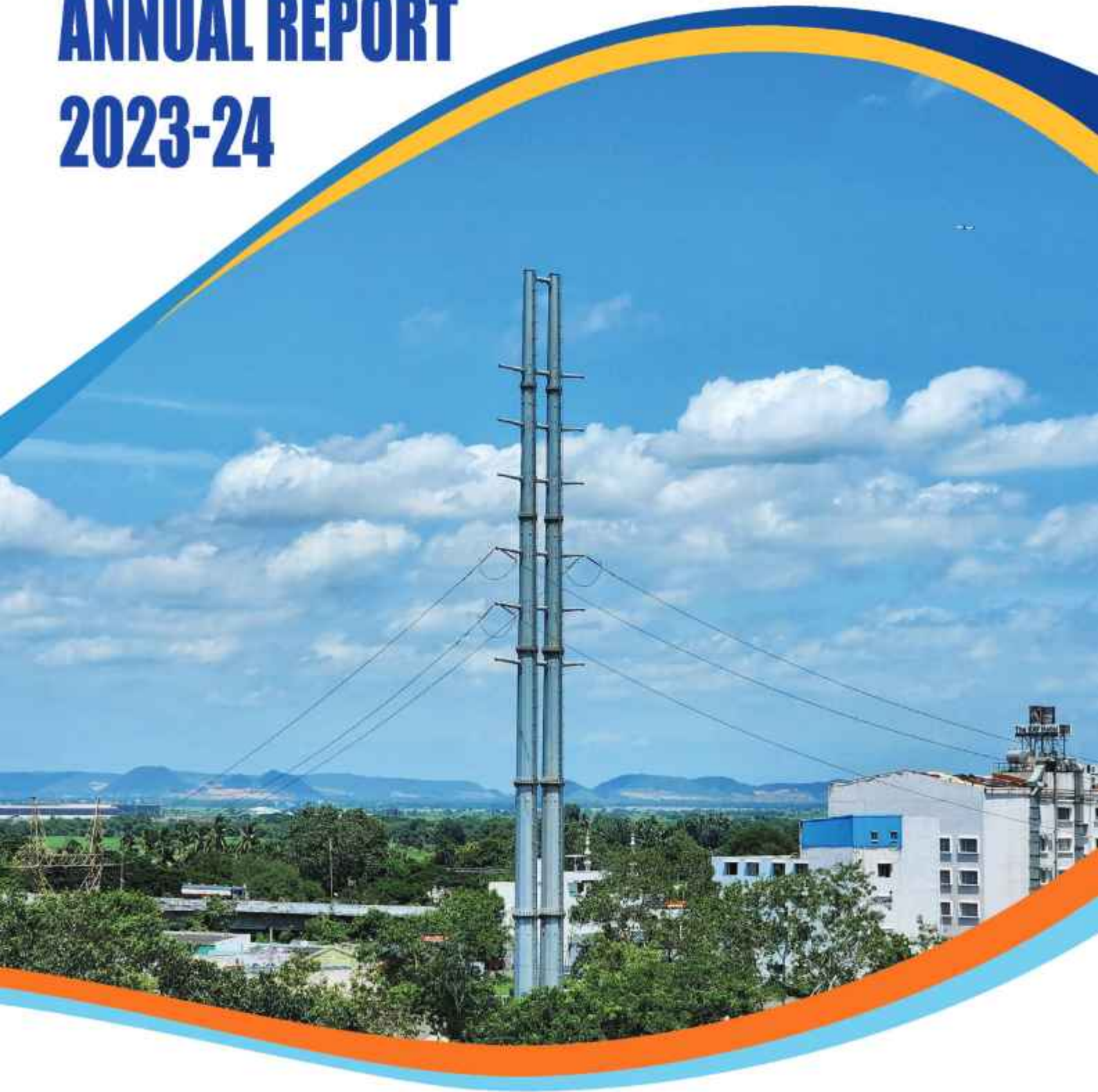




ANNUAL REPORT

2023-24



TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED
Powering Progress Across Andhra Pradesh



TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED



**26th ANNUAL STATEMENT OF ACCOUNTS
2023-24**

Electricity Saved is Electricity Generated



Board of Directors

Sri. K. Vijayanand, IAS	Chairman and Managing Director (w.e.f 07.04.2023)
Sri. K V N Chakradhar Babu, IAS	Joint Managing Director (HR & Administration) (w.e.f 06.04.2023)
Sri. B Malla Reddy, IPS (Retd.)	Joint Managing Director (V&S)
Sri. T Veera Bhadra Reddy	Director (Finance)
Sri. A K V Bhaskar	Director (Grid & Transmission Mgmt)
Sri. K V V Satyanarayana, IRAS	Director (Non-Whole Time) Rept. From Finance Dept, GoAP
Smt. G Jayalakshmi, IAS	Women Director (Non-Whole Time) (w.e.f 13.03.2024)
Sri. B A VP Kumara Reddy	Director (Non-Whole Time) Rept. From Energy Dept, GoAP

Corporate Information of APTRANSCO

Details of Company Secretary: -	
Company Secretary & Compliance Officer	Sri. Nitesh Ranj an (upto 04.09.2023)
Asst Company Secretary, FAC	Sri. R. Mani Kiran (w.e.f 04.09.2023)
Details of company: -	
Registered Office	#48-12-16, Vidyut Soudha, Gunadala, Vijayawada, Krishna - 520004, Andhra Pradesh, India
CIN	U31909AP1998SGC107226
Website	https://www.aptransco.gov.in/
GST	37AABCT0088P1ZU
PAN	AABCT0088P
Details of Auditors:	
Statutory Auditors	M/s. Rao & Narayan, Chartered Accountants
Cost Auditors	M/s. Narasimha Murthy & Co., Cost Accountants
Secretarial Auditors	Mr. Subhash Kishan Kandrapu, Practicing Company Secretary
Internal Auditors	1. M/s Ramamoorthy (N) & Co; 2. M/s. K V Brahmum & Co; 3. M/s. Mullapudi & Co; 4. M/s. Srinivasulu Manthu & Associates. 5. M/s. Kuladeep & Associates
Details of Bankers / Financial Institutions	
Bankers / Financial Institutions	State Bank of India, UCO Bank
	Union Bank of India, Federal Bank, PNB
	Bank of Maharashtra
	Tamilnad Mercantile Bank Limited
	Power Finance Corporation Limited
	REC Limited, NABARD

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TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED

(a wholly owned State Govt. Company)

Vidyut Soudha, Gunadala, Vijayawada 520004

CIN: U31909AP1998SGC107226 Website address: www.aptransco.gov.in

NOTICE FOR THE 26TH ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting (AGM) of the members of Transmission Corporation of Andhra Pradesh Limited is scheduled to be held on Monday, December 09, 2024 at 04.30 P.M. at the Registered Office of the Company situated at #48-12-16, Vidyut Soudha, Gunadala, Vijayawada, Krishna - 520004, Andhra Pradesh, India, at a shorter notice, to transact the following items of business:

Ordinary Business:

Item No. 1: To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors, Auditors and Comments of the Comptroller and Auditor General of India, thereon:

The final comments from the Comptroller and Auditor General of India (C&AG) on the Audited Financial Statement of the Company must be received before they can be placed before the members for adoption. These comments are yet to be received from C&AG.

Considering the significant time gap involved in receiving the final comments, the members may consider adjourning the AGM to a future date for the adoption of the Audited Financial Statement.

Item No. 2: To fix the remuneration payable to the Statutory Auditors for the financial year 2024-2025 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with Sections 139(5) and 142 and all applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company be and are hereby authorized to fix the remuneration payable to M/s. Chowdary & Rao, Chartered Accountants, Statutory Auditors of the Company appointed by Comptroller and Auditor General of India (C&AG) for the financial year 2024-2025, be paid the remuneration of Rs.5,00,000/- plus out of pocket expenses limited to Rs.2,00,000/- + applicable taxes.”

Special Business:

Item No. 3: To ratify the remuneration payable to the Cost Auditors for the financial year 2024-2025 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with Section 148 of the Companies Act 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Narasimha Murthy & Co., (Firm Registration No.000042), the Cost Auditors of the Company appointed by the Board of Directors, to conduct the audit of cost records of the Company for the financial year 2024-2025, be paid the remuneration of Rs.2,00,000/- plus out of pocket expenses limited to Rs.5000/- + applicable taxes.”

Yours faithfully,

For and on behalf of **Transmission Corporation of Andhra Pradesh Limited**



Sri. K.V.N. Chakradhar Babu, IAS
Director (Finance)
DIN: 08504821

Director (Finance)
APTRANSCO, Vidyut Soudha,
VIJAYAWADA-520 004.

Date: December 09, 2024

Place: Vijayawada

Notes:

1. Members may note that an extension for holding the Annual General Meeting was granted by the Registrar of Companies, Andhra Pradesh under the third proviso to subsection (1) of Section 96 of the Act and the Meeting is now being held within the extended time.
2. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting is annexed – Refer **Annexure A**.
3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and that a proxy need not be a member of the Company.
4. Members/Proxies are requested to bring the attendance slip – Refer **Annexure B** duly filled in for attending the Meeting.
5. Proxies, in order to be effective, must be received in the enclosed Proxy Form – Refer **Annexure C**, at the Registered Office of the company not less than forty-eight hours before the time fixed for the Meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 (the Act) and Register of Contracts or Arrangements in which directors are interested maintained under section 189 of the Act will be open for inspection at the Registered Office of the Company from 11:00 A.M. to 3:00 P.M on all working days, up to and including the date of the 26th AGM of the Company.
7. Corporate members intending to appoint authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
8. The Chairman shall conduct a vote by show of hands unless a demand of poll is made by member/members (member holding shares worth minimum value of Rs. Five Lakh or 10% voting power in the Company) as per section 109 of Companies Act 2013. If any shareholder requires for voting by poll, he/they shall e-mail their assent/dissent through their registered email ID(s) to the Company designated email viz. cs.aptransco@gmail.com.
9. Members desirous of getting any information on any items of business proposed to be transacted at this Meeting are requested to address their queries to the Joint Managing Director of the Company at the registered office of the Company, so that the information required can be made readily available at the meeting.
10. As per Secretarial Standard – 2 issued by the Institute of Company Secretaries of India, the route map of the AGM venue along with the prominent landmark is attached at the end of the notice – Refer **Annexure D**.

Annexure A

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 3: Ratification of Remuneration payable to Cost Auditors

Based on recommendation of Audit Committee, the Board of Directors in its meeting held on September 26, 2024 has accorded approval for appointment of M/s. Narasimha Murthy & Co., Hyderabad as Cost Auditors of the Company at a remuneration of Rs.2,00,000/- plus out of pocket expenses limited to Rs.5000/- + applicable taxes to conduct the audit of cost records maintained by the Company.

As per Rule 14 of Companies (Audit and Auditors) Rules, 2014 read with Section 148(3) of the Companies Act, 2013, the remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified subsequently by the members in the Annual General Meeting.

Accordingly, approval of the members is requested for passing the Ordinary Resolution as set out in item no. 3 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2024-2025.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the above item.

The Board recommends the Ordinary Resolution as set out at item no. 3 for approval by the Members.



TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED

(a wholly owned State Govt. Company)

Vidyut Soudha, Gunadala, Vijayawada 520004

CIN: U31909AP1998SGC107226 Website address: www.aptransco.gov.in

NOTICE OF THE ADJOURNED 26TH ANNUAL GENERAL MEETING

Notice is hereby given that the Adjourned 26th Annual General Meeting ("AGM") of the members of Transmission Corporation of Andhra Pradesh Limited adjourned sine die dated December 09, 2024 will be held on April 21, 2025 at 07:00 P.M. at the Chief Secretary's Camp Office, Near Ambedkar Statute, Buckinghampeta, Vijayawada – 520002, Andhra Pradesh, India, to transact the following business:

Ordinary Business:

Item No. 1: To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024 together with the Board of Director's Report and annexures, the Statutory Auditors Report and final comments of the Comptroller and Auditor General of India, thereon and management replies thereto:

"RESOLVED THAT the Audited Financial Statements of the Company for the financial year 2023-2024 together with the Board of Director's Report and annexures, the Statutory Auditors Report and final comments of the Comptroller and Auditor General of India, thereon and management replies thereto, as laid before the members be and are hereby received, considered and adopted."

Yours faithfully,
For and on behalf of **Transmission Corporation of Andhra Pradesh Limited**

Sd/-

Smt. Kirthi Chekuri
Director (Finance) / FAC
DIN: 10776818

Date: April 21, 2025
Place: Vijayawada

Notes:

1. The Audited Financial Statements for the year ended March 31, 2024 together with the Reports of Board of Directors and Auditors thereon, could not be considered by the Members at the 26th Annual General Meeting of the Company held on December 09, 2024, since the final comments of the C&AG on the Audited Financial Statements in terms of the provisions of Section 143(6) of the Companies Act, 2013 were not received. Accordingly at the said meeting after considering all other agenda items, the members resolved to adjourn the meeting sine die to be reconvened after receipt of the Comments of the C&AG.
2. The Comments of the C&AG on the Audited Financial Statement have been received on April 11, 2025 and a copy of the same is enclosed to this Notice. Now the 26th Annual General Meeting is being re-convened to consider the Agenda Item regarding consideration of the Audited Financial Statement, containing Balance Sheet as at March 31, 2024, Statement of Profit & Loss Account and Cash Flow Statement of the Company, for the year ended March 31, 2024 together with the Report of the Board of Directors, Reports & the Comments of the Auditors and C&AG thereon.
3. The Audited Financial Statement and other statutory annexures required to be laid before the members at the Annual General Meeting, were attached to this Notice.
4. In terms of the provisions of the Standard No.15.2 of 'Secretarial Standard on General Meeting (SS-2)' issued by the Institute of Company Secretaries of India, a fresh Notice in terms of provisions of the Companies Act, 2013 is being given for this adjourned meeting since the meeting was adjourned sine die.
5. As per Section 116 of the Companies Act, 2013, resolution shall, for all purposes, be treated as having passed on the date on which it was in fact passed i.e., on April 21, 2025, the date of Adjourned AGM.
6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 (the Act) and Register of Contracts or Arrangements in which directors are interested maintained under section 189 of the Act will be open for inspection at the Registered Office of the Company from 11:00 A.M. to 3:00 P.M on all working days, up to and including the date of the 26th AGM of the Company.
7. Corporate members intending to appoint authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
8. The Chairman shall conduct a vote by show of hands unless a demand of poll is made by member/members (member holding shares worth minimum value of Rs. Five Lakh or 10% voting power in the Company) as per section 109 of Companies Act 2013. If any shareholder requires for voting by poll, he/she/they shall e-mail their assent/dissent through their registered email ID(s) to the Company designated email viz. cs.aptransco@gmail.com.
9. Members desirous of getting any information on any item of business proposed to be transacted at this Meeting are requested to address their queries to the Joint Managing Director of the Company at the registered office of the Company, so that the information required can be made readily available at the meeting.

Directors Report

To,
The Members,
Transmission Corporation of Andhra Pradesh Limited ("AP TRANSCO")

The Board is pleased to present the 26th Annual Report of the Company along with the Audited Financial Statements, the Statutory Auditors Report along with comments, the final Comments of the Comptroller and Auditor General of India ("C&AG") and the management's replies for the financial year 2023-2024.

OVERVIEW AND STATE OF AFFAIRS:

AP TRANSCO is a public limited Company, wholly owned by the Government of Andhra Pradesh. It is the sole licensee for transmission of electricity throughout the state in terms of Electricity Act, 2003. AP TRANSCO's network operates at 400kV, 220kV and 132kV voltage levels, connecting the generating stations and distribution companies, as well as Extra High Tension (EHT) Consumers. The goal is to focus on modernization, infrastructure expansion, and technological advancement to meet current and future energy demands.

DISCLOSURE UNDER COMPANIES ACT, 2013 READ WITH RULES FRAMED THEREUNDER:

FINANCIAL SUMMARY / HIGHLIGHTS :

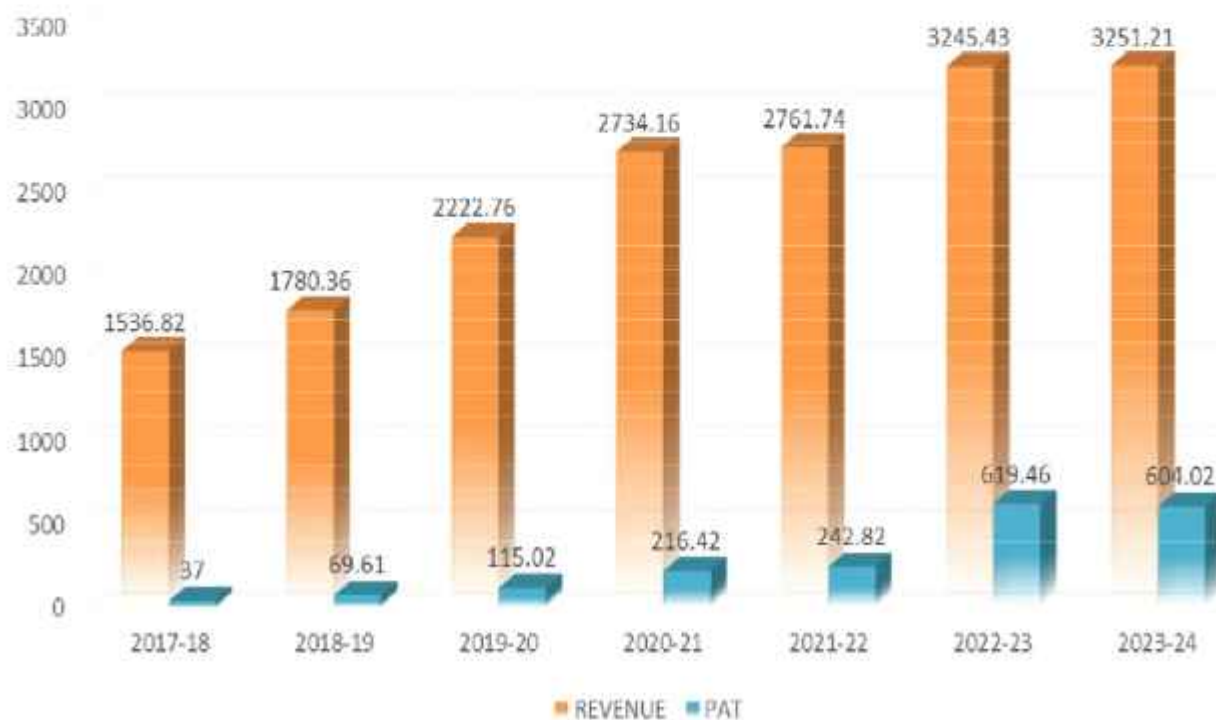
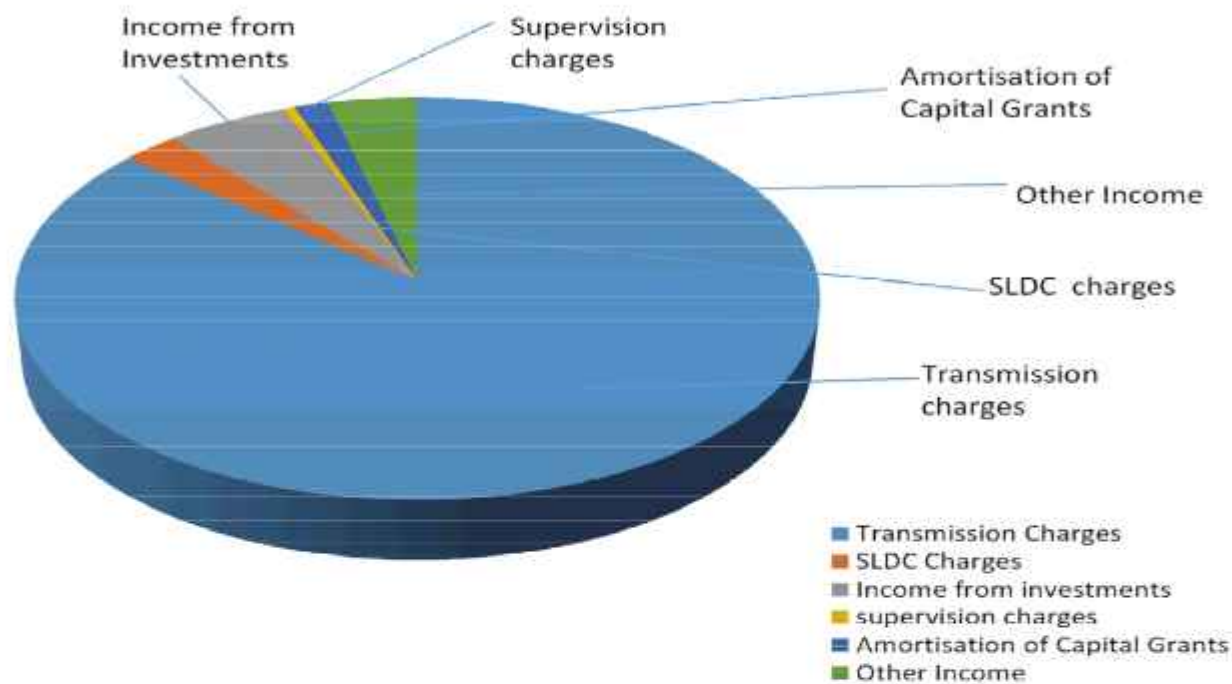
The Financial summary for the financial year 2023-2024 as compared to the previous year 2022-2023 is summarized below:

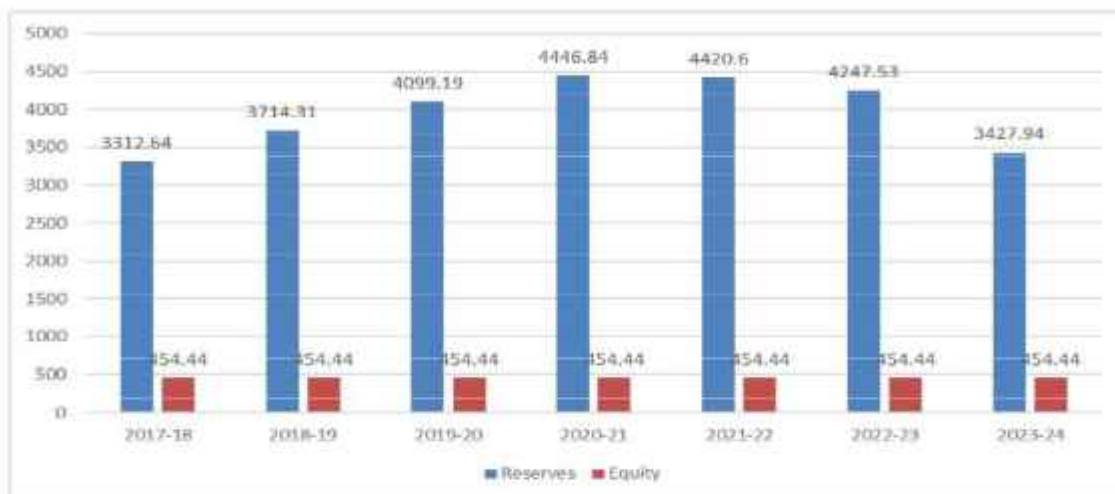
(Amount in Crores, unless otherwise stated)

Particulars	For the financial year 2023-2024	For the financial year 2022-2023
Income:		
Transmission & SLDC Charges / Revenue	2884.17	3048.79
Other Income	367.04	196.64
Total Income	3251.21	3245.43
Expenses:		
Employees Cost (net)	847.02	932.59
Operating and Other expenses (net)	329.37	271.72
Depreciation (net)	809.39	787.03
Interest and Finance Charges (net)	429.67	388.76
Total Expenses	2415.45	2380.10
Profit before tax (PBT)	835.75	865.33
Taxes:		
Current Tax	(142.57)	(82.23)
MAT Credit entitlement	0	(48.42)
Deferred Tax (Liability)/Asset	(89.16)	(115.22)
Profit after tax (PAT)	604.02	619.46

PERFORMANCE REVIEW:

Brief description of Company's operational and financial performance for the financial year 2023-24 is given below:





DIVIDEND:

As a measure of achieving/complying the self-financing ratio of 20% of funding various ongoing and future capital expenditure for various transmission and SLDC projects of AP TRANSCO, the Board had decided to retain the surplus amount as counterpart funding and therefore, not recommended any amount as dividend to its shareholders for financial year under review.

TRANSFER TO RESERVES:

During the year under review, no amount was transferred to General Reserves.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the year under review, there is no change in the nature of business of the Company.

ANNUAL RETURN:

The Annual Return in terms of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 is placed in the Company's website and can be accessed at <https://www.aptransco.gov.in/>.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

During the year under review, no such case was raised to credit / to pay any amount to Investor Education and Protection Fund under Section 125(2) of the Companies Act, 2013.

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

During the year under review, the Company had no Subsidiary / Joint Venture / Associate Company.

CONSOLIDATED FINANCIAL STATEMENTS:

As the Company had no Subsidiary / Joint Venture / Associate Company for the financial year under review, it is not required to consolidate its accounts with any other Company.

DEPOSITS:

During the year under review, the Company has neither accepted nor renewed any deposits from public or from members within the meaning of Section 73 of the Companies Act, 2013. There was no outstanding amount of principal or interest on deposits and there are no unclaimed or unpaid deposits as on March 31, 2024.

Disclosure pertaining to deposits is given below:

Sl.No	Particulars	Amount
1.	Details of deposits accepted during the year	Nil
2.	Deposits remaining unpaid or unclaimed as at the end of the year	Nil
3.	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, the number of such cases and the total amount involved	Nil
	- at the beginning of the year	Nil
	- maximum during the year (i.e., highest number of cases pending repayment of deposits or interest during the year and maximum amount that was due)	Nil
	- at the end of the year	Nil
4.	Details of deposits which are not in compliance with the requirements of the Act	Nil
5.	Details of National Company Law Tribunal / National Company Law Appellate Tribunal orders in respect to depositors for extension of time for repayment, penalty imposed, if any	Nil

SHARE CAPITAL:

Authorised Capital:

The Authorised Capital of the Company is Rs. 25,00,00,00,000/- divided into 2500000000 Equity shares of Rs. 10/- each. During the year under review, there was no change in Authorised Capital of the Company

Issued, Subscribed and Paid up Capital:

The Issued, Subscribed and Paid up Capital of the Company is Rs. 4,54,43,96,950/- divided into 454439695 Fully Paid Equity shares of Rs. 10/- each. During the year under review, there was no change in the Issued, Subscribed and Paid up Capital of the Company

Buy Back of Securities:

During the year under review, the Company has not bought back any of its securities.

Sweat Equity shares:

During the year under review, the Company has not issued any Sweat Equity shares.

Bonus Shares:

During the year under review, the Company has not issued any Bonus shares.

Shares with Differential Voting Rights:

During the year under review, the Company has not issued any shares with Differential Voting Rights

Employees Stock Options:

During the year under review, the Company has not provided any Stock Option scheme to its employees

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company, being an infrastructure company as classified under Schedule VI of the Companies Act, 2013, is exempt from the provisions as applicable to loans, guarantees and securities under Section 186 (11) of the Act. The details of investments made by the Company during the current year and in previous years form part of the Audited Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year under review, no contract(s) or arrangement(s) were entered into by the Company with related parties. Furthermore, no materially significant transactions were executed with promoters, key managerial personnel, or other designated persons that could give rise to a potential conflict of interest. Accordingly, no transactions are required to be disclosed in Form AOC-2, pursuant to Section 134(3)(h) of the Companies Act, 2013.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year under review, there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments in the opinion of the Board, affecting the financial position of the Company which occurred between the end of the financial year of the Company and this report.

CORPORATE GOVERNANCE:

Corporate Governance involves achieving our strategic goals in a responsible and transparent manner while ensuring accountability to our stakeholders. Our Company has established a strong framework of Corporate Governance that prioritizes the long-term interests of all stakeholders.

We operate with a commitment to the principles of Integrity, Fairness, Equity, Transparency, Accountability and Commitment to Values. This framework outlines procedures and mechanisms designed to enhance leadership, facilitate smooth administration, and promote productive collaboration among employees, the value chain, the community, and the government.

BOARD OF DIRECTORS:

The Company is a Government Company within the meaning of section 2(45) of the Companies Act, 2013. Being a Government Company, the power to appoint / nominate Directors on the Board is vested with the Energy Department, Government of Andhra Pradesh. The present composition of the Board reflects a judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

The Composition of the Board as on March 31, 2024 as follows:

Sl.No	Name of the Director	Designation	DIN	Whether he / she is a Director as on the date of this Report
1.	Sri. K. Vijayanand, IAS	Chairman and Managing Director	02138144	Yes
2.	Sri. K V N Chakradhar Babu, IAS	Joint Managing Director (HR & Administration)	08504821	Yes
3.	Sri. B. Malla Reddy, IPS (Retd)	Joint Managing Director (Vigilance & Security)	07612791	No
4.	Sri. T. Veera Bhadra Reddy	Director (Finance)	08996446	No
5.	Sri. A K V Bhaskar	Director (Grid & Transmission Management)	09597323	Yes
6.	Sri. K V V Satyanarayana, IAS	Non Whole Time Director, Representative from Finance Department, GoAP	08076027	No
7.	Smt G. Jayalakshmi, IAS	Non Whole Time Women Director	08690182	Yes
8.	Sri. B A V P Kumara Reddy	Non Whole Time Director, Representative from Energy Department, GoAP	08521458	Yes

Changes during the year under review:

Sl. No	Name of the Director	Designation	DIN	Date of appointment	Date of Cessation	G.O
1.	Sri. B. Sreedhar, IAS	Chairman and Managing Director	02591298	03.03.2022	06.04.2023	G.O. Rt.No.635 dated 06.04.2023
2.	Sri. I Pradhvi Tej, IAS	JMD (HR & Administration)	09388333	01.11.2021	06.04.2023	G.O. Rt.No.635 dated 06.04.2023
3.	Sri. K Vijayanand, IAS	Chairman and Managing Director	02138144	07.04.2023	-	G.O.Rt.No.637 dated 07.04.2023
4.	Sri. K V N Chakradhar Babu, IAS	JMD (HR & Administration)	08504821	06.04.2023	-	G.O. Rt.No.635 dated 06.04.2023
5.	Smt. G. Jayalakshmi, IAS	Non Whole Time Women Director	08690182	13.03.2024	-	G.O.Rt.No.43, dated 13.03.2024
6.	Sri. B A V P Kumara Reddy	Non Whole Time Director, Representative from Energy Department, GoAP	08521458	13.03.2024	-	G.O.Rt.No.43, dated 13.03.2024

In accordance with the provisions of Section 149 of the Companies Act, 2013 the Company is required to have at least two Independent Directors. The Company has appraised the requirement of Independent Directors to the Energy Department, the appointing authority. Meanwhile, the Non Whole Time Directors from the Energy Department and Finance Department are assumed as Independent Directors.

Based on the confirmations received from the Directors:

- None of the Directors are disqualified from appointment under Section 164 of the Act;
- None of the Directors hold directorship in more than 10 Public Limited Companies or acts as Independent Directors in more than 7 Listed Companies;
- None of the Directors are members of more than 10 Committees or Chairpersons of more than 5 Committees (Audit Committee and Stakeholder Relationship Committee) across all the Companies in which they serve as Directors.

Performance Evaluation of the Board, its Committees and Individual Directors:

The Company being a Government Company, all the directors were appointed / nominated by the Energy Department, Government of Andhra Pradesh, the provisions of formal annual evaluation, as mandated by the Companies Act, 2013, are not applicable to the Board, its Committees, and Individual Directors.

Nevertheless, the Board of Directors remains accountable for the company's governance and prudent management, underscoring the necessity for continuous effectiveness.

MEETINGS:

Board Meetings:

The meetings of the Board of Directors are held at the Registered Office of the Company. Meetings are generally scheduled well in advance and the Notice, detailed Board agenda, management reports and other explanatory Board notes are circulated to the Directors. The members of the Board have complete access to all information of the Company. Functional Heads are also invited to the Board meetings to provide additional input to the items being discussed by the Board.

The Board met 6 times during the year under review. The intervening gap of 120 days was not exceeded in between any two meetings. The necessary quorum was present in all the meetings. Leave of absence was granted to the concerned directors who could not attend the respective Board meetings on request.

The date of meetings held during the year:

- May 11, 2023,
- June 26, 2023,
- September 29, 2023,
- November 21, 2023,
- December 29, 2023 and
- February 09, 2024

The details of attendance of each director to the Board Meetings are given below:

Name of the Director	No of meetings entitled to attend	No of meetings attended
Sri. K. Vijayanand, IAS	6	6
Sri. K V N Chakradhar Babu, IAS	6	5
Sri. B. Malla Reddy, IPS (Retd)	6	6
Sri. T. Veera Bhadra Reddy	6	6
Sri. A.K.V. Bhaskar	6	6
Sri. K V V Satyanarayana, IRAS	6	6
Smt. G. Jayalakshmi, IAS	Not applicable	Not applicable
Sri. B A V P Kumara Reddy	Not applicable	Not applicable

General Meeting(s):

Date of meeting	Type of meeting	No of members entitled to attend	No of members attended	% of shareholding of members present
25th Annual General Meeting	December 29, 2023	8	6	100

COMMITTEES:

The Board formed the following Committees to improve the overall governance, enhance more focused decision-making and to better serve the interests of the organization:

A. Audit Committee:

The Audit Committee was constituted in compliance with the provisions of Section 177 of the Companies Act, 2013. The responsibilities of the Audit Committee include the overseeing of financial reporting process to ensure fairness, recommendation of remuneration payable to auditors, sufficiency and credibility of financial statements, review of the Annual Financial Statements before submission to the Board, review of adequacy of internal control systems and the internal audit functions.

The composition of the Audit Committee as on March 31, 2024 was:

Name of the Member	Category	Designation
Sri. K V VSatyanarayana, IRAS	Non Whole Time Director, Representative from Finance Department	Chairman
Sri. B Malla Reddy, IPS (Retd.)	Joint Managing Director (Vigilance & Security)	Member
Sri. T Veera Bhadra Reddy	Director (Finance)	Member

During the year under review, the committee met 3 times on September 29, 2023, December 29, 2023 and February 09, 2024. The details of members and their attendance at the committee meetings are given below:

Name of Member	No of meetings entitled	No of meetings attended
Sri. K V VSatyanarayana, IRAS	3	3
Sri. B Malla Reddy, IPS (Retd.)	3	3
Sri. T Veera Bhadra Reddy	3	3

Sri. K V VSatyanarayana, IRAS, Chairman of the audit committee attended the last Annual General Meeting held on December 29, 2023.

B. Nomination and Remuneration Committee:

The Company being a Government Company, all the directors were appointed / nominated by the Energy Department, Government of Andhra Pradesh. Therefore, the Company is not required to establish a Nomination and Remuneration Committee, so Nomination and Remuneration Policy is not applicable.

C. Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee was constituted in compliance with the provisions of Section 135 of the Companies Act, 2013. The responsibilities of the Corporate Social Responsibility Committee include recommending Board to undertake the activities and budget outlay as per the Company's CSR Policy.

The composition of the Corporate Social Responsibility Committee as on March 31, 2024 was:

Name of the Member	Category	Designation
Sri. K V N Chakradhar Babu, IAS	Joint Managing Director (HR & Administration)	Chairman
Sri. B Malla Reddy, IPS (Retd.)	Joint Managing Director (Vigilance & Security)	Member
Sri. T Veera Bhadra Reddy	Director (Finance)	Member

During the year under review, the committee met 5 times on June 27, 2023, September 25, 2023, December 29, 2023, January 25, 2024 and February 09, 2024. The details of members and their attendance at the committee meetings are given below:

Name of Member	No of meetings entitled	No of meetings attended
Sri. K V N Chakradhar Babu, IAS	5	4
Sri. B Malla Reddy, IPS (Retd.)	5	5
Sri. T Veera Bhadra Reddy	5	5

Details about the CSR policy developed and implemented by the Company and CSR initiatives taken during the year under review:

The brief outline of the CSR policy of the Company, initiatives undertaken by the Company on CSR activities during the year and Details regarding the CSR Committee are given in Annexure - IV of this report as 'Annual Report on CSR Activities'. The Corporate Social Responsibility policy is placed in the Company's website and can be accessed at <https://www.aptransco.gov.in/>.

D. Vigil Mechanism Policy / Vigilance Committee:

The Vigilance Committee was constituted in compliance with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and a Vigil Mechanism Policy was established for directors and employees to report to the management instances of irregularity, unethical practices and /or misconduct in line with the above policy. The responsibilities of the Vigilance Committee include ensuring protection of whistleblowers, ensuring complete confidentiality of whistleblower identity and development and implementation of the Vigil Mechanism policy.

The details of such policy were communicated to all offices and also placed in the Company's website and can be accessed at <https://www.aptransco.gov.in/>.

General Meeting(s):

Date of meeting	Type of meeting	No of members entitled to attend	No of members attended	% of shareholding of members present
25th Annual General Meeting	December 29, 2023	8	6	100

COMMITTEES:

The Board formed the following Committees to improve the overall governance, enhance more focused decision-making and to better serve the interests of the organization:

A. Audit Committee:

The Audit Committee was constituted in compliance with the provisions of Section 177 of the Companies Act, 2013. The responsibilities of the Audit Committee include the overseeing of financial reporting process to ensure fairness, recommendation of remuneration payable to auditors, sufficiency and credibility of financial statements, review of the Annual Financial Statements before submission to the Board, review of adequacy of internal control systems and the internal audit functions.

The composition of the Audit Committee as on March 31, 2024 was:

Name of the Member	Category	Designation
Sri. K V VSatyanarayana, IRAS	Non Whole Time Director, Representative from Finance Department	Chairman
Sri. B Malla Reddy, IPS (Retd.)	Joint Managing Director (Vigilance & Security)	Member
Sri. T Veera Bhadra Reddy	Director (Finance)	Member

During the year under review, the committee met 3 times on September 29, 2023, December 29, 2023 and February 09, 2024. The details of members and their attendance at the committee meetings are given below:

Name of Member	No of meetings entitled	No of meetings attended
Sri. K V VSatyanarayana, IRAS	3	3
Sri. B Malla Reddy, IPS (Retd.)	3	3
Sri. T Veera Bhadra Reddy	3	3

Sri. K V VSatyanarayana, IRAS, Chairman of the audit committee attended the last Annual General Meeting held on December 29, 2023.

B. Nomination and Remuneration Committee:

The Company being a Government Company, all the directors were appointed / nominated by the Energy Department, Government of Andhra Pradesh. Therefore, the Company is not required to establish a Nomination and Remuneration Committee, so Nomination and Remuneration Policy is not applicable.

AUDITORS:

Statutory Auditors:

AP TRANSCO, being a wholly owned State Government Company and pursuant to Section 139 of the Companies Act, 2013, the Comptroller & Auditor General of India vide letter Lr.No.CA.V/COY/ANDHRA PRADESH, APTRANSCO (1)/907, DT. 20/09/2023 appointed M/s. Rao & Narayan, Chartered Accountants as Statutory Auditors for the financial year 2023-2024.

The Act mandates that the shareholder shall determine the remuneration payable to the Statutory Auditor. Accordingly, a resolution seeking the approval for the remuneration payable to M/s. Chowdary & Rao, Chartered Accountants, appointed as Statutory Auditors by C & AG for the financial year 2024-2025 is included in the Notice convening the 26th Annual General Meeting.

Statutory Auditors Report:

The Statutory Auditors Report forms part of the Annual Report. In compliance with the provisions of Section 134 (3) (f) of the Companies Act, 2013, comments of the Statutory Auditors on the Annual Accounts for the financial year 2023-2024 along with the replies by the management is attached as Annexure - I to this Report.

Supplemental audit by C&AG Audit and their Comments:

The Annual Accounts for the financial year 2023-2024 were submitted to C&AG for supplemental audit under section 143 (6) of the Companies Act, 2013. The C & AG has conveyed their final comments vide PAG(AU)/AP/AMG-II/TSC-I/APTRANSCO-FY24/97-2024/20 dated 10.04.2025. In compliance with the provisions of Section 143 (6) (b) of the Companies Act, 2013, final comments of the C&AG on the Annual Accounts for the financial year 2023-2024 along with the replies by the management is attached as Annexure-II to this Report.

Maintenance of cost records:

In compliance with Section 148 of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain the cost records as specified by the Central Government and accordingly such accounts and records are made and maintained in the prescribed manner. Further, the cost accounting records maintained by the Company are required to be audited.

Cost Auditors:

In compliance with Section 148 of the Companies Act, 2013 read with Rule 4 and 6 of the Companies (Cost Records and Audit) Rules, 2014, for the financial year 2023-2024, M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad (Firm Registration No. 000042), were appointed as Cost Auditors. On the recommendation of the Audit Committee, the Board has re-appointed M/s. Narasimha Murthy & Co, Cost Accountants as Cost Auditors for auditing the cost records of the Company for the financial year 2024-2025.

The Act mandates that the shareholders shall ratify the remuneration payable to the Cost Auditor. Accordingly, a resolution seeking the shareholders' ratification of the remuneration payable to the Cost Auditors for the financial year 2024-2025 is included in the Notice convening the 26th Annual General Meeting.

Cost Auditors Report:

The Cost Audit Report for the financial year 2023-2024 issued by M/s. Narasimha Murthy & Co., Cost Accountants does not contain any qualification, reservation or adverse remarks. The Company filed the Cost Audit Report for the financial year 2023-2024 with the Registrar of Companies / Ministry of Corporate Affairs.

Secretarial Auditors:

In compliance with Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee appointed Mr. SubhashKishanKandrapu as Secretarial Auditor for the financial year 2023-2024.

Secretarial Auditors Report:

The Secretarial Audit Report for the financial year 2023-2024 issued by Mr. SubhashKishanKandrapu, Practicing Company Secretary in form MR-3 is attached as Annexure - III to this Report.

In compliance with the provisions of Section 134 (3) (f) of the Companies Act, 2013, comments of the Secretarial Auditor for the financial year 2023-2024 along with the replies by the management are also attached as Annexure - III to this Report.

Internal Auditors:

With a view of implementing better internal control and ongoing review, Internal Auditors were appointed and they will furnish their quarterly reports. The reports of the Internal Auditors were regularly reviewed by the Audit Committee from time to time.

The list of Internal Auditors for the year 2023-2024:

1. M/s Ramamoorthy (N) & Co;
2. M/s. K V Brahmum& Co;
3. M/s. Mullapudi& Co;
4. M/s. SrinivasuluManthu& Associates;
5. M/s. Kuladeep& Associates.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:
Nil

ADHERENCE TO SECRETARIAL STANDARDS:

During the year under review, the management has observed and ensured all possible compliance of applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

PARTICULARS OF EMPLOYEES:

During the year under review, there are no employees, whether employed for a whole or part of the year, was drawing remuneration in excess of the limits prescribed in terms of the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

The required information as per Section 134 (3) (m) of the Companies Act, 2013 read with Rules made thereunder, is provided hereunder:

- i. Conservation of energy:** Maintaining the core belief that 'Energy Saved is Energy Produced', the Company has implemented energy conservation measures tailored to its business operations. These measures include the procurement of energy efficient equipment, and the implementation of alternative renewable energy sources where practical.
- ii. Technology absorption:** The Company continues to adopt and use the latest technologies to improve quality of its services and Company's operations do not require significant import of technology. The Company is continuously making efforts for induction of innovative technologies and techniques required for the business activities.
- iii. Foreign Exchange Inflows and Outflows:** There are no Foreign Exchange Inflows and Outflows during the year under review.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT:

The Company has established and maintains adequate internal financial controls related to strategic, operational, environmental, and quality aspects. These controls ensure business efficiency, policy adherence, asset protection, fraud prevention, and accurate financial reporting.

DIRECTORS RESPONSIBILITY STATEMENT:

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state -

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 that period;
- c) the directors have 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 fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the year under review, the Company has not made any application under the Insolvency and Bankruptcy Code, 2016 and there were no proceedings initiated / pending against your Company under the Insolvency and Bankruptcy Code, 2016.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the year under review, there were no instances where the Company required the valuation for one time settlement or while taking the loan from the Banks or Financial institutions.

OTHER DISCLOSURES:

FINANCE DEPARTMENT:

Insurance and Risk Management:

The assets of the Company are adequately insured against the loss of fire, riot, earthquake, terrorism etc., and other risks which are considered necessary by the management. At present, the management has not identified any element of risk which may threaten the existence of the Company.

APERC Notified Tariffs:

The Andhra Pradesh Electricity Regulatory Commission (APERC) notified the tariffs for the Transmission and SLDC business separately through Multi Year Tariff (MYT) Order from FY 2019-20 to FY 2023-24 w.e.f 08.03.2019. The Comparison statement of Actual Expenditure with APERC MYA Order (Transmission and SLDC) for the FY 2023-24 along with remarks is submitted below:

Particulars	Actuals	APERC Approved	Remarks
Revenue	3251.21	3791.46	The reason for decrease in revenue is due to passed over of Provisional True-down of Rs. 1132.31 Cr to AP Discoms in transmission charges.
Employee Cost	847.02	1152.13	The Increase in other income is mainly due to increase in POC charges.
Operating Expenses Other	329.37		The Decrease in the employee cost is mainly due to recognition of reduced liability of terminal benefits (100% 2029 & 26% liability) to the tune of Rs.316.72 crs as per Actuary Report (Previous year Rs.511.33 Crs.). The actual expenditure is incurred on employee cost is Rs.622.26 crs for the year 2023-24 The actual expenditure incurred on employee cost in previous year 2022-23 is Rs.451.09 Crs
Finance Charges	429.67	1182.75	The increase in the interest is mainly due to revision in the interest rate for the FY 2023-24.
Depreciation	809.39	1080.97	The increase in depreciation on account of capitalisation of the assets of Rs.787.03 crs for the previous year 2022-23 and Rs. 809.39 Crs for the current year 2023-24 is due to increase in Capitalisation.

HR & ADDITIONAL SECRETARY DEPARTMENT:

Manpower & Human Resource Development:

AP TRANSCO treats its “human resources” as one of its most important assets. The staff strength at the end of the year under review was 1973 in permanent/contractual rolls. The Company is also giving management training in different disciplines including Engineering, Finance and Management. As on March 31, 2024, there were nearly 20 management trainees being imparted training in different departments within the Company such as Accounts, Legal and HR etc.

During the year under review, the Company has conducted various internal and external training programs including technical programs for employees in engineering department, women empowerment training for all the women employees in the organization, hands on disaster management, drones and robotics and substation automation etc.

Various learning and development programs are currently underway to continuously update the skills and competencies of the employees.

TRANSMISSION DEPARTMENT:

The Transmission system consists of Interstate Transmission system (ISTS) and Intra state transmission system (Intra STS). ISTS is mainly owned by and operated by PGCIL which is also Central Transmission Unit whereas Intra –State Transmission system in Andhra Pradesh is owned by APTRANSCO.

The Intra-STs serves the following purposes.

- i) Evacuation of power from the state’s generating stations (both under state and private sector) and Central Generating stations having beneficiaries in the state.
- ii) Onward Transmission within the state from ISTS boundary up to the various substations of the state grid network.
- iii) Transmission within the state grid for delivery of power to the load centres within the state.

There has been a consistent increase in Transmission network and transformation capacity in the state. This increase is in consonance with increase in generation and demand of electricity in the state. This as part of growth in transmission highlights requirements of Transmission network to carry bulk power over longer distances and then at the same time optimize ROW, minimize losses and to improve grid stability.

Line interruptions and duration of interruptions:

With an Objective of 24*7 Power Access to all consumers in the state of Andhra Pradesh, your company has performed exceptionally in terms of Reduction/Raise of Duration of interruption in the FY23-24 when compared with FY 2022-23. The comparison statement is summarized below:

Particulars	2019-20		2020-21		2021-22		2022-23		2023-24		% Reduction over FY 22-23 in duration of interruptions	% Raise over FY 22-23 in duration of interruptions
	Interruptions (Nos)	Interruption Duration (feeder-hrs)	Interruptions (Nos)	Interruption Duration (feeder-hrs)	Interruptions (Nos)	Interruption Duration (feeder-hrs)	Interruptions (Nos)	Interruption Duration (feeder-hrs)	Interruptions (Nos)	Interruption Duration (feeder-hrs)		
132KV Feeders	4454	15114	3708	15530	3904	27835	3184	13017	1850	10037	22.89 %	-
220KV Feeders	3138	22237	2489	14776	2566	14011	1223	5342	878	6475	21.20 %	-
400KV Feeders	692	12864	311	8436	392	4176	94	1399	97	568	59.39 %	-
Total	8284	50215	6508	38742	6862	46022	4501	19758	2825	17080		

***Note: The data pertaining to interruptions for the FY 2022-23 is obtained from the SPU Link Interruptions.

Capacity addition:

Sub Stations: During the Financial Year 2023-24, 8 New Substations were added, to meet the increasing demand, robust & reliable Network is required to be built for Transmission. APTRANSCO is making all efforts for constructing the substations for achieving the target of uninterrupted power supply to the consumers in the state of A.P. For reducing losses, APTRANSCO is mainly focussed in upgrading the existing substations to higher voltage levels and building 400 KV substations. The details of substations commissioned during the year are as below:

S.No	Sub-station Name	Combined District	Tr. Capacity in MVA
1	220kV SS Pampanurthanda	Anantapur	160
2	220/33KV SS, Pattiseema (Providing 33kV Features at 220/11kV LIS Pattiseema)	East Godavari	50
3	220KV SS Penukonda (Gorantla)	Anantapur	—
4	220kV Inaparajupalli Switching Station	Guntur	—
5	132kV SS Korturu	Nellore	31.5
6	132/33 KV SS Galiveedu	Kadapa	31.5
7	132/33kV SS T.Narasapuram	Kadapa	63
8	132kV SS Ulavapadu	Prakasam	31.5
Total			367.5

Transmission Lines: We own a vast network of EHV transmission lines ranging from 132kV to 400kV. As on 31st March 2015, we had 21875.6 Ckm of Transmission lines, which is expanded to 32467 Ckm as on 31st March 2024 ranging from 132kV to 400kV with CAGR of 4.48 %. In FY 2023-24, our company achieved 99.83% (provisional) availability of Transmission Network. As on 31st March 2024, the Transmission assets owned and operated by the company consists of Transmission lines aggregating to **32467 Ckm, 368 Nos** Substations with **66072 MVA** of Transmission Capacity. Adoption of best technological tools available for asset monitoring, meticulous planning, observance of well laid procedures and commitment of our employees enabled the Company to achieve high operational performance of its mammoth and geographically wide spread asset network.

Figure 1: Transmission Lines Data from 2014-15 to 2023-24:



Figure 2: Substations Data from 2014-15 to 2023-24:



PROJECTS DEPARTMENT:

Achievements during the year under review:

Sl.No	Description	Achievements from 04/23 to 03/24
1	440kV Lines (CKM)	6.612
2	220 kV Lines (CKM)	697.619
3	132 kV Lines (CKM)	208.672
4	400kV Substations (Nos.) Transformer Capacity MVA)	1260.00 (315 MVA-4Nos)
5	220 kV Substations (Nos.) Transformer Capacity MVA)	SS: 2Nos (160MVA - 2No 100MVA - 1No, 50 MVA - 3No) = 570.00
6	132 kV Substations (Nos.) Transformer Capacity MVA)	3No (31.5MVA-9Nos) = 283.50
7	Augmentation of Transformer Capacity at 400 kV SS (MVA)	500.00
8	Reactors	-

400kv lines commissioned during the year under review:

Sl. No.	Name of the line	If LILO distance of tap points from both ends	Date of charging
1	400KV Manubolu Sembcorp (SEIL Plant 2)	3.306	*400KV Krishnapatnam - Manubolu -I circuit was made LILO to the Sembcorp SEIL Plant 2 400KV GIS on DC towers.22.01.2024, 23.01.2024
2	400KV Sembcorp (SEIL Plant 2) Krishnapatnam feeder	3.306	
TOTAL		6.612	

220 kv lines charged during the year under review:

Sl. No	Name of the line	Route Length in KM	Length circuit in CKM	If LILO distance of tap points from both ends	Date of charging
1	220kV TMDC Line from 400kV SS Hindupur to 220kV SS Pampanurthanda.	69.9095	139.819		18.05.2023
2	LILO of 220kV Pallantla - Pattiseema DC Line to the proposed 400kV Guddigudem SS. (only 220kV Guddigudem - Pallantla-I & 220 KV Guddigudem- Pattiseema - I charged on 19.05.2023)	23.696	23.696	LILO Points: 1. At Loc No. 54 of existing at a distance of 15.122 KM from Pallantla end. 2. At Loc No.64 at a distance of 10.982 Km from Pattiseema end.	19.05.2023
3	220 KV TMDC (29.346 KM) from 400 KV SS Hindupur to 220 KV SS Gollapuram	29.346	58.692		26.07.2023
4	220 KV DC line from 400 KV SS Thalamanchipatnam (Jammalamadugu) to 220 KV SS Porumamilla in YSR Kadapa District	99.757	199.514		27.09.2023
5	LILO of 220kV Pallantla - Pattiseema DC Line to the proposed 400kV Guddigudem SS. (220kV Guddigudem - Pallantla-II & 220 KV Guddigudem- Pattiseema -II charged on 08.12.2023)	23.696	23.696	LILO Points: 1. At Loc No. 54 of existing at a distance of 15.122 KM from Pallantla end. 2. At Loc No.64 at a distance of 10.982 Km from Pattiseema end. (portion of line between Loc No.54 & 64 of length 3.423 KM is kept Idle)	08.12.2023
6	220KV SMDC Line from 400KV SS Hindupur to 220KVSS Penokonda (Gorantla) in AnanthapurDist	24.872	49.744		30.12.2023
7	220KV Rachagunneri- Racherla DC line in Chittoor district.	53.52	107.04		03.01.2024
8	220KV Sulluruepta - Racherla DC line in Chittoor district.	19.359	38.718		10.01.2024
9	220 KV Krishnagiri- Settypalli- line-2 in Kurnool District	10.5	10.5		24.02.2024

10	220kV Purushothapatnam - Guddigudem -I in East Godavari & West Godavari Districts	23.1	23.1		14.03.2024
11	220kV Purushothapatnam - Guddigudem -II in East Godavari & West Godavari Districts	23.1	23.1		14.03.2024
Total			697.619		

132 kv lines charged during the year under review:

Sl. No.	Name of the line	Route Length in KM	Length circuit in CKM	If LILO distance of tap points from both ends	Date of charging
1	132kV Kallurupalli - Korturur DC Line	30.084	60.168		29.04.2023
2	Re- arrangement of 132KV Vinukonda-Chilakaluripeta CKT-I line at Loc.No.51(S+0) and 132KV Martur-Yadavalli CKT-II line at Loc.no.52(S+0) as 132kV Chilakuripeta - Yadavalli (22.7CKm) & 132kV Vinukonda - Martur Line (55.144CKm)	5.144	5.144		20.07.2023
3	132 KV DC line from 220/132/33 KV Chakrayapeta Substation to 132/33 KV Galiveedu Substation	28.308	56.616		27.07.2023
4	LILO of 132kV K.Kota - AswaraopetaCkt-I &II to the proposed T.Narasapuram SS. (only portion of K.Kota - NrasapuramCkt-I&II charged.)	5.41	10.820		28.07.2023
5	LILO of 132kV K.Kota - AswaraopetaCkt-I &Ckt-II to the proposed T.Narasapuram SS.(Portion of Aswaraopeta- T.NarasapuamCkt-I & II charged.)	5.41	10.820	From K.Kota- 8.647 Km and from Aswaraopeta - 23.299KM)	02.08.2023
6	132KV Pamarru - Avanigadda - II	36.53	36.53		24.08.2023
7	132KV Memakuru- Greenlam South DC/SC feeder	2.922	2.922		28.08.2023
8	132KV Ongole-Tangutur ckt-2 in Prakasam district	18.32	18.32		13-01-2024
9	132KV Kandukur- Ulvapadu in Prakasam district	6.45	6.45		18-01-2024

10	132KV P.Dornala - Kesinenipalli	0.88	0.88	(The original line length of 132kV Cumbum - Kesinenipalli line is 72Km. Towers were dismantled between Loc No.19 to Loc.NO 116 of 32.5Km due to passing over by Pula SubbaiahVeligonda Project, so the existing Cumbum -Kesinenipalli lien length is 39.5Km. 0.88Km new 132kV line was erected from 132kv SS Dornal to Loc No.116/2 of cumbum - KesineniPalli Feeder. Hence the totla length of 132kV Dornala - KEsinenipallifeecer is 34.5 Km & 5.57Km of line from Loc No.1 to Loc No.19 was ideally connected to 132kV SS Cumbum)	07.03.2024
Total			208.672		

400kv Substations Commissioned During The Year Under Review:

Sl. No	Name of the Substation	Voltage Ratio	Tr. Capacity in MVA	Date of charging	Note
1	Erection of 315 MVA ICT- I & 315 MVA ICT- II at 400kV SS Guddigudem in East Godavari district.	400/220/33kV	630.00	21.04.2023	Making LILO of HNPCL-Kamavarapu kota TMDC line to proposed 400kV Guddigudem SS was commissioned on 7.1.23. Thus, Substation was charged without ICTs.
2	Erection of 3rd 315MVA at 400kV SS Hindupur	400/220 kV	315.00	22.05.2023	3rd 313MVA (T&R Make) commissioned on 22.05.2023.
3	Erection of 4th 315MVA at 400kV SS Hindupur	400/220 kV	315	08.12.2023	400KVSS was charged on 10-10-2018. 4th 315 MVA ICT is charged on 08.12.2023
Total			1260.00		

220 kv substations commissioned during the year under review:

Sl. No	Name of the Substation	Voltage Ratio	Tr. Capacity in MVA	Date of charging	Note
1	220kV SS Pampanurthanda in Anantapur district	220/132kV	—	18.05.2023	
2	220/33KV SS, Pattiseema (Providing 33kV Features at 220/11kV LIS Pattiseema)	220/33kV	50.00	Providing of 33KV features at 220/11KV Lift Irrigation Substation, Pattiseema by erection of 1No. 220/33KV 50MVA	

				Power Transformer. The 1No. 220/33KV, 50MVA, TELK Make PTR is charged on 05.06.2023.	
3	2nd PTR at 220kV SS Piduguralla	220/132/33kV	160.00	2nd 160MVA PTR charged on 14.06.2023.	
4	2nd 100MVA PTR at 220 KV SS Muthyalacheruvu	220/132kV	100	2nd 100 MVA charged on 30.06.2023	
5	220KV SS Pampanurthanda in AnanthapurDist	220/132 KV	160	15.12.2023	Substation CHARGE D ON 18.05.2023 . 160MVA PTR commissi oned on 15.12.2023
6	220KV SS Penokonda (Gorantla) in AnanthapurDist	220KV/132K V	---	30.12.2023	Idle Charged
7	Erection of 2nd 50MVA PTR at 220/33KV SS, Pattiseemain West Godavari district	220/33kV	50	06.01.2024	Providing of 33KV features at 220/11KV Lift Irrigation Substation , Pattiseem a by erection of 2No. 220/33KV PTRs. 2nd 220/33KV 50MVA TELK Make was charged on 06.01.2024.

8	Erection of 2nd 50MVA PTR at 220/33KV SS Purushothapatnam in West Godavari district	220/33kV	50	24.01.2024	
Total			570.00		

132 kv substations commissioned during the year under review:

Sl. No	Name of the Substation	Voltage Ratio	Tr. Capacity in MVA	Date of charging	Note
1	132kV SS Korturu in Nellore District	132/33 kV	31.5	29.04.2023	HV & LV Charged on 05.05.23 and loaded on 06.05.23
2	2nd 31.5MVA PTR at 132/33kV SS Mogalrajapuram	132/33kV	31.5	01.05.2023	132/33kV SS Mogalrajapuram charged with 1st 31.5MVA on 09.02.2022.
3	2nd PTR i.e 31.5MVA PTR-2 132KV SS Palasamudram	132/33kV	31.5	2nd PTR i.e 31.5MVA PTR-2 charged on 26.06.2023.	50MVA PTR-1 charged on 26.07.2021.
4	132/33 KV SS Galiveedu	132/33 kV	31.5	27.07.2023	
5	132/33kV SS T.Narasapuram	132/33 kV	31.5	28.08.2023	
6	2nd 31.5 MVA PTR at 132kV SS Kallurupalli in Nellore Dist.	132/33kV	31.5	06.11.2023	1st 31.5 MV APTR Charged on 06.08.2021
7	2nd 31.5 MVA PTR at 132/33kV SS T.Narasapuram in West Godavari Dist	132/33 kV	31.5	21.11.2023	2nd 31.5MVA PTR (ECE Make) at 132/33kV SS T.Narasapuram.
8	132kV SS Ulavapadu in Prakasam district	132/33kV	31.5	23.01.2024	
9	2nd 31.5 MVA PTR at 132/33kV SS AIIMS in Guntur Dist	132/33kV	31.5	14.02.2024	1st 31.5MVA PTR charged on 11.01.2020 and 2nd 31.5 MVA PTR charged on 14.02.2024
Total			283.50		

Augmentation of transformers/ reactor capacity at 400 kv substations during the year under review:

Sl. No	Name of the Substation	Existing (MVA/MVAR)	Augmented to (MVA/MVAR)	Net increase in Transformer Capacity (MVA/MVAR)	Date of charging
1	400KV SS Jammalamadugu in YSR Kadapa district	2x315 MVA+1x160 MVA	1x500 MVA+2x315 MVA +1x160 MVA	500.00	27.04.2023
Total				500.00	

TELECOM AND IT DEPARTMENT:

List of IT Applications that are currently in use:

AP TRANSCO Web site, APTOO Application, Vendor Registration, Tenders, LCMS application, Load Monitoring Cell Automation System (LMCPA), MIMS application, Bulk load app, SSHMI, SLDC reports, Pensioners Self Service, Pensioners Biometric App, Biometric Attendance Application, SLDC Schedule app, ArcGIS, On-line JMR application, Employee and Pensioner Dependents, Training Assessment and APPCC-SAP Module phase - I.

Activities/Achievements during the year under review:

Developed these in- house IT Applications - Fibre Network Management, Electronic Service Register(e-SR), AP Open Access Registration (APNOAR), Pensioner's Digital life certificate, System Demand particulars and API Service for DISCOMs and Edge Grid

Achievements during the year under review:

APTRANSCO entered into commercial activities by leasing it's dark fibers through APSFL initially. In the year 2023-24, the management approved the proposal to lease out the Spark dark fibers directly to the telecom Service Providers due to which there is an exponential growth in the revenue. Optical fibre pairs of length 21,222.08 Km including the previous fiber pairs of 15,805.09 Km have been leased to various service providers due to which revenue generated to APTRANSCO was ₹ 29.1265 Cr.

Annual Maintenance Contract (AMC) have been undertaken by APTRANSCO for maintenance of Communication Equipment at various private generators/Consumers, which generates revenue of ₹19 Lakhs per annum.

Cyber-security Awareness Trainings during the year under review:

Conducted Awareness training on IT security policy to Highly skilled workers and Data Entry operators working in Corporate Office on August 31, 2023.

Conducted Awareness training on Cyber Security Guidelines & IT policies to employees working in Corporate office and field offices on 30th and 31st October 2023.

PLANNING AND POWER SYSTEMS DEPARTMENT:

Operational Performance during the year under review:

The performance of Protection Systems are as follows:

- Security Index = 94%
- Dependability Index = 96%
- Reliability Index = 90%

Planning for the next three years:

The objective of the Transmission Planning is to develop Transmission Expansion Plan based on the load forecast and generation supply scenario developed as part of the Load forecast and Resource plan for the state of Andhra Pradesh with the inputs of DISCOMs and GENCO. The purpose of state Electricity Plan was to present a comprehensive summary of the process, assumptions, methodology, Transmission network expansion plan required to ensure the Transmission system which would be capable transmitting the planned generation to meet the forecast loads up to FY 2029. Accordingly State Electricity Plan for the 5th Control period for the period from FY 2024-25 to FY 2028-29 was developed.

Requirement for capacity Addition:

Load Growth: Transmission expansion programme is prepared to meet the increasing demand

Power Evacuation: For evacuation of power from Power projects. Transmission system is to be planned which includes lines and Substations

System Improvement: in case of overloading of the existing line/substation, new system is to be proposed for next higher voltage. This also includes reconductoring of existing Transmission lines with higher ampacity conductors. These are categorized under system improvement for strengthening the system.

Substations and Transmission Lines:

Tentative Transmission expansion plan for the short term i.e. from FY 2024-25 to FY 2026-27 is prepared as per the load requirement. This includes 894.96 ckm of 400KV, 994.9 ckm of 220 kV lines and 1135 ckm of 132 kV lines towards transmission expansion and 5 numbers of 400 kV substations, 14 numbers of 220kV substations and 21 numbers of 132kV substations towards Transmission expansion. The details for the period from FY 2024-25 to FY 2026-27 is summarized below:

FY	Sub-Station			Lines		
	(Nos.)			Ckm		
	400	220	132	400	220	132
2024-25	1	3	5	320.96	329.9	302.95
2025-26	3	6	10	182	374.39	620.15
2026-27	1	5	6	392	290.61	212.18

No of Substations planned for Augmentation of PTR Capacities at 400KV & 220KV:

S.no.	FY	400KV SS	220 KV SS
1	2024-25	3	25
2	2025-26	1	13
3	2026-27	2	12

SLDC DEPARTMENT:

The Indian grid operates at a nominal frequency of 50 Hz. To ensure grid stability and reliable power supply, the CEA has mandated to maintain within the range of 49.90 Hz to 50.05 Hz under normal operating conditions as per IEGC-2023.

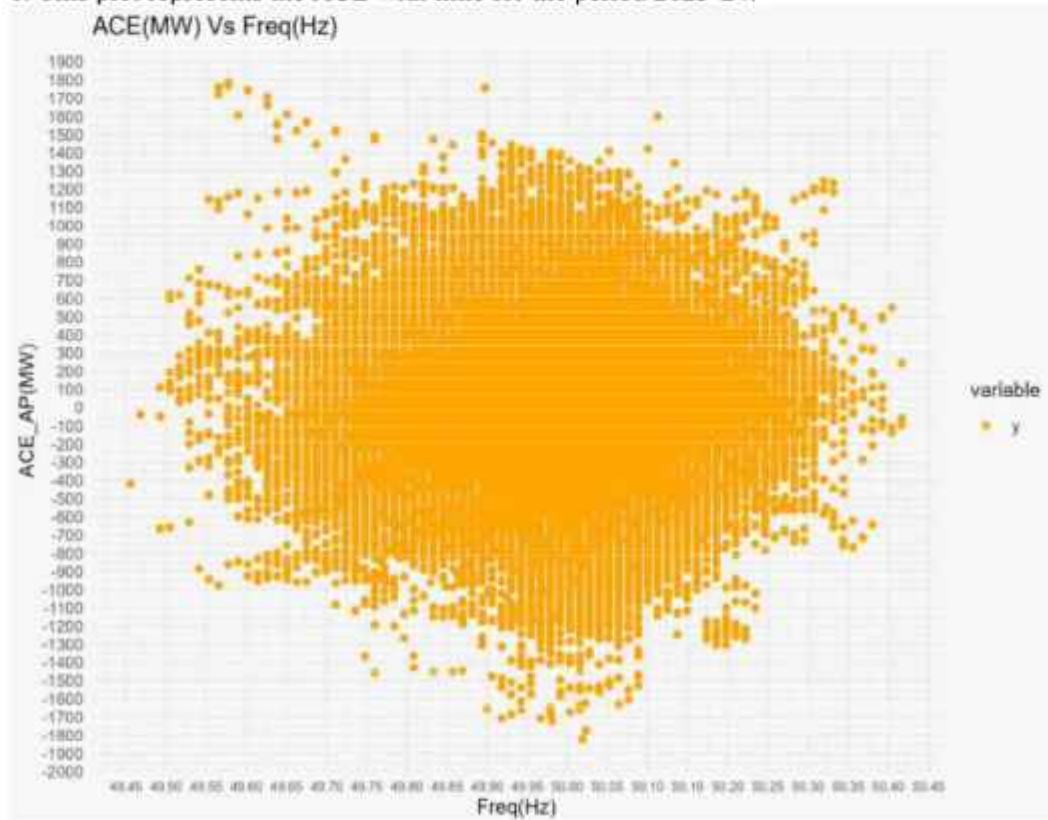
Maintaining frequency within the band is necessary to maintain synchronization across the interconnected power system and prevent potential grid instability or blackouts, the grid operators in India closely monitor the frequency and take necessary actions, such as Load generation balance to maintain the frequency within the specified limits. This helps ensure the overall reliability and quality of the power supply in the country.

Area control error (ACE) is the difference between scheduled and actual Power generation within a control area of power grid or a signal which is function of frequency (to maintain frequency @50Hz) and Tie Power deviation when this signal is used as input signal to the controller, The frequency and tie power deviations are corrected to zero following a disturbance or a mismatch in schedule Power minus Actual Power.

$$ACE = (IA-IS) - 10Bf(FA-FS) + \text{Offset} \dots \text{MWs.}$$

ACE pertaining to AP control area is represented graphically with minute wise samples,

1. This plot represents the ACE with time for the period 2023-24.



The Demand achieved and transmission losses on a monthly basis is given below:

Monthly Energy Met (MU)		Monthly Peak Demand (MW)	Monthly Energy met (MU)		Monthly peak Demand (MW)
Apr-22	6380	12289	Apr-22	6997	12566
May-22	6087	11218	May-22	6910	12653
Jun-22	6177	11484	Jun-22	7167	12900
Jul-22	5761	9763	Jul-22	6382	11584
Aug-22	6147	11299	Aug-22	7208	12508
Sep-22	6031	10920	Sep-22	6587	12372
Oct-22	5556	9847	Oct-22	7309	13028
Nov-22	5519	9588	Nov-22	6321	12084
Dec-22	5604	10268	Dec-22	5791	11052
Jan-23	6184	11433	Jan-23	6508	12216
Feb-23	6237	11981	Feb-23	6708	13061
Mar-23	6782	12227	Mar-23	7403	13255

Particulars	%Lossess
26-April to 25-May	2.4
26-May to 25-June	2.54
26-June to 25 -July	2.85
26-July to 25 -August	2.82
26-August to 25-September	2.42
26- September to 25-October	2.83
26-October to 25-November	2.62
26-November to 25-December	2.67
26-December to 25-January	2.26
26 -January to 25-February	2.62
26-February to 25-March	2.79
26-March to 25-April	2.84
26-April to 25-may	2.91

COMMERCIAL AND COORDINATION DEPARTMENT:

Right to Information Act, 2005:

During the year under review, AP TRANSCO processed the following Right To Information applications:

Particulars	Applications received	Status of the Applications	
		Closed	Pending
Applications	162	162	0
Appeal	73	73	0
Second Appeal	0	0	0
Total	235	235	0

MEDIA DEPARTMENT:

Significant Achievements:

AP TRANSCO has bagged two prestigious awards i.e., "South Govtech Symposium Award" under the category of "Digital Transformation Excellence" for the Joint Meter Reading Application and IT Innovation award for innovative steps in developing and implementing a demand forecasting model based on cutting edge AI & Machine Learning by State Load Dispatch Centre of AP TRANSCO.

CAUTIONARY STATEMENT:

This report contains certain forward-looking statements, including projections, expectations, and aspirations of the Company. While these statements are based on reasonable assumptions, it is important to note that actual results may significantly vary due to various risks and uncertainties.

OUTLOOK FOR THE FINANCIAL YEAR 2024-2025:

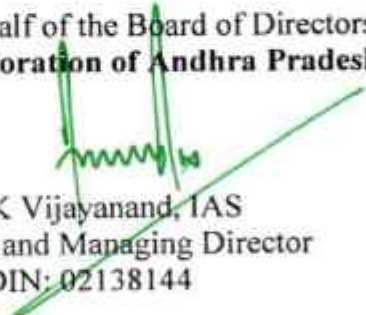
The Board of Directors remains confident in the long-term prospects of the Company. The Board remains committed to maintaining a strong financial position and delivering value to all stakeholders. The Board expects a better performance in the current financial year 2024-2025.

AP TRANSCO is committed to continue to discharge its responsibilities to the best of its abilities and endeavour to adhere to the requisite stipulations, guidelines and compliances while fulfilling its obligations.

ACKNOWLEDGEMENT:

The Board wishes to place on record their sincere appreciation of the co-operation and continuous support extended by the customers, vendors, bankers and shareholders. The Board also thank the Government of Andhra Pradesh, and concerned Government departments and agencies for their co-operation. The Board is pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

For and on behalf of the Board of Directors
For Transmission Corporation of Andhra Pradesh Limited



Sri. K Vijayanand, IAS
Chairman and Managing Director
DIN: 02138144

Place: Vijayawada

Date: 21.04.2025

Management Replies to Audit

Management replies to the comments of the secretarial Auditor on the Annual Accounts for FY 2023-24

SL.No	Comments	Management Reply
1.	The Company is yet to comply with the provisions of Section 149(4) of the Companies Act, 2013 relating to appointment of Independent Directors on its board	The Company is a wholly owned State Government Company, the power to appoint / nominate Directors on the Board of the company vests with the Energy Department, Government of Andhra Pradesh.
2.	The Company failed to comply with the provisions of Section 177 as amended by the Companies (Amendment) Act, 2017 read with Rule 6 of the Companies (Meetings of the Boards and its Powers) Rules, 2014 for composition of the Audit Committee of the board. Since the Audit Committee shall consist of a minimum of 3 directors with independent directors forming a majority and company is yet to appoint independent director as per above point no. 1	The Government was apprised of the requirements of appointment of the requisite independent directors. On appointment of above said required Directors on the Board, the Company will be in the position to comply with the provisions of section 149 and to constitute the committees as per the provisions of sections 135, 177 and 178 of the companies act, 2013 and rule 3 of the companies (Appointment and Qualification of Directors) Rules, 2014
3.	The Company could not fully utilize the Corporate Social Responsibility budget allocated for the financial year 2023-2024	The Company could not fully utilize the allocated CSR budget, due to untimely identification of suitable CSR activities.
4.	The Company convened its 25th Annual General Meeting for the Financial Year 2022-23 on December 29, 2023, after seeking extension of 3 months from registrar for holding AGM. However, the said meeting was adjourned Sine die as pending receipt of comments from the Comptroller and Auditor General of India (CAG) for FY 2022-23 and the Adjourned Annual General Meeting of the Company was held on February 09, 2024, which is after the due date of the AGM	The Final Comments of C&AG were received on 02.02.2024 and accordingly the Financial statements along with the Directors Report, management replies to C&AG comments were placed before the members in the adjourned AGM held on February 09, 2024.
5.	The Company has not bifurcated its loan, which needs to be bifurcated between APTRANSCO (the Company) and TSTRANSCO (TRANSMISSION CORPORATION OF TELANGANA LIMITED), maximum no of charge is in standing position	The correspondence with the lenders on the subject matter is a regular process and necessary action in this regard will be taken care.

Annexure -I

Management's replies to the comments of the Statutory Auditors on the Annual Accounts for FY 2023-24

Sl.No.	Statutory Auditors Comments	Management Replies
1	The other financial liabilities which are not bifurcated into current and non-current liability as required by IND-AS 1 (Presentation of financial statements) are as follows: a. Deposits received from Suppliers/Contractors amounting to Rs.1,68,39,41,305/- b. Retention money received from Suppliers/contractors (O&M) amounting to Rs.6,90,25,637.88 ps c. Retention money received from Suppliers/contractors (Capital) amounting to Rs.3,21,52,25,156.43 ps Hence, the impact, if any, for not arriving at the fair value measurement of non-current portion of such deposits/retention money as per IND-AS 109 (financial instruments) on the financials as of 31st March 2024, could not be ascertained.	The company has made the conversion of accounts from ESSAR-1984 to IND-AS from the year 2016-17. The above accounts i.e., deposits received from suppliers/ contractors towards Retention money as shown in the Other financial liabilities and there is no segregation as current and non-current. Further, it is to submit that, the deposits and retention monies are adjusted against the bills. These accounts are running accounts. Hence, there is no need to segregation of current and non-current.
2	Charges registered in MCA portal against the company are not matching with the actual charges registered as per books. Satisfaction of charges to be obtained from lenders and to clear the dues if any.	The correspondence with the lenders on the subject matter is a regular process and necessary action in this regard will be taken care as per the suggestion of the auditors.
3	Company claims Rs.3016.92 crore from TSTRANSCO, TSSPDCL & TSNPDCL and TSTRANSCO claims Rs.884.67 crores on Company. Since the matter is in dispute, recovery of this amount from TSTRANSCO, TSSPDCL & TSNPDCL is doubtful and require provision.	The matter is under correspondence with the TS power utilities and the same was reiterated in the Notes to Accounts of 2023-24 vide Note No.32 (xi). As and when the claim settles the same will be accounted accordingly.
4	Company needs to establish a system for obtaining confirmation of balances for receivables, advances and Loans. Company has obtained the confirmation only from AP Discoms amounting to Rs.1653.83 Crores. Whereas balance outstanding as per Accounts is Rs.2056.22 Crores. In our opinion Doubtful advances were not provided.	The maximum receivables are from Discoms only and the confirmation in this regard obtained from the Discoms and submitted to the audit. With regard to advances to suppliers/contractors are recovered from the bills. Hence, there is no doubtful advances and no need to provide doubtful advance in this accounts.

5	The Company extends various medical benefits to its employees and pensioners under different medical schemes. Ind-AS 19 (Employee Benefits) requires that medical care benefits need to be valued and provided for in books of accounts by carrying out an actuarial valuation. However, the Company neither carried out actuarial valuation nor accounted for liability towards medical benefits extended to its employees and pensioners.	Following the recommendation of the statutory auditor, a note will be circulated proposing the establishment of a dedicated medical trust, similar to the existing trust structures. A certified actuarial valuation will be conducted to determine the necessary liability associated with this trust. Upon receiving the required approvals from the Board, this liability will be accounted in the financial accounts.
6	The Policy about inventory valuation of the Company (Note No.1. B.2(d)) states that inventories are valued at lower of cost or net realizable value (NRV) BUT IN COURSE OF OUR AUDIT IT IS NOTICED THAT THE Company does not have any data or details about the NRV. As such, the inventories are valued at cost. The impact of such practice on Standalone Financial Statements is not ascertained.	The company adheres to accounting principles as detailed in Note No. 1.B.2(d), and 2(e) which specifically addresses the impairment of both financial and non-financial assets. This policy is consistently applied and will continue to be implemented in future financial statements to ensure comparability and reliability.



Annexure - II

Management's replies to the comments of the C & AG Auditors on the Annual Accounts for FY 2023-24

C&AG comment	Management Reply
<u>Comments on Profitability</u> Statement of Profit and Loss Revenue Revenue from Operations (Note-20): Rs.2,884.17 crore 1) As per True-up order (March 2022) of APERC (<i>the Commission</i>) for the 3rd Control Period, the Company was permitted to adjust the true-up (aggregate loss of Rs.492.02 crore) from the Point of Connection (POC) charges (a pass on item to the APDISCOMs) to the extent collected in the future and to approach the Commission to recover any shortfall from the APDISCOMs. POC charges of Rs.5.01 crore and Rs.435.86 crore received during 2022-23 and 2023-24 respectively were recognised as income. However, balance of Rs.51.15 crore as on reporting was not recognised, deviating from accrual basis of accounting stipulated in Para 27 of Ind AS-1, Section 128(1) of the Act, and the accounting policy. The deviation from Ind AS-1 together with lack of disclosure of impact and reason in Note-44 to accounts results in non-compliance with Section 129(5) of the Act. As a result, Revenue from Operations and Trade Receivables are understated by Rs.51.15 crore each with consequent understatement of Profit for the year by the same amount.	APTRANSCO's revenue and expenditure are subject to the approval of the Hon'ble Andhra Pradesh Electricity Regulatory Commission (APERC). In its order dated March 30, 2022, APERC approved a True-up order for the 3rd control period, determining an aggregate loss of ₹492.02 crores. The APERC directed APTRANSCO to adjust this True-up amount against future POC charges to be received for the same control period. Any remaining balance after this adjustment is to be transferred to the DISCOMs. Conversely, if the POC charges received are insufficient to cover the True-up amount, APTRANSCO is permitted to approach the Commission for recovery of the shortfall. As of March 2024, APTRANSCO has received ₹439.77 crores towards this True-up, which has been recognized as revenue in the financial statements for 2023-24. The remaining balance of ₹52.25 crores will be recognized as revenue upon its receipt. Seeing the uncertainty of realizing the full True-up amount (₹492.02 crores) as indicated by the APERC's "if and when it received in the future" clause, and the directive to approach the commission for any shortfall at the end of the 4th control period, APTRANSCO is following a receipt basis of accounting for these True-up charges, as per the Hon'ble APERC's directions. Furthermore, no POC charge bills pertaining to the 3rd control period are currently pending with the implementing agency, POSOCO. Therefore, the outstanding True-up balance of ₹52.25 crores cannot be immediately adjusted. APTRANSCO will approach APERC for further guidance on adjusting this balance against pending POC charges with POSOCO for other control periods and will act according to the Commission's directives.

	In line with Section 128 of the Companies Act, these facts have been disclosed in Note No. 45 of the Notes to Accounts for the year 2023-24. To ensure continued transparency, APTRANSCO will continue to provide detailed disclosures of the True-up amounts received annually and the remaining balance until the total True-up amount is adjusted from POSOCO.
<u>Comments on Financial Position</u> Balance Sheet Assets Non-current assets Property, Plant & Equipment (Note-2): Rs.8,889.33 crore 2) The above includes value of Construction stores (Stock with third-party) amounting to Rs.1,135.15 crore under Capital work-in-progress (CWIP), deviating from the provisions of Paragraph 8 of Ind AS-2 (Inventories), instead of classifying the same as inventory. Thus, the wrong classification resulted in overstatement of CWIP and understatement of Inventories by Rs.1135.15 crore each.	The materials purchased for projects will be paid from Funds for ongoing projects are sourced from loans. To ensure accurate financial reporting, expenditures should be categorized as either "Finished Assets" or "Work-in-Progress (CWIP)". The Project stock has been depicted separately in CWIP from FY2022-23 (Note #2) onwards, In cognizance with the AG-audit Para-4 given during FY2021.22. In order to shown distinctly from the project-specific inventory. The Inventory related to Operations and Maintenance (O&M) shown as Inventory @Note #6. Hence, in order to have the consistency in presenting the financial statements the same will be followed in future also.
<u>Comments on Disclosure</u> 3) Part-B of Schedule II to the Companies Act, 2013 specifies that the useful life or residual value of any specific asset, as notified for accounting purposes by a Regulatory Authority constituted under an Act of Parliament or by the Central Government shall be applied in calculating the depreciation to be provided for such asset. <i>Though Electricity Act, 2003 and Companies Act, 2013 came into force, and CERC notified the depreciation rates under the Electricity</i>	The useful life of Property, Plant and Equipment, Depreciation Rate of percentage are being followed in APTRANSCO as per the rates notified by the Government of India, Ministry of Power vide Gazette Notification S.O.265 (E) dated 29th March 1994. In this connection it is to submit that, in order to have the consistency in disclosing of financial statements the same will be followed. The criteria of deprecation rates being followed

Act, the Company continued its old accounting policy to provide depreciation as per rates notified by the Ministry of Power in March 1994, instead of adopting the rates notified by CERC under the Electricity Act, 2003 (or depreciation rates as per Part-C of Schedule II to the Companies Act). Thus, the present accounting policy of the Company is not consistent with the provisions of the Act. However, neither the reasons for deviation nor impact is disclosed in the Notes to the Financial Statements. *The impact of deviation on depreciation, Gross Block and Net Block (carrying amount) of Property, Plant and Equipment (PPE) could not be ascertained as no workings of depreciation as per depreciation rates notified by CERC are available with the Management.*

by APTRANSCO is already depicted in Accounting principles at B2.(a)(iii). However, as suggested by the audit and subject to the approval of the management, the necessary disclosure stating that, "In order to have the consistency in reporting of accounts the company is following the MOP depreciation rates" from the financial reports for the year 2024-25 onwards.

However, Depreciation workings based on the CERC Depreciation are readily available in SAP. A note for the difference between MOP Depreciation calculation and CERC Depreciation calculation noting will be depicted from the FY 2024-25 onwards without fail.



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

To,
The Members,
Transmission Corporation of Andhra Pradesh Limited ("AP TRANSCO")
#48-12-16, Vidyut Soudha, Gunadala,
Vijayawada, Krishna - 520004, Andhra Pradesh.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Transmission Corporation of Andhra Pradesh Limited [CIN: U31909AP1998SGC107226]** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliance's and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024 according to the provisions of:

- (i) The Companies Act, 2013 ("**the Act**") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Electricity Act, 2003 read with the Electricity Rules, 2005 and Regulations of the appropriate Commission issued from time to time;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - *Not applicable to the Company during the Audit period;*
- (vi) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") viz:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- *Not applicable to the Company during the Audit period;*

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading)

Regulations, 2015 - *Not applicable to the Company during the Audit period;*

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - *Not applicable to the Company during the Audit period;*

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - *Not applicable to the Company during the Audit period;*

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - *Not applicable to the Company during the Audit period;*

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - *Not applicable to the Company during the Audit period;*

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - *Not applicable to the Company during the Audit period;*

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 - *Not applicable to the Company during the Audit period;*

(i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015 - *Not applicable to the Company during the Audit period, as all the Bonds were redeemed;*

(vii) and other applicable laws:

(a) CERC Rules & other Regulations issued from time to time, viz, CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010.

(b) The Central Electricity Regulatory Commission (Standards of Performance of inter-State transmission licensees) Regulations, 2012,

(c) CERC (Procedure for calculating Revenue from Tariff & Charges) Regulations 2010,

(d) Fees and charges of Regional Load Dispatch Centre and other related matters Regulations

I have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

1. *The Company is yet to comply with the provisions of Section 149(4) of the Companies Act, 2013 relating to appointment of Independent Directors on its board.*
2. *The Company failed to comply with the provisions of Section 177 as amended by the Companies (Amendment) Act, 2017 read with Rule 6 of the Companies (Meetings of the Boards and its Powers) Rules, 2014 for composition of the Audit Committee of the board. Since the Audit Committee shall consist of a minimum of 3 directors with independent directors forming a majority and company is yet to appoint independent director as per above point no. 1.*

3. *The Company could not fully utilize the Corporate Social Responsibility budget allocated for the financial year 2023-2024.*
4. *The Company convened its 25th Annual General Meeting for the Financial Year 2022-23 on December 29, 2023, after seeking extension of 3 months from registrar for holding AGM. However, the said meeting was adjourned Sine die as pending receipt of comments from the Comptroller and Auditor General of India (CAG) for FY 2022-23 and the Adjourned Annual General Meeting of the Company was held on February 09, 2024, which is after the due date of the AGM.*
5. *The Company has not bifurcated its loan, which needs to be bifurcated between APTRANSCO (the Company) and TSTRANSCO (TRANSMISSION CORPORATION OF TELANGANA LIMITED), maximum no of charge is in standing position.*

I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws:

1. Forest Conservation Act, 1980
2. Maternity Benefit (Mines) Rules, 1963
3. The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

I further report that based on the representation given by the Management of the Company, it is observed that there are no such laws other than mentioned above which are specifically applicable to the business of the Company. It is confirmed by the Management that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and C&AG audit and other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive and Non-Executive Directors. However the requisite number of Independent Directors on its board is not as per the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and in terms of Articles of Association of the Company as all appointments to the Board are made by Government of Andhra Pradesh.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, if any.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There were no prosecutions initiated and no fines or penalties were imposed during the year under review

under SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers.

I further report that during the audit period the company has not undertaken the following activities.

- (a) Public/Right/Preferential issue of shares / sweat equity/ etc;
- (b) Redemption / buy-back of securities;
- (c) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013;
- (d) Merger / amalgamation / reconstruction, etc;
- (e) Foreign technical collaborations.

I further report that during the audit period, there were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs other than the mentioned above.

Sd/-

CS. Subhash Kishan Kandrapu
ACS: 32743, CP: 17545
UDIN: A032743F003355073

Place: Hyderabad
Date: 11/12/2024

This report is to be read in conjunction with our letter of even date which is marked as 'Annexure A' and forms an integral part of this report.

'Annexure A'

To,
The Members,
Transmission Corporation of Andhra Pradesh Limited ("AP TRANSCO")
#48-12-16, Vidyut Soudha, Gunadala,
Vijayawada, Krishna - 520004, Andhra Pradesh.

Auditor's Responsibility:

Based on audit, my responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. I conducted my audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit, including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. My report of even date is to be read along with this letter.

(1) Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.

(2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, I followed provide a reasonable basis for my opinion.

(3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, as I have relied to a certain extent on the information furnished in such returns.

(4) My Audit examination is restricted only to legal compliances of the applicable laws to be done by the Company and I have not checked the practical aspects relating to the same.

(5) Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

(6) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.

(7) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the Efficacy or effectiveness with which the Management has conducted the affairs of the Company.

(8) The contents of this Report have to be read in conjunction with the Report(s) furnished/to be furnished by any other auditor(s)/ agencies,/ authorities with regard to the Company. Observations, remarks and qualifications, if any mentioned hereinabove are in addition to the observations, remarks, and qualifications given by the auditor(s)/ agencies/ authorities of the Company in their respective reports.

Sd/-

CS. Subhash Kishan Kandrapu
ACS: 32743, CP: 17545
UDIN: A032743F003355073

Place: Hyderabad
Date: 11/12/2024



Annexure - IV

Annual Report on CSR Activities

(Pursuant to Section 135 and Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014)

- Brief outline on CSR Policy of the Company:** Our CSR initiatives are guided by the CSR Policy. The Company is committed towards social and environmental responsibility. Our key areas of focus are to promote community health and well-being, to support local economic development, rural development by laying roads and building community halls etc. We also undertake community-centric activities in the areas of disaster relief, environment and tribal welfare.

- Composition of CSR Committee (as on March 31, 2024):**

Name of the member	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Sri. K V N Chakradhar Babu, IAS	Chairman	5	4
Sri. B Malla Reddy, IPS (Retd.)	Member	5	5
Sri. T Veera Bhadra Reddy	Member	5	5

- Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:**
<https://www.aptransco.gov.in/>
- Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not applicable
- Average net profit of the company as per sub-section (5) of section 135: 452.12 Cr
 - Two percent of average net profit of the company as per sub-section (5) of section 135: 9.04 Cr
 - Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: 0
 - Amount required to be set-off for the financial year, if any: 0
 - Total CSR obligation for the financial year [(b)+(c)-(d)]: 9.04 Cr
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): 7.52 Cr
 - Amount spent in Administrative overheads: 0
 - Amount spent on Impact Assessment, if applicable: 0
 - Total amount spent for the Financial Year [(a)+(b)+(c)]: 7.52 Cr
 - CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
7.52 Cr	-	-	-	-	-

(a) Excess amount for set-off, if any: Nil

Sl.No	Particulars	Amount
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	9.04 Crores
(ii)	Total amount spent for the Financial Year	7.52 Crores
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
				Amount (in Rs)	Date of Transfer		
1.	FY - 1	-	-	-	-	-	-
2.	FY - 2	-	-	-	-	-	-
3.	FY - 3	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: The Company could not spend 1.52 Crores out of total CSR obligation of Rs. 9.04 Crores for the financial year 2023-2024, as the Company could not identify suitable project to utilize the entire CSR obligation.

For and on behalf of the Board of Directors
For Transmission Corporation of Andhra Pradesh Limited

Sd/-

Sd/-

Place: Vijayawada
Date: 21.04.2025

Sri. K Vijayanand, IAS
Chairman and Managing Director
DIN: 02138144

Smt. Kirthi Chekuri, IAS
JMD(HR & A) / Chairperson
of CSR Committee
DIN: 10776818



Revised Independent Auditor's Report

To the Members of **Transmission Corporation of Andhra Pradesh Limited, Vijayawada**

Revised Report on Audit of the Standalone Financial Statements

We have issued an audit report dated 26th September 2024 on the Financial Statements for the year ended 31 March 2024 which was submitted by the company to the office of the Principal Accountant General (Audit), Andhra Pradesh. In Pursuant to provisional Comments of Comptroller and Auditor General of India issued by the office of the Principal Accountant General (Audit), Andhra Pradesh consequent to supplementary Audit under section 143(6)(a) of Companies Act, 2013 vide Letter Number: PAG(Audit)/AMG-11/TSC-1/APTRANSCO-FY24/97-2024/529 dated 11.01.2025 and Our Report dated 26th September 2024 has been revised to give effect to the Provisional Comments and provide additional information, clarify certain aspects, and rectified the oversight errors Identified in the original audit report, so far pertaining to pars 5.11 and 9.3(h)(vi) of Basis for Qualified Opinion regarding True-up/True down and certain typographical corrections in Annexure-C Sl.no: 3 and (b) 2.

This report supersedes our earlier Audit report dated 26.09.2024 (UDIN:24009269BKGZHM4703). No changes were made in the Financial Statements which were approved by the Management and approved by us.

Qualified Opinion

1. We have audited the standalone financial statements of **Transmission Corporation of Andhra Pradesh Limited (the Company)**, which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").
2. In our opinion and to the best of our information and according to the explanation given to us, subject to the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2024, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

3. Basis for Qualified Opinion

3.1 The other financial liabilities which are not bifurcated into current and Non-Current Liability as required by IND-AS 1 (Presentation of financial statements) are as follows: -

- a) Deposits received from Suppliers/Contractors amounting to Rs.1,68,39,41,305
- b) Retention money received from Suppliers/Contractors (O&M) amounting to Rs. 6,90,25,637.88.
- c) Retention money received from Suppliers/Contractors (Capital) amounting to Rs. 3,21,52,25,156.43.

Hence, the impact, if any, for not arriving at the fair value measurement of the non-Current portion of such deposits/Retention money as per IND-AS 109 (Financial Instruments) on the financials as of 31st March 2024, could not be ascertained.

3.2 Charges registered in MCA portal against the company are not matching with the actual charges registered as per books. Satisfaction of charges to be obtained from lenders and to clear the dues if any.

3.3 Company Claims Rs.3016.92 crores from TSTRANSO, TSSPDCL & TSNPDCL and TSTRANSO claims Rs.884.67 crores on the Company. Since the matter is in dispute, recovery of this amount from TSTRANSO, TSSPDCL & TSNPDCL is doubtful and requires provision.

3.4 Company needs to establish a system for obtaining confirmation of balances for receivables, advances, and Loans. Company has obtained the confirmation only from AP Discoms amounting to Rs. 1,653.83 Crores, whereas Balance outstanding as per Accounts is Rs. 2,056.22 Crores. In our opinion Doubtful Advances, Receivables were not provided.

3.5 The Company extends various medical benefits to its employees and pensioners under different medical schemes. Ind AS 19 (Employee Benefits) requires that medical care benefits need to be valued and provided for in books of accounts by carrying out an actuarial valuation. However, the Company neither carried out actuarial valuation nor accounted for liability towards medical benefits extended to its employees and pensioners.

3.6 The policy about inventory valuation of the Company [Note No. 1. B.2. (d)] states that inventories are valued at lower of cost or net realizable value ("NRV") but in course of our audit it is noticed that the Company does not have any data or details about the NRV. As such, the inventories are valued at cost.

The impact of such practice on Standalone Financial Statements is not ascertained.

4. We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act 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 opinion.

5. Emphasis of Matter:

Without qualifying our opinion, we bring to your attention to the following:

We draw attention to the following matters in the Notes to the Standalone financial statements

- 5.1 Note No.32 Based on revised allocation of assets and liabilities between the company and TS Transco as per the objections / suggestions of TS Transco and mutually agreed vide letter dated 23.03.2017 and expert committee letter no. 326 dated 29.08.2018 and report dated 15.11.2018 and shown under Note No. 32 an amount of Rs. 199.29 crores (Debit balance) being the difference between re-allocated assets and liabilities is shown as Demerger Adjustment Account under other current assets (Note No. 10A) in the Balance sheet as at 31.03.2024. The recoverability/adjustment is subject to the decision of a third party referred by the company and TS TRANSCO.
- 5.2 Note No.30 to the standalone financial Statements which describe the uncertainties related to the outcome of suits/ appeals filed by/ against the company and other parties.
- 5.3 Note No. 33 with regard to non-accounting of transmission charges in respect of third-party generator an amount of Rs.269.04 Crores which will be accounted on cash basis.
- 5.4 Note No. 36 with regard to non-accounting of revenue in respect of demand raised on TS DISCOMS for transmission and SLDC charges of Rs. 1921.05 crores due to non-finalisation of LTTA (Long Term Transmission Agreement) with TS DISCOMS.
- 5.5 with regard to non-accounting of common expenditure up to the year 2018-19 of Rs.15.51 Crores towards bills raised by TSTRANSCO which is not accepted and not considered in accounts by the company, pending review and finalization.

- 5.6 Note No. 38 with regard to recoverability of payments made on behalf of TS Transco up to 31-03-2024 of Rs.11.67 crores.
- 5.7 Note No. 39 With regard to recovery of salaries paid to TS Relieved employees from October'2015 to May'2016 amounting to Rs. 23.98 Crores.
- 5.8 Note No. 41(b) with regard to the whole of the contingency reserve investments including those apportioned to TSTRANSCO on demerger continue to be held in the name of the company.
- 5.9 Note No.42 with regard to the continuance of charge on assets and the outstanding loans apportioned to TSTRANSCO, amounting to Rs. 1,715.21 crores as on 01.06.2014, which are in the name of the company. However, outstanding balance as on 31st March 2024 was Rs.119.64 Crores.
- 5.10 Note No.43 with regard to risk and cost recoverable from two Contractors of Rs.12.12 crores which will be accounted as and when accepted by the parties or received.
- 5.11 Note No.44 As per the APPCC meeting decision Dt. 22.05.2024. An amount of Rs.1132.31 crores initially arrived as a true down for the control period 2019-20 to 2023-24 as the MYT issued by APERC ends in current fiscal year and passed on to AP Discoms pending finalisation of true-up/true-down orders. The same will be claimed through True-up/True-down application from APERC. Due to true-down order the company has reversed a substantial amount of Income Rs.622.31 crores after adjustment of Rs 510 crores for which permission was received based on the provisional accounts from the commission for previous years 2019-20 to 2023-24 (controlling period), due to which the income is adversely affected during the financial year. Thus, Recognition of True-down based on the discussions between APTRANSCO and APPCC, is found deviating from the applicable Regulations of the Commission since true-up/true-down petitions are subject to prudent checks and balances and approval of the Commission in accordance with Regulations. Thus, the present accounting treatment resulted in understatement of Revenue from Operations and Trade Receivables. We are of the opinion that directions should be obtained from APERC year after year instead of block period of 5 years.
- 5.12 Note No.45 with regard to the property (land) transferred to and occupied by Greater Vishakha Municipal Corporation (GVMC) in exchange of land of GVMC being not identified by GVMC, value of Land transferred not removed from the books.
- 5.13 Note No.55 The lands received by the company at free of cost (Nominal value) is not disclosed. We are of the opinion the full details of the land received at free of cost should be entered in FA Register at nominal value with land details so that there will be control over the assets of the company.
- 5.14 The company has not disclosed the terms of repayment of loans from Banks and FIs as required by "Schedule III" of the Companies Act, 2013. Further Maturity

Pattern of the non-derivative financial liabilities with agreed repayment periods has not been disclosed as required by Ind AS 109, "Financial Instruments".

- 5.15 Company needs to establish a system for obtaining confirmation of balances for receivables, payables, advances, deposits and project stock held by the third party.
- 5.16 Accounting policy B2(c) Equity Investment in unquoted equity shares of the value of Rs.20 lacs have been carried at historical cost in the Standalone Financial Statement. To that extent it is a deviation from the application of Ind-AS 109. We are unable to quantify the effect in the absence of information.
- 5.17 The total Transmission loss for the financial year 2023-24 is 2127.87 MU. We have not carried out technical verification of transmission loss. Based on the information, explanation and representation received from the management the benchmark set by APERC for transmission losses is 3.00% and the loss incurred by APTRANSCO is 2.69 % which is lesser than approved by APERC. The said loss in accounting parlance is to be termed as "Normal Loss" not requiring any separate accounting in the books of accounts.
- 5.18 Note No:51 Pending finalisation of realisation the transmission charges transferred by IEX/PX amounts taken into the liability account. These amounts needs to be transferred to APDiscoms as the Transmission charges were already determined and billed against APDiscoms for the capacities projected for each month as per the APERC Tariff orders and as per Direction 12 of APERC regulations. As on financial reporting date an amount of Rs. 42.80 crores against concerned G/L A/c.

6 Information Other than the Standalone Financial Statements and Auditors' Report thereon.

- 6.1 The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the standalone financial statements and our auditor's report thereon.
- 6.2 Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- 6.3 In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- 6.4 If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.
- 6.5 Company needs to establish a periodical Information Systems Audit.
- 6.6 As per the Actuarial Valuation Report for the fiscal year ending on March 31, 2024, the actuary has determined the liability pertaining to the present value of

defined benefits obligations for the company. This assessment has been conducted in accordance with the Mortality rate outlined in the Standard Indian Assured Live Mortality (2012-2014). It is essential to note that the selection of this mortality standard is at the sole discretion of the actuary, as per the APS27 Section 8.5.23 which reflecting their professional judgment and expertise. We are unable to quantify the effect in the absence of information.

7 Management's Responsibility for the standalone financial statements

- 7.1 The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity, cash flows of the Company in accordance with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 7.2 In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.
- 7.3 Board of Directors are also responsible for overseeing the Company's financial reporting process.

8 Auditor's Responsibility for the Audit of Standalone Financial Statements

- 8.1 Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include our opinion. Reasonable assurance is the 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. Misstatement can arise due to fraud or error and are considered material if, individually or in the aggregate, they could reasonably have expected

to influence the economic decisions of users taken on the basis of these financial statements.

8.2 As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances. Under section 143(3)(i) of the Act, we are responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of going concern basis of accounting and, based on the audit evidences obtained, whether any material uncertainty exists related to the events or conditions that may cast significant doubt on the Company's ability to continue as 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

8.3 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.

- 8.4 We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

9 Report on Other Legal and Regulatory Requirements

- 9.1 As required by the Companies (Auditor's Report) Order, 2020 ('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 paragraphs 3 and 4 of the Order, to the extent applicable.
- 9.2 In terms of section 143(5) of the Companies Act, 2013, we give in the **"Annexure C"** our comments on the directions and sub-directions issued by the Comptroller and Auditor General of India.
- 9.3 As required by Section 143(3) of the Act, we report that:
- a) we have sought and obtained the information except for the information detailed in **"Annexure D"** 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) the Balance Sheet, the Statement Profit and Loss, including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements, except for accounting on receipt / cash basis of the items as stated at Note 40 of the financial statements, comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 applicable from 01st April, 2015 as amended.
 - e) being a government company, pursuant to the notification no. GSR 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section 2 of section 164 of the Companies Act, 2013 are not applicable.
 - f) with regard to the adequacy of the internal financial controls with respect to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**, our report expresses un modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) with respect to the remuneration paid by the company to its directors are in accordance with the provisions of section 197 of the companies Act, 2013. The provisions of section 197 of Companies act 2013 are not applicable being the APTRANSCO a Government company vide notification No. GSR 463 (E) dated 05-06-2015. Hence, we need not comment up on as required under section 197(16) of the Companies Act, 2013.
- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the 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 company has disclosed the impact of pending litigations on its financial position in the standalone financial statements- Refer Note No.30 to the standalone financial statements.
 - ii) the Company has no long-term contracts including derivative contracts requiring disclosure of material foreseeable losses
 - iii) there were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) (a) As per the information and explanation given to us, in our opinion the company has advanced Rs.1298.33 crores (Netting off) to AP Discoms, APGenco & APPDCL (Refer Note 4A) from funds (either from borrowed funds or share premium or any other sources or kind of funds) borrowed from Power Finance Corporation Limited, PTC India Financial Services Limited & REC Limited.
 - (b) As per the information and explanation given to us, in our opinion the company an amount of Rs.498.33 Crores is outstanding from the amount which is advanced to AP Discoms, APGenco & APPDCL during last financial year from Power Finance Corporation Limited and others. (Refer Note 4A & 13)
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v) The Company has not declared or paid dividend during the year by the company is in compliance with section 123 of the Companies Act, 2013.
 - vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the

Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is applicable for the financial year ended March 31, 2024 (given in the “Annexure E”).

Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is applicable for the financial year ended March 31, 2024.

For Rao & Narayan
Chartered Accountants
FRN: 003097S

Place: Vijayawada
Date : 11 .02.2025



P.V. Subba Rao
Partner - MembNo.009269
UDIN: 25009269BMLGLU6699

Annexure A to the independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Transmission Corporation of Andhra Pradesh Limited of even date).

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) As per the information and explanation given to us, the company is not having any regular programme of physical verification of its fixed assets by which all the fixed assets are verified in phased manner. In our opinion, this periodicity of physical verification of fixed assets is not reasonable having regard to the size of the company and the nature of its assets. The company does not have a system of tagging the fixed asset which in our opinion is major material weakness and is not having any regular programme of Land Survey. Land Survey reports are not available to ensure no encroachment of idle land.
- The land carried in the books of the company comprises of land vested pursuant to the APER(TS) Rules 1999, lands acquired subsequently which was apportioned to the company subsequent to the demerger plan, vide the AP Reorganization Act, 2014.
- (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self constructed buildings and title deeds of all other immovable properties except Land & Buildings (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (f) The lands received by the company at free of cost (Nominal value) is not disclosed. We are of the opinion the full details of the land received at free of cost should be entered in FA Register at nominal value with land details so that there will be control over the assets of the company.

According to the information and explanations furnished to us and based on our examination, the company is in the process of collection of title deeds and land records and in the absence of complete record we are unable to comment on whether the company holds title deeds in respect of the immovable property (Land/building).

ii. In respect of Inventory of the Company

- (a) The physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, as per that the inventory has been taken into consideration after duly adjusting the shortage/excess found on the verification.
- (b) The company has been sanctioned working capital limits in excess of five crores rupees, in aggregate, from banks or financial institutions on the basis of security of current assets i.e. inventory, based on the quarterly returns or statements are submitted by the company with such banks or financial institutions.

iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

- a) While the company did not provide any loans, advances, guarantees, or collateral to other entities during the year, approximately Rs. 498.33 crores of the Rs. 1300 crores advanced to AP Discoms, APGenco, and APPDCL in the previous year remains outstanding as of the financial reporting date.
- b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally being regular as per stipulation, except from APPDCL amounting Rs.11.11 crores during the last quarter of FY 2023-24.
 - d) In respect of loans granted by the Company, there is an overdue amount of Rs.36.11 crores from APPDCL which remains outstanding for the last quarter of the FY 2023-24.
 - e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
 - f) The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable are not applicable to a Government company vide notification No. GSR 463 (E) dated 05-06-2015. Hence reporting under clause 3 (iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records u/s 148(1) of the Companies Act, 2013 and prima facie we are of the opinion that the prescribed accounts and records have been made and maintained properly.
- vii. In respect of statutory dues:
- (a) According to the information and explanation given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including, provident fund, Income Tax, Goods and Service Tax and other statutory dues. There are no undisputed amounts payable which were in arrears as on 31.03.2024 for a period of 6 months or more from the date they become payable.

(b) According to the information and explanations given to us, the details of dues of Sales Tax, Entry Tax and Income Tax which have not been deposited on account of disputes are given below:

Name of the Statutory body	Financial year to which the matter pertains	Forum where dispute is pending	(Rs. in lakhs)		
			Total amount Disputed	Amount paid as per Court Directions/filing Appeal	Balance
Interest on APGST	1994-95 to 1996-97	High Court of AP	6,584.28	-	6,584.28
	1997-98		2,304.74	-	2,304.74
APGST Total::			8,889.02	0.00	8,889.02
Entry Tax	2002-03	High Court of AP	1,235.09	358.18	876.91
	2003-04		29.9	8.67	21.23
	2003-04		342.83	171.42	171.41
	2004-05		963.43	481.71	481.72
	2005-06		697.79	239.28	458.51
	2005-06		359.02	104.12	254.9
	2006-07		1,405.18	702.59	702.59
	2014-15		3,375.25	843.81	2,531.44
	2015-16		3,450.20	862.54	2,587.66
	2016-17		1,460.75	365.19	1,095.56
	2017-18		24.08	6.02	18.06
Entry Tax Total::			13,343.52	4,143.53	9,199.99
Income Tax	2013-14	Income Tax Appellate Tribunal, Hyderabad	109.55	21.91	87.64
	2014-15	CIT Appeals, Rajahmundry	36.00	7.20	28.8
	2017-18	CIT Appeals, Vijayawada	0.79	0.16	0.63
	2020-21	CIT Appeals, Faceless	15.16	3.03	12.13
	2021-22	CIT Appeal, Faceless	25.67	5.13	20.54
Income Tax Total::			187.17	37.43	149.74
TOTAL			22,419.71	4,180.96	18,238.75

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

- (b) The company has not been declared as wilful defaulter by any Bank, Financial institute and Government authority.
 - (c) As of the financial reporting date, approximately Rs. 498.33 crores out of the Rs. 1300 crores term loans taken and advanced to AP Discoms, APGenco, and APPDCL during the previous year remains outstanding.
 - (d) In our opinion, on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) In our opinion, on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - (f) The Company has not raised any loans by pledging the securities held in subsidiaries, Joint ventures, etc. during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) In our opinion, on overall examination of the financial statements of the company, there are no frauds by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. As per notification No. GSR 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of section 177 and 188 in

relation to a Government company are not applicable. Accordingly, provisions of Clause xiii of the order are not applicable.

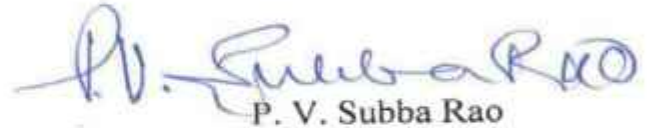
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. During the fiscal year under review, the Company, in our assessment, did not engage in any non-cash transactions with its Directors or individuals associated with its directors. Consequently, we assert that the provisions outlined in section 192 of the Companies Act, 2013, pertaining to non-cash transactions with directors, are not applicable to the Company for the specified period.
- xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c), and (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) According to the information and explanation given to us, in respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund specified in Schedule VII to the Companies Act (the Act), in compliance with second proviso to sub-section (5) of Section 135 of the Companies Act.

(b) According to the information and explanation given to us, the company has remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to ongoing project is amounting to RS.0.73 crores, which is accumulated prior to FY2020-21 and need not be to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

xxi. As the company is Standalone and has no subsidiaries, associates or joint ventures and hence the provisions of Clause 3(xxi) of the Order are not applicable to the Company.

For Rao & Narayan
Chartered Accountants
FRN: 003097S

Place: Vijayawada
Date : 11.02.2025



P. V. Subba Rao

Partner - MembNo.009269
UDIN: 25009269BMLGLU6699



Annexure B to the Independent Auditor's Report

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Transmission Corporation of Andhra Pradesh Limited of even date).

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") The Standalone Financial Statements of Transmission Corporation of Andhra Pradesh Limited

We have audited the internal financial controls over financial reporting of **Transmission Corporation of Andhra Pradesh Limited** ("the Company") for the year ended 31st March 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company'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, as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and a guidance note issued by the Institute of Chartered Accountants of India. 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 the internal financial controls 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 judgment, including the assessment of the risks of material misstatement of the standalone 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company'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 company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 misstatements 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

According to the information and explanation given to us, the following are the material weaknesses identified as at March 2024.

- a. The company does not have a system of tagging the fixed asset which in our opinion is major material weakness.
- b. The company does not have a system to conduct the physical verification of Capital Work in Progress (CWIP) to determine the actual stage of completion of the project as on March 31, 2024. Thus, the impact of the same is not ascertainable as on March 31, 2024.
- c. Negative (Credit) balances under, "Staff Advances" have been observed
- d. Positive (Debit) balances under "Deposits", "Liability for contractors" have been observed and shown net balances.
- e. The company does not have a formal documented Business Continuity Plan (BCP), Restoration plan & Disaster Recovery Plan (DRP) that addresses all core processes, technologies.
- f. During the year the company has not conducted any System audit by any external firm / agency which would certify that the information security management system existing in the company is as per Information Security Management System Standards.
- g. Fire Drill was conducted on 12.09.2023 & 07.02.204 in Head office located at Vidyut Soudha, Vijayawada but not conducted in any other buildings. The company does not have a practice of scheduling Fire Drills in other buildings, which in our opinion, is an important activity and should be adhered to.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material aspects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2024, based on the internal control over financial reporting criteria established by the Company 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 standalone financial statements of the Company, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

Place: Vijayawada
Date: 11.02.2025.



For Rao & Narayan
Chartered Accountants
FRN: 003097S



P. V. Subba Rao
Partner - MembNo.009269
UDIN: 25009269BMLGLU6699



Annexure C to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Transmission Corporation of Andhra Pradesh Limited of even date).

Report on the Directions and Sub Directions of the Comptroller and auditor General of India required under sub section 5 of Section 143 of the Companies Act, 2013 ("the Act")

(a) Replies to directions given by Controller and Audit General of India:

Sl. No	Particulars	Auditor's Observation
1	Whether the company 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.	During the course of audit, we have observed that all the accounting transactions are processed through IT system using SAP Software. As informed by the company and as observed by us there are no instances of processing accounting transactions outside IT system causing a threat on the integrity of the accounts and other financial implications.
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 company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	As informed by the company and as observed by us during the course of Audit, there are no instances of restructuring of existing loans or there are no cases of waiver/write off of debts /loans/interest etc. made by a lender to the company during the year 2023-24.
3	Whether funds received / receivable for specific schemes from central/ state or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As informed by the company and as observed by us during the course of Audit, the company properly accounted for the funds received for specific schemes from central/ state agencies and properly recorded the utilization of funds as per its terms and conditions.

(b) Replies to Sub-Directions given by Controller and Audit General of India:

Sl. No	Particulars	Auditor's Observation
	GENERAL	
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed	Based on our observations and information & explanations given by the Management, Grants of Rs.47.53 & Rs.6.27 crores were received from Central Government dated Oct 9, 2023 & July 5, 2023 towards Green Energy Corridor and PSDF projects respectively and the same were utilized during the financial year 2023-24 for which UC was also submitted. The amount is fully utilized for the purpose for which grants were received but for which the works were not completed and amount was kept in CWIP.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies, a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure; b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;	All the grants received towards PSDF, SECI & Green energy Corridor for the year 2023-24 are capital grants only and utilised for the capital works only. No guarantees were obtained by the company during FY 2023-24 from Central or State Governments /Other user departments or their agencies.

3.	Where any long term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	No such long term liabilities are undertaken by the company against assets of finite lifetime during the FY 2023-24.
4.	Whether the corresponding expenditure on which the taxes paid/payable are accounted in the financial statements is also included appropriately	Yes, the corresponding expenditure on which taxes paid/payable was accounted in the financial statements appropriately.
5.	Whether there is a Public Deposit account in the name of the PSU? If yes, a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds; b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed; c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed; d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not; e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;	There are no Public Deposit accounts held in the name of the company as at 31.03.2024. Not applicable Not applicable Not applicable Not applicable

6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose.	No such loans were raised by the company for which payment of principal or interest or both will be met by the State Government or its agencies during the FY 2023-24.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As per the information provided by the management, no land of the company was encroached or under litigation or not put to use or declared surplus as at 31.03.2024 as well as during the FY 2023-24.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	As per the information provided by the management and based on our audit observations, we report that inventory has been taken into consideration on the basis of physical verification of by the internal auditors/management after duly adjusting the shortage/excess found on the verification.
9.	Whether the cost incurred on abandoned projects has been written off?	As per the information provided by the management and based on our audit observations there were no abandoned projects as on 31.03.2024.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	Wherever funds received were temporarily invested, the interest benefit is being accounted against such funds as per the terms and conditions of the agreement by MNRE/PSDF/LIS.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	As per the A.P. Reorganization Act, 2014, the assets and liabilities are bifurcated between APTRANSCO and TSTRANSCO. The same were noted in the Notes to Accounts for FY 2023-24 by the Company.

Sector Specific Sub-Directions		
Power Sector		
1.	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case fund of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	The Company had constructed compound wall around the company's land to prevent any unauthorized encroachment of land and the Sub-stations are also guarded by Security personnel at all the gates day and night. As on 31.03.2024, no land of the company is encroached or under litigation or not put to use or declared surplus.
2.	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.	Land acquisitions are being a continuous process and land acquisitions amounts are being deposited with Revenue Dept., by the company. After receipt of the land allotment from the Revenue Department the same will be accounted against the land by the company. An amount of Rs.3.11Cr. depicted in the AH 2892100000 – Deposit with Revenue Department as on 31.03.2024.
3.	Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?	The Company had been recognizing the revenue from Transmission & SLDC charges as per the tariff approved by APERC in the MYT 2019-20 to 2023-24.
4.	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	There were no abandoned projects as on 31.03.2024 as well as during the FY 2023-24.
Transmission		
6.	Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.	As per the information provided by the management, the company is constructing the transmission lines as per the requirement of Generation of electricity in the state. Further, the APERC had fixed the tariff for MYT 2019-20 to 2023-24, based on the peak demand. Further, the transmission system availability factor for the year 2023-24 is 99.82% (provisional). There are no instances i.e., claims by the generating company during the FY 2023-24.

7.	How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts?	As per the information provided by the management, the Hon'ble APERC has fixed the transmission loss for FY 2023-24 is 3.00%. However, during the year 2023-24 the transmission losses is 2.69% which is lower than the APERC fixed transmission loss of 3.00%.
8.	Whether the assets constructed and completed on behalf of other agencies and handed over to the has been properly accounted for in the financial statements	As per the information provided by the management, the assets constructed and completed on behalf of other agencies i.e., deposit contribution works are accounted properly duly allocating to the respective asset class i.e., DCW works assets in the financial statements.

For Rao & Narayan
Chartered Accountants
FRN: 003097S

Place: Vijayawada
Date : 11.02.2025




P. V. Subba Rao
Partner - MembNo.009269
UDIN: 25009269BMLGLU6699



Annexure - D To the Independent Auditor's Report

(Referred to in paragraph 3(a) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Transmission Corporation of Andhra Pradesh Limited of even date).

1. Information of Party-wise break-up in respect of following account balances as appearing in Trial Balance not available and needs to be reviewed, reconciled and adjusted by the management in the absence of third-party confirmation of balances:

GL A/c	GL Name	Debit (Rs.in crores)	Credit (Rs. In Crores)
A. Staff Advances			
2710100001	Legacy balance upload	2.45	-
2710200001	Legacy balance upload	0.22	-
2710300001	Legacy balance upload	5.00	-
2710400001	Legacy balance upload	-	-
2710500001	Legacy balance upload	0.09	-
2710600001	Legacy balance upload	0.38	-
2712100001	Legacy balance upload	-	-
2712200001	Legacy balance upload	0.05	-
2712400001	Legacy balance upload	-	-
2712500001	Legacy balance upload	-	0.02
2720000001	Legacy balance upload	0.06	-
2721100001	Legacy balance upload	0.05	-
2721200001	Legacy balance upload	0.02	-
2724000001	Legacy balance upload	-	0.01
2721600001	Legacy balance upload	-	-
2722000001	Adv-against-legacy upload	0.01	-
	Total	8.33	0.03
B. Receivables			
2810000000	Sundry Debtors trading	0.08	-
	Total	0.08	-
C. Deposits with courts/Judicial authorities:			
2890000000	Deposits with others	1.23	-
2890000001	Deposits with others-legacy balances	7.74	-
	Total	8.97	-
D. Liability for capital works:			
4215000000	Lia-sup-mat-cap (Old)	-	27.14
4220000001	IFS GR/SR Ven Liabil	1.24	-
4220000002	IFS GR/SR GL open liability	-	23.04
	Total	1.24	50.18

E. Staff recoveries:			
4440000001	Staff loan legacy		0.05
	Total		0.05
F. Deposits:			
4610000000	Dep from Supp/cont	-	168.39
4610500000	Dep-Emd-RM-con (Old)	-	0.60
4612500001	Misc Deposits-GL	-	44.44
4612500002	Misc Deposits Customer	-	371.19
4627500000	TR & SLDC Clearing A/c	-	8.18
	Total	-	592.80
G. Grant			
5530000000	Grant-cost of CAP asset	-	11.30
	Total	-	11.30

2. Statement showing ledger balances some items of the balances out of the total account balances, requires party wise breakup and needs to be reviewed, reconciled and adjusted by the management in the absence of third-party confirmation of balances:

GL A/c	GL Name	Debit (Rs.in Crores)	Credit (Rs.in crores)
A. Advances			
2840100000	Amount recoverable - Employees	0.54	-
2881000000	Exp Rec-supp/contractors	10.70	-
2887000000	Other amount receivable – Govt	1.12	-
	Total	12.36	-
B. Liability for capital works:			
4210000000	Lia-supp-mat/work-cap	-	194.76
4220000000	Suppliers/contractors control a/c	-	18.31
4220100000	Suppliers/contractors cont -cap/O&M	-	1.87
4221000000	Suppliers/contractors cont -ser	-	43.12
4310000000	Lia-supp-mater (O&M)	-	3.96
	Total	-	262.02

C. Deposits:			
4610100000	Sec dep in cash-cap	-	11.80
4610200000	Sec dep – cap	-	0.06
4610300000	E M D - Capital	-	1.50
4610400000	RM-suppl/cont-capital	-	321.52
4610500000	Dep-Emd-Rm-Con	-	0.60
4612000001	Penalty Deposit a/c	-	0.00
4612100000	Sec dep in cash - O&M	-	24.03
4612200000	Sec dep other than in cash-O&M	-	0.22
4612300000	EMD - O&M	-	3.39
4612400000	RM-suppl/cont - O&M	-	6.90
4612500000	Miscellaneous Deposits	-	103.17
4612500002	Miscellaneous Deposits Cust	-	371.19
	Total	-	844.38

3. Following account balances require reconciliation as to their recoverability and write off.

Advance Tax			
2740000000 to 2740002023	Adv IT/TDS	103.64	-
	Total	103.64	-

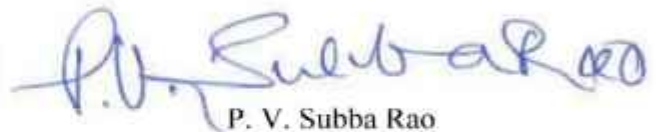
4. The company as per its accounting policy B2(c), an amount of Rs.0.20 crores investment of 2,00,000 shares (Face value Rs.10/- each) unquoted equity shares “Investment in JV-Andhra Pradesh State Energy Development Corporation Ltd” not quoted at fair value.

5. While our test checks of Lands & Buildings documents revealed no immediate concerns, the sheer volume of assets within this category limits our ability to definitively confirm the company's possession of title deeds for all lands and buildings. To address this limitation, we recommend prioritizing the completion of document tagging with corresponding Asset IDs in SAP. This improved system will provide a more comprehensive and transparent view of ownership documentation for all Land & Buildings assets.

Place: Vijayawada
Date : 11.02.2025



For Rao & Narayan
Chartered Accountants
FRN: 003097S



P. V. Subba Rao
Partner - MembNo.009269
UDIN: 25009269BMLGLU6699



Annexure -E To the Independent Auditor's Report

(Referred to in paragraph 3(h)(vi) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Transmission Corporation of Andhra Pradesh Limited of even date).

Reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014, The Standalone Financial Statements of Transmission Corporation of Andhra Pradesh Limited.

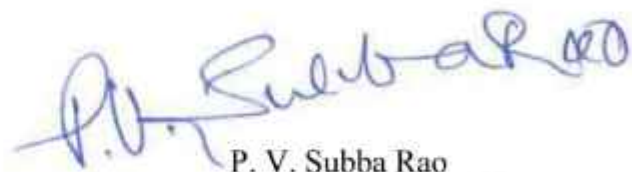
SL.No	Best Practices to maintain Audit trail	Description	Management Reply
1	Do you have policies and procedures that specify how staff are given access to computer systems?	The process for granting, changing, and removing access should be governed by a discrete procedure. Access to certain systems should be governed according to job function.	Yes, SAP ACCESS will be depending upon employee positions.
2	Are individual login and passwords required to access computer systems?	This is crucial for ensuring that the activity performed can be attributed to an individual. Never share any login credentials or passwords. Employ robust user authentication methods to verify the identity of individuals making changes. Implement role-based access controls and data encryption to restrict modification access.	Yes, For SAP Login individual login ID and passwords are required.
3	Does your software control actions through access privilege levels?	Activities within the system should be governed by job function and those who create records should have very limited or no ability to modify or delete them. Make sure to maintain and update lists showing who has particular access privileges for each system.	Yes
4	Are date and time featured secured so they cannot be changed by those who perform, supervise, or review records?	When individuals are able to change date and time stamps, it's not possible to ensure that activities were conducted at the date and times indicated – compromising the integrity of the data. These features should be controlled at the network level.	Yes, Date and Time Stamp cannot be changed. This feature is secured in the system.
5	Is the identity of the person performing an activity	This requires unique login credentials and ensures firms and regulatory investigators know who,	Yes

	captured by the audit trail?	in particular, performed an action. Logging in, acquiring data, processing data, modifying data, deleting data, reporting results or reviewing data are all activities that require audit trails capture individual performers.	
6	Are your audit trails capable of documenting why an action was performed?	Selecting from a pre-written list of possible justifications can leave out important details needed when explaining why a particular action was taken. To ensure completeness and specificity, make this field a free text field for users to write their own justifications. Be sure all users are trained on how to provide a clear and complete justification.	Yes
7	Can data be obscured or deleted when certain operations are performed?	Sometimes this can happen and not be immediately apparent. When samples are retested, for example, the original results should always remain available to ensure everything can be reviewed and that your quality unit is considering all data when making lot disposition decisions. If data is overwritten, erased, or obscured, records associated with an activity cannot be fully reviewed.	Logs will be available in the system when the data is changed, obscured or deleted.
8	Is the data being reviewed in the same format in which it was generated?	Most instrument data are reviewed in an electronic format and supplement by log books and other sources. Decisions should never be based on printouts of chromatograms or other documents that are used for convenience. When these documents are used, they should include the path to the original electronic data.	Yes
9	Regular data backups	Regularly backup data to prevent losses in case of system failures or data corruption. Store backups securely to facilitate easy restoration when needed.	Yes

10	Regular audits	Periodically review and audit financial records to detect anomalies or signs of tampering. Independent parties, such as internal or external auditors, should conduct this audit. Audit trails are crucial for ensuring the accuracy of financial statements. They clearly mark the path that transactions have taken and help in creating reliable financial statements. Essentially, audit trails offer concrete evidence for every business action taken. As a result, auditors typically rely on these trails to verify financial statements.	Yes
11	Automated logging	Use automated systems and software tools to generate and uphold audit trail records. It reduces the risk of human error and ensures consistent logging of all relevant activities.	Log records are maintained automatically without any manual intervention.

For Rao & Narayan
Chartered Accountants
FRN: 003097S

Place: Vijayawada
Date : .09.2024

P. V. Subba Rao
Partner - MembNo.009269
UDIN: 25009269BMLGLU6699

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED FOR THE YEAR ENDED 31 MARCH 2024

The preparation of the financial statements of Transmission Corporation of Andhra Pradesh Limited for the year ended 31 March 2024 in accordance with financial reporting framework prescribed under 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 are 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 11.02.2025*, which supersedes their earlier Audit Report dated 26.09.2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted Supplementary audit of the financial statements of Transmission Corporation of Andhra Pradesh Limited for the year ended 31 March 2024 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 the Company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the Statutory auditors 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 Audit Report:

A. Comments on Profitability

Statement of Profit and Loss

Revenue

Revenue from Operations (Note-20): ₹2,884.17 crore

1. As per True-up order (March 2022) of APERC (*the Commission*) for the 3rd Control Period, the Company was permitted to adjust the true-up (aggregate loss of ₹492.02 crore) from the Point of Connection (POC) charges (a pass on item to the APDISCOMs) to the extent collected in the future and to approach the Commission to recover any shortfall from the APDISCOMs. POC charges of ₹5.01 crore and ₹435.86 crore received during 2022-23 and 2023-24 respectively were recognised as income. However, balance of ₹51.15 crore as on reporting was not recognised, deviating from accrual basis of accounting stipulated in Para 27 of Ind AS-1, Section 128(1) of the Act, and the accounting policy. The deviation from Ind AS-1 together with lack of disclosure of impact and reason in Note-44 to accounts results in non-compliance with Section 129(5) of the Act. As a result, Revenue from Operations and Trade Receivables are understated by ₹51.15 crore each with consequent understatement of Profit for the year by the same amount.

B. Comments on Financial Position

Balance Sheet

Assets

Non-current assets

Property, Plant & Equipment (Note-2): ₹8,889.33 crore

2. The above includes value of Construction stores (Stock with third-party) amounting to ₹1,135.15 crore under Capital work-in-progress (CWIP), deviating from the provisions of Paragraph 8 of Ind AS-2 (Inventories), instead of classifying the same as inventory. Thus, the wrong classification resulted in overstatement of CWIP and understatement of Inventories by ₹1135.15 crore each.

C. Comment on Auditors' Report

3. Compliance of Statutory Auditors in respect of Clause-IX(a) of CARO 2020 given in Annexure-A to Revised Independent Auditors Report dated 11.02.2025 stating that 'the Company has not defaulted in repayment of loans and other borrowing or in the repayment of interest thereon to any lender' was found incorrect as the Company's default in repayment of principal and interest due in respect of loans availed thorough GoAP from World Bank (₹115.44 crore) and KfW (₹533.81 crore) was not reported under CARO 2020. Hence, the Independent Auditors Report was found deficient to that extent.

D. Comments on Disclosure

4. Part-B of Schedule II to the Companies Act, 2013 specifies that the useful life or residual value of any specific asset, as notified for accounting purposes by a Regulatory Authority constituted under an Act of Parliament or by the Central Government shall be applied in calculating the depreciation to be provided for such asset. *Though Electricity Act, 2003 and Companies Act, 2013 came into force, and CERC notified the depreciation rates under the Electricity Act, the Company continued its old accounting policy to provide depreciation as per rates notified by the Ministry of Power in March 1994, instead of adopting the rates notified by CERC under the Electricity Act, 2003 (or depreciation rates as per Part-C of Schedule II to the Companies Act). Thus, the present accounting policy of the Company is not consistent with the provisions of the Act. However, neither the reasons for deviation nor impact is disclosed in the Notes to the Financial Statements. The impact of deviation on depreciation, Gross Block and Net Block (carrying amount) of Property, Plant and Equipment (PPE) could not be ascertained as no workings of depreciation as per depreciation rates notified by CERC are available with the Management.*

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



(Sarat Chaturvedi)

Principal Accountant General (Audit)

प्रधान महालेखाकार (ले.प.)

Place: Vijayawada

Date: 10.04.2025

Transmission Corporation of Andhra Pradesh Limited Balance Sheet As at 31 March 2024 మార్చి 31, 2024 నాటి ఆస్తి, అప్పుల వర్గీకరణ			
		In Crores of INR	
Particulars వివరములు	Note No. సూచిక సంఖ్య	As at 31 March 2024 ప్రస్తుత సంవత్సరం	As at 31 March 2023 గత సంవత్సరం
Assets ఆస్తులు			
Non-current assets ప్రస్తుతేతర ఆస్తులు			
Property, plant and equipment ఆస్తులు, ఖాతాగృహము: యంత్రపరికరాలు	2	8,889.33	8,777.29
Capital work-in-progress జారుచున్న పనులపై పెట్టుబడి	2	2,947.69	2,792.87
Other Intangible Assets ఇతర కనిపించని ఆస్తులు	2	0.01	1.86
Trade Receivables వర్తకం రాబడులు	7	-	233.01
Financial assets ఆర్థికపరమైన ఆస్తులు			
(i) Investments పెట్టుబడులు	3	112.00	118.17
(ii) Loans ఋణాలు	4	671.61	472.99
Other non-current assets ఇతర ప్రస్తుతేతర ఆస్తులు	5	15.72	42.32
Total non-current assets ఇతర ప్రస్తుతేతర ఆస్తుల మొత్తం		12,636.36	12,438.51
Current assets చర ఆస్తులు			
Inventories ముడి సరుకులు	6	146.25	154.20
Financial assets ఆర్థికపరమైన ఆస్తులు			
(i) Trade receivables వర్తకం రాబడులు	7	2,056.22	1,851.43
(ii) Cash and cash equivalents వగదు మరయు వగదుతో సమానమైనవి	8A	111.73	50.17
(iii) Bank Balances in FDs బ్యాంక్ ఫిక్సిడ్ డిపాజిట్ నిధులు	8B	63.50	12.02
(iv) Loans ఋణాలు	4A	1,098.34	1,564.26
Current tax assets (net) ప్రస్తుత పన్ను కొరకు ఆస్తి (వికరం)	9	100.56	173.41
Other Current assets ఇతర చర ఆస్తులు	10	253.24	567.81
Total current assets మొత్తము చర ఆస్తులు		3,829.85	4,373.30
Total assets మొత్తము ఆస్తులు		16,466.21	16,811.81
Equity and liabilities మూల ధనము మరియు ఋణములు			
Equity మూల ధనము			
Equity share capital హోల్డర్లకు మూల ధనము	11A	454.44	454.44
Other equity ఇతర మూల ధనము	11B	2,099.14	1,779.69
Total equity మొత్తము మూల ధనము		2,553.58	2,234.13
Grants గ్రాంట్లు	12	1,328.80	1,251.14
Liabilities ఋణాలు			
Non-current liabilities ప్రస్తుతేతర ఋణములు			
Financial liabilities ఆర్థికపరమైన ఋణములు			
Borrowings ఋణములు	13	4,914.79	5,906.09
Trade Payables వర్తక బాకీలు	17	353.52	208.95
Provisions ఆర్థికపరమైన సదుపాయం	14	2,156.85	1,378.82
Deferred tax liabilities (net) వాయిదా వేసిన పన్ను బాధ్యత	15	254.32	165.16
Other non-current liabilities ఇతర ప్రస్తుతేతర ఋణములు	16	163.02	157.23
Total non-current liabilities మొత్తం ప్రస్తుతేతర ఋణములు		7,842.49	7,816.25
Current liabilities చర ఋణములు			
Financial liabilities ఆర్థికపరమైన ఋణములు			
i) Borrowings ఋణములు	13A	56.07	40.91
ii) Trade Payables వర్తక బాకీలు	17	-	139.45
iii) Other Financial Liabilities ఇతర ఆర్థికపరమైన ఋణములు	18	3,934.09	3,771.71
Other current liabilities ఇతర చర ఋణములు	16A	573.72	460.81
Provision-Empoloyee ఆర్థికపరమైన సదుపాయం - ఉద్యోగి	14	156.81	1,079.27
Provisions ఆర్థికపరమైన సదుపాయం	19	20.62	18.14
Other tax liabilities ఇతర పన్ను ఋణములు		-	-
Total current liabilities మొత్తం చర ఋణములు		4,741.31	5,510.29
Total liabilities మొత్తం ఋణములు		12,583.80	13,326.54
Total equity and liabilities మొత్తం మూలధనము మరియు ఋణములు		16,466.21	16,811.81

Transmission Corporation of Andhra Pradesh Limited Statement of Profit and Loss Account for the year ended March 2024 మార్చి 31, 2024 వార్షికాంశానికి ఏకీకృత లాభ నష్టాల పట్టిక					In Crores of INR
Sl.No. వివర సంఖ్య	Particulars వివరములు	Note No. సూచక సంఖ్య	For the year ended 31 March 2024 ప్రస్తుత సంవత్సరం	For the year ended 31 March 2023 గత సంవత్సరం	
	Revenues రాబడులు				
1	Revenue from operations వ్యాపార రాబడి	20	2,884.17	3,048.79	
2	Other income ఇతర ఆదాయం	21A	367.04	196.64	
3	Total income (1+2) మొత్తం ఆదాయం		3,251.21	3,245.43	
	Expenses వ్యయం				
4	Employee benefits expense ఉద్యోగి ప్రయోజన వ్యయం	22	847.02	932.59	
5	Finance costs ఆర్థిక ఖర్చులు	23	429.67	388.76	
6	Depreciation and Amortisation Expenses తరుగుదల మరియు రద్దు కాబడిన వ్యయం	24	809.39	787.03	
7	Operating and other expenses నిర్వహణ మరియు ఇతర ఖర్చులు	25	329.37	271.72	
8	Total expenses (4 to 7) మొత్తం ఖర్చులు		2,415.45	2,380.10	
9	Profit before Exceptional Item & income tax అరుదయిన అపారదా ఖర్చులు మరియు ఆర్థిక పన్నుకు ముందు లాభం		835.76	865.33	
10	Exceptional Item అరుదయిన ఖర్చులు	21B	(0.01)	-	
11	Profit before Income tax (9+10) ఆర్థిక పన్నుకు ముందు లాభం		835.75	865.33	
	Tax Expenses పన్ను ఖర్చులు				
12	Current tax ప్రస్తుత సంవత్సరం పన్ను		(142.57)	(82.23)	
13	Mat credit entitlement మాట్ క్రెడిట్ హక్కు		-	(48.42)	
14	Deferred tax (charge)/credit వాయిదా వేయబడిన పన్ను క్రెడిట్		(89.16)	(115.22)	
15	Tax expense (12+13+14) మొత్తం ఖర్చులు	26	(231.73)	(245.87)	
16	Profit for the year ప్రస్తుత సంవత్సరానికి లాభం		604.02	619.46	
	Other Comprehensive Income ఇతర సమగ్ర ఆదాయం				
17	(i) Items that will not be reclassified to profit or loss Remeasurement of defined Benefit liability (Net of Tax)		(281.93)	(795.01)	
18	Equity Instruments (Net of Tax)		4.87	(0.42)	
19	Total Other comprehensive income for the year, net of income tax (17+18)		(277.06)	(795.44)	
20	Total comprehensive income/loss for the year (16+19)		326.97	(175.98)	
21	Earnings per equity share - par value of INR 10 per share				
	Basic (Amount in INR)		13.29	13.60	
	Diluted		13.29	13.60	
	Significant Accounting Policies	1			
	Accompanying notes to the Financial Statements	02-57			
	As per our report of even date attached to the Balance sheet	For and on behalf of the Board of Directors			
		Sd/-		Sd/-	
	For Rao & Narayan Chartered Accountants FRN:: 003097S	K.Vijayanand Chairman & Managing Director DIN:02138144		KVN Chakradhar Babu Director (Finance)(A/c) DIN: 08504821	
	Sd/-	Sd/-		Sd/-	
	P.V.Subba Rao Partner :: 009269	VD.Sarveswara Rao Financial Adviser & Chief Controller of Accounts		A. Sai Tejasree Company Secretary	
	Place: Vijayawada Date: 26.09.2024	Place: Vijayawada Date: 26.09.2024			

Transmission Corporation of Andhra Pradesh Limited
Statement of changes in equity for the year ended 31 March 2024

A. Equity share capital

In Crores of INR

	Amount		Amount
As at 31st March 2024	454.44	As at 31st March 2023	454.44
As at 31st March 2024	454.44	As at 31st March 2023	454.44

B. Other Equity

In Crores of INR

Particulars	Balance at the beginning of the reporting period	Total Comprehensive Income for the Year	Transfer to/ (from) Retained Earnings	Transfer to/ (from) Other Reserve	Balance at the end of the reporting period
As at 31st March, 2023					
Reserves and Surplus					
Retained Earnings	1,865.98	-	619.47	(8.57)	2,476.88
Contingency Reserve	43.05	-	4.67	-	47.72
Other Reserves	210.50	-	-	(5.25)	205.25
Other Comprehensive Income	(154.72)	(795.44)	-	-	(950.16)
	0	-	-	-	0
Total	1,964.81	(795.44)	624.14	(13.82)	1,779.69
As at 31st March, 2024					
Reserves and Surplus					
Retained Earnings	2,476.88	0.00	604.02	(13.62)	3,067.28
Contingency Reserve	47.72	0.00	4.58	0.00	52.30
Other Reserves	205.25	0.00	0.00	1.52	206.77
Other Comprehensive Income	(950.16)	(277.06)	-	0.00	(1,227.21)
	-	-	-	-	-
Total	1,779.69	(277.06)	608.60	(12.10)	2,099.14

As per our report of even date

Sd/-
For Rao & Narayan
Chartered Accountants
FRN:: 003097S

Sd/-
K.Vijayanand
Chairman & Managing Director
DIN: 02138144

Sd/-
KVN Chakradhar Babu
Director (Finance)(FAC)
DIN: 08504821

Sd/-
P.V.Subba Rao
Partner :: 009269

Sd/-
V D Sarveswara Rao
Financial Adviser & Chief
Controller of

Sd/-
A. Sai
Tejasree
Company Secretary

Place: Vijayawada
Date: 26.09.2024

Place: Vijayawada
Date: 26.09.2024

Transmission Corporation of Andhra Pradesh Limited
Statement of cash flows for the year ended 31 March 2024

In Crores of INR

Particulars	As At 31 March 2024	As At 31 March 2023
Cash flow from operating activities		
Profit before tax	835.75	865.34
<i>Adjustments for</i>		
Depreciation	809.39	787.03
Contributions towards depreciation of lift irrigation	(35.05)	(35.05)
Corporate Social Responsibility Expenses paid	(7.52)	(9.15)
Supervision charges on LIS	2.24	0.01
Interest on LIS		
Amortisation of capital grants	(48.92)	(63.86)
Income from investments	(168.40)	(12.19)
Interest on investments under contingency reserve	(8.27)	(7.17)
Interest on state government loans paid	8.64	8.74
Interest on loans	421.03	380.01
Operation profit before working capital changes:	1,808.88	1,913.72
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	28.22	(86.26)
(Increase)/Decrease in inventories	7.95	(12.04)
(Increase) in other non current and current assets	414.02	6.10
(Increase)/Decrease in loans	(198.62)	2.02
(increase)/Decrease in Current loans	465.92	(1,358.95)
(increase)/Decrease in Bank balances in FDs	(51.48)	(11.10)
Decrease/(Increase) in other financial (Non current & current) assets	-	-
(Decrease)/Increase in Trade payables	5.12	(48.01)
(Decrease)/Increase in other non-current and current financial liabilities	130.69	32.33
(Decrease)/Increase in other non-current and current liabilities	118.70	(323.88)
(Decrease) in provisions	(141.96)	47.19
Cash generated from operating Activities	2,587.44	161.12
Income taxes paid	(54.44)	81.41
Net cash from operating activities	2,533.00	242.53
Cash flows from investing activities		
Inflow		
Interest income on investments under contingency reserve	8.27	7.17
Proceeds from sale of investments-Ind AS EI	-	-
Interest income from investments	168.40	12.19
Interest on LIS	48.92	
Subtotal	225.60	19.36
Outflow		
Purchase of property, plant and equipment	1,074.35	750.53
Purchase of Investments and transfer from retained earnings	6.18	(0.62)
Subtotal	1,080.54	749.91
Net cash used in investing activities	(854.94)	(730.54)
Cash flows from financing activities		
Inflow		
Borrowings taken (net)	(944.45)	599.58
Grants obtained	77.66	35.89
Other equity	(320.04)	185.12
Subtotal	(1,186.82)	820.59
Outflow		
Interest paid on borrowings	429.67	388.76
Subtotal	429.67	388.76
Net cash received in financing activities	(1,616.50)	431.84

Net increase/(decrease) in cash and cash equivalents	61.57	(56.18)
Cash and cash equivalents at the beginning of the year	50.17	106.34
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at the end of the year	111.73	50.17

Notes

1) The above cash flow statement has been prepared under indirect method as set out in the Indian Accounting Standard (Ind-As)-7 statement of Cash flows.

2) Acquisition of Property, Plant and Equipment includes movements of Capital work in progress

3) Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents as per above comprise of the following

Cash in hand

Balances with scheduled banks

- Current accounts

- Cash in transit

111.73 49.67

0.00 0.50

Total **111.73** **50.17**

4) Changes in Borrowings through Financing Activities

Particulars	As on 1st April'2023	Cash flow Net	As on 31st March'2024
Borrowings Current (refer Note 19)	1,034.64	46.84	1,081.48
Borrowings Non Current (refer Note 14)	5,906.09	(991.30)	4,914.79
Total	6,940.73	(944.45)	5,996.28

As per our report of even date attached to the Balance Sheet

For and on behalf of the Board of Directors

Sd/-

Sd/-

For Rao & Narayan
Chartered Accountants
FRN: 003097S

K. Vijayanand
Chairman & Managing
DIN: 02138144

KVN Chakradhara bahu
Director (Finance) FAC
DIN: 08504821

Sd/-

Sd/-

Sd/-

P.V. Subba Rao
Partner: 009269

VD. Sarveswara Rao
Financial Adviser & Chief
Controller of Accounts

A. Sai Tejasree
Company Secretary

Place Vijayawada
Date: 26. 09.2024

Place: Vijayawada
Date: 26. 09.2024

Transmission Corporation of Andhra Pradesh Limited

Notes to the Standalone financial statements for the year ended 31 March 2023.

1. Corporate Information and Significant Accounting policies

A. Corporate information:

Transmission Corporation of Andhra Pradesh Limited ('the Company') is a public limited company domiciled and incorporated in India on 1st February 1999 and the share capital of the company is held by Governor of Andhra Pradesh, GoAP and shares are not listed in any stock exchange. The Company is engaged in the business of providing transmission and state load dispatch services (SLDC) of electrical energy in the State of Andhra Pradesh by acquiring, constructing and operating extra high tension (EHT) transmission network i.e. 400kV to 132kV level substations and lines & SLDC. Consequent to the Division of the State of Andhra Pradesh, vide the A.P. Reorganization Act, 2014, the Company's Assets & liabilities and operations relating to the State of Telangana have been demerged and handed over to Telangana State Transmission Corporation Limited (TSTRANSCO) with effect from 2nd June 2014. The company's operations are now limited to residuary State of Andhra Pradesh. The Company's registered office is located at #48-12-4/1, Eluru Road, Gunadala, Vijayawada, Andhra Pradesh- 520008.

B. Significant Accounting Policies:

B.1. Basis of preparation and Presentation

These financial statements have been prepared to comply with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 and amendments made thereafter and notified under Section 133 of the Companies Act, 2013, (the Act) and other relevant provisions of the Act and the provisions of the Electricity (Supply) Act, 1948 and the rules made there under.

Company's financial statements are presented in Indian Rupees (INR), which is also its functional currency and all values have been rounded-off to the nearest Crores, except when otherwise stated.

Financial statements have been prepared on the accrual basis and historic cost basis except for following assets and liabilities which have been measured at fair value:

- i) Certain financial assets and liabilities
- ii) Defined Benefit Plans – Plan Assets

B.2. Summary of Significant accounting policies

(a) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Such cost includes purchase price, import duties, non-recoverable taxes, borrowing cost, directly attributable cost and apportionment of indirect expenses, net of income earned during project stage attributable to bring the asset to its working condition for its intended use.

Gains and losses on disposal/ de-recognition of an item of property, plant and equipment are measured as the difference between the net disposal proceeds/carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed / de-recognized.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(ii) Subsequent expenditure

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss when incurred.

(iii) Depreciation

Depreciation on property, plant and equipment is provided using straight line method in the books on the value of assets based on useful life of assets as per the Electricity (Supply) (Annual Accounts) Rules 1985 and as per the Rates notified in the Gazette Notification S.O.265 (E) dated 29th March 1994 issued by the Government of India. The Company is charging depreciation up to 90% of cost of the Property, Plant and Equipment, in as much as the residual value is predetermined at 10 % on all assets. However, the useful life adopted is not in line with that stated in Schedule II to the Companies Act, 2013.

The useful life of each asset adopted as per gazette notification referred above is as under:

Asset	Useful Life
Building	50 years
Other Civil Works	50 years
Plant and machinery	25 years
Lines and Cable networks	35 years
Vehicles	5 years
Furniture and Fixtures	15 years
Office Equipment	15 years
Computers	5 years

(b) Intangible Assets

Intangible Assets are stated at cost of acquisition including indirect taxes and support fee, license fee, training fee and other direct expenses directly attributable to bring the asset to working condition for the intended use.

Amortization/depletion policy applied to the company's intangible asset is as follows:

Computer software – over a period of 5 years

(c) Financial instruments

i) Financial Assets:

Financial assets of the company comprise Investments, loans, trade receivables, cash and cash equivalents and other financial assets.

Classification

The Company classifies its financial assets in the following categories:

- At amortized cost (or)
- At fair value through other comprehensive income

The classification is dependent on the following:

- The entity's business model for managing the financial assets and
- The contractual cash flow characteristics of the financial assets

Initial Recognition and measurement

All financial assets are initially recognised at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair value through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using the trade date accounting.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

Interest on staff Advance is recognised on cash basis.

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognised in the other comprehensive income. However, the Company recognises interest income, impairment losses and reversals in the P&L statement.

Equity investments

All quoted equity investments are measured at fair value.

Indian Accounting Standards (IndAs) have not been applied to the Investments in unquoted equity shares of APSEEDCO, hence the value of such investments are carried at historical cost only. Even though it is a deviation from the application of mandatory Ind AS, it may not materially affect the financials of the Company.

De-recognition of financial assets

A financial asset is de-recognised only when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

ii) Financial Liabilities:

Financial liabilities of the Company are contractual obligation to deliver cash or other financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the company.

The Company's financial liabilities include loans and borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value. Fees of recurring nature are directly recognised in the statement of Profit and loss as finance cost.

Subsequent Measurement

Financial liabilities are carried at transaction value.

For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximates fair value due to the short maturity of these instruments.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash asset transferred or liabilities assumed, is recognised in the statement of profit and loss as other income or finance cost.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amounts are presented in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(d) Inventories

Items of inventories are measured at lower of cost or net realisable value after providing for obsolescences if any. Cost of inventories comprises of cost of purchase, taxes and other expenses in bringing them to their respective location.

Cost of Stores and spares are determined on weighted average basis.

Project stock is held by third party and shown as part of capital work in progress is determined at cost.

(e) Impairment of assets

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company measures loss allowances as per the guidance given in Ind AS 109.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expect to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

i. Impairment of Financial Assets

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

(f) Employee benefits Expense

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the

period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

'Pension and Gratuity': The Company provides for Pension and Gratuity, a defined benefit retirement plan covering eligible employees recruited before 01.02.1999. The Pension and Gratuity Plan provides a lump-sum payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Corporation. Liabilities with regard to the Pension and Gratuity Plan are determined by actuarial valuation at each Balance sheet date using the projected unit credit method. The Corporation contributes towards liabilities as per actuarial valuation to the *AP Transco Pension and Gratuity Trust*.

'Gratuity': The Company provides for gratuity, a defined benefit retirement plan covering eligible employees who have been recruited on or after 01.02.1999. The Gratuity Plan provides a lump-sum payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Corporation. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance sheet date using the projected unit credit method. The Corporation contributes towards liabilities as per actuarial valuation to the *AP Transco Gratuity Trust*.

Trustees administer contributions made to the Trusts for above plans and contributions are invested in specific investments as permitted by the law.

The Company recognizes the net obligation of the 'Gratuity Plan' and 'Pension and Gratuity Plan' in the Balance Sheet as an asset or liability, respectively in accordance with Indian Accounting Standard (Ind AS) 19, 'Employee Benefits'.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss in the period in which they arise.

Earned Leave Encashment: The employees of the Company are entitled to earned leave which are both accumulating and non-accumulating in nature. The expected cost of accumulating earned leave is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date. The Corporation contributes towards liabilities as per actuarial valuation to the *AP Transco EL Encashment Trust*.

(g) Revenue recognition

Revenue is based on the consideration specified in a contract with customers and excludes amounts collected on behalf third parties. The company recognizes revenue when it transfers control over a product or service to a customer. The company has applied Ind AS 115 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under Ind AS 18 and Ind AS 11.

i) Rendering of services

Revenue is recognized when the outcome of the services rendered can be estimated reliably. Revenue is recognized in the period when the service is performed by reference to the contract stage of completion at the reporting date.

ii) Other income

Interest on bank deposits is recognised on the effective interest rate (EIR method) using the underlying interest rates. Dividend income is recognised when the unconditional right to receive the payment is established.

(h) Government and other grants

Government and other grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating revenue on a systematic basis. Grants related to depreciable assets are recognised in profit or loss over the period and in the proportion in which depreciation expense on those assets is recognised.

(i) Tax Expenses

Income tax comprises current tax and deferred income tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax comprises the expected tax payable on the taxable income or book profit for the current year and any adjustment to such tax payable for the previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax liabilities are recognised for all taxable temporary differences.

(j) Provisions

Provisions are recognized when the company has a present obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate the risks specific to the liability. When discounting is used the increase in the provision due to passage of time is recognized as a finance cost.

When company has a present obligation as a result of past event which cannot be reliably measured/estimated is disclosed as contingent liability. Company does not recognize a contingent asset which cannot be measured reliably.

(k) Borrowing cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the cost of the respective asset.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

To the extent that an entity borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the entity shall determine the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditure on the asset. The borrowing cost is capitalized on the basis of weighted average formula as under:

- a) Average of total opening and closing balance of CWIP
- b) Average of opening and closing outstanding loans for capital works.
- c) Interest paid and provided for the year on loans for capital works.
- d) Capitalization of borrowing cost = $C \times a/b$

Other borrowing costs are expensed in the period in which they are incurred.

(I) Segment reporting

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). As the transmission of power is considered as only one reportable segment, no separate financial disclosure has been provided for the segment reporting

B.3 Critical Accounting Judgments and key Sources of Estimation Un-certainty

The Preparation of the Company's Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in the next financial years.

(a) Depreciation/ Amortization and useful lives of Property, Plant and Equipment/ Intangible assets:

Property, Plant and Equipment/ Intangible assets are depreciated/ amortized over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual value of the assets annually in order to determine the amount of depreciation/ amortization to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortization for future periods is revised if there are significant changes from previous estimates.

(b) Recoverability of Trade receivables:

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

(c) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Transmission Corporation of Andhra Pradesh Limited Notes to the financial statements for the year ended 31st March 2024

2. Property, Plant & Equipment, Capital work in progress, and Intangible Assets

Description	Gross Block				Depreciation Block			(Rs. In Crores)	
	As at 01-04-2023	Additions/ Adjustments	Demerger Adjustments	As at 31-03-2024	As at 01-04-2023	For the Year	Demerger Deductions/ (Adjustments)	As at 31-03-2024	As at 31-03-2023
Property, Plant and Equipment									
owned Assets:									
Freehold Land	99.33	62.48	-	161.81	-	-	-	161.81	99.33
Buildings	130.05	6.32	-	136.37	48.19	3.38	-	84.79	81.85
Other civil works	705.34	114.92	-	820.26	69.29	26.61	-	724.35	636.05
Plant and equipment	6,796.88	421.51	-	7,218.39	3,556.84	391.61	-	3,948.45	3,240.04
Lines and cable network	8,222.32	308.11	-	8,530.43	3,536.98	379.20	-	3,916.18	4,685.34
Vehicles	3.63	0.89	-	4.52	3.26	0.03	-	3.29	0.37
Furniture and fixtures	26.91	0.50	-	27.42	12.01	3.07	-	15.08	14.91
Office equipment	58.43	4.77	-	63.20	43.38	3.63	-	47.01	15.05
Computers	7.53	0.09	-	7.62	3.17	-	-	3.17	4.36
Total (A)	16,050.41	919.58	-	16,969.99	7,273.13	807.54	-	8,080.66	8,777.29
Intangible Assets									
Software	24.29	-	-	24.29	22.43	1.85	-	24.28	1.86
Total (B)	24.29	-	-	24.29	22.43	1.85	-	24.28	1.86
Total (A+B)	16,074.71	919.58	-	16,994.29	7,295.56	809.39	-	8,104.95	8,779.15
Previous Year	15,248.79		-	15,248.78	6,508.53	787.03		7,295.56	8,740.27
Capital work-in-Progress									
Freehold Land								2,947.64	2,792.87
Buildings								19.12	3.80
Other civil works								47.07	47.16
Plant and equipment								444.44	388.38
Lines and cable network								605.82	517.14
Vehicles								681.39	782.85
Furniture and fixtures								0.00	1.25
Office equipment								0.42	0.22
Construction stores (Stock with third party)								14.22	14.14
								1,135.15	1,037.93

1) Lines and cable network Gross block is net of Demerger adjustment of Rs.83.18 (Cr.), Depreciation is net off Rs.11.60 (Cr.), 2) CWIP Buildings is net of demerger adjustment of Rs.1.06 (Cr.), 3) CWIP includes Credit balances of Rs. 14.74 Crs

Particulars	Aging of Capital Works in progress				
	Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) CWIP					
Active Projects	60.40	(59.77)	523.68	1,491.04	1,815.35
Inactive/Abandoned Projects	-	-	-	-	-
PROJECT Stock	97.23	-13.95	-164.51	1216.38	1135.15
TOTAL	157.63	(73.72)	359.17	2,707.42	2,950.50



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2024.

(Rs. In Crores)

3. Investments

As at 31 March 2024 As at 31 March 2023

A. Investments in Equity instruments

a. Quoted equity shares measured at FVTOCI

Investment in GVK Power & Infrastructure Limited.
(6330000 equity shares with face value of Re.1/- each)

6.17 1.30

b. equity shares-unquoted measured at Cost

1) Investment in JV - Andhra Pradesh State Energy
Efficiency Development Corporation Limited
(200000 shares with face value of Rs.10/- each)

0.20 0.20

B. Investment in Govt. and Trust securities - Quoted measured at cost

1) GOI Bonds

- 0
0.12 0.12

C. Investment in Debentures & Bonds - Quoted measured at cost

1) 8.74% Bonds of AP Power Finance Corporation

- 3.64 3.64

2) 9.60% Bonds of AP Power Finance Corporation

1.45 1.45

3) 8.95% Vidyut Bonds-2006 of APTRANSCO issued by
GOAP

- -

4) 8.69% Vidyut Bonds-2006 of APTRANSCO Issued by
GOAP

- -

5) 9.64% Bonds of AP Power Finance Corporation

0.56 0.56

6) 9.15% Bonds APSFCL

- -

7) 10.25% Bonds of Rajasthan Rajya vidyut Prasaran
Nigam Limited

- -

8) 10.25% Bonds of Rajasthan State Road Transport
Corporation

- 2.62

9) 8.69% Bonds of Rajasthan Rajya vidyut Prasaran
Nigam Limited

0.84 0.84

10) 8.62% Bonds of Haryana Vidyut Prasaran Nigam
Limited

4.70 6.27

11) 8.97% UPPCL Bonds 2024

- 3.75

12) 8.97% UPPCL Bonds 2024

10.24 10.24

13) 8.97% UPPCL Bonds 2025

15.56 15.56

14) 8.97% UPPCL Bonds 2026

3.01 3.01

15) 8.97% UPPCL Bonds 2027

- -

16) 8.2% APPFCL Bonds

- 0.20

17) 10.50% TANZEDCO Bonds 2024

0.94 1.65

18) 9.72% TANZEDCO Bonds 2024

- 0.62

19) 8.48% UPPCL Bonds 2024

- 1.40

20) 10.15% UPPCL Bonds 2024

10.92 10.92

21) 7.09% Food Corporation of India Bonds 2031

- -

22) 7.12% NHAI Bonds 2024

3.92 3.92

23) 9.62% AP State Beverages Corporation Ltd 2032

4.48 4.48

24) 9.62% AP State Beverages Corporation Ltd 2031

4.42 4.42

25) FDs in Various Bank (Contingency reserve)

- -

26) Premium on UPPCL Bonds

0.37 0.57

27) 9.95% APCPDCL/TSSPDCL Power Bonds- Series
1/2014

40.44 40.44

Total 111.98 118.16

Aggregate book value of quoted investments

117.97 117.97

Aggregate market value of quoted investments

117.97 117.97

Aggregate value of unquoted investments

-5.99 0.20

Aggregate amount of impairment in value of investments

- -

Financial Assets measured at fair value through Other Comprehensive Income

6.17 1.30

Financial Assets measured at Cost

105.81 116.88

Total 111.98 118.17

Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2024.

(Rs. In Crores)

4. Loans-ICDs

	As at 31 March 2024	As at 31 March 2023
Other Non Current Loans-ICDs		
Loans and advances (Go/AP TJS Deposits) - Discoms (Unsecured Considered Good)	665.52	465.53
Loans and advances to staff (Secured Considered Good)	6.08	7.46
Total	671.61	472.99

4A Other Current Loans-ICDs

Loans and advances - AP Discoms APGenco & APPDCL (Unsecured Considered Good)	1098.34	1564.26
Total	1098.34	1564.26

5. Other Financial Assets

Balances with Bank- Fixed deposits (funds relate to Contingency reserve)	-	-
---	---	---

5 Other Non Current Assets

	As at 31 March 2024	As at 31 March 2023
1) Capital Advances	3.09	2.13
Others		
1) Deposit with revenue department as purchase consideration for land	3.11	30.71
2) Deposit with others/Statutory/judicial authorities	9.52	9.49
Total	15.72	42.32

6 Inventories

	As at 31 March 2024	As at 31 March 2023
Stores & Spares	146.25	154.20
Total	146.25	154.20

Inventories are net off Demerger provision of Rs.532.54 Crores

The Inventory was classified as Surplus,obsolete, un serviceable & Scrap as the Stores Management & inventory Control Manual, Clause 8.1

7 Trade receivable- Unsecured if not specified

	As at 31 March 2024	As at 31 March 2023
Trade receivables		
Unsecured, considered good	2056.22	2,084.44
Total	2056.22	2,084.44

Provision for doubtful receivables

	-	-
Net trade receivables	2,056.22	2,084.44

Particulars	As at 31 March, 2024 Rs.	As at 31 March, 2023 Rs.
Long terms Trade Receivables (include on deferred credit terms)		
Unsecured - Considered Good		
a) Less than One Year	2,056.22	1,851.43
b) More than One Year	-	233.01
Total	2,056.22	2,084.44

Transmission Corporation of Andhra Pradesh Limited					
Notes to the financial statements for the year ended 31st March 2024.					(Rs. In Crores)
Long term Trade Receivables Aging Schedule Long term Trade Receivable Again Schedule					
Particulars	Outstanding for following periods from due date of payment (#)				
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivable					
- Considered Good	1663.75	0.63	-	391.84	2,056.22
- Considered Doubtful	-	-	-	-	-
Total					

8A. Cash and cash equivalents		
	As at 31 March 2024	As at 31 March 2023
Balances with Banks -Current Accounts	111.73	49.67
-Remittance in Transit (LOC)	0.00	0.50
Total	111.73	50.17
8B. Balances with Banks -in FDs (funds relates to Contingency reserve)	63.50	12.02
9 Other tax assets		
	As at 31 March 2024	As at 31 March 2023
Other tax assets		
Advance income tax/deduction at source (net of provision for income tax)	100.56	173.41
Total	100.56	173.41
10 Other Current Assests		
A Unsecured , considered Good	As at 31 March 2024	As at 31 March 2023
Advances for operations and maintenance supplies/work	6.63	5.52
Advances to Staff	0.37	0.29
Receivable from Others	2.78	7.99
Interest accrued but not due - Discoms Pool A/c	27.27	5.91
Interest accrued but not due - others	2.05	1.47
Receivable from employees / ex-employees	0.63	0.56
Other receivable - Discoms	124.01	123.95
Other claims and receivables	52.88	37.03
Amount Receivable from Government of AP	(223.87)	133.61
GST - ITC & TDS Receivables	0.78	(0.98)
Other receivable - TSTRANSC-5832%-Salaries of relieved employees	23.99	23.99
Demerger Adjustment Account	199.29	199.29
Interest receivable from TSSPDCL on 9.95% Power Bonds	36.44	29.20
Sub- Total	253.24	567.81
B Doubtful		
Other claims and receivables	-	-
Provision for Doubtful Debits	-	-
Sub Total	-	-
Total	253.24	567.81

Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2024.

(Rs. In Crores)

11A Share capital

Authorized

	Numbers of shares	As at 31 March 2024	Numbers of shares	As at 31 March 2023
Equity shares of Rs.10/- each	2,50,00,00,000	2,500.00	2,50,00,00,000	2,500.00
increase during the year	-	-	-	-
Total	2,50,00,00,000	2,500.00	2,50,00,00,000	2,500.00

Issued & subscribed

	Numbers of shares	As at 31 March 2024	Numbers of shares	As at 31 March 2023
Equity shares of Rs.10/- each (Fully Paid)	454439695	454.44	454439695	454.44

i) Rights, Preference & Restrictions attached to shares

The Company has only one class of equity shares having par value of INR 10 per share, and the holder of equity shares is entitled to one vote per share. The company declares and pays dividends in indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to the number of equity shares held.

(ii) Shares of the Company held by Government of Andhra Pradesh

	31-Mar-24	31-Mar-23
Governor of Andhra Pradesh	45,44,39,695	45,44,39,695

(ii) Details of shareholders holding more than 5% shares in the Company

	31-Mar-24		31-Mar-23	
Name of the Shareholder	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 10/- each fully paid-up				
Governor of Andhra Pradesh	454439688	100%	454439688	100%
On Behalf of GOAP - Nominee Share Holders				
1.Dr. N.Srikanth, IAS	1	0%	1	0%
2.Sri.B.Sridhar, IAS	1	0%	1	0%
3.Sri.I.Pruduvu Tej, IAS	1	0%	1	0%
4.Sri.B.Malla Reddy	1	0%	1	0%
5.Sr.K.V.V.Satyannarayana, IRAS	1	0%	1	0%
6.Dr.K.Muthupandian	1	0%	1	0%
7.Sri.K.Praveen Kumar	1	0%	1	0%

(ii) The Reconciliation of the number of shares outstanding is set out Below

Particulars	As at 31 March 2024	As at 31 March 2023
	Number of shares	Number of shares
Equity shares at the beginning of the year	454439695	454439695
Shares issued during the Year	-	-
Equity shares at the end of the Year	454439695	454439695

11B Other equity

	As at 31 March 2024	As at 31 March 2023
Retained earnings	3,067.28	2,476.88
Other comprehensive income	(1,227.21)	(950.16)
Contingency reserve	52.30	47.72
Other reserves	206.78	205.25
Total other equity	2,099.14	1,779.69

i. Retained earnings

	As at 31 March 2024	As at 31 March 2023
Opening balance	2476.88	1,865.98
Add: Profit for the year	604.02	619.47
Add: Reclassification of FV on Equity investments	-	-
Add: PY TDS as per Return of income (MAT+TAX) 2020-21	-	-
Add: Retained earning as per Demerger Account	-	-
Add: Last year 71 head	-	-
Less: Amount transferred to contingency reserve	(4.58)	(4.67)
Less: Amount transferred to corporate social responsibility fund	(9.04)	(3.90)
Less: Transfers from OCI	-	-
Less: Reclassification of Deferred Tax on OCI items	-	-
Closing balance	3,067.28	2,476.88

Transmission Corporation of Andhra Pradesh Limited		
Notes to the financial statements for the year ended 31st March 2024.		(Rs. In Crores)
ii) Other comprehensive income		
Other items of OCI	As at 31 March 2024	As at 31 March 2023
Opening balance	(950.16)	(154.72)
Add: Measurement of defined benefit obligation (Liability net of tax)	(281.93)	(795.01)
OCI - on Equity Investments	4.87	(0.42)
Add: Previous years OCI restated as per Actuary Report for Retained earnings		
Less: Appropriated to Retained earnings		
Increment during the year (NET)	(277.06)	(795.44)
Closing balance	(1,227.21)	(950.16)
iii) Contingency reserve		
	As at 31 March 2024	As at 31 March 2023
Opening balance	47.72	43.05
Add: Additions during the year	4.58	4.67
Less: Deductions during the year		
Closing balance	52.30	47.72
Note: Contingency reserve is required to be created mandatorily out of appropriation account as per Andhra Pradesh Electricity Regulatory Commission (APERC rules). The amount so transferred is invested in various securities and bonds from time to time.		
Interest earned on this investment (net of tax) is added to contingency reserve.		
iv) Other Reserves		
a) Corporate social responsibility fund	As at 31 March 2024	As at 31 March 2023
Opening balance	10.96	16.21
Add: Additions during the year	9.04	3.90
Less: Contribution to CSR activity	(7.52)	(9.15)
Closing balance	12.48	10.96
Corporate social responsibility fund is created vis-a-vis the amount to be spent by the company as stipulated in the Companies Act, 2013 towards CSR activity		
b) Other reserves	As at 31 March 2024	As at 31 March 2023
Opening balance	194.29	194.29
Add: Additions during the year	0	-
Less: Deductions during the year	0	-
Closing balance	194.29	194.29
Other Reserves Total (a+b+c)	206.78	205.25
12. Grants	As at 31 March 2024	As at 31 March 2023
Government grants		
Grants towards cost of capital assets	11.30	11.30
Grants towards cost of capital assets for Green Energy Corridor	290.61	243.07
Grants towards cost of capital assets from PSDF	198.85	192.54
Grants towards cost of capital assets for SECI	97.64	107.05
Non government grants		
Consumers contribution	730.41	697.18
Total	1,328.80	1,251.14
<i>*All the grants received by the company as on financial reporting date are capital grants only</i>		

Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2024.

(Rs. In Crores)

13. Borrowings

	As at 31 March 2024	As at 31 March 2023
	Rs. In Crores	
Non-current borrowings		
Term loans		
From Banks	33.11	66.50
From Other Parties		
- Financial Institutions	4,243.80	5,210.34
- Govt	637.89	629.23
Total non-current borrowings	4,914.79	5,906.09

A. Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Interest Rate	Carrying amount at 31 March 2024	Carrying amount at 31 March 2023
REC Limited	9.75% - 12.25%	4,342.94	4,985.77
NABARD	10.30%	42.65	54.59
Power Finance Corporation Limited	8.25%-9.30%	533.61	763.71
Union Bank of India (Andhra Bank)	9.50%	27.76	48.94
Punjab National Bank (Oriental Bank of Commerce)	11.30%	-	4.21
Tamilnadu Mercantile Bank	10.20%	5.35	13.35
PTC India Financial Services Ltd	11.00%	350.00	400.00
Government loan	1.72%	637.89	629.24
Total borrowings		5,946.20	6,899.81
Current Liabilities		1,025.41	993.73
Non current		4,914.79	5,906.09
		5,946.20	6,899.81

The above loans are secured as stated below

- 1) The government loans are secured by the assets covered in that loan.
- 2) The loans availed from Financial Institutions are secured by way of a default escrow mechanism and hypothecation of Lines & Substations of future assets created out of the loan to the extent of 110%.
- 3) The loans availed from commercial banks are secured by way of an exclusive first charge by way of hypothecation on specified fixed assets of the project created out of the proceeds of term loan.
- 4) The term loans from banks and financial institutions is payable on monthly/quarterly instalments varying from 10-15 years.

Details of Additions and Repayments of Loans

	Outstanding as on 31.03.2023	Amount received during the year	Repayments due during the year	Outstanding as on 31.03.2024
Loan from REC Ltd	49,85,76,94,626	5,28,39,91,417	11,71,22,46,597	43,42,94,39,446
Loan from NABARD	54,58,60,928	-	11,93,55,264	42,65,05,664
Loan from PFC Ltd	7,63,70,85,099	10,20,08,600	2,40,29,51,892	5,33,61,41,807
Loan from union Bank of India (AB)	48,93,83,199	-	21,17,92,161	27,75,91,038
Loan from Punjab National Bank (OBC)	4,21,40,064	-	4,21,40,064	-
Loan From PTC	4,00,00,00,000	-	50,00,00,001	3,49,99,99,999
Loan from Tamilnadu Mercantile Bank	13,34,90,936	-	8,00,21,379	5,34,69,577
Total Banks & Fis	62,70,56,54,872	5,38,60,00,017	15,06,85,07,358	53,02,31,47,531
Government Loans	6,29,24,67,306	77,08,25,955	68,44,21,863	6,37,88,71,398
Total (Banks, Fis and Government)	68,99,81,22,178	6,15,68,25,972	15,75,29,29,221	59,40,20,18,929

13A Current borrowings

	As at 31 March 2024	As at 31 March 2023
(Secured)		
From Banks for working capital	56.07	40.91
From Financial Institutions	-	-
Total Current Borrowings	56.07	40.91

1. Working capital borrowings from Banks are secured by hypothecation of all consumables & spares, receivables and other current assets on 1st pari-passu basis.
- 2) The loans availed from Financial Institutions are secured by way of a default escrow mechanism and hypothecation of Lines & Substations of future assets created out of the loan to the extent of 110%.

Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2024.

(Rs. In Crores)

14. Provisions

		As at 31 March 2024	As at 31 March 2023
Provisions for employee benefits			
Amount payable -APTRANSCO Gratuity Trust	4510200000	5.99	33.49
Amount payable -APTRANSCO Employee Leave Encashment	4510300000	83.04	557.66
Amount payable -APTRANSCO P&G Trust- Before 2029 (26%)	4510100000	67.78	210.32
Amount payable -APTRANSCO P&G Trust (100%) -2029	4510400000	0	277.79
P&G Trust - Sub -Total	67.78		
Total Current provisions		156.81	1,079.26
Amount payable -APTRANSCO Pension and Gratuity Trust	4510100000	733.61	12.76
Amount payable -APTRANSCO Employee Leave Encashment	4510300000	801.30	344.63
Amount payable -APTRANSCO Gratuity Trust	4510200000	(24.05)	152.18
Amount payable -APTRANSCO P&G Trust (100%) -2029	4510400000	645.97	869.25
P&G Trust - Sub -Total	621.80		
Total Non-current provisions		2,156.85	1,378.82
Total Current and Non-Current provisions		2,313.66	2,458.08

Other long term employee benefits

The Company operates the following post-employment defined benefit plans.

Leave encashment

The leave obligations cover the Company's liability for the sick and the earned leave for all employees. Based on the past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The level of benefits provided depends on the employees length of service and salary at retirement age. The liability at the end of the year after current payments in respect of leave encashment is reviewed and estimated on the basis of 30 days of salary commitment of all the employees. An amount of Rs.36.89 Crores has been charged to P&L and was paid.

	Present value of the obligation	Fair value of the plan assets	Net amount
01-04-2023	1,206.91	304.62	902.29
Current service cost	30.53	-	30.53
Past Service Cost	-	-	-
Interest expense / (income)	85.71	24.27	61.44
Total amount recognized in profit or loss	1,323.15	24.27	91.97
Remeasurements			
Gain/(loss) on plan assets	-	3.89	(3.89)
(Gain)/loss from change in demographic assumptions	(18.50)	-	(18.50)
(Gain)/loss from change in financial assumptions	(434.11)	-	(434.11)
Experience (gains)/losses	444.34	-	444.34
Total amount recognized in other comprehensive income	(8.27)	3.89	(12.16)
Employer contribution	-	-	-
Benefits paid	(32.75)	65.00	(97.75)
31-Mar-2024	1,282.13	397.78	884.35

The net liability disclosed above relates to funded and unfunded plans as follows :

	31 Mar 24	31 Mar 23
Present value of funded obligations	1282.13	1206.91
Fair value of plan assets	397.78	304.62
Deficit of funded plan	-	-
Unfunded plans	-	-
Deficit of Leave Benefits	884.35	902.29

Significant estimates

i. Financial assumptions

	31 Mar 24	31 Mar 23
Discount rate	7.21%	7.20%
Salary increase rate	8.58%	11.50%
Expected Rate of Return	7.31%	7.20%
DA Rate	8.78%	32.36%

ii. Demographic assumptions

	31 Mar 24	31 Mar 23
Withdrawal rate	30 & Below - 2.50% 31 to 48 - 2.50% 49 and above 2.50%	30 & Below - 1% 31 to 48 - 0.50% 49 and above 2%
Retirement age	60 years	60 years

Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2024.

(Rs. In Crores)

Post employment benefit obligations

(i) Pension

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Under the act, employees who are in continuous service of five years are entitled to specific benefit. The level of benefits provided depends on the employees length of service and salary at retirement age. The amount of gratuity payable on retirement / termination is based upon Andhra Pradesh Revised Pension Rules, 1980.

The Company has certain defined benefits plan. The company has set up a trust to manage and administer pension and gratuity programs. Master trust is created to meet the pension and gratuity liabilities of the following category of employees:

1. 100% of pension liability of employees who have retired on or before 31st January, 1999 by Master Trust
2. 74% of pension and gratuity liability in respect of employees who have continued in service beyond 31st January, 1999 by Master Trust

During the FY 2023-24, the Company has reviewed and estimated the liability based on the actuary report as at 31st March, 2024 and charged to profit & loss account towards pension & gratuity for the employees on rolls as on 31.01.1999.

Balance sheet amounts - Pension & Gratuity

The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

	Present value of the obligation	Fair value of the plan assets	Net amount
01-04-2023	1,154.44	791.93	362.51
Current service cost	48.85	-	48.85
Past Service Cost	-	-	-
Adjustments to plan assets	-	-	-
Interest expense / (income)	81.72	55.62	26.10
Total amount recognized in profit or loss	1,285.01	55.62	74.95

Remeasurements

Gain/(loss) on plan assets	-	0.04	0.04
(Gain)/loss from change in demographic assumptions	0.47	-	0.47
(Gain)/loss from change in financial assumptions	(49.57)	-	(49.57)
Experience (gains)/losses	351.20	-	351.20
Total amount recognized in other comprehensive income	302.10	0.04	302.14

Employer contribution

Benefits paid	(38.95)	(38.95)	-
31-Mar-2024	1,548.16	808.64	739.60

The net liability disclosed above relates to funded and unfunded plans as follows :

		31-03-2024 as per Appendix F	31-03-2024 As per Appendix A	31 Mar 23
Present value of funded obligations	26% till Dec 2029 & 100% after Dec 2029	3671.34	1548.16	1154.44
Fair value of plan assets		2285.76	808.64	791.93
Deficit of funded plan		-	-	-
Unfunded plans		-	-	-
Deficit of Pension & Gratuity plan		1,385.58	739.52	362.51

Significant estimates

i. Financial assumptions :

	31 Mar 24	31 Mar 23
Discount rate for Employees	7.21%	7.20%
Discount rate for Pensioners	7.21%	7.20%
Salary Growth rate	8.58%	11.30%
Pension escalation	3.00%	3.50%
Expected Rate of Return	7.21%	7.20%
DA	8.78%	32.36%
Rate of commutation of pension	40.00%	40.00%
Restoration of commutation	15 years from retirement	15 years from retirement

ii. Demographic assumptions

	31 Mar 24	31 Mar 23
Mortality rate	Indian assured lives mortality (2012-14)	Indian assured lives mortality (2006-08)
Withdrawal rate	up to 35 years- 2.50% 36 to 55 years- 2.50% Above 55 years- 2.5%	up to 35 years- 1% 36 to 55 years- 0.5% Above 55 years- 2%
Retirement age	60 years	60 years

Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2024.

(Rs. In Crores)

(ii) Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Under the act, employees who are in continuous service of five years are entitled to specific benefit. The level of benefits provided depends on the employees length of service and salary at retirement age. The amount of gratuity payable on retirement / termination is based upon Andhra Pradesh Revised Pension Rules, 1980.

The Company has certain defined benefit plans. The company has set up a trust to manage and administer gratuity programs:

1. 100% of Gratuity liability of employees who have recruited after 1st February, 1999.

During the FY 2020-21, the Company has reviewed and estimated the liability based on the actuary report as at 31st March, 2024 and charged to profit & loss account towards gratuity for the employees recruited on or after 1.2.1999.

Balance sheet amounts - Gratuity

The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

	Present value of the obligation	Fair value of the plan assets	Net amount
01-04-2023	113.44	67.19	46.25
Current service cost	2.20	0.00	2.20
Past Service Cost	0.00	0.00	-
Interest expense / (income)	8.15	4.82	3.33
Total amount recognized in profit or loss	10.35	4.82	5.53
<i>Remeasurements</i>			
Gain/(loss) on plan assets	-	0.17	(0.17)
(Gain)/loss from change in demographic assumptions	11.96	0.00	11.96
(Gain)/loss from change in financial assumptions	(4.02)	0.00	(4.02)
Experience (gains)/losses	(15.81)	0.00	(15.81)
Total amount recognized in other comprehensive income	(7.88)	0.17	(8.05)
Employer contribution	0.00	0.00	-
Benefits paid	(0.51)	(0.51)	-
March 31, 2024	115.39	71.66	43.73

The net liability disclosed above relates to funded and unfunded plans as follows :

	31 Mar 24	31 Mar 23
Present value of funded obligations	115.39	113.43
Fair value of plan assets	71.66	67.18
Deficit of funded plan	-	0
Unfunded plans	-	0
Deficit of gratuity plan	43.73	46.25

Significant estimates

I. Financial assumptions

	31 Mar 24	31 Mar 23
Discount rate	7.21%	7.20%
Salary increase rate	8.58%	11.50%
Expected Rate of Return	7.21%	7.20%
DA Rate	8.78%	32.36%

II. Demographic assumptions

	31 Mar 24	31 Mar 23
Mortality rate	Indian assured lives mortality (2012-14)	Indian assured lives mortality (2006-08)
Withdrawal rate	up to 30 years- 2.5%	up to 30 years- 1%
	31 to 48 years- 2.50%	31 to 48 years- 0.5%
	Above 49 years- 2.50%	Above 49 years- 2%
Retirement age	60 years	60 years

15. Deferred tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023
Minimum Alternate Tax	(0.13)	(0.13)
Property Plant and Equipment	383.36	425.90
Provision for Employee Benefits	(129.43)	(260.55)
Investments and Others	0.51	(0.06)
Total	254.32	165.16

Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2024.

(Rs. In Crores)

16. Other Non current liabilities

	As at 31 March 2024	As at 31 March 2023
General insurance scheme - savings fund	3.01	2.75
General insurance scheme - insurance fund	1.48	1.04
SD receivable from TS Transco	2.49	2.49
TS Transco pool a/c (post bifurcation transactions)	156.04	150.94
Total	163.02	157.23

16A. Other Current liabilities

	As at 31 March 2024	As at 31 March 2023
Inter unit account adjustment balance	394.95	394.93
Staff related provisions	142.22	41.62
Other liabilities	36.56	24.26
Total	573.72	460.81

17 Trade Payables (See Note No.47)- If not Specified -Undisputed

	As at 31 March 2024	As at 31 March 2023
Current		
Liability for capital supplies/works	0.00	137.00
Liability for operations and maintenance supplies/works	0.00	2.45
	0.00	139.45
Non-Current		
Liability for capital supplies/works	330.72	192.75
Liability for operations and maintenance supplies/works	22.80	16.20
	353.52	208.95
Total	353.52	348.40

Particulars	As at 31 March, 2024	As at 31 March, 2023
	Rs.	Rs.
(A) Trade payables	353.52	348.40
(B) Others	-	-
Total	353.52	348.40

350.96

(a) Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

NIL.

Particulars	As at 31 March, 2024	As at 31 March, 2023
	Rs.	Rs.
(A) Total outstanding dues of micro enterprises and small enterprises	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total	-	-

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2024

Particulars	As at 31 March, 2024				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed dues - MSME	-	-	-	-	-
(ii) Undisputed dues - Others	87.45	59.91	26.38	179.76	353.50
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	87.45	59.91	26.38	179.76	353.50

Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2024.

(Rs. In Crores)

18. Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
Current maturities of long-term debt-Government of Andhra Pradesh	-	-
Current maturities of long-term debt-Banks & FI's	1,025.41	993.73
Current maturities of long-term debt-FIs		
Transmission & SLDC clearing	8.18	8.18
DSM Pool account & REMC Poll Account	17.76	12.86
Liability for expenses	49.68	47.06
Security deposits of operational charges & POC - SLDC	55.69	53.73
Accrued interest liability on borrowings	8.10	6.32
Deposits and retentions from suppliers & contractors	1,478.47	1,430.89
Deposits for Lift Irrigation Works	1,288.43	1,216.70
Liability for Stale Cheques	2.37	2.26
Total	3,934.09	3,771.71

19. Provisions - Current

	As at 31 March 2024	As at 31 March 2023
Current		
Provisions for employee benefits		
Gratuity Fund	1.84	1.47
Pension & Gratuity Fund	13.09	11.93
Provision for employee leave encashment	5.70	4.76
Total	20.62	18.15

Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2024

(Rs. In Crores)

20. Revenue from operations	As at 31 March 2024	As at 31 March 2023
Sale of services		
Transmission charges	2,802.76	2,974.07
State load dispatch centre (SLDC) charges	81.41	74.72
Total	2,884.17	3,048.79
21. A. Other income		
Delayed payment charges from consumers	2.37	0.11
SLDC registration fees	0.01	0.01
Cash rebate earned on payment of supplier bills, etc.	1.68	1.36
Interest on staff loans and advances	2.35	1.15
Income from investments	168.40	12.19
Interest on investments under contingency reserve	8.27	7.17
Income from sale of scrap, etc.,	51.22	25.80
Operations and maintenance/annual maintenance charges collected	16.27	13.51
Contributions towards depreciation of lift irrigation scheme assets	35.05	35.05
Interest on Advances to suppliers	-	-
Miscellaneous receipts	17.68	6.43
Gain In Value of Investments	-	-
Supervision charges	14.81	30.00
Interest income on Industrial development area, Parawada loan	-	-
Amortisation of Capital Grants	48.92	63.86
Excess provision written back	-	-
Total	367.04	196.64
*The method of recording interest earned on investments has been switched from netting off to gross recognition in the current fiscal year. To align with this change, necessary account groupings have been made to ensure accurate classification for the current period.		
B. Exceptional Items		
Expenditure incurred towards cyclone losses	(0.01)	-
Total	(0.01)	-

Transmission Corporation of Andhra Pradesh Limited		
Notes to the financial statements for the year ended 31st March 2024		(Rs. in Crores)
22. Employee benefits expense	As at 31 March 2024	As at 31 March 2023
Salaries, Wages and Bonus	597.57	470.41
Contribution to EPF	28.93	26.50
Contribution to Pension, Gratuity & EL Encashment	316.88	511.64
Staff welfare expense & Others	6.46	6.62
Total employee cost	949.85	1,015.17
Less: Expense capitalised	(102.83)	(82.59)
Total	847.02	932.59
23. Finance costs		
Interest expense on financial liabilities	571.21	523.87
Less: Interest Expense capitalised	(141.54)	(135.11)
Total	429.67	388.76
24. Depreciation expense		
Depreciation of property, plant and equipment	809.39	787.03
Total	809.39	787.03

Transmission Corporation of Andhra Pradesh Limited		
Notes to the financial statements for the year ended 31st March 2024		(Rs. In Crores)
25. Other expenses	As at 31 March 2024	As at 31 March 2023
Repairs and maintenance	231.37	183.23
Building & Civil works	11.23	8.73
Lines, cable net work etc.	5.55	3.48
Vehicles	0.12	0.23
Office equipment	5.35	5.32
Total Repairs & Maintenance	253.61	200.98
Less: Repairs and maintenance costs capitalised	(0.54)	(0.41)
Net Repairs & Maintenance Expenses (A)	253.07	200.57
Rent	0.42	0.37
Rates and taxes	3.04	2.23
APERC license fees	2.33	2.24
Insurance	0.30	0.59
Telephone & trunk calls	0.67	0.67
Postage	0.17	0.15
Professional & Legal Charges	1.40	1.19
Audit fees	0.05	0.05
Audit expenses- including Tax audit, Cost Audit, Reimbursement of Expenses and Internal auditors	0.15	0.15
Consultancy charges	0.45	1.42
Other professional charges	0.10	0.04
Commission	0.98	0.49
Remuneration to internal auditors	0.40	0.37
Conveyance expenses	0.01	0.01
Travelling expenses	3.89	3.00
Vehicle running expenses	0.46	0.77
Vehicle hire charges	20.49	18.18
Training and participation, Fees & Subscriptions	2.63	0.35
Books & periodicals	0.05	0.02
Printing & stationery	0.51	0.37
Advertisement	1.86	0.66
Contributions	1.45	0.94
Electricity charges	1.97	1.87
Water charges	0.34	0.28
Entertainment	0.73	0.69
Miscellaneous expenses	2.54	14.02
Outsourced staff wages	36.60	28.77
Vehicle running expenses	0.25	0.27
Misc. Losses & Write-offs	2.15	(0.45)
Loss on obsolescence of stores etc. in stock	0.66	0.60
Incidental stores expenses	0.18	0.33
Total Admin & General Expenses	87.25	80.64
Less: administrative and general overheads capitalised	(10.88)	(9.49)
Net Admin & General Expenses (B)	76.30	71.15
Other Expenses Total (A + B)	329.37	271.72

Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2024

(Rs. In Crores)

(i) Payments to Auditors (Included in Audit fees)

	As at 31 March 2024	As at 31 March 2023
Statutory Audit	0.05	0.05
Tax Audit	0.00	0.01
Reimbursement of expenses	0.00	0.01
In other capacity	0.00	0
Taxation matters	0.00	-
Company law matters	0.00	-
Cost Audit	0.00	0.05
Internal audit and others	0.00	0.08
	0.05	0.50

26. Income tax Expense

This note provides an analysis of the Company's income tax expense, show amounts that are recognized directly in the OCI and

	As at 31 March 2024	As at 31 March 2023
(a) Income tax expense		
Current tax	(142.57)	(82.23)
MAT on profits for the previous year		
Mat credit entitlement	0.00	(48.42)
Deferred tax	(89.16)	(115.22)
Total	(231.73)	(245.87)

Income tax expense attributable to :

Profit from continuing operations	231.73	245.87
Profit from discontinued operations	-	-

(b) Reconciliation of tax expense and the accounting profit multiplied India's tax rate

	As at 31 March 2023	As at 31 March 2023
Profit before tax	835.75	865.33
Gratuity (employees recruited on or after 1-2-1999)-OCI	(8.05)	30.84
Pension & Gratuity (employees recruited before 1-2-1999)-OCI	(273.88)	(825.85)
Equity Instruments through OCI	4.87	(0.42)
Tax at Indian tax rate of 34%	(142.57)	(82.23)
MAT credit entitlement	0.00	(48.42)
Deferred Tax	(89.16)	(115.22)
Total comprehensive income for the year	326.97	(175.97)

Transmission Corporation of Andhra Pradesh Limited
Notes to the financial statements for the year ended 31st March 2024

27 Financial instruments

A. Fair Value Measurement Hierarchy

(Rs. In Crores)

Particulars	As at 31st March, 2024				As at 31st March, 2023			
	Carrying Amount	Levels of input used in			Carrying Amount	Levels of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At Amortised Cost								
Investments	105.81	-	-	-	116.88	-	-	-
Trade receivables	2056.22	-	-	-	2084.44	-	-	-
Loans and advances to staff & Discoms	671.61	-	-	-	472.99	-	-	-
Current Loans	1098.34	-	-	-	1564.26	-	-	-
Cash and cash equivalents	111.73	-	-	-	50.17	-	-	-
Balance with Banks-Others	63.50	-	-	-	12.02	-	-	-
Other financial assets	0.00	-	-	-	0.00	-	-	-
At FVTOCI								
Investments	6.17	6.17	0.00	0.00	1.30	1.30	-	-
Financial Liabilities								
At Amortised Cost								
Non current Borrowings	4914.79	-	-	-	5906.09	-	-	-
Current Borrowings	56.07	-	-	-	40.91	-	-	-
Other financial liabilities	3934.09	-	-	-	3771.71	-	-	-

Note : For the purpose of above abbreviations, FVTOCI - fair value through other comprehensive income; amortised cost - fair value through amortized cost

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(ii) Valuation technique used to determine fair value

The Company has not adopted any fair value technique to measure its financial assets and financial liabilities. All financial assets and liabilities are carried at carrying cost, (except in case of equity instruments which are quoted on stock exchange and are traded actively) where the fair values have been determined based upon the present values and the discount rate used were adjusted for counterparty or own credit risk.

B. Financial risk management

Risk management framework

The Company's board of directors have overall responsibility for the Company's risk management framework. The Board of directors are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables	Ageing analysis, credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings, Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Further quantitative disclosures are included throughout these financial statements.

Transmission Corporation of Andhra Pradesh Limited
Notes to the financial statements for the year ended 31st March 2024

C. Credit risk

i. Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset on the due date. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Maturity Pattern:

The Maturity pattern of non-derivative financial liabilities with agreed repayment periods, could not be given due to the voluminous number of term loans given against each scheme/project works by financial institutions and banks.

iii. Market risk

a. Foreign currency risk

The Company is not exposed to currency risk on purchases, sales and cash balances that are denominated in a currency other than the functional currencies of the Company.

b. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

28 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

The Company's net gearing ratio at the end of the reporting period was as follows:

	(Rs. In Crores)	
	31-Mar-24	31-Mar-23
Total Debt	5,940.20	6,899.81
Less : cash and cash equivalents	111.23	50.17
Adjusted net debt	5,828.48	6,849.64
Total equity	2,553.58	2,234.13
Adjusted net debt to total equity	2.28	3.07

29 Related party transactions

(i) List of Key Managerial Persons

Name of the Related Parties	Relationship
1. Sri B Sreedhar	Chairman & Managing Director (from 03.03.2022 to 06.04.2023)
Sri K. Vijayanand,	Chairman & Managing Director (from 07.04.2023)
2. Sri K.V.N.Chakrudhara Babu,	Joint Managing Director (HR & Adm) (from 06.04.2023)
3. Sri. D Malla Reddy	Joint Managing Director (V&S) (from 01.11.2021)
4. Sri A.K. Bhaskar	Director (Grid Transmission & Mang. (from 01.04.2022)
6. Sri T Veera Bhadra Reddy	Director (Finance) (from 10-10-2022)
7. Sri Nitesh Ranjan	Company Secretary & Compliance Officer (from 18.10.2021 to 04.09.2023)
Sri P. Mani Kiran (Incharge)	Company Secretary from 05.09.2023

(ii) Transactions with Key Managerial persons during the Year

Key management personnel compensation comprised:	31-Mar-24	31-Mar-23
	(Rs. In Crores)	(Rs. In Crores)
Remuneration	0.10	0.51
Short-term employee benefits	1.01	0.71
Total compensation	1.11	1.22

Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan.

Transmission Corporation of Andhra Pradesh Limited
Notes to the financial statements for the year ended 31st March 2024

30 Contingent liabilities (to the extent not provided for)	(Rs. In Crores)	
	31-Mar-24	31-Mar-23
(a) Cases for disputed liabilities of Sales Tax/CST/Entry Tax/Service Tax are pending before the Appellate Authorities. Out of the demand an amount of Rs.41.44 crs had been paid as per Court Directions.	180.89	180.89
(b) Demand Raised by IT Authorities for the AY 2014-15, AY 2015-16, AY 2017-18 & 2021-22 out of demand raised an amount of Rs.37.43 Crs has been deposited, are pending before Appellate Authority for adjudication	187.17	161.50
(c) Cases/Disputes on account of claims by the company or against company pending before Courts, Tribunal, Regulatory Authority etc., (Company has deposited Rs.7.00 Crs in various courts against court direction and held under deposits)	118.10	118.10
(d) Cases Pending Before State Micro Small & Medium Enterprises Facilitating Council	29.54	29.54
(e) Estimated Amount of Contracts remaining to be executed on capital account not provided for	2,213.61	1,957.23
(f) Property Tax to Municipalities in respect of Vidyut soudha premises pending assessment and determination of amount of tax	-	-

31 Earnings per share (EPS) (Rs. In Crores)

A. Computation of basic and diluted EPS

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares. The Company doesn't have any potentially dilutive shares for year ended 31st March 2020

i. Earnings per share (in Rupees)	31-Mar-24	31-Mar-23
Basic earnings per share	13.29	13.60
Diluted earnings per share	13.29	13.60

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and dilutive earnings per share calculation are as follows:

ii. Profit attributable to equity shareholders	31-Mar-24	31-Mar-23
Profit for the year, attributable to the equity share holders	604.02	619.46

iii. Weighted average number of equity shares	31-Mar-24	31-Mar-23
Opening balance	45	45
Effect of shares issued for cash (if any)		
Weighted average number of shares for	45	45

52. Company's Operating Cycle in All other assets / liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalents. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

53. Description of segments and principal activities:

The Principal activities were depicted @Note #1 in accounting policies and Managing Director has been identified as Chief Operating Decision Maker (CODM). Operating segments are defined as components of an enterprise for which discrete financial information is available. This is evaluated regularly by the CODM, in deciding how to allocate resources and assessing the Company's performance. The company is engaged in the transmitting of Power & Maintenance of state Load Despatch Centre (SLDC) and operates in a single operating segment.

54. Ratio Analysis and its elements:

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance
Current Ratio	Current Assets	Current Liabilities	85.06%	95.99%	-10.93%
Debt-Equity Ratio	Total Outside Liabilities	Shareholder's Equity	152.87%	108.40%	44.47%
Debt Service Coverage Ratio	Earnings available for debt service	Interest + Instalments	115.24%	122.82%	-7.58%
Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Net worth / Equity Shareholders Fund	133.69%	136.31%	-2.63%
Trade Receivables turnover ratio	Net Credit sales	Average Trade Debtors / Accounts receivable	95.13%	102.39%	(7.25%)
Trade payables turnover ratio,	Annual Net Credit Purchases	Average Trade Payables / Account Payables	100.73%	100.00%	0.73%
Net capital turnover ratio,	Net Sales	Net Assets	-352.44%	-233.61%	(118.83%)
Net profit ratio,	Net profit	Net Sales	25.71%	26.66%	(0.96%)
Return on Capital employed,	Earnings Before Interest and tax	Capital employed	12.88%	12.08%	5.01%
Return on Investment (ROI)	Profit/Income	Investments	0.13%	0.09%	0.04%

55. Land received at nominal value recorded in the fixed asset register with no value at the date of receipt as per the Accounting principle adopted by the company.

32. (i) As per the AP Reorganization Act, 2014 the State of Andhra Pradesh has been bifurcated in to Andhra Pradesh and the State of Telangana from 02.06.2014. The APTRANSCO has bifurcated into APTRANSCO & TSTRANSCO with effect from 02.06.2014. As per section 53 of AP Reorganization Act, 2014, the assets and liabilities were apportioned between the two entities based on the consensus and recommendations of the Expert Committee on Demerger of Government Corporations. The Expert Committee gave their report dated 15.11.2018. Based on the report the following changes were made to the draft demerger plan in the allocation of assets and liabilities which were mutually agreed between APTRANSCO and TSTRANSCO.

(ii) The Summary of assets and liabilities transferred vide draft demerger plan to the Resulting Company (TSTRANSCO) as on 02.06.2014 as given below:

(Rupees in Crores)

Sch. No.	Schedule Note	Total	APTRANSCO (Demerged Co.,)	TSTRANSCO (Resulting Co.)
1	2	3	4	5
19	<u>FIXED ASSETS:</u>			
	Gross Block of Assets	10044.3	5225.72	4818.58
	Less: Accumulated Depreciation	4572.73	2386.59	2186.15
	<u>Net Fixed Assets</u>	5471.57	2839.13	2632.43
21	Capital work-in progress	2489.8	843.84	1645.96
23	Deferred Cost	299.43	142.44	157
24	Intangible Asset	2.6	0	2.6
25	Investments	702.62	304.32	398.3
26	Total Current Assets	2624.98	1122.44	1502.54
28	Less: Current Liabilities	3387.28	1707.31	1679.97
	Net Current Assets (Sch.26 - Sch.28)	(762.3)	(584.87)	(177.43)
	Total Assets	8203.72	3544.86	4658.86
	<u>Financed by :</u>			
30	Borrowings for working capital	0	0	0
31	Payments due on Capital Liabilities	0	0	0
32	Capital Liabilities	0	0	0
	Deferred Tax Liability (Net)	2947.89	1221.93	1725.96
28a	Liability for Pension & Gratuity, Gratuity and Leave Encashment Trusts	126.55	73.8	52.75
33	Funds from State Government	963.54	459.6	503.94
	Equity	708.41	12.49	695.92
34	Contributions, Grants and Subsidies towards cost of Capital Assets	779.22	454.44	324.78
35	Reserve and Reserve Funds	1407.35	736.16	671.19
	Surplus	416.62	257.11	159.51
	TOTAL FUNDS (A+B)	8203.71	3544.84	4658.87

- (iii) Summary of changes made as per consensus and final Demerger Plan report dated 15.11.2018.

(Rs.InCrores)

Particulars	APTRASNCO			TSTRASNCO		
	APTRANSCO as per draft demerger plan 02.06.2014	After Adjustments as per letter dated 23.03.2017 and final demerger plan approved by Expert Committee on 15.11.2018	Difference kept in demerger adjustment accounts	TSTRANSCO as per draft demerger plan 02.06.2014	After Adjustments as per letter dated 23.03.2017 and final demerger plan approved by Expert Committee on 15.11.2018	Difference kept in demerger adjustment accounts
Fixed Assets	5225.72	5160.91	-64.81	4818.58	4883.39	64.81
Depreciation	2386.59	2396.32	-9.73	2186.15	2176.41	9.73
CWIP	843.84	842.88	-0.97	1645.96	1646.92	0.97
Investments	304.32	344.76	40.44	398.30	357.86	-40.44
Current Assets	1122.44	1132.22	9.78	1502.54	1492.76	-9.78
Total A	9882.91	9877.09	-25.29	10551.53	10557.34	25.29
Current Liabilities	1707.31	1713.38	-6.07	1679.97	1673.89	6.07
Deferred Tax Liability	73.80	77.82	-4.02	52.75	48.73	4.02
Capital Liabilities	1221.93	1232.69	-10.76	1725.96	1715.21	10.76
Reserve and Surplus	257.11	241.45	15.66	159.51	175.17	-15.66
Accumulate d Surplus	329.31	498.13	-168.82	524.82	356.00	168.82
Total B	3589.46	3763.47	-174.01	4143.01	3969.00	174.01
Total (A+B)	13472.37	13640.56	-199.30	14694.54	14526.34	199.30

- (iv) The revised/final allocation of assets and liabilities between APTRANSCO and TSTRANSCO are as follows:

(Rs. In Crores)

Sch. No.	Schedule Note	Allocated Balance		
		Combined TRANSCO	APTRANSCO	TSTRANSCO
	Liabilities			
32	Capital Liabilities	2947.89	1232.69	1715.21
33	Funds from State Government	708.41	12.49	695.92
	Liability for Pension, Gratuity and Leave Encashment Trusts	963.54	459.6	503.94
	Deferred Tax Liability	126.55	77.82	48.73
34	Contributions, Grants and Subsidies towards cost of Capital Assets	1407.35	736.16	671.19
	Equity	779.22	454.44	324.78
35	Reserve and Reserve Funds	416.62	241.45	175.17
	Surplus	854.14	498.13	356
	Demerger Adjustment account	199.29	0	199.29
	Total Liabilities	8403.01	3712.78	4690.23
	Assets			
19	Fixed Assets	10044.3	5160.91	4883.39
	Less: Accumulated Depreciation	4572.73	2396.32	2176.41
	Net Fixed Assets	5471.56	2764.59	2706.97
21	Capital Work in Progress	2489.8	842.88	1646.92
22	Intangible Assets	2.6	0	2.6
23	Deferred Cost	299.43	142.43	157.01
25	Investments	702.62	344.76	357.86
26	Current Assets	2624.98	1132.22	1492.76
28	Less: Current Liabilities	3387.28	1713.38	1673.89
	Net Current assets (Sch 26-28)	-762.29	-581.17	-181.13
	Demerger Adjustment account	199.29	199.29	0
	Total Assets	8403.01	3712.78	4690.23

- (v) The Expert Committee has issued its views on the final demerger plan vide their letter/Report dated 15.11.2018. The issues on which dissent was recorded by TSTRANSCO. The main issue is demerger adjustment account of Rs.199.29Crores i.e., difference between assets and liabilities allocated to both entities.
- (vi) TSTRANSCO claimed that the difference between assets and liabilities of Rs.199.29Crores should be adjusted against Accumulated surplus. However, APTRANSCO claims, this amount of Rs.199.29Crores have to be settled by way of payment or adjustment through any other mode as per section 53 (2) of the AP Reorganisation Act, 2014.

- (vii) However, APTRANSCO addressed a letter on 22.01.2019, to the Principal Secretary to Government, Energy, I&I Department, GOAP duly stating that the proposal/recommendation of the Expert Committee on treatment of Demerger Adjustment Account of Rs.199.29Crores not acceptable to APTRANSCO as the same was the result of not following provisions of Section 53(2) of A P Reorganization Act, 2014.
- (viii) After finalisation/approval of demerger plan by both the Governments the treatment of demerger adjustment account will be carried out in the respective accounts accordingly.
- (ix) The charge on the loans on assets apportioned to TSTRANSCO on demerger continues to be in the name of the company pending finalization of the demerger scheme.
- (x) Registration of transfer of title of the immovable properties apportioned to TSTRANSCO is pending on the date of Balance Sheet.
- (xi) As per the State Re-Organisation Act, 2014, the bifurcation issues are still pending between the APTRANSCO and TSTRANSCO, TSSPDCL & TSNPDCL. TSTRANSCO claiming an amount of ₹.175.70 crs as receivable from APTRANSCO as per their letter No.CMD/JMD/Dy.CCA(OSD)/F.No.84/D.No.34/21 dated 19.06.2021. In this regard, an amount of Rs.1396.27 crores (net) are receivable from TSTRANSCO, TSSPDCL & TSNPDCL (Refer Note No.32,36,39, 40& 42) which includes an amount of Rs.528.78 crores pertaining to P&G, Gratuity and EL encashment trusts payable to TS trusts. As such an amount of Rs.1925.05 crs is receivables from TSTRANSCO, TSSPDCL & TSNPDCL, the same has been intimated to TSTRANSCO vide this office letter dated 02.07.2021. The above amounts are yet to be reconciled by both entities for finalisation of demerger plan.
- (xii) Any differences/deviations in the demerger adjustment account balance will be considered in the subsequent years.

33. Income from transmission charges in respect of third-party generators wheeling capacity were not billed and accounted for up to 2019-20, as detailed below, since the matter is sub-judice.

Year	Capacity (MW)	Transmission Charges (Rs./kW/per month)	Amount (₹. Crs)
2005-06	462	55.98	31.03
2006-07	462	42.60	23.61
2007-08	475	44.62	25.43
2008-09	457	38.91	21.34
2009-10	440	47.79	25.23
2010-11	419	50.86	25.47
2011-12	389	63.47	29.67
2012-13	389	65.50	30.62
2013-14	384	61.03	28.09
2014-15 (2 months)	384	65.30	4.84
2014-15 (from 02.06.2014 to 31.03.2015)	372	65.30	24.22
2015-16	360.09	76.66	33.30
2016-17	372.97	91.36	40.78
2017-18	371	95.37	41.21
2018-19	346	94.44	39.25
2019-20	304	119.28	43.46
TOTAL			467.55

As per the Hon'ble Supreme Court order dated 29.11.2019, on the income from transmission charges in respect of third-party generators wheeling capacity bills were raised to the tune of Rs.390.12 crores. The bills so raised on the 3rd party generators were not realised due to the objections from the generators for payments on the demand raised and the realisation of demand not to the extent of bills raised. However, an amount of Rs.0.63 crs of BGs of the third-party generators were encashed and adjusted against the dues payable by the 3rd party generators and recognized as revenue in the year 2022-23. Further, the remaining transmission charges of Rs.269.04 crs (Previous year: Rs.279.60 Crs) in respect of Third-party generators will be recognized on cash basis as and when the amounts received. The following amounts are to be received from the 3rd party generators:

Sl.No	Name of the Generator	Amount (RS. in crs)
1	M/S. AKSHAT PROFILES	0.26
2	M/S.APGPCL(GAS)STAGE-1	92.75
3	M/S.APGPCL(GAS)STAGE-11	88.31
4	M/S.APSRTC	4.07
5	M/S.Esarpakpvt ltd.	1.33
6	JYOTHI BIO ENERGY LIMITED	3.59
7	M/S.RAIN CALL (COURT)	44.78
8	M/S. SHIVANI POWER spinning ltd	0.51
9	M/S. SKJ POWER	0.98
10	M/S. JAYALAKSHMI POWER	0.21
11	M/S. SUDHA AGRO&CHEMI	1.23
12	M/S. TIRUMALA HYDEL	0.88
13	M/S,TRIDENT POWER SYSTEM	2.74
14	M/S.SUDALAGUNTA SUGAR	3
15	M/S. BHARATH WIND FARM	1.4
16	M/s. RPP LTD	0.94
17	M/s Priyadarsini limited	0.18
18	M/s. SreeVasavi Industries ltd.	1.36
19	M/s. SarithaSyntatics&ind ltd.	1.36
20	M/s. BHEL	0.78
21	M/s. KCPltd (4.5mw)	2.19
22	M/s. KCPltd (3.75mw)	0
23	M/s. THE ANDHRA SUGARS LTD	2.95
24	M/s, H C L agro	1.55
25	M/s. Dhanalakshmi cotton& rice mills	1.64
26	M/s. Sagar cement (power)	1.73
27	M/s. Deccan cement	0.85
28	M/s. RCI power	6.17
29	M/s. TGV SRAAC LTD	1.3
	TOTAL	269.04

34. The Company has undertaken Deposit Contribution Works relating to extension of electricity lines and substations connectivity to the GoAP's Lift Irrigation works/schemes. The details of LIS deposits received from GoAP and the utilization thereof are as follows:

Rs. in crores

Sl. No	Particulars	This year 2023-24	Previous year 2022-23
1.	Deposits received from GoAP to end of	1142.88	1142.88
2.	Deposit received during the year	28.35	0.00
3.	Interest payable to GoAP on LIS deposits to end of	913.88	866.90
4.	Total (1+2+3)	2085.11	2009.78
5.	Value of Lift Irrigation Assets put to use transferred to "Consumer Contribution towards cost of Capital Assets" to end of	539.97	528.81
6.	Development Charges transferred to "Consumers Contribution towards cost of Capital Assets" to end of	59.75	58.67
7.	Supervision Charges transferred to P&L A/c to end of	122.89	120.65
8.	Amount paid to Discoms to end of	63.59	63.59
9.	Demerger Adjustment to TSTRANSCO	21.35	21.35
10.	Total expenditure (5 to 9)	807.55	794.07
11.	Balance Deposits at the end of the year (4-10)	1277.56	1216.71
12.	Less: Capital Works in progress to end of	57.81	45.66
13.	Balance Deposits at the end of the year (11-12)	1219.75	1171.05

35. An amount of Rs.35.05 Crs (Previous year Rs.35.05crs) has been credited to Other Income under Note No.21 - Capital Contribution towards Depreciation on GoAP Lift Irrigation Assets for the year 2023-24, which were created against the Lift Irrigation Scheme funds.

36. Consequent to bifurcation of APTRANSCO w.e.f. 02.06.2014, the Transmission & SLDC charges are determined based on the actual power scheduling to TS Discoms from AP Region to TS Region accordingly the company raised a demand on TS Discoms (TSSPDCL & TSNPDCL) to the extent of Rs.1921.05 Crores interest up to financial reporting date. The same has not been accounted and not considered in books as Revenue due to non-finalization of LTTA (Long Term Transmission Agreement) with TS Discoms.

37. In respect of liability relating to Pension & Gratuity (100%) APSEB origin employees belonging to the company has been recognized to the tune of Rs.478.71 crs along with 26% share of APTRANSCO in FY 2022-23. Further, the Master Trust liability (maintained by APGENCO) has not been recognized in the books of APTRANSCO, as the Master Trust has to discharge the liability of Pension & Gratuity up to 2029 as per the Tripartite Agreement.

(Rs.in Crores)

Particulars	Amount
Accrued Liability as on 31st March 2024	3671.34
Fund as on 31st March 2024 (with Trust)	2285.76
Deficit as at 31st March 2024	1385.57
Liability Recognized in the books of accounts to the end of 31st March 2024.	1385.57

38. APTRANSCO made certain payment up to 31st March 2024, i.e., legal and other charges to the tune of Rs.11.67crs (Rs.11.51Crores up to 31st March 2023) on behalf of TSTRANSCO and which are to be receivable from TSTRANSCO.

39. As per the Hon'ble High Court of Telangana & AP, APTRANSCO had paid the salaries of its share (58.32%) for the TS relieved employees (AP Native Employees) from October'2015 to May'2016 to the tune of Rs.23.98 crs which is kept under receivable from TSTRANSCO. However, the Hon'ble Supreme Court of India has pronounced order that "the payment made by the Andhra Pradesh State Power utilities towards salaries and other allowances, if any, of the Petitioners - employees in pursuance of the interim orders of this Court, till the orders were modified by the Supreme Court, shall be reimbursed by the respective Telangana State power utilities, to their counterparts of the Andhra Pradesh State Power utilities within three months. Correspondence in this regard was made with TSTRANSCO for reimbursement of expenditure of Rs.23.98 crs incurred by APTRANSCO. Till date the same has not been received from TSTRANSCO.

40. Surcharge on SLDC charges, interest on staff advances and Bay maintenance charges are accounted on receipt basis only as actual amounts receivable could not be determined due to non-confirmation of terms for quantifying the amounts. Company has claimed an amount of Rs.3.71 crores towards surcharge from APDiscoms, the same will accounted on cash basis as per the Accounting policies adopted by APTRANSCO.

41. (a.) As directed by APERC through tariff orders from time to time, company has appropriated from appropriation account to Contingency Reserve as per para IV (1) of the Sixth Schedule of Electricity Supply Act 1948 in earlier years. The funds relating to Contingency Reserve are invested in various Securities/Bonds, etc. from time to time. The funds are not at the disposal of the Company and as such the interest earned has been credited (net of tax) to Contingency Reserve Account under Note 11B. The utilization of contingency reserve shall be made only with the prior approval of APERC. Total Contingency Reserve to the end of 2023-24 is of Rs.52.30 Crores.

(b.) The value of contingency Reserve Investments are bifurcated between APTRANSCO and TSTRANSCO as on 01-06-2014 but the whole contingency reserve investments are in the name of APTRANSCO due to non-finalization of the demerger plan. The contingency reserve is apportioned between APTRANSCO and TSTRANSCO. The interest share of APTRANSCO Contingency Reserve earnings only has been accounted and is transferred to Contingency Reserve (net of tax). After finalization of the demerger plan the proportionate securities made after demerger pertaining to the share of TSTRANSCO will be transferred.

42. All the Loans existing on 01.06.2014 from the REC, PFC and Banks are continued to be in the name of the Company. The loans outstanding as on 1.6.2014 were apportioned to TSTRANSCO of Rs. 1715.21 Cr as per the final de-merger plan. The debt service of loans apportioned to TSTRANSCO is being met by them regularly. However, since the loan documents were executed by the Company further loan draws/repayment of loan by TSTRANSCO are accounted for by the lenders in the existing loan accounts, similarly necessary demand notices and confirmation of balances are in the name of the Company. Accordingly, the loan outstanding of TSTRANSCO on this account as at 31st March 2022, are not shown in the financial statements of the Company. The present outstanding balance is as on 31st March 2024 is Rs.119.64Crs only.

43. An amount of Rs. 12.12 crore (Rs. 12.12 crore) to be recoverable from two parties/contractors towards Risk and cost clause stipulated in the agreements. The same shall be accounted for as and when received/accepted by the parties.

44. The transmission charges for each of the MYT (5 years) are determined in terms of APERC Regulation 5 of 2005, based on the ARR (Aggregate revenue Requirement) proposals submitted by the company. Owing to variations in revenue recovery over approved period, the excess / shortfall in transmission charges will be adjusted in subsequent Control Period with financing cost at average rate of borrowing during the year to which the variations relate and accounted in the year of such determination. Thus, the transmission charges earned are subject to review by APERC in the subsequent MYT period. APTRANSCO has submitted True-up proposals of Rs.528.71 crs for MYT period 2014-19 to APERC. Accordingly, APERC issued True-up orders dated 30.03.2022 with a True-up of Rs.492.02 Cr and directed APTRANSCO to adjust the true-up aggregate loss amount of

Rs.492.02 Cr determined for the third control period, from the POC charges if and when it receives in the future and any balance amount left after the adjustment shall be transferred to the Discoms. If there is any shortfall after the adjustment due to receipt of less amount towards the POC charges APTRANSCO may approach the Commission to recover such shortfall amount. Hence, the same shall be accounted as and when the POC charges received against the true-up of Rs.492.02 Crs as per the orders of APERC. An amount of Rs.435 Crores has been received till March 2024 and balance amount received in Sep, 2024. Further, as per the APPCC meeting decision Dt. 22.05.2024. An amount of Rs.1132.31 crores initially arrived as a true down for the control period 2019-20 to 2023-24 and passed on to Discoms pending finalisation of true-up/true-down orders. The same will be claimed through True-up application from APERC.

45. Land at 220 KV Dairy Farm Sub-station to the extent of 1078.96 Sq.Mts. was transferred to GVMC /Vishakhapatnam against which 1096.45 Sq.Mts. was occupied by GVMC. The land transferred by company is on exchange basis with the available GVMC land at Lankalapalam or at Vijayanagaram. The transfer of identified land on exchange basis is not completed. Therefore, the cost of land taken over by GVMC is not removed from the books of account of the company.

46. Payable to MSME as at the 31.03.2024 is Nil. Hence, trade payables to MSME have not been shown separately.

47. As per GO.328 dated 16.11.2017, Vizag Chennai Industrial Corridor (VCIC) works are to be executed by APIIC, GVMC, APRDC and APTRANSCO to the tune of Rs.358 million USD the share of APTRANSCO under VCIC project is 151.65 million USDs. As per the GOs the payments are to be made by GoAP/ADB in the ratio of 22:78. Hence, APTANSCO is sending all vendor claims (bills) to GoAP/ADB for payment. GoAP/ADB is directly making the payments to the vendors on sending the claims by APTRANSCO through CFMS portal. The contractor bills on the company relating to VCIC project have been paid by GoAP/ADB as stated above and are recorded by the company in its books of account and disclosed under CWIP (Note No.2) and under Other Current Liabilities (Note No.16A).

48. During the financial year 2020-21 the investment of APTRANSCO in APGPCL of Rs.28.10 crores had been sold by APGPCL to the consideration of Rs.118.5275 crores and which was adjusted against the energy charges payable by AP Discoms to APGPCL. As such the realised amount of Rs.118.5275 crore has been accounted as receivable from APEPDCL, APSPDCL and APCPDCL of Rs.42.93 crs, 47.93 crs and Rs.27.66 crs respectively in the books of APTRANSCO. Confirmation to the extent of 70.00 crores obtained from APPCC and the balance confirmation is pending to be received from APPCC.

49. As on 31st March 2024, an amount of Rs.1636.90Crores (Rs.1691.36 crs as on 31st March 2024) is receivable from the AP Discoms out of which an amount of Rs.24.89Crs(Rs.50.85 crs during 2022-23) is under reconciliation with APPCC.

50. The Company drawing the loans from the financial institutions and banks for the purpose of construction of Transmission lines and Sub-stations, accordingly the financial institutions release the payments based on the value of work completed. All the loans drawn are utilised for the specific purpose only.

51. On daily basis for purchase of power from IEX/Px the APPCC will deposit an amount based on the projections by CGM/Commercial. The Power purchase wing will purchase/sell the power available in the system as per the exigencies. On the settlement date of IEX/PX will transfer Transmission charges to APSLDC account. Similarly, The GNA Power swapping charges are also paid to APTRANSCO. Pending finalisation of realisation these amounts taken into the liability account. These amounts needs to be transferred to APDiscoms as the Transmission charges were already determined and billed against APDiscoms for the capacities projected for each month as per the APERC Tariff orders and as per Direction 12 of APERC regulations. As on financial reporting date an amount of Rs. 42.80 crores are available under the designated G/L Account.

56. Previous year's figures are re-grouped wherever necessary to confirm with the current year classification. The depiction of Lift Irrigation deposit contribution funds has been changed from other equity to Grants. The Trade payables, Trade Receivables, Provisions Employees were re-grouped and segregate Current and Non- Current assets.

57. The financial statements were approved for issue by the Board of directors on 24.09.2024.

As per our report of even date attached to the
Balance Sheet

For and on behalf of the Board of Directors

For Rao&Narayan.,
Chartered Accountants
FRN:: 003097S

Sd/-
K. Vijayanand,
Chairman & Managing
Director.
DIN:02138144

Sd/-
KVNChakradharBabu,
Director (Finance)(A/C)
DIN: 08504821

Sd/-
PV.Subba Rao
Partner: **009269**

Sd/-
V D Sarveswararao
Financial Adviser &
Chief Controller of
Accounts.

Sd/-
A.SaiTejasree
Company Secretary

Place: Vijayawada
Date: 26.09.2024.

Place: Vijayawada
Date: 26.09.2024.

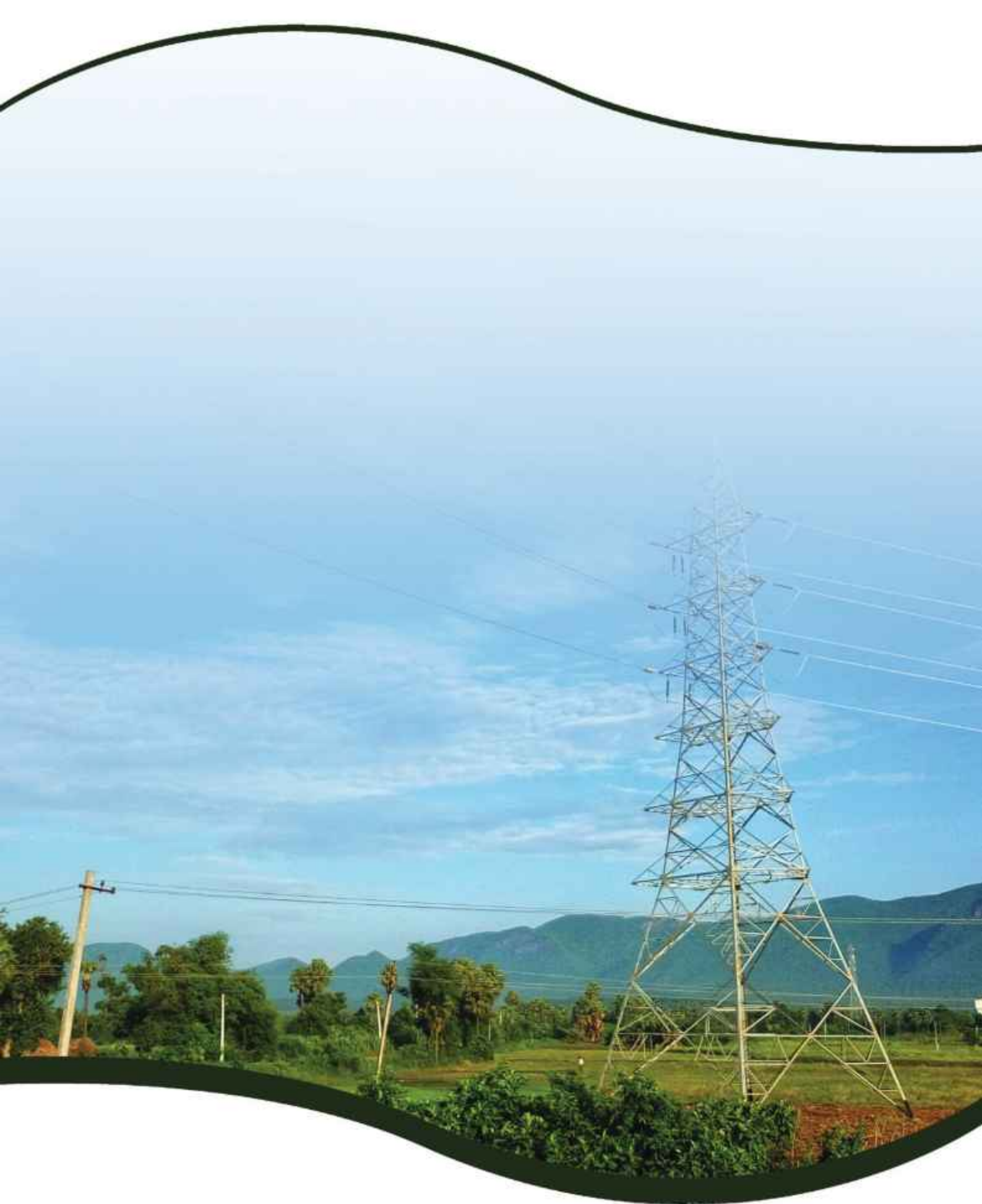
Transmission Corporation of Andhra Pradesh Limited				
Function wise Balance Sheet As at 31 March 2024				
			In Crores of INR	
	Notes	Transmission	SLDC	APTRANSCO
Assets				
Non-current assets				
Property, plant and equipment	2	8,863.78	25.55	8,889.33
Capital work-in-progress	2	2,947.51	0.18	2,947.69
Intangible Assets	2	0.01	-	0.01
Financial assets				
(i) Investments	3	112.00	-	112.00
(ii) Loans	4	673.76	(2.15)	671.61
Others	5	-	-	-
Other non-current assets	5	15.72	-	15.72
Total non-current assets		12,612.78	23.58	12,636.36
Current assets				
Inventories	6	146.14	0.11	146.25
Financial assets				
(i) Trade receivables	7	2,037.17	19.05	2,056.22
(ii) Cash and cash equivalents	8A	109.61	2.12	111.73
(iii) Bank Balances in FDs	8B	63.50	-	63.50
(iv) Loans	4A	1,098.34	-	1,098.34
Current tax assets (net)	9	87.13	13.43	100.56
Other current assets	10	253.94	(0.70)	253.24
Total current assets		3,795.84	34.01	3,829.85
Total assets		16,408.62	57.59	16,466.21
Equity and liabilities				
Equity				
Equity share capital	11A	454.44	-	454.44
Other equity	11B	1,909.21	189.94	2,099.14
Total equity		2,363.65	189.94	2,553.58
Liabilities				
Non-current liabilities				
Grants	12	1,328.80	-	1,328.80
Financial liabilities				
Borrowings	13	4,914.79	-	4,914.79
Other financial liabilities	16	353.52	-	353.52
Provisions	14	2,156.85	-	2,156.85
Deferred tax liabilities (net)	15	254.32	-	254.32
Other non-current liabilities	16	177.87	(14.85)	163.02
Total non-current liabilities		7,857.34	(14.85)	7,842.49
Current liabilities				
Financial liabilities				
(i) Borrowings	132A	56.07	-	56.07
(ii) Trade Payables	17	-0.71	0.71	-
(iii) Other financial liabilities	18	3,866.17	67.92	3,934.09
Other tax liabilities		573.72	-	573.72
Other current liabilities	16A	374.30	(217.49)	156.81
Provisions	19	(10.74)	31.36	20.62
Total current liabilities		4,858.81	(117.50)	4,741.31
Total liabilities		12,716.16	(132.35)	12,583.81
Total equity and liabilities		16,408.62	57.59	16,466.21

Transmission Corporation of Andhra Pradesh Limited
STATEMENT OF TECHNICAL PARTICULARS

Sl. No.	Particulars	Unit	This Year 2023-24	Previous Year 2022-23
1	Input from State Generators including wheeling	MU	50024.16	45250.92
2	CGS (Injection at AP-periphery)	MU	29142.69	24912.46
3	System input at 132 KV & above including Wheeled Energy (1+2)	MU	79166.85	70163.38
4 (a)	Energy delivered by Transco to Discoms through 33kV or 11kV points from ~~WPT SC including Wheeled Energy~~	MU	61260.36	53481.08
4 (b)	Energy delivered by Transco to Discoms through 132kV and above feeder points Including Wheeled Energy	MU	15805.71	14873.38
4 (c)	Aux. Consumption	MU	27.08	25.67
4 (d)	Energy delivered by Transco to Discoms Including Wheeled Energy (4a + 4b - 4c)	MU	77038.98	68328.79
5	Transmission Losses (incl wheeling) (3-4 (d)) exclusive of SR losses	MU	2127.88	1834.59
6	%Transmission Losses (Incl wheeling) on respective Inputs $((5/3 \times 100))$ inclusive of PGCIL losses	%	2.69	2.61
7 (a)	Net wheeled Energy at 132 KV & Below by Third Party Developers	MU	96.36	108.46
7 (b)	132 kV open access sales (Including IEX Sales)	MU	673.18	662.57
8	Energy delivered by Transco to Discoms Excluding Wheeled Energy at 132 KV & above (4 (d) - (7 (a) + 7 (b))	MU	76269.44	67557.77
9 (a)	Drawls at 33 KV & 11 KV from TP developers	MU	2120.40	2291.36
9 (b)	Energy received (+)/sent out (-) at interface points of other Circles (MU) (Net Power Exchange between AP and Telangana Discoms)	MU	23.51	30.31
10	Drawls at 33 KV & 11 KV from Genco	MU	5.48	11.45
11	Input to Discoms (incl Wheeling Energy) (8+9 (a) + 9 (b) +10)	MU	78418.83	69890.89
12	Discoms sales of Energy (Excl Wheeling)	MU	71722.38	63824.86
13 (a)	Net Wheeled Energy at 33 KV & Below by Third party Consumers + 75% Wheeling charge for 3rd party sale at 33kV abd below	MU	52.14	39.35
13 (b)	33kV open access sales (Including IEX Sales)	MU	915.24	987.05
13 (c)	11kV open access sales (Including IEX Sales)	MU	55.77	66.51
14	Discoms sales of Energy (incl. Wheeling) (12+13 (a) + 13 (b) + 13 (c))	MU	72745.53	64917.77
15	Distribution losses (incl. Wheeling) (11-14)	MU	5673.30	4973.12
16	% Distribution losses (incl. Wheeling) on respective inputs $((15/11) \times 100)$	%	7.23	7.12
17	T&D Input (Ex-Bus Availability) (3+9 (a) + 9 (b) +10)	MU	81316.24	72496.51
18	T & D Sales (incl. Wheeling) by Discoms (14+7 (a) + 7(b))	%	73515.07	65688.80
19	T&D Losses (inc. Wheeling) (17-18)	MU	7801.18	6807.71
20	% T&D Losses (incl.wheeling) $(19/17 \times 100)$	%	9.59	9.39







TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED

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