Corporation to cease to continue as a going concern.

- v) Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- C. 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.
- D. 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.
- E. From the matters communicated with those charged with governance, we determine these matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The Consolidated Ind AS financial statements include the corporation share of net profit of Rs.28.29 crores including other comprehensive income for the year ended 31.03.2020 as considered in consolidated Ind AS financial statements, in respect of its subsidiaries, joint ventures and associates, whose financial statements have not been audited by us. These financial statements have been audited by the other auditors whose reports except Krishnapatnam International Leather Complex Pvt Ltd have been furnished to us by the management and our opinion on consolidated Ind AS financial statements, is so far it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates and our report in terms of sub section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirement below, is not modified in respect of above matters with respect to our reliance on the work done and the reports of the other auditors furnished to us by the management.

II. Report on Other Legal And Regulatory Requirements

1. Companies(Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of Section 143(11) of the Act, is not applicable on Consolidated Ind AS financial statements.
2. As required by Section 143(3) of the Act, we report that:
 - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements;
 - B. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated financial statements have been kept by the Corporation so far as it appears from our examination of those books and the reports of the other auditors;
 - C. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated cash flow statement and the Consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account for the purpose of the Consolidated Ind AS financial statements;
 - D. Except for the matters described in "Basis for Qualified Opinion" paragraph, in our opinion, the aforesaid Consolidated Ind As financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant rules issued thereunder,
 - E. In accordance with Notification No. G.S. R. 463 (E), dated 5 June 2015, the requirement of section 164(2) of the Companies Act, 2013 is not applicable to Government Companies.
 - F. With respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, refer to our separate Report in **Annexure -"A"**; and
 - G. As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Corporation.
 - H. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of 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 Corporation has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS financial statements as at 31.03.2020.
 - ii. The Corporation and its associates 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 Corporation and its associates;
3. Based on the comments in the auditors' reports of the Holding Company and the subsidiary companies as referred to in Para 7 "Other Matters" above, we report that a paragraph on the directions issued by Comptroller and Auditors General of India in terms of section 143(5) of the Act and has been included in respect of the auditors' report of Holding Company and its subsidiaries. Accordingly we report on the directions issued by the Comptroller and Auditor General of India in terms of section 143(5) of the Act in Annexure –"B".

For **POLINENI ASSOCIATES**

Chartered Accountants

FRN: 006132S

Sd/-

(M V S R PRASAD)

Partner

M.No.029076

UDIN:22029076AEBVGX9613

Place: Guntur

Date: 28-02-2022

ANNEXURE – “A” TO THE REVISED INDEPENDENT AUDITOR’S REPORT

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

(Referred to in Paragraph II(2)(F) of ‘Revised Independent Auditor’s Report’ of our report of even date)

We have audited the internal financial controls over financial reporting of M/s. **ANDHRA PRADESH INDSUTRIAL INFRASTRUCTURE CORPORATION LIMITED** (“the Corporation”) as at 31st March 2020 in conjunction with our audit of the Consolidated Ind AS financial statements of the Corporation and its associates for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Corporation and its associate’s managements are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these Corporation 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 (“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 Corporation’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

Our responsibility is to express an opinion on the Corporation’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under 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 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Corporation’s internal financial controls system over financial reporting.

Meaning of Internal Financial controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the Corporation has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal controls stated in the guidance note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **POLINENI ASSOCIATES**

Chartered Accountants

FRN: 006132S

Sd/-

(M V S R PRASAD)

Partner

M.No.029076

UDIN:22029076AEBVGX9613

Place: Guntur

Date: 28-02-2022

ANNEXURE “B” TO THE REVISED INDEPENDENT AUDITOR’S REPORT

(Referred to in Paragraph II(3) of our ‘Revised Independent Auditor’s Report’ of even date) to the members of **M/s. ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE COPORATION LIMITED** (the “Holding Company” / “Corporation”) on the Consolidated Ind AS Financial Statements of the Corporation for the year ended on 31st March 2020.

Report under section 143(5) of the Companies Act, 2013

S.No	Audit Observations	Reply
1.	Whether the Corporation has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	In the case of the Corporation, IT Enabled Program is under the process of development. At present all the accounting transactions are not being processed through IT system.
2.	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc made by a lender to the Corporation due to the Corporation’s inability to repay the loan? if yes, the financial impact may be stated	There are no such cases made by a lender to the Corporation due to its inability to repay the loan during the year.
3.	Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation	As explained to us, the funds received/ receivable by the Corporation for specific schemes from Central/ State agencies have been properly accounted for/ utilized as per respective terms and conditions.

For **POLINENI ASSOCIATES**

Chartered Accountants

FRN: 006132S

Sd/-

(M V S R PRASAD)

Partner

M.No.029076

UDIN:22029076AEBVGX9613

Place: Guntur

Date: 28-02-2022



प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय,
आन्ध्र प्रदेश, विजयवाडा - 520 002.
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
ANDHRA PRADESH, VIJAYAWADA - 520 002.



Lr.No.PAG(Audit)/AP/TSC-I/APIIC-FY20/2023-24/ 110

Date: 25-07-2023

To
VC & Managing Director,
Andhra Pradesh Industrial Infrastructure Corporation Limited
APIIC Towers, Plot No-1 (9th - 11th floors),
IT Park, Mangalagiri, Guntur (District),
Andhra Pradesh -522503

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements (Standalone and Consolidated) of Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) for the year ended 31 March 2020.

Sir,

I am to forward herewith Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the financial statements (Standalone and Consolidated) of APIIC for the year ended 31 March 2020 for necessary action.

2. The date of placing of Comments along with Financial Statements and Auditor Report before the shareholders of the Company may please be intimated and a copy of the proceedings of AGM meeting be furnished.

3. The date of forwarding the Annual report and financial statements of the Company together with the Auditors' Report and Comments of the Comptroller and Auditor General of India to the State Government of Andhra Pradesh for the year ended 31 March 2020 for being laid before the Legislature may be intimated. Copy of letter from the Legislature Secretariat indicating date on which Annual Report laid before State Legislature may also be intimated.

4. Five copies of the Annual report of APIIC for the year 2019-20 may be furnished to this office.

Encl: As above.

Yours faithfully,
Sd/-

BHASKAR KALLURU
Senior Deputy Accountant General

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES
ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ANDHRA
PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED FOR
THE YEAR ENDED 31 MARCH 2020**

The preparation of consolidated financial statements of Andhra Pradesh Industrial Infrastructure Corporation Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 28-02-2022 which supersedes their earlier Audit Report dated 10-05-2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Andhra Pradesh Industrial Infrastructure Corporation Limited for the year ended 31 March 2020 under Section 143(6)(a) read with Section 129(4) of the Act. We Conducted a supplementary Audit of financial statements of Atchutapuram Effluent Treatment Limited, Andhra Pradesh Gas Infrastructure Corporation Private Limited and NICDIT Krishnapatnam Industrial City Development Limited for the year ended on that date but did not conduct supplementary audit of the financial statements of Krishnapatnam International Leather Complex Private Limited. Further, Section 139(5) and 143 (6) (b) of the Act are not applicable to Associate and Joint Venture Companies as listed in Annexure-A being private entities for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

The Consolidated financial statements of the Company have been revised by the Management as indicated in Note No 5.2.2 of the financial statements, to give effect to some of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under Section 143(6)(b) read with Section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related revised Audit Report:

A. Comments on Financial Position

Balance Sheet (Consolidated)

Equity and Liabilities

Liabilities

Non-Current Liabilities

Other Non-Current Liabilities (Note-15): ₹1773.09 crore

1. The above does not include ₹574.61 crore towards land conversion charges payable to the State Government in respect of agriculture lands allotted to the Company up to 31.01.2018 in accordance with provisions of Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006 (the Act). As per the Act, as amended through Act No.13 of 2018, the agriculture lands allotted to the Company for non-agricultural purpose are exempted from payment of land conversion charges only from 01.02.2018. Instead, the same amount was incorrectly shown as Contingent Liability in Notes to Accounts, though the exemption request of the Company was not accepted by the competent authority of State Government. Thus, non-recognition of liability towards land conversion charges resulted in understatement of Current Liabilities and understatement of Current Assets (Inventories) by ₹574.61 crore.

Assets

Non-Current Assets

Financial Assets

Others (Note-5.3): ₹1531.11 crore

2. The above is overstated by ₹1448.30 crore due to recognising Personal Deposit (PD) Account balance as non-current assets instead of Other Current Assets, other than Cash and Cash equivalents/bank balance. Thus, wrong classification resulted in overstatement of Other Financial Assets (Non-Current) and understatement of Other Current Assets by ₹1448.30 crore each.

Since the amount borrowed from the Banks against Government Guarantee was deposited in the PD Account, as per the instructions of the State Government, the amount receivable from State Government (including interest) should have been reconciled and disclosed.

B. Other Comments.

3. The Company did not have any accounting policy with regard to Deposit towards works undertaken on behalf of various Departments/Undertakings of the State and Central Government. Net amount after netting off receivables from undertakings with payables to the Government works is disclosed under Note-15 Deposit towards works undertaken at ₹246.63 crore, which is deviating from the provisions of Para 32 of Ind AS-1 on Presentation of Financial Statements, according to which an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an Ind AS.

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

Sd/-

INDU AGRAWAL

प्रधान महालेखाकार (ले.प.)

Principal Accountant General (Audit)

Place: Vijayawada

Date: 25.07.2023

Annexure -A to Certificate

Associate and Joint Venture Companies of APIIC for the year ended 31 March 2020

Sl. No.	Name of Company	Relationship with APIIC
1.	Visakhapatnam Industrial Water Supply Company Limited	Joint Venture
2.	Ace-Urban Hitech City Limited	Associate Company
3.	Agri Ware Housing Company Private Limited	Associate Company
4.	Andhra Pradesh Aerospace and Defence Electronics Park Private Limited	Associate Company

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

Sd/-

INDU AGRAWAL

प्रधान महालेखाकार (ले.प.)

Principal Accountant General (Audit)

Place: Vijayawada

Date:25.07.2023

