

ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED



Annual Report for 2012-2013

Andhra Pradesh Power Finance Corporation Limited

403, 'L' Block, Andhra Pradesh Secretariat, Hyderabad - 500 022.

Telefax : 040-2345 0071, E-mail : appfcl@yahoo.co.in

Website : www.appfcl.com



CONTENTS

Board of Directors	2
Directors' Report	3
Report on Corporate Governance	6
Independent Auditors' Report	7
Annexure to the Audit Report	8
Comments of C & AG	10
Balance Sheet	11
Profit and Loss Account	12
Notes on Balance Sheet and Profit & Loss Account	13
Cash Flow Statement	22



BOARD OF DIRECTORS

1.	Sri V. Bhaskar, IAS	Chairman	Up to 19-09-2013
2.	Smt. Pushpa Subrahmanyam, IAS	Director	Up to 30-09-2013
3.	Sri Dinesh Kumar, IAS	Director	Up to 16-10-2012
4.	Sri Mrutunjay Sahoo, IAS	Director	From 17-10-2012
5.	Sri Hiralal Samariya, IAS	Director	Up to 11-07-2013
6.	Sri Suresh Chanda, IAS	Director	From 12-07-2013
7.	Sri K. Vijayanand, IAS	Director	
8.	Sri Munindra, IFS	Managing Director	

REGISTERED OFFICE :

403, 'L' Block, A.P. Secretariat
HYDERABAD - 500 022.

STATUTORY AUDITORS :

P.S.N. Ravishanker & Associates
CHARTERED ACCOUNTANTS
Flat No. 205, II Floor, B-Block, Kushal Towers,
Khairatabad, Hyderabad - 500 004.

REGISTRARS & BOND TRANSFER AGENTS :

M/s. KARVY Computershare Pvt. Ltd.
17-24, Vittal Rao Nagar, Madhapur,
HYDERABAD - 500 001.

TRUSTEES & BANKERS :

STATE BANK OF HYDERABAD
Gunfoundry Branch, Abids,
HYDERABAD - 500 001.

LISTING OF BONDS :

NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 001.

**DIRECTORS' REPORT**

To
The Members
ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Your Directors have pleasure in presenting the 13th Annual Report on the operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

Particulars	For the year ended 31st March, (Rupees in Crores)	
	2013	2012
Income	454.77	249.80
Expenditure	454.77	249.80
Profit / (Loss) Before Tax	-	-
Provision for Tax- FBT	-	-
Profit / (Loss) After Tax	-	-
Balance brought forward from previous year	-	-
Balance carried to Balance Sheet	-	-

OPERATIONS

Particulars	For the year ended 31st March, (Rupees in Crores)	
	2013	2012
Amount raised by issue of Power Bonds	3101.70	898.30
Cumulative advances made for financing the requirements of power sector	5928.60	2995.19 *

POWER BONDS

The amount of Power Bonds outstanding as at 31st March, 2013 was Rs. 5894.60 crore as against Rs. 2925.19 crore in the previous year and the servicing of the same is regular and up to date.

The Company has redeemed Power Bonds for an aggregate amount of Rs. 132.29 crores as against Rs. 577.31 crore in the previous year, on exercising Call Option and Maturity as per terms and conditions stipulated in Information Memorandum.

DIRECTORS

Changes in directorships from the last AGM :

Sl. No.	Name of the Appointee	Designation	In the place of	Date of Event
1	Sri. Mrutunjay Sahoo, IAS	Nominee Director	Sri. Dinesh Kumar, IAS	17-10-2012
2	Sri. Suresh Chanda, IAS	Nominee Director	Sri. Hiralal Samariya, IAS	12-07-2013

**AUDITORS**

M/s SHARMA & SASTRY were appointed by the Comptroller and Auditor General of India as Statutory Auditors of the Company for the financial year 2013-14.

C & A G COMMENTS

C & AG vide its letter No. AG (E&RSA)/ES-II(P)/APPFCL/Accts/2013-14/184 dated 06-11-2013 issued a "NIL COMMENTS" Report.

AUDIT COMMITTEE

The Audit Committee of the Board was reconstituted on 20-12-2012 with :

- | | | | |
|----|----------------------------|---|----------|
| 1. | Sri. V. Bhaskar, IAS | - | Chairman |
| 2. | Sri. Hiralal Samariya, IAS | - | Member |
| 3. | Sri. K. Vijayanand, IAS | - | Member |

The Audit Committee of the Board was once again reconstituted on 31-08-2013 with :

- | | | | |
|----|-------------------------|---|----------|
| 1. | Sri. V. Bhaskar, IAS | - | Chairman |
| 2. | Sri. Suresh Chanda, IAS | - | Member |
| 3. | Sri. K. Vijayanand, IAS | - | Member |

RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Board was reconstituted on 20-12-2012 with:

- | | | | |
|----|-------------------------------|---|----------|
| 1. | Sri. Mrutunjay Sahoo, IAS | - | Chairman |
| 2. | Smt. Pushpa Subrahmanyam, IAS | - | Member |
| 3. | Sri. Hiralal Samariya, IAS | - | Member |
| 4. | Sri. Munindra, IFS | - | Member |

The Risk Management Committee of the Board was once again reconstituted on 31-08-2013 with :

- | | | | |
|----|-------------------------------|---|----------|
| 1. | Sri. Mrutunjay Sahoo, IAS | - | Chairman |
| 2. | Smt. Pushpa Subrahmanyam, IAS | - | Member |
| 3. | Sri. Suresh Chanda, IAS | - | Member |
| 4. | Sri. Munindra, IFS | - | Member |

DISCLOSURES

- i) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, EXPORTS & FOREIGN EXCHANGE EARNINGS AND OUTGO :

Conservation of Energy : The Company is not engaged in manufacturing operation. Further it requires energy for lightening equipment, which is not energy intensive. However, adequate measures have been taken to reduce energy consumption, wherever possible.



Technology Absorption : As the Company is not engaged in any manufacturing activity, the question of Technology absorption does not arise.

Foreign Exchange Earnings & Outgo : -Nil-

- ii) No statement giving particulars as required by the provisions of the Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules 1975 as amended, annexed hereto since none of the employees of the Company are in receipt of remuneration in excess of the limits specified therein, during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that

- (i) In the preparation of the annual accounts for the year ended 31st March, 2013 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2013.
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting the fraud and other irregularities.
- (iv) The Directors had prepared the annual accounts on a going concern basis.

PUBLIC DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits from public within the meaning of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

SECRETARIAL COMPLIANCE CERTIFICATE

The Company has obtained Secretarial Compliance Certificate from a Company Secretary in whole-time practice for the year ended 31st March, 2013 and a copy of the same is annexed hereto.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their deep appreciation of the continued support received from the Government of Andhra Pradesh, especially the Departments of Energy and Finance and bankers and other agencies, which are instrumental in smooth operations of the Company. Your Directors also wish to thank the employees of the Company for their efficient and dedicated services.

Place : Hyderabad.

Date : 30-11-2013

For and on behalf of the Board

(Mrutunjay Sahoo, IAS)
Chairman

REPORT ON CORPORATE GOVERNANCE**COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company has always been committed to executing sustainable business practices and creating long term value for all its shareholders. It has always remained as a responsible Corporate Citizen which always strive to protect the interest of its share owners. To pursue these objectives, all the business operations of the company are conducted on principles of transparency, fairness, integrity, accountability while maintain legal and ethical standards

CORPORATE GOVERNANCE PRACTICES FOLLOWED :**BOARD OF DIRECTORS**

- i) The Board of the Company comprises of Six Directors, all are Nominees of Govt. of Andhra Pradesh. Five directors are independent directors and the Chairman being Non-Executive & Independent Director.
- ii) Seven Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

13-04-2012, 01-05-2012, 02-07-2012, 07-09-2012, 27-09-2012, 20-12-2012 and 30-03-2013.

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Section 292A of the Companies Act, 1956.

Brief description of terms of reference.

- Authority to investigate any matter pertaining to the items specified in section 292A of the Companies Act or referred to it by the Board.
- Investigate any activity within its terms of reference.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing with management the annual financial statements.
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Reviewing the Company's financial and risk management policies.
- Periodic discussion with the auditors about internal control systems, scope of audit including the observations of the auditors and review the quarterly, half-yearly, and annual financial statements before submissions to the Board.

The present composition of the Audit Committee is as follows

- | | | | |
|----|-------------------------|---|----------|
| 1. | Sri. Suresh Chanda, IAS | - | Chairman |
| 2. | Sri. K.Vijayanand, IAS | - | Member |

RISK MANAGEMENT COMMITTEE

The present composition of the Risk Management Committee is as follows

- | | | | |
|----|---------------------------|---|----------|
| 1. | Sri. Mrutunjay Sahoo, IAS | - | Chairman |
| 2. | Sri. Suresh Chanda, IAS | - | Member |
| 3. | Sri. Munindra, IFS | - | Member |



INDEPENDENT AUDITORS' REPORT

To
The Members of
M/s. ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED

Report on the Financial Statements :

We have audited the accompanying financial statements of ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED ("the Company") which comprises the balance sheet as at 31st March 2013, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements :

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility :

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2013;
- (b) in the case of the statement of profit and loss, of 'NIL' profit /loss (the total expenditure is met/reimbursed by Government of AP on actual basis and hence the profit & loss account does not reflect any profit/loss) for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of accounts;
 - (d) in our opinion, the balance sheet, the statement of profit and loss and the cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable; except AS -1 relating to Accrual System of Accounting for accrued interest as explained in detail in Point Nos. 3 & 4 of the Notes on Accounts (Note No.13); and
 - (e) in terms of the notification issued by the Department of Company Affairs, Ministry of Corporate Affairs, Government of India, the clause (g) of sub - section (1) of section 274 of the Companies Act, 1956 with regard to the qualification of directors is not applicable to the directors of the company, as the company is a Government Company;

For **P.S.N. RAVISHANKER & ASSOCIATES**

Chartered Accountants
(FRN : 003228S)

(Y. SAI KARUNAKAR)

Partner
M. No. 207033

Place : Hyderabad

Date : 31-08-2013



ANNEXURE TO THE AUDIT REPORT

Statement on the matters referred to in Paragraph 2 (a) of our Report

1. (a) The Company has maintained records showing broad particulars including quantitative details and situation of fixed assets.
(b) Fixed assets have been physically verified by the management at reasonable intervals. It is reported to us that no material discrepancies were found during the year under review.
(c) As explained to us, substantial part of fixed assets were not disposed off during the year.
2. As the company does not carry inventory of stores and the other materials, being an NBF1, clause 4 (ii) of the said order is not applicable.
3. The company, being a Government Company, has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses 4 (iii) (a) to 4(iii)(g) of the said Order are not applicable.
4. Having regard to the company's nature of business and based on our scrutiny of company's records and the information and explanations furnished to us, we report that the company's activities do not include purchase and sale of goods. In our opinion, and according to the information and explanations given to us, the internal control system, prima facie, appears to be commensurate with the size of the company and nature of its business with regard to purchase of fixed assets, rendering of NBF1 services.

Identification of the unclaimed matured bonds, Principal/Interest, beyond 7 years which are required to be transferred to Investor Education and Protection Fund in Trust and Retention Accounts (No-Lien Accounts) with the Banks for payment of matured bonds needs to be done.

5. In our opinion and according to the information and explanations provided by the management, we are of the opinion that there are no transactions during the year, that need to be entered into the register maintained under Section 301 of the Companies Act, 1956, being a government company.
6. The Company has not accepted any deposits but it has issued series of Bonds of various series which are unconditionally and irrevocably Guaranteed by the Government of Andhra Pradesh, which do not appear to be coming under the purview of the provisions of Section 58A and 58AA and the rules framed there under and the directives issued by the Reserve Bank with respect to Non-Banking Finance Companies, to the extent applicable.
7. In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
8. The maintenance of cost records U/s. 209(1)(d) does not apply to the company, being an NBF1.
9. (a) According to the records of the company and information and explanations given to us, the Employees Provident Fund and other Miscellaneous Provisions Act and Employees State Insurance Act are not applicable to the Company, for the time being.
(b) According to the records of the company and information and explanations given to us, the company is not required to pay any statutory dues including Employees State Insurance, Provident Fund, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with any of the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at 31st March, 2013 for a period of more than six months from the date on which they become payable. However, the amount to be transferred to Investor Education and Protection Fund as on 31-03-2013, is Rs.18.42 lakhs.
(c) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Provident Fund, Investor Education and Protection Fund, Employees' State insurance, Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year, which have not been deposited on account of any dispute.
10. As per the information and explanations furnished to us by the Management, the operations of the company are being conducted in such a manner that the total expenditure incurred by the company viz., interest on bonds, loans and other operational expenses is being met/reimbursed by the Government of Andhra Pradesh and hence the operations do not reflect any Profit/Loss in the profit & loss account as disclosed in detail in clause 1(b)(iii) to the notes on accounts, and accordingly clause 4(x) of the said Order does not appear to be applicable to the company.



11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks or bond holders. The company has not issued any debentures.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a Chit fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of clause 4 (xiii) of the Order is not applicable.
14. In our opinion, the Company is not dealing in or trading in Shares, Securities, Debentures and other investments, accordingly, the provisions of clause 4 (xiv) of the Order is not applicable to the company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. During the year, the company has not obtained any term loans. However, the company borrowed the funds in the form of bonds unconditionally and irrevocably guaranteed by Government of Andhra Pradesh and same were applied for the objects of the company and for the purposes for which they were obtained.
17. According to the information and explanations given to us, on overall basis, funds raised on short term basis, prima facie, do not appear to have been used during the year for long term investment or vice versa.
18. The company has not made any preferential allotment of shares to parties and companies covered under register maintained under section 301, of the Companies Act, 1956, during the year.
19. The company has not issued any debentures. However, the company has issued three bond series to the tune of Rs.3101.70 crore, during the year and the Government of AP unconditionally and irrevocably guaranteed the interest and principal repayments of the various bonds issued by the company.
20. The Company has not raised any money through public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

Statement on the matters referred to in Paragraph 2 (b) of our Report

- I. The company is engaged in the business of Non-Banking Financial Institution and it has obtained a Certificate of Registration (CoR) from the Reserve Bank of India under the Provisions of Section 45-IA of the Reserve Bank of India Act, 1934 vide registration No.N-09.00266, dated. 25-08-2000.
- II. The company is entitled to continue to hold such CoR in terms of its asset/income pattern as on 31-03-2013.
- III. The company is classified and treated as a Government Company as the Company is wholly owned by the Government of AP. The Company does not, to come under the purview of "Asset Finance Company" as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 with reference to the business carried on by it during the applicable financial year 2012-13, as the total funds of the company raised from the issue of bonds of various series are lent to the DISCOMS - AP Government and DISCOMS' Pool Account only for their intended onward use for infrastructure development in the power sector.
- IV. The Company has not accepted any deposits and it has issued series of Bonds unconditionally and irrevocably guaranteed by Government of Andhra Pradesh. These are not covered under the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under and the directives issued by the Reserve Bank of India with respect to Non-Banking Finance Companies, to the extent applicable. The Company has been regularly paying to its bond holders the interest and/or principal as per the due dates.

For **P.S.N. RAVISHANKER & ASSOCIATES**
Chartered Accountants

(Y. SAI KARUNAKAR)

Partner
M. No. 207033

Place : Hyderabad

Date : 31-08-2013



ANNEXURE I

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED, HYDERABAD, FOR THE YEAR ENDED 31st MARCH 2013.

The preparation of financial statements of Andhra Pradesh Power Finance Corporation Limited, Hyderabad for the year ended 31st March 2013, in accordance with the financial reporting framework prescribed under the Companies Act 1956, is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act 1956, is responsible for expressing opinion on these financial statements under section 227 of the Companies Act 1956, based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 31st August, 2013.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Andhra Pradesh Power Finance Corporation Limited, Hyderabad for the year ended 31st March 2013. 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. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 619(4) of the Companies Act, 1956.

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

Place : Hyderabad
Date : 07-11-2013

(Lata Mallikarjuna)
Accountant General (E&RSA)

**Balance Sheet as at 31st March, 2013**

PARTICULARS	Note No.	As at 31-3-2013 Rupees	As at 31-3-2012 Rupees
I EQUITY AND LIABILITIES			
1 SHARE HOLDERS' FUNDS :			
(a) Share Capital	1	29,00,20,700	29,00,20,700
2 Non-Current Liabilities :			
(a) Long-term borrowings	2	5894,60,00,000	2826,90,00,000
3 Current Liabilities	3	34,58,26,055	170,81,41,646
TOTAL		5958,18,46,755	3026,71,62,346
II Assets :			
1 Non-Current Assets :			
(a) Fixed Assets			
(i) Tangible Assets	4	1,45,934	1,48,864
(b) Long Term loans and advances	5	5894,60,00,000	2826,90,00,000
2. Current Assets			
(a) Cash and cash equivalents	6	2,01,32,796	2,01,41,910
(b) Other Current Assets	7	61,55,68,025	197,78,71,572
TOTAL		5958,18,46,755	3026,71,62,346
Notes on Accounts	13		

As per Audit Report of even date

For **P.S.N. Ravishanker & Associates**
Chartered AccountantsFor **ANDHRA PRADESH POWER FINANCE
CORPORATION LTD**(Y. Sai Karunakar)
Partner
M. No. 207033**Munindra, IFS**
Managing Director**K. Vijayanand, IAS**
DirectorPlace : Hyderabad
Date : 31-08-2013

**Statement of Profit and Loss Account for year ended 31-3-2013**

PARTICULARS	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I Revenue from operations	8	454,57,31,464	249,61,32,238
II Other Income	9	19,36,282	18,41,220
III Total Revenue (I+II)		454,76,67,746	249,79,73,458
IV Expenses :			
Employee benefit expense	10	13,66,552	14,91,279
Financial costs	11	452,45,77,102	246,80,06,002
Depreciation and amortization expense	4	20,930	19,629
Operating, administration and other expenses	12	2,17,03,162	2,84,56,548
Total Expenses		454,76,67,746	249,79,73,458
V Profit before exceptional and extraordinary items and tax		-	-
VI Exceptional Items		-	-
VII Profit before extraordinary items and tax		-	-
VIII Extraordinary Items		-	-
IX Profit before tax		-	-
X Tax expense :			
(1) Current Tax		-	-
(2) Deferred tax		-	-
XI Profit (Loss) from the period from continuing operations		-	-
XII Profit / (Loss) from discontinuing operations		-	-
XIII Tax expense of discounting operations		-	-
XIV Profit/(Loss) from the Discontinuing operations		-	-
XV Profit/(Loss) for the period		-	-
XVI Earning per equity share :			
(1) Basic	-	-	-
(2) Diluted	-	-	-

As per Audit Report of even date

For **P.S.N. Ravishanker & Associates**
Chartered AccountantsFor **ANDHRA PRADESH POWER FINANCE CORPORATION LTD****(Y. Sai Karunakar)**
Partner
M. No. 207033**Munindra, IFS**
Managing Director**K. Vijayanand, IAS**
DirectorPlace : Hyderabad
Date : 31-08-2013



Notes on Balance Sheet and Profit & Loss A/c

PARTICULARS	As at 31-3-2013 Rupees	As at 31-3-2012 Rupees
NOTE - 1 :		
Note (i) :		
SHARE CAPITAL :		
AUTHORISED SHARE CAPITAL: --3000,00,000 Equity Shares of Rs.100 each (3000,00,000 Equity Shares of Rs.100 each)	3000,00,00,000	3000,00,00,000
ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL --29,00,207 Equity Shares of Rs.100/- each fully paid up (29,00,207 Equity Shares of Rs.100/- each fully paid up)	29,00,20,700	29,00,20,700
	29,00,20,700	29,00,20,700
Note (ii) :		
Number of shares which are more than 5% of paid up Share Capital-details Governor of Andhra Pradesh, represented by the MD of the Company.	29,00,200(99.99%)	29,00,200(99.99%)
There is a restriction on transferability of shares.		
Note (iii) :		
Reconciliation of number of shares outstanding at the beginning and end of the year		
Shares issued & subscribed at the beginning of the year (2900207 Equity Shares of Rs.100/- each fully paid up)	29,00,207	29,00,207
Add: Issued during the year	29,00,207	29,00,207
Less: Redemption/Buy back	-	-
Total Number of Shares as per Balance Sheet (2900207 Equity Shares of Rs.100/- each fully paid up)	29,00,207	29,00,207
Note (iv) :		
a) There are no shares issued in last five years as fully paid up pursuant to contracts without payment being received in cash.		
b) There are no shares issued in last five years as fully paid up by way of bonus shares.		
c) There are no shares bought back in last five years.		
d) There are no calls unpaid.		
e) There are no forfeited shares		
NOTE - 2 :		
NON-CURRENT LIABILITIES :		
A) Long Term Liabilities (Unsecured) :		
1) Bonds		
1/2004 Bonds Issue 15th Series	244,10,00,000	244,10,00,000
1/2005 Bonds Issue 16th Series	597,20,00,000	597,20,00,000
1/2010 Bonds Issue 17th Series	1053,30,00,000	1,053,30,00,000
1/2011 Bonds Issue 18th Series	154,20,00,000	154,20,00,000
2/2011 Bonds Issue 19th Series	744,10,00,000	744,10,00,000
1/2012 Bond issue 20th Series	314,10,00,000	-
2/2012 Bond issue 21st Series	1000,00,00,000	-
3/2012 Bond issue 22nd Series	1787,60,00,000	-
	5894,60,00,000	2792,90,00,000
B) Term Loan from Bank (Unsecured) :		
Term Loan from Canara Bank	-	34,00,00,000
TOTAL	5894,60,00,000	2826,90,00,000



Notes on Balance Sheet and Profit & Loss A/c

PARTICULARS	As at 31-3-2013 Rupees	As at 31-3-2012 Rupees
NOTE - 3 :		
CURRENT LIABILITIES :		
(i) Expenses payable :		
Arrangers Fee Payable	-	1,31,77,100
Advertisement Expenses Payable	-	17,51,063
Statutory Audit Fee Payable	75,843	60,674
Bond Servicing Exp's Payable	1,15,067	33,094
Company Secretary Charges Payable	6,750	6,750
Consultancy Charges Payable	33,416	32,804
Internal Audit Fee Payable	30,337	30,337
Deputation Allowance payable	2,700	1,01,587
M.D. Remuneration Payable	12,893	12,229
Salaries Payable	36,91,053	25,35,809
Accounting Charges Payable	8,090	7,942
Income tax consultancy charges payable	20,133	16,189
Stamp Duty Payable	-	50,00,000
TDS Payable	2,14,003	17,64,673
Telephone and Internet Expenses Payable	3,453	9,342
Trustee Fee Payable	15,79,331	6,59,856
Taxation Audit fees	5,056	20,108
Vehicle Hire Charges Payable	27,930	22,089
Total (i) :	58,26,055	2,52,41,646
(ii) Other Current Liabilities :		
CURRENT MATURITIES OF UNSECURED LOANS :		
A) Current Maturities of Bonds :		
a) Non-Cumulative Bonds :		
1/2002 Bonds Issue 8th Series	-	66,58,00,000
2/2002 Bonds Issue 9th Series	-	47,38,00,000
1/2004 Bonds Issue 15th Series	-	-
Total Cumulative Bonds maturing in next 12 months - Total (a)	-	113,96,00,000
b) Cumulative Bonds :		
2/2000 Bond issue 2nd Series	-	98,00,000
1/2001 Bond issue 3rd Series	-	17,35,00,000
Total Non-Cumulative Bonds maturing in next 12 months - Total (b)	-	18,33,00,000
Current maturities of Bonds : Total (A) (a+b)	-	132,29,00,000
B) Unsecured Loan from Bank :		
Term Loan from Canara Bank	34,00,00,000	36,00,00,000
Current Maturities of Unsecured loan from Canara Bank Total (B)	34,00,00,000	36,00,00,000
Total Current Maturities of Unsecured Loans [Total (ii)] (A+B)	34,00,00,000	168,29,00,000
TOTAL CURRENT LIABILITIES : [Total (i) + Total (ii)]	34,58,26,055	170,81,41,646

**Notes on Balance Sheet and Profit & Loss A/c**

PARTICULARS	As at 31-3-2013 Rupees	As at 31-3-2012 Rupees
NOTE - 5		
NON - CURRENT ASSETS :		
Receivables - Long Term Loans and Advances :		
Loans to DISCOMs - AP Government	841,30,00,000	875,30,00,000
Loans to AP DISCOM's Pool Account	5053,30,00,000	1951,60,00,000
Total Long Term Loans and Advances	5894,60,00,000	2826,90,00,000
(Notes : Refer to Note No.7 in Notes to Accounts)		
TOTAL	5894,60,00,000	2826,90,00,000
NOTE - 6		
Cash & Cash Equivalents		
Balances with Scheduled Bank		
- In Current Account with SBH	1,32,432	1,41,529
- In Deposits Account with SBH	2,00,00,000	2,00,00,000
	2,01,32,432	2,01,41,529
Cash on Hand	364	381
TOTAL	2,01,32,796	2,01,41,910
NOTE - 7		
Other Current Assets :		
Loans to DISCOMs - AP Govt. Current Maturities of Bonds repayable	34,00,00,000	1,68,29,00,000
Other Receivables from AP Government	27,44,48,406	29,38,47,032
TDS receivable	10,97,767	10,48,511
Karvy Computer Shares Pvt Ltd	-	52,321
Interest Receivable from fixed deposit	21,852	23,708
TOTAL	61,55,68,025	1,97,78,71,572
NOTE - 8		
REVENUE FROM OPERATIONS - Receipts from Government :		
- for Payment of Interest on Bonds	445,59,00,049	233,38,23,001
- for Payment of Interest on Term Loan	5,31,37,673	8,48,05,480
- Interest on Bonds Application Money	1,55,28,618	4,93,77,482
- Bonds Arrangership Fee	81,16,886	1,46,41,222
- Stamp Duty	75,00,000	50,00,000
- Reimbursement of other expenses incurred	55,48,198	84,85,053
- Misc Income	40	-
	454,57,31,464	249,61,32,238
NOTE - 9		
Interest on Fixed Deposit with SBH	19,36,282	18,41,220
	19,36,282	18,41,220
NOTE -10		
EMPLOYEE BENEFIT EXPENSES		
Salaries	11,55,244	10,37,345
Deputation Allowances	36,000	2,94,400
MD Remuneration	1,75,308	1,59,534
	13,66,552	14,91,279
NOTE - 11		
FINANCIAL COST		
Interest on Bonds(Reimbursed by Government of AP)	445,59,10,811	233,38,23,040
Interest on Term Loan(Reimbursed by Government of AP)	5,31,37,673	8,48,05,480
Interest on Application Money(Reimbursed by Government of AP)	1,55,28,618	4,93,77,482
TOTAL	452,45,77,102	246,80,06,002



Notes on Balance Sheet and Profit & Loss A/c

PARTICULARS	As at 31-3-2013 Rupees	As at 31-3-2012 Rupees
NOTE - 12		
Operating, Administration and Other Expenses		
Bonds Arrangements Fee	81,16,886	1,46,41,222
Stamp Duty on Bonds issued	75,00,000	50,00,000
Credit Rating-Surveillance Fee Paid to CRISIL	-	16,54,500
Trustee Fees to SBH	28,32,727	22,38,739
NSE Listing Fee	5,07,610	4,06,345
Bond Servicing Exp.	2,23,134	79,328
ROC Filing Fee	7,500	3,500
ETDS Filing Fee	5,488	3,974
Custodial Service Fee Paid to CDSL & NSDL	1,14,608	1,10,300
Consultant & Professional charges	6,23,400	6,18,376
Directors' Sitting Fee	37,000	41,000
Advertisement Expenses	10,14,384	30,01,859
Printing & Stationary	54,066	45,614
Asset written Off	-	13,556
Postage & Telegrams	3,654	4,336
Vehicle Hire Charges	3,09,710	3,12,980
Traveling Expenses	16,101	26,742
Telephone charges and Internet Expenses	67,928	74,276
NSDL Data creation Exp	8,535	11,030
Office Maintenance	70,304	52,032
Registrar's Fees	55,150	-
Xerox Machine Maintenance charges	10,700	3,675
AUDITORS REMUNERATION :		
- For Statutory Auditors	84,270	67,416
- For Internal Auditors	33,708	33,708
- For Tax Auditors	6,299	5,618
	2,17,03,162	2,84,56,548

**NOTE - 4****Note on Fixed Assets as at 31st March, 2013**

(Amount in Rupees)

Sl. No.	Description	Gross Block					Depreciation			Net Block		
		As at 1-4-2012	Rate of Dep. %	Additions during the year	Deletions during the year	As At 31-03-13	As at 1-4-2012	Adj. during the year	for the year	As at 31-3-13	As at 31-3-12	
1	Office Equipments	1,58,017	6.33	18,000	-	1,76,017	93,133	-	10,415	1,03,548	72,469	64,884
2	Computer Systems	1,75,909	16.21	-	-	1,75,909	1,62,644	-	3,044	1,65,688	10,221	13,266
3	Furniture & Fixtures	1,18,032	6.33	-	-	1,18,032	47,317	-	7,471	54,788	63,244	70,715
	Totals	4,51,958		18,000	-	4,69,958	3,03,094	-	20,930	3,24,024	1,45,934	1,48,865
	Previous Year	4,47,758		18,100	13,900	4,51,958	2,83,809	(344)	19,629	3,03,094	1,48,864	1,63,949

As per Audit Report of even date

For **P.S.N. Ravishanker & Associates**
Chartered AccountantsFor **ANDHRA PRADESH POWER FINANCE CORPORATION LTD****(Y. Sai Karunakar)**
Partner
M. No. 207033**Munindra, IFS**
Managing Director**K. Vijayanand, IAS**
Director

Place : Hyderabad

Date : 31-08-2013

NOTE No. 13**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS :**

Andhra Pradesh Power Finance Corporation Limited (APPFCL) was incorporated, pursuant to the Andhra Pradesh GO (Government Order). Ms. No. 54, dated. 19.05.2000, as a Government Company under the Companies Act 1956, on 12th July, 2000 and had commenced its business on 13th July, 2000 and also obtained, the Certificate of Registration from the Reserve Bank of India as a Non-Banking Financial Institution under the Reserve Bank of India Act 1934, vide letter No. DNBS(H) No. 714/04.039/2000-2001, dated August 25th 2000. The main object of the Company includes providing Long Term Finance to the Enterprises wholly engaged in the business of developing, maintaining and operating of Power, and relating thereto including but not limited to generation, transmission, distribution facility viz., GENCO, TRANSCO, DISCOMS.

Presentation and Disclosures in Financial Statements :**1. Significant Accounting Policies:****a. Basis of Accounting:**

- i. The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the Provisions of the Companies Act, 1956.
- ii. The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis, except the accrued interest on bonds/loan to the Government which is accounted for on payment/ receipt basis.
- iii. The Government Receipts in the form of Interest for the payment of interest on bonds of Rs. 445.59 crore (Previous year: Rs. 233.38 crore), Interest on term loan Rs.5.31 crore (Previous Year: Rs. 8.48 crore), Interest on Bonds Application Money Rs. 1.55 crore (Previous Year: Rs.4.94 crore), Arrangers' Fee Rs. 0.81 crore (Previous Year : Rs. 1.46 crore), Stamp Duty Rs. 0.75 crore (Previous Year: Rs. 0.50 crore), and Reimbursement of expenses incurred by the company on behalf of the Government Rs.0.55 crore (previous year: Rs. 0.85 crore) have been depicted separately both under 'Revenue from operations' and 'Expenses' in the Statement of Profit & Loss, which is met/reimbursed by the Government of AP to the company on actuals basis.

b. Revenue Recognition :

- i. The Company recognizes interest income on the loans to DISCOMS - AP Government and Loans to DISCOMS' Pool Account, out of the various series of bonds issued by the company on receipt basis, and the same is shown as interest income in the Statement of Profit & Loss.
- ii. The company accounts for the interest expenditure on various series of Bonds, Term Loan and other operating expenses, which is reimbursed by the Government of AP, on actuals basis, and the same is taken as expenditure in the Statement of Profit & Loss.
- iii. The operations of the company are being conducted in such a manner that the total expenditure incurred by the company viz., interest on bonds, loan and other operational expenses is being met/ reimbursed by the Government of Andhra Pradesh on actuals basis and hence it does not result in any Profit/Loss and accordingly the Statement of Profit & Loss a/c does not depict/result in any profit or loss out of the operations of the company.



c. Fixed Assets :

Fixed assets are stated at historical cost and as reduced by accumulated depreciation. All costs including financing costs, up to the date of commissioning and attributable to the fixed assets are capitalized.

d. Depreciation :

Depreciation on fixed assets is provided on straight-line basis at the rates prescribed in Schedule XIV of the Companies Act, 1956. The Company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

2. UNSECURED BONDS/TERM LOAN: Rs. 5928.60 crore (last year Rs. 2995.19 crore).

- i. The Company has issued bonds under various series styled "APPFC BONDS" during the current year and also in the earlier years. The common features of the various series of Bonds are as under:
- ii. The Bonds carry with them an unconditional and irrevocable guarantee, for the due repayment, both interest and principal, of the Government of AP.
- iii. The redemption of the Bonds/repayment to the Bond holders is governed by a "STRUCTURED MECHANISM", through a Tripartite Agreement among the Company, Government of Andhra Pradesh and State Bank of Hyderabad - Trustees to the Bondholders, which assures budgetary support, from the Government of Andhra Pradesh for servicing the bonds. The payment of interest on outstanding of bonds and repayment of principal amount of bonds are met/paid by the Company by way of transfer of funds into designated No-Lien Account out of the monies transferred by the Government of Andhra Pradesh to the Company pursuant to the obligations undertaken by it under the said Tripartite Agreement.
- iv. (A) Outstanding of APPFC Bonds at the end of the year under different series and the Term loan from Bank are as follows:

Sl. No.	APPFC Bond Series	Amount Outstanding (Rs. In Crores) As on		Coupon Rate (%) p.a.	Interest Payable	Tenure in Years	Put/Call Option due at the end of
		31-03-2013	31-03-2012				
(i) Regular Income (Non-Cumulative) Bonds							
1	1/2002	Nil	66.58	11.80	Annual	12	10th Year
2	2/2002	Nil	47.38	11.60	Annual	12	10th Year
3	1/2004	244.10	244.10	7.70	Annual	10	7th Year
4	1/2005	597.20	597.20	8.15	Annual	15	12th Year
5	1/2010	42.00	42.00	8.49	Semi Annual	10	7th Year
		1011.30	1011.30	8.74		12	10th Year
6	1/2011	5.00	5.00	9.10	Semi Annual	10	7th Year
		149.20	149.20	9.60		12	10th Year
7	2/2011	157.20	157.20	9.85	Semi Annual	10	7th Year
		586.90	586.90	9.97		12	10th Year
8	1/2012	64.70	Nil	9.50	Semi Annual	10	7th Year
		249.40	Nil	9.64		12	10th Year
9	2/2012	1000.00	Nil	9.75	Semi Annual	10	7th Year
10	3/2012	1787.60	Nil	9.75	Semi Annual	10	7th Year
Total		5894.60	2906.86				



(ii) Cumulative Bonds

1.	2/2000	Nil	0.98	13.50	Nil	12	Nil
2.	1/2001	Nil	17.35	13.50	Nil	12	Nil
Total		Nil	18.33				
Total Bonds		5894.60	2925.19				

(iii) Canara Bank Term Loan

1.	Loan	34.00	70.00	8.75			
Grand Total		5928.60	2995.19				

- iv (B) The Bonds outstanding as at 31-03-2013 includes the following two series of bonds, which were issued to the creditors of APDISCOMs, for consideration other than cash as follows in discharge of the liabilities of the parties to the Bond Holders.

(Rs. In Crores)

Sl. No.	Series No.	Issued to	As on 31-03-2013	As on 31-03-2012
1	2/2012	M/s Singareni Collieries Company Ltd. (SCCL). {towards the dues of DISCOMs to APGENCO (APGENCO dues to M/s SCCL)}	1000.00	Nil
2	3/2012	M/s APGenco Pension and Gratuity Trust (towards the dues of APDISCOMs)	1787.60	Nil
Total			2787.60	

- iv) (C) The Company, earlier had taken an unsecured term loan from Canara Bank amounting to Rs. 500 crore (in two spells of Rs. 250 crs. each at an interest rate of 8.50% p.a. for I spell and 8.75% p.a. for II spell) for the purpose of energization of individual farmer pump sets/wells in rural areas through M/s. AP TRANSCO. Outstanding of term loan as on 31-03-2013 is for Rs.34.00 crore (Rs.70.00 crore as on 31-03-2012), against the guarantee of the Government of AP.
3. Interest accrued but not due on regular interest bonds amounting to Rs. 47.88 crore (Previous year Rs.9.78 crore) has not provided in the books of accounts due to the following reasons :
- The tax cannot be deducted at source as required under Chapter XVII of the Income Tax Act, 1961, as the bonds are tradable in nature and the ultimate beneficiary cannot be ascertained at the end of the year till the actual payment is made.
 - The tax due payable by a bondholder cannot be deducted at source as the quantum of interest cannot be determined at the end of the year till the actual payment is made.
 - The actual Interest expenditure to the company in this regard gets reimbursed by the Government of A.P.
4. Balances at 31-03-2013 in Trust & Retention Accounts (No-Lien Current Accounts) with the State Bank of Hyderabad representing funds transferred pursuant to the Tripartite Agreement for servicing of the bonds is Rs. 141.07 crore (Rs. 118.19 crore as at 31-03-2012) against which cheques have already been dispatched to the Bondholders, is not reflected in the Balance Sheet as at 31-03-2013, as the funds have been transferred to the said No-Lien Accounts, specifically for the bonds which already got matured and became due for payment. These balances include Rs.18.42 lakhs which are outstanding for more than 7 years.



5. Loans to DISCOMS - AP Government and Loans to DISCOMs' Pool Account :

The funds mobilized upto 31-03-2013 from the bonds amounting to Rs.5894.60 crore (Rs.2925.19 crore as at 31-03-2012) and Canara Bank Term Loan of Rs. 34.00 crore (Rs.70.00 crore as at 31-03-2012), have been deployed by way of "Loan to DISCOMs - Govt. of A.P." & DISCOMs Pool Account as under :

(Rs. in Crore)

Particulars	As on 31-03-2013	As on 31-03-2012
Non-Current Assets :		
--Loan to DISCOMs - Govt. of AP	841.30	875.30
--Loan to AP DISCOMs	5053.30	1951.60
Current Assets :		
Other Current Assets		
--Loan to Government of AP	Nil	168.29
Total	5894.60	2710.20

6. All receivables including the receivables from the DISCOMS-AP Government and DISCOMs' Pool Account are subject to confirmation and reconciliation from the respective parties.

7. Managerial Remuneration :

Particulars	Managing Director	
	2012-13 Rs.	2011-12 Rs.
Salaries, Allowances	-	-
Contribution to Provident Fund and Welfare Fund	-	-
Others - Additional Charge allowance to Managing Director	1,75,308/-	1,59,534/-

- 8.
- Contingent Liabilities not provided for - NIL - (Previous year -NIL-)
 - Estimated amount of contracts remaining to be executed on capital account and not provided for - NIL - (Previous Year -NIL -).
9. During the year, to the extent information provided by the suppliers, the company has not entered into any transactions either with Small Scale Industries or any other enterprises which come under the purview of Micro, Small and Medium Enterprises Development Act, 2006.
10. Other information required to be disclosed as per paragraphs 3 and 4 of the Schedule-VI to the Companies Act, 1956 is 'NOT APPLICABLE' to the company.
11. Previous year figures are regrouped, rearranged or readjusted, wherever necessary.

For **P.S.N. Ravishanker & Associates**
Chartered Accountants

(**Y. Sai Karunakar**)
Partner
M. No. 207033

Place : Hyderabad
Date : 31-08-2013

For **ANDHRA PRADESH POWER FINANCE
CORPORATION LTD**

Munindra, IFS
Managing Director

K. Vijayanand, IAS
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013**

PARTICULARS	For the year ended 31-03-2013 Rupees	For the year ended 31-03-2012 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extraordinary Items	-	-
Adjustments for :		
Depreciation & Assets written off	20,930	33,185
Interest Income	(19,36,282)	(18,41,220)
Operating Profit Before Working Capital Changes	(19,15,352)	(18,08,035)
Adjustments for changes in working capital :		
Increase / (decrease) in current maturities of Non-Cumulative Bonds	(113,96,00,000)	(463,35,00,000)
Increase / (decrease) in current maturities of Cumulative Bonds	(18,33,00,000)	18,33,00,000
Increase / (decrease) in Loan to DISCOM AP Govt. Current Maturities of Bonds	134,29,00,000	445,02,00,000
Increase / (decrease) in Other Receivables from AP Government	1,93,98,626	(1,98,05,534)
Increase / (decrease) in Unsecured Loan from Bank (Current Maturities)	(2,00,00,000)	-
Increase / (decrease) in Other Current Assets	4,921	(2,38,381)
Increase / (decrease) in Trade Payables and Others Liabilities	(1,94,15,591)	1,99,44,734
Increase/(Decrease) in Net Current Assets	(12,044)	(99,181)
Net Cash From Operating Activities (A)	(19,27,396)	(19,07,216)
B. CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(18,000)	(18,100)
Interest Received	19,36,282	18,41,220
Net Cash Used In Investing Activities (B)	19,18,282	18,23,120
C. CASH FLOWS FROM FINANCING ACTIVITIES :		
Increase / (decrease) in Bonds outstanding (Non-Current)	3101,70,00,000	784,34,00,000
Increase / (decrease) in Bank Term Loan	(34,00,00,000)	(36,00,00,000)
Increase / (decrease) in Loans Term Loans and Advances (Non-Current)	(3067,70,00,000)	(748,34,00,000)
Net Cash used in financing Activities (C)	-	-
Net Increase in Cash and Cash Equivalents (A+B+C)	(9,114)	(84,096)
Add : Cash and Cash Equivalents at the beginning the year	2,01,41,910	2,02,26,006
Cash and Cash Equivalents at the end of the year	2,01,32,796	2,01,41,910
Reconciliation of cash and cash equivalents :		
Cash in Hand :	364	381
Cash at Bank		
in Current Account	1,32,432	1,41,529
in Deposit Account	2,00,00,000	2,00,00,000
Total Cash and Cash Equivalents at the end of the year :	2,01,32,796	2,01,41,910

As per our report of even date

For P.S.N. Ravishanker & Associates
Chartered Accountants(Y. Sai Karunakar)
Partner
M. No. 207033
Place : Hyderabad
Date : 31-08-2013For ANDHRA PRADESH POWER FINANCE
CORPORATION LTDMunindra, IFS
Managing DirectorK. Vijayanand, IAS
Director