

# **ANDHRA PRADESH POWER FINANCE CORPORATION LIMITED**



**Annual Report for 2001-2002**

Board of Directors	2
Directors' Report	3
Auditors' Report	6
Annexure to the Auditors Report	8

Board of Directors	2
Directors' Report	3
Auditors' Report	6
Annexure to the Auditors Report	8
Comments of C & A.G	9
Balance Sheet	10
Profit and Loss Account	11
Schedules to Balance Sheet	12
Balance Sheet Abstract	18

## 9

Balance Sheet 10

Profit and Loss Account 11

Schedules to Balance Sheet	12
Balance Sheet Abstract	13

## BOARD OF DIRECTORS

The GOAP have nominated and appointed the following as the Directors on the Board of your Company.

- |    |                                    |                          |
|----|------------------------------------|--------------------------|
| 1. | <b>Sri S.K. Arora, IAS</b>         | Chairman                 |
| 2. | <b>Sri V.S. Sampath, IAS</b>       | Director                 |
| 3. | <b>Sri P. Ramakanth Reddy, IAS</b> | Director (Upto 3.8.2002) |
| 4. | <b>Smt. Rachel Chatterjee, IAS</b> | Director (From 3.8.2002) |
| 5. | <b>Sri J. Parthasarathy</b>        | Director                 |
| 6. | <b>Sri T.V.S.N. Prasad, IAS</b>    | Director                 |
| 7. | <b>Sri B. Aravinda Reddy, IAS</b>  | Managing Director        |

## AUDITORS :

### **M/s.GANESHAM & SRIDHAR**

CHARTERED ACCOUNTANTS  
410, Raghava Ratna Towers,  
5-8-354, Chirag Ali Lane, Abids,  
HYDERABAD - 500 001.

## BANKERS :

STATE BANK OF HYDERABAD  
Gunfoundry, Abids,  
HYDERABAD.



## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the Second Annual Report of on the operations of the Company together with the Audited statement of Accounts for the year ended 31st March 2002.

### BACKGROUND FOR FORMATION OF THE COMPANY

As you are aware, the Government of Andhra Pradesh (GOAP) have undertaken a total and comprehensive programme for reforming the power sector. The Programme is intended, over a period of time, to enable the power sector in the State to be viable and self-sustaining. The Andhra Pradesh Electricity Reform Bill was approved by the State Legislative Assembly on April 28, 1998 for the restructuring of the electricity sector. The Reform Act was notified on October 29, 1998 and the GOAP made the Act effective from February 1, 1999. Recognizing the need for extending net financial support to the newly formed entities, in place of Andhra Pradesh State Electricity Board (APSEB); viz., Transmission Corporation of Andhra Pradesh Limited (APTRANSCO), Andhra Pradesh Power Generation Corporation Limited (APGENCO); and the four Distribution Companies under APTRANSCO, the Government have undertaken to provide assistance to enable the power sector to get over the teething problems during the period of reforms. The APPFCL was thus formed, vide G.O.Ms.No.54 dt.19.5.2000 to meet the requirements of the unbundled entities during the transition period and also to provide an impetus for infrastructure development of the power sector.

The Registrar of Companies, Andhra Pradesh, Hyderabad issued the Certificate of Incorporation on 12th July, 2000 informing therein the formation of APPFCL. The Certificate of commencement of Business was issued by the Registrar of Companies on 13th July, 2000.

Your Company has also obtained registration from the Reserve Bank of India (RBI) as a Non-Banking Finance Company (NBFC) under the RBI Act 1934 vide letter No.DNBS(H) No.714/04.039/2000-2001 dt.25.8.2000.

### MAIN OBJECTIVES OF APPFCL

1. To acquire shares or provide long term finance to any enterprise wholly engaged in the business of developing maintaining and operating of power, including but not limited to a generating transmission, distribution facilities or any infrastructure facilities, as specified in Section 10 (23) (G) of Income Tax, 1961 or any amendment or modification thereto: and
2. To subscribe for, underwrite, purchase, or otherwise acquire and to hold, dispose of and deal with the shares, stocks, securities appoint date evidences of indebtedness, or the right to participate in profits or other similar documents issued by any Government, Authority, corporation or body of persons and any option or right in respect thereof.



## FIRST, SECOND YEAR SCENARIO

Your company has raised an amount of Rs.4230.08 Crores during the first F.Y 2000-2001 and 2001-02 through private placement of non-convertible and redeemable bonds.

## DIRECTORS

Smt.Rachel Chatterjee, IAS was appointed as Director of the company w.e.f.3.8.2002 in place of Sri P.Ramakanth Reddy, IAS.

The Board placed on record its appreciation of the services rendered by Sri P.Ramakanth Reddy, IAS during his tenure with the company as Director.

## AUDITORS

M/s.Ganesham & Sridhar, Chartered Accountants, Hyderabad were appointed by the G&AG as statutory Auditors of your company for the FY 2001-2002.

## PERFORMANCE

The supplementary audit was conducted by the Accountant General of the C&AG. The accounts of the company were revised for better presentation on the basis of C&AGs comments during supplementary audit.

## PARTICULARS OF EMPLOYEES

In compliance with the provisions of Section 27(2A) of the Companies Act, 1956, it is informed that none of the employees of the company are in receipt of remuneration of Rs.12,00,000 or more per annum or Rs.1,00,000 or more per month, as the case may be.

## FUTURE STRATEGY

Your company is proposing to raise funds, through private placement of Non-convertible and redeemable bonds, for a total sum of Rs.5000 Crores, as authorized by the shareholders in the Extra-ordinary General Meeting. The amounts collected would form part of fund raising for the on-going reforms in the power sector in the State of Andhra Pradesh.

## 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) that in the preparation of the annual accounts for the year ended March 31, 2002, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) that 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 March 31, 2002.
- (iii) that 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) that the directors had prepared the annual accounts on a going concern basis.

### 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

For and on behalf of the Board

Sd/-

**(B.ARAVINDA REDDY)**

Managing Director

Place : Hyderabad.

Date : 26-09-2002



## AUDITOR'S REPORT

**GANESHAM & SRIDHAR**

Chartered Accountants

410, Raghava Ratna Towers,

Chirag Ali Lane,

Hyderabad - 500001

Tel : 040-320 39 22

Fax : 040- 320 54 34

To

The Members of

**Andhra Pradesh Power Finance Corporation Limited**

We have audited the attached Balance sheet of **Andhra Pradesh power Finance Corporation Limited** as at 31st March, 2002 and also the profit and loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and other companies (Auditor's Report) order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) In our opinion proper books of account as required by law have been kept by the company in so far as it appears from our examination of those books.
- iii) The Balance sheet and profit and loss Account dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance sheet and profit and loss account dealt with by this report comply with the accounting standards referred to in sub - section (3c) of section 211 of the companies Act, 1956.
- v) On the basis of written representations received from the directors as on 31st March, 2002 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2002 from being appointed as a director in terms of clause (g) of sub - section (1) of the companies Act, 1956.

vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the companies Act, 1956 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, 2002 and

(b) in the case of the profit and loss account of the no profit - no loss for the year ended on that date

This report is issued on the revised accounts of the company for the year 2001-2002 the Accounts have been revised for better presentation and there is no charge in the financial position of the company dealt with in our report dated 12.8.2002

For **GANESHAM & SRIDHAR**

Chartered Accountants

Sd/-

**N. Sridhar Venkata Rao**

Partner

Place : Hyderabad

Date : 26-9-2002

For **GANESHAM & SRIDHAR**  
Chartered Accountants

Sd/-

**N. Sridhar Venkata Rao**

Partner

Place : Hyderabad

Date : 26-9-2002



## GANESHAM & SRIDHAR

Chartered Accountants

### ANNEXURE TO THE AUDITOR'S REPORT

(referred to in paragraph (1) of our Report of even date)

1. The company has maintained proper records to show particular including quantitative details and situation of its fixed assets. The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and physically inventory have been noticed.
2. The company has not revalued any of its fixed assets during the year.
3. The company has not taken any loans, secured or unsecured, from companies or granted any loans secured or unsecured to companies, firm or any parties listed in the register maintained under section 301 companies Act 1956, being a company under the same management as defined under section 370(1B) of the companies Act 1956, which are prejudicial to the interest of the company.
4. Loans and Advances in the nature of Loans have not been granted to any party during the year.
5. In our opinion and according to the information and explanations given to us the company has internal control procedures, which are commensurate with the nature and size of the business.
6. The company has not accepted deposits from public and such provisions of sections 58A of the companies Act 1956 and the rules framed there under are not applicable to the company.
7. In our opinion, considering the size, the nature of its business and its internal control system the company does not warrant an Internal Audit.
8. As informed to us, the company is not covered under the provision of the Employees State Insurance and the Provided Fund Acts and liability under the Acts.
9. There are no undisputed amounts payable in respect of Income Tax and Excise Duty, as at 31.03.2002 for a period of more than six months from the date they became payable.
10. No personal expenses of the employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
11. The company is not a sick company as given under section 2(1)(0) of the sick Industrial (special) provision Act 1985.

For **GANESHAM & SRIDHAR**

Chartered Accountants

Sd/-

**N. Sridhar Venkata Rao**

Partner

Place : Hyderabad

Date : 26-9-2002

## 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 2002.

\*\*\*

In view of the revisions made in the accounts as a result of the observations made by the Comptroller and Auditor General of India as indicated in the last para of the Auditors' Report to the shareholders and note number VI of notes forming part of accounts, there are no further comments to offer upon or supplement to the Auditor's Report under Section 619(4) of the Companies Act 1956 on the accounts of the Andhra Pradesh Power Finance Corporation Limited, Hyderabad of the period ended 31st March, 2002

Place : Hyderabad.

Date : 29-11-2002

Sd/-  
ACCOUNTANT GENERAL (AU) -II  
ANDHRA PRADESH



## Balance Sheet As at 31-3-2002

PARTICULARS	Schedule No.	As at 31-3-2002	As at 31-3-2001
<b><u>SOURCES OF FUNDS</u></b>			
SHARE CAPITAL	1	27,00,00,700	27,00,00,700
UNSECURED LOANS	2	<u>4230,08,00,000</u>	<u>2474,51,00,000</u>
<b>Total</b>		<u>4257,08,00,700</u>	<u>2501,51,00,700</u>
<b><u>APPLICATION OF FUNDS</u></b>			
<b><u>FIXED ASSETS</u></b>			
GROSS BLOCK	3	2,67,459	20,030
Less : Depreciation		<u>18,573</u>	<u>--</u>
NET BLOCK		2,48,886	20,030
<b><u>CURRENT ASSETS &amp; LOANS AND ADVANCES</u></b>	4		
CASH ON HAND		826	2,030
CASH WITH SCHEDULED BANKS		1,85,08,798	44,24,63,026
LOAN TO A.P. GOVERNMENT		4220,16,70,000	2427,42,70,000
OTHER RECEIVABLES FROM AP. GOVT		<u>195,75,70,149</u>	<u>75,24,27,622</u>
<b>Total Current Assets</b>		4417,77,49,773	2546,91,62,678
LESS : CURRENT LIABILITIES & PROVISIONS	5	<u>162,72,17,959</u>	<u>47,41,02,008</u>
<b>Net current Assets</b>		4255,05,31,814	2499,50,60,670
<b><u>MISC. EXPENSES</u></b>			
INCORPORATION EXPENSES (To the extent not written off or adjusted)		2,00,20,000	2,00,20,000
<b>Total</b>		<u>4257,08,00,700</u>	<u>2501,51,00,700</u>

Notes forming part of the accounts

6

As per our Report of even date  
For **GANESHAM & SRIDHAR**  
Chartered Accountants

FOR ANDHRA PRADESH POWER FINANCE  
CORPORATION LTD

Sd/-  
**N. Sridhar Venkata Rao**  
Partner

Sd/-  
Managing Director  
Andhra Pradesh  
Power Finance Corpn. Ltd.  
Hyderabad

Sd/-  
Director  
Andhra Pradesh  
Power Finance Corpn. Ltd.  
Hyderabad

Place : Hyderabad

Date : 26-9-2002

## Profit and Loss Account for the period 1-4-2001 to 31-3-2002

PARTICULARS	Current Year Rs.	Previous Year Rs.
<b>EXPENDITURE</b>		
Interest on Bonds	474,40,57,608	47,56,55,140
Interest on Application money	7,12,68,807	7,81,57,170
Arrangers fees	1,75,21,200	2,83,90,598
Stamp Duty on Bonds	13,16,67,250	18,55,88,750
Bond Issue Expenses	6,49,231	--
Registrar fees	78,754	4,24,189
Surveillance Fees to CRISIL ✓	10,50,000 ✓	31,50,000 ✓
Trustee fees to SBH	39,15,930	3,93,957
Consultant fees	1,72,800	1,21,703
Accounting services fees	72,000	20,000
Fiting fees	3,000	14,000
Bank Charges	42,952	42
Books and periodicals	4,745	522
Printing & Stationary	4,59,479	4,36,787
Postage charges	699	21,728
Vehicle Hire Charges	1,54,800	46,500
Prof. Consultancy fees	10,200	34,640
Repairs & Maintenance	9,504	--
Stamp charges	3,100	1,196
Statutory Audit fees	11,000	10,000
Telephone charges	31,288	---
Misc.expenses	308	---
Depreciation	18,573	--
<b>Total Expenditure</b>	<b>497,12,03,228</b>	<b>77,24,46,922</b>
<b>INCOME</b>	<b>NIL</b>	<b>NIL</b>
Expenditure Transferred to A.P. Govt.	497,12,03,228	77,24,46,922

As per our Report of even date  
For **GANESHAM & SRIDHAR**  
Chartered Accountants

**FOR ANDHRA PRADESH POWER FINANCE  
CORPORATION LTD**

Sd/-  
**N. Sridhar Venkata Rao**  
Partner

Sd/-  
Managing Director  
**Andhra Pradesh  
Power Finance Corpn. Ltd.**  
Hyderabad

Sd/-  
Director  
**Andhra Pradesh  
Power Finance Corpn. Ltd.**  
Hyderabad

Place : Hyderabad

Date : 26-9-2002



## SCHEDULES TO ACCOUNTS

PARTICULARS	As at 31-3-2002	As at 31-3-2001
<b><u>SCHEDULE 1</u></b>		
<b><u>AUTHORISED SHARE CAPITAL</u></b>		
30,00,00,000 Equity Shares of Rs. 100 each	<u>3000,00,00,000</u>	<u>3000,00,00,000</u>
<b><u>ISSUED&amp;PAID-UP SHARE CAPITAL</u></b>		
27,00,00,7 Equity Shares of Rs. 100 each		
Fully paid up	<u>27,00,00,700</u>	<u>27,00,00,700</u>
<b><u>SCHEDULE 2</u></b>		
<b><u>UNSECURED LOANS</u></b>		
1/2000 Bond Issue 1st series	356,97,00,000	356,97,00,000
2/2000 Bond Issue 2nd Series	505,62,00,000	505,62,00,000
1/2001 Bond Issue 3rd Series	433,56,00,000	433,56,00,000
2/2001 Bond Issue 4th Series	1305,18,00,000	1178,36,00,000
3/2001 Bond Issue 5th Series	342,45,00,000	--
4/2001 Bond Issue 6th Series	293,19,00,000	--
5/2001 Bond Issue 7th Series	993,11,00,000	--
	<u>4230,08,00,000</u>	<u>2474,51,00,000</u>

As per our Report of even date  
For **GANESHAM & SRIDHAR**  
Chartered Accountants

**FOR ANDHRA PRADESH POWER FINANCE  
CORPORATION LTD**

Sd/-  
**N. Sridhar Venkata Rao**  
Partner

Sd/-  
Managing Director  
**Andhra Pradesh  
Power Finance Corpn. Ltd.**  
Hyderabad

Sd/-  
Director  
**Andhra Pradesh  
Power Finance Corpn. Ltd.**  
Hyderabad

Place : Hyderabad

Date : 26-9-2002

## Schedule of Fixed Assets for the Year ended 31st March, 2002

Schedule : 3

Sl. No.	Description of Asset	Rate of Depreciation SLM	Gross Block			Depreciation			Net Block	
			As at 1-4-01 Rs.	Additions during the year	Deletions during the year	Total 31-03-02 Rs.	As at 31-3-01 Rs.	for the year Rs.	As at 31-3-02 Rs.	As at 31-3-01 Rs.
1	Land & Building									
2	Plant & Machinery	7.07%	10,750	114,040		124,790	-	7,597	117,193	10,750
3	Computer System	16.21%		130,709		130,709	-	10,288	120,421	-
4	Office Equipments	6.33%	9,280	2,680		11,960	-	688	11,272	9,280
5	Furniture & Fixtures						-	-	-	-
	Total		20,030	247,429		267,459	-	18,573	248,886	20,030
	Previous Year			20,030		20,030	-	-	20,030	-

### Notes :

1. Depreciation is provided on SLM Basis at the rates specified by Sch. XIV to the Companies Act.
2. Depreciation is provided from the date of putting the asset to use.

As per our Report of even date  
For **GANESHAM & SRIDHAR**  
Chartered Accountants

Sd/-  
**N. Sridhar Venkata Rao**  
Partner

Place : Hyderabad  
Date : 26-9-2002

FOR ANDHRA PRADESH POWER FINANCE  
CORPORATION LTD

Sd/-  
Managing Director  
**Andhra Pradesh  
Power Finance Corp. Ltd.**  
Hyderabad

Sd/-  
Director  
**Andhra Pradesh  
Power Finance Corp. Ltd.**  
Hyderabad



## SCHEDULES TO ACCOUNTS

PARTICULARS	As at 31-3-2002	As at 31-3-2001
<b>Schedule 4</b>		
Balance in SBH Current a/c	2,05,08,798	31,94,33,026
Balance in HDFC Collection a/c	-20,00,000	12,30,30,000
	<u>185,08,798</u>	<u>44,24,63,026</u>
Other Receivables from A.P. Govt	197,75,90,149	77,24,47,622
Less : Incorp. Exp. paid by A.P. Govt	2,00,20,000	2,00,20,000
	<u>195,75,70,149</u>	<u>75,24,27,622</u>
<b>SCHEDULE 5</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Interest accrued but not due on Bonds	150,38,35,349	28,50,43,248
Stamp duty on Bonds payable	12,21,56,250	18,55,88,750
Outstanding expenses	12,25,842	29,91,389
Tax: deducted at source	518	4,78,621
	<u>162,72,17,959</u>	<u>47,41,02,008</u>

As per our Report of even date  
For **GANESHAM & SRIDHAR**  
Chartered Accountants

Sd/-  
**N. Sridhar Venkata Rao**  
Partner

Place : Hyderabad

Date : 26-9-2002

FOR ANDHRA PRADESH POWER FINANCE  
CORPORATION LTD

Sd/-  
Managing Director  
**Andhra Pradesh**  
**Power Finance Corp. Ltd.**  
Hyderabad

Sd/-  
Director  
**Andhra Pradesh**  
**Power Finance Corp. Ltd.**  
Hyderabad

## SCHEDULE 6

### Significant Accounting Policies followed

#### 1. Basis of Accounting

The Company prepares its accounts on Accrual basis under the historical cost convention and in accordance with the applicable Accounting Standards followed in India.

#### 2. Revenue Recognition :

The company does not recognise any income on the loans given to the Government of Andhra Pradesh out of the various series of Bonds issued on Private Placement basis. The total expenditure incurred by the company is transferred to the Government of Andhra Pradesh account for reimbursement.

#### 3. Fixed Assets :

Fixed assets are stated at Cost of Acquisition inclusive of duties, taxes, etc. Depreciation is provided on Straight Line Method from the date of putting the asset to use

### NOTES FORMING PART OF THE ACCOUNTS :

1. Andhra Pradesh Power Finance Corporation Ltd., (APFCL) was incorporated pursuant to the Andhra Pradesh Government Order G.O. Ms. No. 54 dated 19-05-2000 APFCL was incorporated as a Government company under the Companies Act 1956, on 12 July 2000 and has commenced business on July 13th, 2000 APFCL has obtained registration from the Reserve Bank of India as a non - banking finance company under the Reserve Bank of India Act 1934 vide letter No. DNBS(H) NO. 714/04. 039 /2000-2001 dated August 25th, 2000

#### 2. UNSECURED LOANS :

The company has issued Bonds under various series styled "POWER BONDS" during the year on Private Placement Basis. The common features of the Bonds are as under

- 1 The Bonds are in the nature of Non-Convertible. Bonds in the nature of Debentures
- 1 Government of Andhra Pradesh unconditionally and irrevocably guarantees the interest and principal repayments.
- 1 The Payments to the Bond holders are governed by a "STRUCTURED MECHANISM" Through a tripartite Agreement between the company, Government of Andhra Pradesh and state Bank of Hyderabad; Trustees to the Bondholders, which assures budgetary support, if required, from the Government of Andhra Pradesh for servicing the bonds. The payment due on bonds, trustees remuneration and all other monies relating thereto are secured by ;
  - (a) First charge on all the monies received/to be received by the company in the Designated Account from the State Government of Andhra Pradesh pursuant to the obligations undertaken by it under the Tripartite Agreement



- (b) First charge on all monies in the designated account and all monies and other revenues transferred to that account by the company

**2.1 Power Bonds Series 1/2000 :**

The bonds carry a coupon rate of 13.10% p.a. for a tenor of 7 years and 13.30% p.a. for a tenor of 10 years payable semi-annually with put/call options at the end of 5 years and 7 years respectively.

**2.2 Power Bonds Series 2/2000 :**

The bonds carry a coupon rate of 13.10% p.a. for a tenor of 7 years and 13.30% p.a. for a tenor of 10 years and 13.50% for a tenor of 12 years payable semi-annually with put/call options at the end of 5 years and 7 years and 10 years respectively

**Cumulative Interest Bonds :**

The bonds carry coupon rate of 13.53% p.a. for a tenor of 7 years and 13.74% p.a. for a tenor of 10 years and 13.96% for a tenor of 12 years, payable on redemption.

**2.3 Power Bonds Series 1/2001 :**

The bonds carry a coupon rate of 13.10% p.a. for a tenor of 7 years and 13.30% p.a. for a tenor of 10 years and 13.50% for a tenor of 12 years, payable semi-annually with put/call options at the end of 5 years and 7 years and 10 years respectively.

**Cumulative Interest Bonds :**

The bonds carry coupon rate of 13.53% p.a. for a tenor of 7 years and 13.74% p.a. for a tenor of 10 years and 13.96% for a tenor of 12 years, payable on redemption.

**2.4 Power Bond Series 2/2001 :**

The bonds carry a coupon rate of 12.30% p.a. for a tenor of 7 years and 12.60% p.a. for a tenor of 10 years and 12.80% for a tenor of 12 years payable semi-annually with put/call options at the end of 5 years and 7 years and 10 years respectively.

**2.5 Power Bond Series 3/2001 :**

The bonds carry a coupon rate of 12.00% p.a. for a tenor of 7 years and 12.30% p.a. for a tenor of 10 years and 12.50% for tenor of 12 years, payable semi-annually with put/call options at the end 5 years and 7 years and 10 years respectively.

**2.6 Power Bond Series 4/2001 :**

The bonds carry a coupon rate of 12.00% p.a. for a tenor of 7 years and 12.30% p.a. for a tenor of 10 years and 12.50% for a tenor of 12 years payable annually with put/call options at the end of 5 years and 7 years and 10 years respectively

## 2.7 Power Bond Series 5/2001 :

The bonds carry a coupon rate of 11.60% p.a. for a tenor of 7 years and 11.80% p.a. for a tenor of 10 years and 12.00% for a tenor of 12 years payable annually with put/call options at the end of 5 years and 7 years and 10 years respectively

3.0 Balance lying in No-Lien Current accounts with the banks, representing funds transferred pursuant to the Tripartite Agreement for servicing of the Bonds. Is Rs. 105,69,14,803 against which cheques have already dispatched to the Bondholders.

3.1 Other information required by Schedule VI, Part II of the Companies ACT 1956 relating to exports, imports and earnings in foreign currency, remittance in foreign currency is not given, as the same is not applicable to the company

4.0 As the Company is not a manufacturing company, information relating to paragraphs 3 and 4 of the Schedule VI of the Companies ACT 1956 is not given

5.0 Previous period figures are regrouped inline with the current year's classification.

As per our Report of even date  
For **GANESHAM & SRIDHAR**  
Chartered Accountants

FOR ANDHRA PRADESH POWER FINANCE  
CORPORATION LTD

Sd/-  
**N. Sridhar Venkata Rao**  
Partner

Sd/-  
Managing Director  
**Andhra Pradesh**  
**Power Finance Corp. Ltd.**  
Hyderabad

Sd/-  
Director  
**Andhra Pradesh**  
**Power Finance Corp. Ltd.**  
Hyderabad

Place : Hyderabad

Date : 26-9-2002



# Annexure to Balance Sheet as at 31.3.2002

## Additional Information required under Part IV of Schedule VI to the Companies Act, 1956 :

### **BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE AS AT 31.03.2002**

1.	<b>Registration No. : 01-34911-00-2001</b>	State Code : 01
	<b>Balance Sheet Date : 31-03-2002</b>	
2.	Capital Raised during the year	NIL
3.	<b>Position of mobilisation &amp; Deployment of Funds (Rs. lakhs)</b>	
	Total Liabilities	425708.01
	Total Assets	425708.01
	<b>Sources of Funds (Rs.Lakhs)</b>	
	Paid -up Capital	2700.01
	Reserves & Surplus	NIL
	Secured Loans	NIL
	Unsecured Loans	423008.00
	<b>Application of Funds (Rs.Lakhs)</b>	
	Net Fixed Assets	2.49
	Investments	NIL
	Net Current Assets	425505.32
	Misc. Expenses	200.20
	Accomulated Losses	NIL
	<b>Performance of the Company (Rs.lakhs)</b>	
	Turnover/Income	NIL
	Total Expenditure	49712.03
	Profit Before Tax	NIL
	Profit after Tax	NIL
	Earnings per share	NIL
	Dividend per share	NIL
4.	<b>Generic names of principal products / services of the company</b>	
	Item Code	Not applicable
	Product description	Not applicable

**FOR ANDHRA PRADESH POWER FINANCE  
CORPORATION LTD**

Sd/-  
Managing Director  
Andhra Pradesh  
Power Finance Corpn. Ltd.  
Hyderabad

Sd/-  
Director  
Andhra Pradesh  
Power Finance Corpn. Ltd.  
Hyderabad