



Annual Statement of Accounts

2017-18

Transmission Corporation
of Andhra Pradesh Limited

(An ISO 9001:2008 Certified Company)



Principal secretary to IT,CMD of APTRANSCO & MD APGENCO, Sri K Vijayanand along with, Sri Dinesh Paruchuri & Sri Umapathi, Joint Managing Directors of APTRANSCO,Directors Sri Y.Adam, Sri J.V.Rao, displaying the prestigious Skoch Award won by APTRANSCO (The only power utility to win in category of E-Measurement Book in the country) duringthe review meeting at Vidyuth Soudha.



Kalikiri 400 KV Sub Station (Chitoor District)



BOARD OF DIRECTORS

1. **Sri. K. Vijayanand, IAS** : Chairman & Managing Director (FAC)
2. **Sri Paradesi Umapathi, IPS (Retd.)** : JMD (Vig&Security)
3. **Sri Dinesh Paruchuri, IRS** : Joint Managing Director
(Finance, Comml, IPC, HRD & IT)
4. **Sri. Adam Yadala** : Director (Grid Transmission &Mgt)
5. **Sri J Venkateswa Rao** : Director (Technical)
6. **Sri Ajay Jain, IAS** : Director(Non-Whole time)
Principal Secretary to Govt.,
Energy, Infrastructure &
Inv. Dept., GoA.P.
7. **Sri K V V Satyanarayana, I.R.AS** : Director(Non-Whole time)

Company Secretary : Sri M. Karunakar Reddy
B.Sc., M.B.A, ACS

Bankers : State Bank of India
Andhra Bank, Bank of India, Allahabad
Bank, Indian Bank, ICICI Bank, HDFC Bank
and United Bank of India

Auditors
Statutory Auditors : M/s.Nataraja Iyer and Co.,
Chartered Accountants,
Ashok Nagar, Hyderabad.

Cost Auditors : M/s. Narasimha Murthy & Co.,
Cost Accountants
2nd Floor, Pavani Plaza, Himayathnagar
Hyderabad - 500 029.

Internal Auditors : 1. Sri V. Satyanarayana
2. Sri k. Ramachandra Rao
3. Sri G. Subba Rao

Registered & Corporate Office : Transmission Corporation of Andhra Pradesh Limited
Vidyut Soudha, Gunadala, Eluru Road, Vijayawada,
Andhra Pradesh - 520 004

Web : www.aptransco.co.in
PAN No. : **AABCT0088P**
TIN : **37760127045**

**CONTENTS**

PARTICULARS	PAGE No.
Notice	1-3
Board of Director's Report	4-22
Statutory Auditor's Report	23-37
C & AG'S Comments	38-44
Balance Sheet	45-47
Statement of Changes in Equity	48
Statement of Profit and Loss	49-50
Statement of Cash Flows	51-53
Notes to the financial statements	54-61
Note-2 Property, Plant & Equipment, Capital Work in Progress, Intangible Assets and Intangible Assets under development	62
Note-3 Investments	63
Note-4 Loans	64
Note-5 Other Financial Assets	64
Note-6 Other Non Current Assets	64
Note-7 Inventories	64
Note-8 Trade Receivables	64
Note-9A Cash and Cash equivalents	65
Note-9B Balances with Banks-in FD's	65
Note-10 Other Tax Assets	65
Note-11 Other Current Assets	65
Note-12A Share Capital	66
Note-12B Other Equity	67-68
Note-13 Grants	69



PARTICULARS	PAGE No.
Note-14 Borrowings	69-71
Note-15 Provisions	71-77
Note-16 Deferred Tax Liabilities	78
Note-17A Other Non Current Liabilities	78
Note-17B Other Current Liabilities	78
Note-18 Trade payables	78
Note-19 Other Financial Liabilities	79
Note-20 Provisions- Current	79
Note-21 Revenue from Operations	80
Note-22 Other Income	80
Note-23 Employee Benefit expenses	81
Note-24 Finance Costs	81
Note-25 Depreciation Expenses	81
Note-26 Other Expenses	82
Note-27 Income Tax Expenses	83
Note-28 Financial Instruments	84-86
Note-29 Capital Management	86
Note-30 Related Party Transactions	86-87
Note-31 Contingent Liabilities	87
Note-32 Earning Per Share	88
Note-33 -48 Miscellaneous Notes	89-92
Function Wise Balance Sheet	93
Function Wise Analysis of Revenue & Expenses	94
Statement of Technical Particulars	95



TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED

(a wholly owned State Govt. Company)

Vidyut Soudha::Vijayawada.

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

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of Transmission Corporation of Andhra Pradesh Limited, Vijayawada will be held on Thursday, 13th December 2018 at 02:00 PM at the Chambers of the Principal Secretary to Govt., Energy, Infrastructure & Invt. Dept., at Velagapudi, A P Secretariat.

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st, March 2018 and Statement of profit and Loss, Cash Flow Statement, for the Financial year ended on that date of the Company together with Directors Report, Statutory Auditors Report and Comments of Comptroller and Auditor General of India, thereon.

Draft Resolution:

To consider and if thought fit to pass the following resolution(s) with or without modification(s) as an ordinary resolution:

"RESOLVED THAT the Audited Balance Sheet of the Company as on 31st March, 2018 and Statement of Profit & Loss and Cash flow statement for the year ended as on that date together with the Directors' Report, the Auditors' Report & Management replies, the Supplementary Audit Report & Management replies thereon for the F.Y. 2017-2018 as laid before the members at this meeting be and are hereby adopted."

2. To take note of Statutory Auditor's appointment made by the Comptroller and Auditor General of India for the financial year 2018-19 under the provisions of Sec. 139 of Companies Act, 2013 and to authorize the Board to fix the remuneration of Statutory Auditors for the Financial Year 2018-19 as per Section / Clause 142 of the Companies Act, 2013.

Draft Resolution:

To Consider and if thought fit to pass the following resolution(s) with or without modification(s) as an ordinary resolution(s):



“RESOLVED THAT the appointment of M/s. Nataraja Iyer & Co., Chartered Accountants, #1-10-126, Ashok Nagar, Hyderabad, were appointed by the Comptroller & Auditor General of India (C & AG) as the Statutory Auditors of the Company for the Financial Year 2018-19 U/s 139 of Companies Act, 2013 vide **Lr.No.CA.V/COY/APTRAN(1)/1085 Dt.11.09.2018** of C&AG of India, New Delhi be and is here by noted”

“FURTHER RESOLVED THAT pursuant to the provisions of Section 142 of the Companies Act, 2013 and other applicable provisions / guidelines, if any, the Board of Directors of the Company be and are hereby authorized to fix the remuneration payable to the Statutory Auditors M/s. Nataraja Iyer & Co., Chartered Accountants, Hyderabad and for reimbursement of their actual out-of-pocket expenses payable to Statutory Auditors for the Financial Year 2018-19.”

SPECIAL BUSINESS:

3. To ratify the action for having fixed the remuneration of the cost auditors at the time of their appointment by the Board of directors for the F.Y.2018-2019 and in this regard to consider and if thought fit, to pass, with or without any modification as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and any other provisions, if any, of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 2,00,000/- (Rupees Two lakh only) of audit fee and Out of pocket expenses, plus applicable Taxes, to be paid to the Cost Auditors, Viz., M/s Narasimha Murthy & Co, Cost Accountants, Hyderabad, for the Financial Year 2018-2019, as approved by the board of Directors be and is hereby ratified”.

“RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the resolution.”

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

**Place: Vijayawada
Date:13.12.2018**

**Sd/-
CS M. KARUNAKAR REDDY, ACS
Company Secretary**



Explanatory Statement
(Pursuant to Section 102(1) of the Companies Act, 2013)

Special Business:

ITEM NO. 3

It is to inform that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), the remuneration recommended by the Audit Committee and approved by the Board of Directors to conduct the Cost Audit of the Company for the FY 2018-19 with a Cost Audit fee of Rs. 2,00,000/- (Rupees Two lakh only), and Out of pocket expenses, plus applicable Taxes, for the Cost Auditors, viz., M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad, may be ratified by the shareholders.

The Directors recommend the resolution to be passed.

None of the Directors and key Managerial Personnel are interested.

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

**Sd/-
CS M. KARUNAKAR REDDY, ACS
Company Secretary**



Board of Directors' Report

To,
The Members,
APTRANSCO

Your Directors have pleasure in presenting the 20th audited Financial Statements of the Company for the period ending 31st March 2018.

Financial performance of the Company:

The financial performance of the Company for the year ended 31st March 2018 is summarized below:

Particulars	Rs. in Crores	
	Current Year 2017-18	Previous Year 2016-2017
INCOME:		
Transmission & SLDC Charges/Revenue	1432.71	1021.52
Other Income	104.12	167.73
TOTAL INCOME:	1536.83	1189.25
EXPENDITURE:		
Employees Cost (net)	362.58	302.33
Operating and Other expenses (net)	214.37	189.18
Depreciation (net)	520.15	335.95
Interest and Finance Charges (net)	316.50	205.51
TOTAL EXPENDITURE:	1413.60	1032.97
Profit before tax (PBT)	123.23	156.28
Current Tax	(35.92)	(33.47)
MAT Credit entitlement	13.89	24.11
Deferred Tax (Liability)/Asset	(63.78)	(53.01)
Profit after tax (PAT)	37.42	93.91

**Financial Highlights of the Company:**

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 2014-15 to FY 2018-2019 w.e.f 17.5.14. Transmission and SLDC billing was done on the contracted capacities of the DISCOMs and other third party generators/open access customers for realization of the revenueshow under income.

The highlights of Revenue Account for the FY 2017-2018 are:

- A. The main reason for increase in revenue is due to increase in tariff rate of Rs.4.01 (i.e from 91.36 per (Rs/KW/Month) for 2016-17 to 95.37 (Rs/KW/Month) for 2017-18.
- B. The increase in the employee cost is mainly due to increase in increment and DA to the employees and additional liability of terminal benefits to the tune of Rs.53.19 Crores as per Actuary Report.
- C. The increase operating and other expenses over the previous year due to enhancement of operating expenses on additional sub-stations added.
- D. The increase in depreciation on account of capitalization of the assets of Rs.2055.51 Crores for the year 2016-17 and Rs.1822.20 Crores for the current year.
- E. The increase in the interest is mainly due to increase in capex borrowings of Rs.862.48 crs in the current year and additional loans in previous year of Rs.1068.72 (totaling to Rs.1068.72+862.48) 1931.20 crs to meet the heavy capex programmes.

Dividend:

As a measure of achieving/complying the self-financing ratio of 20% of funding the ongoing and future capital expenditure for various transmission and SLDC projects of APTRANSCO, the Board had decided to retain the surplus amount as counterpart funding and therefore, not recommended any amount as dividend to its shareholders for the FY 2017-18.

Corporate Social Responsibility:

As envisaged under Section 135 of the Companies Act 2013, read with relevant Rules, Committee should recommend to the Board CSR Policy which shall indicate the activities to be undertaken by the Company as specified under Schedule VII of the Act. The Committee shall also recommend the amount of expenditure to be incurred on the activities and monitor the CSR Policy from time to time.

An amount of Rs.2.27 Crores provision is made in the current year towards CSR responsibility by your company. An amount of Rs.30.72 lakhs expenditure was incurred towards contribution for up-gradation of Blood Bank at Vijayawada by Indian Red Cross Society (IRCS).



The following are the CSR Committee Members as on 31.03.2017

1. Sri K. Vijayanand, IAS – CMD
2. Sri P Umapathi, IPS (Retd.) - JMD (Vig. & Security)
3. Sri Dinesh Paruchuri, IRS - JMD(Fin., Comml., IPC, HRD&IT)

Contents of CSR Policy:

It is endeavour of the Company to focus on the following broad activities.

- (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- (viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;



- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) rural development projects; and
- (xi) slum area development.

The Company may take up such other activities which are broadly covered under schedule VII of the Act and any additions which may be made hereafter.

Statutory Auditors:

M/s. Nataraja Iyer and Co., Chartered Accountants, Hyderabad, were appointed by the Comptroller & Auditor General of India (C & AG) as the Statutory Auditors of the Company for the financial year 2017-18. The Auditors had conducted the statutory audit and furnished their Report on 17th day of August 2018

The Accountant General, O/o the C & AG, Andhra Pradesh, Hyderabad, had conducted the Supplementary Audit u/s 143(6) of the Companies Act, 2013 and the final comments were received.

Cost Auditors:

The Company required getting its Cost records audited under Companies Act 2013 as per the orders issued by the Ministry of Corporate Affairs, the Board of Directors of the Company accorded approval for appointment of M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad, as the Cost Auditor of your Company for the FY 2017-18.

Your company is preparing and maintaining the Cost Accounting Records and the same were audited; vide notification issued by the Ministry of Corporate Affairs. Accordingly, Cost accounting records for the FY 2017-18 were prepared, audited.

Internal Auditors of the Company:

With a view to have a better control over the internal control system in vogue, the qualified Chartered Accountants were appointed as Internal Auditors by APTRANSCO to Sri K. Ramachandra Rao, Sri V. Satyanarayana and Sri G. Subba Rao, to conduct internal audit, submit their report and give suggestions to the management relating to the FY 2017-2018. Accordingly, the Internal Auditors had conducted audit and furnished their quarterly reports.

**Secretarial Audit Report**

Sri P. Vithal Kumar, Practicing Company Secretary was appointed as Secretarial Auditor under section 204 of the Companies Act, 2013 for the FY 2017-2018. The Secretarial Audit Report is annexed hereto and forms part of this report.

Replies to the comments of the Statutory Auditors and Comptroller and Auditor General of India

Replies of the Management to comments of the Statutory Auditors, Comptroller and Auditor General of India (C&AG) and financials review by C&AG of India on the accounts of the Company for the year ended 31st March, 2018 are annexed here to and forms part of this report.

Shifting of the Registered Office:

During the financial year the Registered office of the Company was shifted from the state of Telangana to Vidyuth Soudha, Gunadala, Vijayawada, Andhra Pradesh, consequent to state bifurcation.

Human Resource Development, Training and Industrial Relations:

During the Re-organization of the Andhra Pradesh State, Corporate Training Institute along with posts has been transferred to TS TRANSCO temporally. However, 345 employees were deputed to the external training programmes / Conferences / Works shops, which were conducted by various institutes / CBIP/Power Line Magazine/NPTI (for Hot line training programmes)/Training Institute of VTPS and Central Institute for Rural Electrification, Hyderabad for the year 2017-18, for improving motivation skills, developing self-confidence, in sharing the technical skills between employees, to know the new / upcoming technology so as to improve the efficiency of the employees / organization

Significant Achievements/Awards**Operational Achievements**

Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) is involved in construction, operation and maintenance of power transmission infrastructure in the state of Andhra Pradesh, which is the eighth largest state in India.

1. APTRANSCO is one of the largest Power Transmission Utilities in India, which covers a geographical area of around 1.6 Lakh sq. km in 13 districts of Andhra Pradesh.
2. APTRANSCO ensures that the transmission infrastructure availability is at its maximum to ensure transfer of power from generation companies to distribution companies. Transmission Availability is the key metric, which defines the efficiency of this delivery mechanism.



3. Transmission Availability of APTRANSCO for the year 2017-18 is 99.981% as against 99.963 during the previous FY 2016-17, which is one of the highest in the country.
4. The power sector met the highest demand of 184.98 MU on 24.03.2018 and peak demand of 8983 MW on 16.03.2018 during the F.Y 2017-18.
5. During F.Y 2017-18, 58792.65 MU were supplied as against 55160.29 MU during the previous FY 2016-17. The Peak demand met was 8983 MW as against 7965 MW during the previous FY 2016-17.
6. In F.Y 2017-18 1No 400 KV Substation, 4 No's 220 KV Substations, 14 No's 132 KV Substations, 955 CKM of 400 KV lines, 484 CKM of 220 KV lines and 629 CKM 132 Lines were commissioned.
7. It is proposed to add 4 No's 400 KV Substations, 9 No's 220 KV Substations, 16 No's 132 KV Substations, 960 CKM of 400 KV Lines, 345 CKM of 220 KV Lines and 476 CKM of 132 KV Lines in the F.Y 2018-19 for strengthening of Transmission network to meet the growing demand for power and also reduce the losses and to ensure highest availability of transmission network.

Abstract of various parameters:

S.No	Description	F.Y 2017-18	F.Y 2016-17
1	Energy met (MU)	58,792.65	55,160.29
2	Peak Demand (MW)	8,983	7,965
3	No of Substations Added		
	400 KV Substations (No's)	1	4
	220 KV Substations (No's)	4	12
	132 KV Substations (No's)	14	11
4	Transmission Lines Added		
	400 KV Lines (CKM)	955	715
	220 KV Lines (CKM)	484	594
	132 KV Lines (CKM)	629	307
5	Transmission Losses (%)	2.83	2.92
6	Transmission Availability (%)	99.981	99.963

**Generation Capacity Planning from FY 2019-20 to FY 2021-22**

To add 7 nos 400 KV Substations, 30 Nos 220 KV substations and 83 Nos 132 KV substations along with connected transmission lines, during the next three years at an estimated amount of Rs. 10938 Crores.

List of Live IT Applications**1) Enterprise Resource Planning Application (ERP):**

Description: IT& ERP – SAP – List of IT application maintained by IT&ERP-SAP team.

The ERP Application the following Modules were implemented.

1. ERP(Enterprise Resource Planning Application) - SAP
2. Substation Human Machine Interface (SSHMI)
3. Material Inspection and Management System (MIMS) - Vigilance
4. Bulk Load Applications
5. Deviation Settlement Management System (DSM)
6. Short Term Open Access
7. SLDC Schedules & Reports

APTRANSCO Website Update Applications

- 1.Whats New
- 2.TOO Application
- 3.Vendor Application
- 4.Training Applications
- 5.Tenders

Corporate Governance practice:

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

Directors

The Board of Directors of the Company are appointed/nominated by the Government of Andhra Pradesh. The Changes which have been occurred in the composition of Board of Directors of the Company are as follows:



Changes Occurred From 01.04.2017 to 31.03.2018

S.N	NAME	DESIGNATION	FROM	TO
1.	Sri K. Vijayanand, IAS	CMD	05-06-2014	Till
2.	Sri Ajay Jain, IAS	Director(Non-Whole time)	22-07-2014	Till
3.	Sri. M. Ravi Chandra, IAS	Director(Non-Whole time)	28/07/2016	Till
4.	Sri. Paradesi Umapathi, IPS (Retd.)	Director (Vig. & Security)	17/08/2015	Till
5.	Sri. Dinesh Paruchuri, IRS	JMD(Finance, Comml, IPC, HRD & IT)	08/10/2015	Till
6.	Sri S. Subramanyam	Director(Projects)	03-07-2013	Till
7.	Sri.Nagaraja Swamy Rudra	Director (Grid & Transmission Management)	18/09/2015	18/09/2017
8.	Sri. Y Adam	Director (Grid & Transmission Management)	19/03/2018	Till

LIST OF DIRECTORS AS ON DATE

S.N	NAME	DESIGNATION
1.	Sri K. Vijayanand, IAS	CMD
2.	Sri Ajay Jain, IAS	Director(Non-Whole time)
3.	Sri K V V Satyanarayana, I.R.A.S	Director (Non-Whole time)
4.	Sri. Paradesi Umapathi, IPS (Retd.)	JMD (Vig.&Security)
5.	Sri. Dinesh Paruchuri, IRS	JMD (Finance, Comml, IPC,HRD & IT)
6.	Sri. Adam Yadala	Director (Grid Transmission & Mgt)
7	Sri J Venkateswa Rao	Director(Technical)

Board Meetings during the financial year:

The Board held its meetings on 04.04.2017, 29.06.2017, 26.09.2017, 31.10.2017, 28.11.2017, and 28.12.2017 in the financial year 2017-18.

Audit Committee:

In Compliance with the provisions of Section 177 of the Companies Act, 2013, during the year under review, the Audit Committee has met on 04.04.2017, 29.06.2017, 26.09.2017 and 28.12.2017 The Composition of the Audit Committee as on 31.03.2018 is as follows:



S. N	NAME	DESIGNATION	FROM	TO
1.	Sri. Ajay Jain, IAS	Director(Non-Whole time)	22-07-2014	Till
2.	Sri. Paradesi Umapathi, IPS (Retd.)	JMD (Vig.&Security)	17/08/2015	Till
3.	Sri M Ravi Chandra, IAS	Director(Non-Whole time)	28-07-2016	Till
4.	Sri Dinesh Paruchuri, IRS	JMD (Finance, Comml, IPC,HRD & IT)	26-09-2017	Till

Details of Subsidiary/Associate Companies

Your company had no subsidiaries/Associate companies during the financial year under review.

Deposits

During the year under review, the Company has not accepted any public deposits as per the Companies Act 2013.

Extract of the annual return

As provided under Section 92 (3) of the Companies Act, 2013, the Extract of Annual Return is given in the Annexure in the prescribed Form MGT-9, which forms part of this report.

Particulars of Employees

There were no employees drawing remuneration in excess of the prescribed limits whose details are required to be disclosed under Act and the top ten list of Officers remuneration / salary particulars are given in the Annexure to this report.

Disclosure under the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013

APTRANSCO vide T.O.O.Rt.No.3, dt:09-04-2007 has constituted Complaints committee APTRANSCO vide T.O.O.Ms.No.277 dt:21-08-1999 adopted the GO.Ms. No.27 dt 21-4-1999 on equality in employment measures to eliminate discrimination against woman in the field of employment guidelines and norms. The Complaints committee were constituted in all Govt offices and Public sector under takings as per the guide lines and norms laid down by Hon'ble Supreme court in case of Vishakha & Ors. Vs. State of Rajasthan & Ors. (Jt. 1997(7) SC 384) to prevent sexual harassment of working Women.

Subsequent to bifurcation of organization on 02.06.2014, APTransco reconstituted the complaints committee vide Memo No.Addl.Secy/DS(L,IR&R)/AS(L,IR&R)/PO(IR)/469/07, dt.23.09.2016 with the following members until further orders.

- | | |
|---------------------------------|---------------|
| 1. Smt. K. Sudha Rani, CE | - Chairperson |
| 2. Smt. G. Nirmala, EE | - Member |
| 3. Smt. V. Anuradha, DEE | - Member |
| 4. Smt. V. Sasikala, AO | - Member |
| 5. Smt. O Meena Mahalakshmi, PO | - Member |



The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Woman at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, contractual, temporary trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2017-2018.

No of Complaints Received: - 1

No of Complaints disposed off: - 0

Conservation of energy, technology absorption and foreign exchange earnings and outgo

During the year under review that energy efficiency activities has not been carried out by APTRANSCO.

Foreign exchange earnings and outgo – Nil during the year.

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 that—

- (a) 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.

**Acknowledgements**

Your Directors express their gratitude to all stakeholders, bankers, Regulatory Authorities, Government, customers, suppliers, business associates from India, staff and workers for their continued support at all times and look forward to have the same in our future endeavours. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

For and on behalf of Board of Directors

**Sd/-
CHAIRMAN & MANAGING DIRECTOR
DIN: 02138144**

**Form No.MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2018

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

To
The Members,
Transmission Corporation of Andhra Pradesh Limited
APTRANSCO, Gunadala,
Vijayawada, Andhra Pradesh 520008.

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 (here in after called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Transmission Corporation of Andhra Pradesh Limited'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 here by report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2018, complied with the statutory provisions listed here under 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 Transmission Corporation of Andhra Pradesh Limited ("the Company") for the financial year ended on 31.03.2018 according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA'), Securities and Exchange Board of India Act, 1992 (SEBI) and SEBI Guidelines and Regulations to the extent they are applicable; and
- (iii)The Electricity Act, 2003 read with the Electricity Rules, 2005 and Regulations of the appropriate Commission issued from time to time.

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

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 is yet to comply with the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 relating to appointment of Woman Director on its Board.

I further report that:

Subject to Para Nos. 1 & 2 above, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

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.

I further report that in view of the size and operations of the company, the systems and processes adopted in the company are inadequate to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company is advised to put in place an integrated Legal Compliance Management System with periodical reporting to the Board.

I further report that during the audit period the company has come under the purview of the AP Re-organisation Act, 2014 and subject to the provisions of the said Act in relation to bifurcation of assets and liabilities of Power Transmission Companies.

Place: Visakhapatnam
Date: 13.12.2018

Signature: Sd/-
Name: P. VITHAL KUMAR
ACS No. 14440
CP No. 8224

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



'Annexure A'

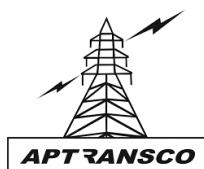
To
The Members,
Transmission Corporation of Andhra Pradesh Limited
APTRANSCO, Gunadala,
Vijayawada, Andhra Pradesh 520008.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the content of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained Management representation about compliance with laws, rules and regulations, happening of events, etc.
5. Compliance with 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.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Visakhapatnam
Date: 13.12.2018

Signature: Sd/-
Name: P. VITHAL KUMAR
ACS No. 14440
CP No. 8224



ANNEXURE -1
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i) CIN :	U31909AP1998SGC107226
(ii) Registration Date :	29/12/1998
(iii) Name of the Company:	Transmission Corporation of Andhra Pradesh Limited
(iv) Category / Sub-Category of the Company:	Limited by Shares/State Govt Company
(v) Address of the Registered office and contact details:	VidyutSoudha, Vijayawada, AP cs.aptransco@gmail.com
(vi) Whether listed company :	No
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:	Nil

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	TRANSMISSION	35107	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S.No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	NIL				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding: Equity

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	4544397000	4544397000	100	0	4544397000	4544397000	100	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other..	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	4544397000	4544397000	100	0	4544397000	4544397000	100	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	4544397000	4544397000	100	0	4544397000	4544397000	100	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B) = (B)(1) + (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Grand Total (A+B+C)	0	4544397000	4544397000	100	0	4544397000	4544397000	100	0

(ii) Shareholding of Promoters:

SIN o.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Governor of Andhra Pradesh	4544397000	100.00	0	4544397000	100.00	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change): NIL

The Company is a State Government Company and 100% Shareholding held by Governor of Andhra Pradesh. There are changes in Nominees of Governor of Andhra Pradesh which will not be considered as change in promoters.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

(v) Shareholding of Directors and Key Managerial Personnel:

The Company is a State Government Company and 100% Shareholding held by Governor of Andhra Pradesh. There are changes in Nominees of Governor of Andhra Pradesh which will not be considered as change in promoters.

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans GoAP	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	40641434056	59592600	-	40701026656
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	111163578	-	-	111163578
Total (i+ii+iii)	40752597634	59592600	-	40812190234
Change in Indebtedness during the financial year				
Addition	8962063373	2681369462	-	11643432835
Reduction	3001434517	17184000	-	3018618517
Net Change	5960628856	2664185462	-	8624814318
Indebtedness at the end of the financial year				
i) Principal Amount	46602062912	2723778062	-	49325840974
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	104178057	-	-	104178057
Total (i+ii+iii)	46706240969	2723778062	-	49430019031



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl No.	Name of the MD/WTD and Manager	Remuneration (Amount in Rs.)						Ceiling as per Act
		Total Amount	Stock option	Sweat Equity	Com mission	Oth ers	Total	
1	Sri K. Vijayanand, IAS	174286	-	-	-	-	174286	NA
2	Sri. Paradesi Umaphathi, IPS(retd.)	2523063	-	-	-	-	2523063	NA
3	Sri. Nagaraja Swamy Rudra	652235	-	-	-	-	652235	NA
4	Sri. Dinesh Paruchuri, IRS	2163851	-	-	-	-	2163851	NA
5	Sri. Sistu Subrahmanyam	2258675	-	-	-	-	2258675	NA

B. Remuneration to other Directors:

Sl No.	Name of the Director	Remuneration (Amount in Rs.)			
		Fee for attending board/committee meetings	Commission	Others	Total
1	Sri Ajay Jain, IAS	2000	Nil		2000
2	Sri. M. Ravi Chandra, IAS	2000	Nil		2000
TOTAL					4000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl No.	Name of the MD/WTD and Manager	Remuneration (Amount in Rs.)					
		Gross Total	Stock option	Sweat Equity	Commissi on	Others	Total
1	Sri M Karunakar Reddy	480000	-	-	-	-	480000

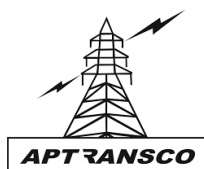


VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of Board of Directors

Sd/-
CHAIRMAN
 &
MANAGING DIRECTOR
 DIN: 02138144



ADDENDUM TO INDEPENDENT AUDITORS' REPORT

To
The Members of
TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED

1. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying Standalone Financial Statements of **Transmission Corporation of Andhra Pradesh Limited ('the Company')**, which comprise the Balance Sheet as at 31 March 2018, the Statement of profit and loss (including other comprehensive income), the statement of cash flow and the statement of changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

2. MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is 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 including other comprehensive income, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.



We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder:

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Financial Statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Financial Statements.

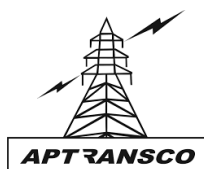
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

4. OTHER MATTER

The Comparative financial information of the Company for the year ended 31st March, 2017 prepared in accordance in Indian Accounting Standards, included in these Standalone Financial Statements, have been audited by the predecessor auditors. The report of the predecessor auditors on the comparative financial information dated 26.09.2017 expressed a qualified opinion.

5. Basis for Qualified Opinion

1. The Company has allocated to Telangana State Transmission Corporation Ltd.(TSTRANSCO) Surplus of Rs.166.87 crore in addition to the share of 41.68% amounting to Rs. 35600.19 lakhs, being balancing figure of the assets and liability. The aforesaid amount of Rs. 166.87 crores is receivable from TS TRANSCO by the Company and consequently assets have been understated and resulting Surplus is also understated by Rs. 166.87 crores.
2. In case of the following Assets and Liabilities, there is a deviation in methodology adopted by the company in allocation as required by Section 53 of the AP Reorganization Act, 2014, the details are as under:



Assets	Amount in Crores	Methodology	Deviation
Fixed Assets (Gross)	1658.48	Allocated as per Population Ratio	To be Allocated on Location basis.
Accumulated Depreciation	755.03	Allocated on the basis of Value of assets	To be allocated based on location to the extent of Assets allocated on population ratio as stated above
Capital Work in Progress	29.87	Allocated as per Population Ratio	To be Allocated on Location basis.
Deferred Cost on employee benefits	299.43	Allocated on Location Basis	Subject to final Adjustment on final allocation employees
Consumer Contribution	772.95	Allocated as per Population Ratio	To be Allocated on Location basis.
Income Tax and TDS	21.25	Allocated as per Population Ratio	To be Allocated on Location basis.
Current Liabilities	239.57	Allocated as per Population Ratio	To be Allocated on Location basis.
Surplus	166.87	Allocated Rs. 166.87 crores in addition to Population ratio being balancing figure of the assets and liability	To be allocated on Population ratio

Consequently, there is an impact on the assets and liabilities and allocation of Surplus and amount receivable, however impact of the above deviation on the financial statements is unascertained.

Further pending acceptance and approval by TSTRANSCO and notification by the Governments of the State of Andhra Pradesh and Telangana State, as stated at Note No. 33 of Notes to Accounts, the finality of the above numbers and the apportionment of the assets and liabilities (including contingent liabilities, contingent assets, claims etc.) cannot be determined/ confirmed at the date of our report, and hence it is not possible for us to express our opinion on such finality at this stage.

- Refer Note No. 42 of Notes to Accounts regarding Vidyut Bonds, floated by the company on behalf of GoAp, amounting to Rs. 975 Crore. Out of the above amount, Rs 417.8 Crore has been apportioned in favour of TSTRANSCO. These bonds are not shown in the books of account of the company. Consequently, the assets and liabilities of the company has been understated to the tune of Rs. 350 Crore, as on 31.03.2018 excluding accrued interest.



4. Accounting policy B2(c) Equity Investment in unquoted equity shares of the value of Rs. 2830.24 lacs has been carried at historical cost in the Standalone Financial Statement to that extent it is a deviation from the application of relevant Ind AS. We are unable to qualify the effect on the above in the absence of information.
5. Note No. 36 with regard to non-accounting of revenue in respect of demand raised on TSDISCOMS for transmission and SLDC charges of Rs.251.51 Crore (up to Previous Years Rs. 665.67 Crore) due to non-finalisation of LTTA (Long Term Transmission Agreement) with those DISCOMS.
6. Note No. 38, with regard to non-accounting of claim for Rs.2.73 Crore (up to Previous Year Rs.10.64 Crore) towards bills raised by TSTRANSCO

6. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to the effects of the matters stated in our Basis of Qualified opinion Paragraph above, the Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, specified under Section 133 of the Act of the state of affairs (financial position) of the Company as at 31 March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in Equity for the year ended on that date.

7. Emphasis of Matters:

We draw attention to the following matters in the Notes to Standalone Financial Statement;

- 1) Note No.33 (vii) and 43 with regard to the continuance of the charge and the outstanding loans on assets apportioned to TSTRANSCO, amounting to Rs. 1725.96 Crores as on 01.06.2014, which are in the name of the company.
- 2) 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.
- 3) Note No.44 with regard to the fixed assets that are overvalued to the extent of land transferred to Greater Visakha Municipal Corporation (GVMC). We are unable to quantify the same due to non-availability of value of land.
- 4) The company did not disclose repayment schedule of term loans from Banks and FIs as required in "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) Company need to establish a system for obtaining confirmation of balances for receivables, payables, advances, deposits etc.
- 6) Note No.31 to the Standalone Financial Statements which describe the uncertainty related to the outcome of suits / appeals filed by / against the company and other parties.

Our opinion is not modified in respect of these matters.

8. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. In terms of section 143(5) of the Companies Act, 2013, we give in the "Annexure C" our report on the directions issued by the Comptroller and Auditor General of India. (Addendum to the Audit Report)
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss, including other comprehensive income, the statement of cash flow statement and the statement of changes in Equity 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 stated at Note 40(a)&(b) comply with the Ind Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - (e) Being a government Company, pursuant to the notification no.GSR 463 (E) dated 5th June,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 respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; to this report.
- (g) 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, 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 its Standalone Financial Statements Refer Note 31.
 - ii. The company has made provision as required under applicable law or accounting standards for material foreseeable loss if any on long term contracts and the Company did not have any long term outstanding derivative contracts as at 31.03.2018.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For NATARAJA IYER & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 002413S

Sd/-
E.S.Ranganath
PARTNER
Membership No. 013924

Place: Hyderabad
Date : 17.08.2018



**ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT ON THE
STANDALONE FINANCIAL STATEMENTS OF TRANSMISSION CORPORATION OF
ANDHRA PRADESH LIMITED**

Referred to in paragraph 1 under Report on other legal and Regulatory Requirements of our Report.

- i. In respect of the fixed assets of the Company:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Fixed assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no discrepancies were noticed on such verification.
 - (c) According to the information and explanations furnished to us, 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.

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

- ii. (a) As per the information and explanations given to us, physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) The procedure of physical verification followed by the management was reasonable and adequate in relation to the size of the company and the nature of the business.
 - (c) The company is maintaining proper records of inventory and there are no material discrepancies on such verifications.
- iii. According to the information and explanations given to us the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- iv. According to the information and explanations given to us, the Company has not granted any loans to the persons specified under section 185 of the Act. In respect of loans and advances given and investments made to the persons specified under Section 186 of the Act, have been complied with by the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits. Therefore, the provisions of the clause (v) of paragraph 3 of the Companies (Auditor’s Report) Order, 2016 are not applicable to the Company.



- 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. (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, VAT, Service Tax and other statutory dues. The undisputed amounts payable which were in arrears as on 31.03.2018 for a period of 6 months or more from the date they become payable are as follows:
- i) Service tax- Service tax payable - Rs. 10,49,520/-
 - ii) TDS- VAT payable - Rs. 17,73,415/-
 - iii) Purchase tax payable – Rs. 2,71,94,420/- and
 - iv) CST payable – Rs. 7,50,743/-

(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:-

Disputed claims of Sales Tax, Entry Tax, etc. as on 31st March 2018					
Name of the Statute	Financial year to which the matter pertains	Forum where dispute is pending	(Rs. in lakhs)		
			Total amount Disputed	Amount paid as per Court Directions	Balance
Sales Tax	1994-95 to 1996-97	High Court of AP	6584.28	0	6584.28
	1996-97 & 1997-98		2304.74	0	2304.74
Entry Tax	2002-03	High Court of AP	1235.09	358.18	876.91
	2003-04		372.73	180.09	192.64
	2004-05		963.43	481.71	481.72
	2005-06		1056.81	343.40	713.41
	2006-07		1405.18	702.59	702.59
Income Tax Act	2013-14	Income tax Appellant Tribunal	9460.50	0	9460.50
	2014-15	Commissioner of IT appeals	3600.23	720.05	2880.18
Total			26982.99	2786.02	24196.97

- viii. In our opinion and on verification of records, the Company has not defaulted in repayment of dues to its bankers or financial institutions during the year.



- ix. The company has not raised any money by way of initial public offer or further public offer. In our opinion and according to the information and explanations given to us and on perusal of the financial statements of the company, the monies raised by the company by way of term loans have been applied for the purpose for which they were obtained.
- x. To the best of our knowledge and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- xi. As per notification no GSR 463 (E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to Government Companies. Accordingly, provisions of the clause 3(xi) of the Order regarding managerial remuneration are not applicable to the Company.
- 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. The transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For NATARAJA IYER & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 002413S

Sd/-
E.S.Ranganath
PARTNER
Membership No. 013924

Place: Hyderabad,
Date : 17.08.2018



ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT ON THE
STANDALONE FINANCIAL STATEMENTS OF TRANSMISSION CORPORATION OF
ANDHRA PRADESH LIMITED

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143
of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Transmission Corporation of Andhra Pradesh Limited** ("the Company") as of 31 March 2018 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 both 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 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.

Opinion

In our opinion, to the best of the information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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.

For NATARAJA IYER & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 002413S

Sd/-
E.S.Ranganath
PARTNER
Membership No. 013924

Place : Hyderabad
Date : 17.08.2018



ADDENDUM TO AUDIT REPORT

**ANNEXURE - C TO THE INDEPENDENT AUDITORS' REPORT ON THE
STANDALONE FINANCIAL STATEMENTS OF TRANSMISSION CORPORATION OF
ANDHRA PRADESH LIMITED**

Supplementary report under section 143(5) of the Companies Act, 2013 ("the Act") for the year ended 31.03.2018

Sl. No.	Particulars	Auditors' Observation
1	Whether the company has clear title/lease deeds for freehold and leasehold land for which title/lease deeds are not available	<p>According to the information and explanations furnished to us, 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 on demerger plan, vide the AP Reorganization Act, 2014.</p> <p>As informed the company is in the process of updation of title deeds and land records and in the absence of complete records we are unable to comment on whether the company holds title deeds in respect of the immovable property (land).</p> <p>This has been reported in the Auditors Report dated 17/08/2018 in annexure A clause (i)(c).</p>
2	Whether there are any cases of waiver/write off of debt/loans/interest etc., if yes, the reasons there for and the amount involved	<p>During our audit we have not come across any cases of waiver/write off of debt/loans/interest. However, an amount of Rs.8.61 crs (Net of debit balance Rs.16.13 crs and credit balance Rs.7.52 crs) has been written off, as these balances are held in head of accounts kept in 9999(APT) and 9801 units while migration of balances in IFS ERP in 2006 without any subsequent transactions and recovery/Claim.</p>
3	Whether proper records are maintained for inventories lying with the third parties & assets received as gift/grant(s) from Government or other authorities.	<p>The Company is maintaining proper records for inventory (Project stock) lying with the third parties for execution of specific capital works having unique WBS element for such works. The company has not received land as gift or grant from Government or other authorities during the financial year 2017-18.</p>

For NATARAJA IYER & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 002413S

Sd/-
E.S.Ranganath
PARTNER
Membership No. 013924

Place: Hyderabad
Date : 17.08.2018



**Management's replies to the comments of the Statutory Auditors
on the Annual Accounts for FY 2017-18**

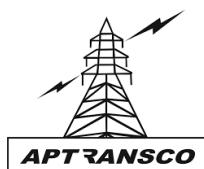
Sl.No.	Statutory Auditors Comments			Management Replies
1	<p><i>The Company has allocated to Telangana State Transmission Corporation Ltd., (TSTRANSCO) Surplus of Rs.166.87 crores in addition share of 41.68% amounting to Rs.35600.19 lakhs being balancing figure of the assets and liability. The aforesaid amount of Rs.166.87 crores is receivable from TS TRANSCO by the Company and consequently assets has been understated and resulting Surplus is also understated by Rs.166.87 crores.</i></p>			<p>The resulting balancing figure of the assets and liabilities on Final Demerger will be accounted under "AP Reorganisation adjustment Account".</p>
2	<p><i>In case of following Assets and Liabilities, there is a deviation in methodology adopted by company in allocation as required by Section 53 of the AP Reorganization Act, 2014, the details are as under:</i></p>			
	<i>Assets</i>	<i>Amount (in Crores)</i>	<i>Methodology</i>	<i>Deviation</i>
	<i>Fixed Assets (Gross)</i>	1658.48	<i>Allocated as per Population Ratio</i>	<i>To be Allocated on Location basis.</i>
	<i>Accumulated Depreciation</i>	755.03	<i>Allocated on the basis of Value of assets</i>	<i>To be allocated based on location to the extent of Assets allocated on population ratio as stated above</i>
	<i>Capital Work in Progress</i>	29.87	<i>Allocated as per Population Ratio</i>	<i>To be Allocated on Location basis.</i>
	<i>Deferred Cost on employee benefits</i>	299.43	<i>Allocated on Location Basis</i>	<i>Subject to final Adjustment on final allocation of employees</i>
	<i>Consumer</i>	772.95	<i>Allocated as per</i>	<i>To be Allocated</i>



<i>Contribution</i>		<i>Population Ratio</i>	<i>on Location basis.</i>	unidentified balances are allocated on population ratio.
<i>Income Tax and TDS</i>	21.25	<i>Allocated as per Population Ratio</i>	<i>To be Allocated on Location basis.</i>	In the Final De-merger this will be taken by AP.
<i>Current Liabilities</i>	239.57	<i>Allocated as per Population Ratio</i>	<i>To be Allocated on Location basis.</i>	The region wise unidentified balances are allocated on population ratio.
<i>Surplus</i>	166.87	<i>Allocated Rs.166.87 crores in addition to Population ratio being balancing figure of the assets and liability</i>	<i>To be allocated on Population ratio</i>	The additional allocation of surplus will be accounted under "AP Reorganisation adjustment account" in the Final Demerger Plan.
<p><i>Consequently, there is an impact on the assets and liabilities and allocation of Surplus and amount receivable, however impact of the above deviation on the financial statements is unascertained.</i></p> <p><i>Further, pending acceptance and approval by TSTRANSCO and notification by the Governments of the State of Andhra Pradesh and Telangana State, as stated at Note No.33 of the Notes to Accounts, the finality of the above numbers and apportionment of assets and liabilities (including contingent liabilities, contingent Assets, claims etc..) cannot be determined/confirmed at the date of our report, and hence it is not possible for us to express our opinion on such finality at this state.</i></p>				
3.	<p><i>Refer note no. 42 of notes to accounts regarding Vidyut Bonds, floated by the company on behalf of GoAP, amounting to Rs.975. Out of the above amount, Rs.417.8 Crores has been apportioned in favour of TSTRANSCO. These bonds are not shown in the books of account of the company. Consequently, the assets and liabilities of the company has been understated to the tune of Rs 350 Crores, as on 31.03.2018 excluding accrued interest.</i></p>			<p>Disclosure regarding issue of bonds on behalf of GoAP from 2005-06 to 2008-09 is at Sl.no. 42 of notes to accounts.</p>
4.	<p><i>Accounting policy B2(C) Equity Investment in unquoted</i></p>			<p>The said APGPCCL</p>



	<p><i>equity shares of the value of Rs.2830.24 lakhs has been carried at historical cost in the Standalone Financial Statement to that extent it is a deviation from the application of relevant Ind AS. We are unable to qualify the effect on the above in the absence of information.</i></p>	<p>investment were apportioned to the company in first transfer scheme from erstwhile APSEB as the power purchase activity and BST with APTRANSCO and these investment are unquoted. However, in the third transfer scheme the Bulk Supply Business and power purchase activity transferred to Discoms from APTRANSCO. These investments are in the demerger plan of APTRANSCO and TSTRANSCO. After finalisation of the Demerger plan the management will take appropriate decision. Hence, the cost of the investment has been adopted as historical value.</p>
<p>5.</p>	<p><i>Note No.36 with regard to non-accounting of revenue in respect of demand raised on TSDISCOMS for transmission and SLDC charges of Rs.251.51 Crore (up to Previous years Rs.665.67 Crore) due to non-finalisation of LTTA (Long Term Transmission Agreement) with those DISCOMS.</i></p>	<p>Transmission and SLDC charges are not raised on the TSDiscoms due to non-finalisation LTTA and which was disclosed in the Notes to Accounts.</p>
<p>6.</p>	<p><i>Note No.38, with regard to non-accounting of claim for Rs.2.73 crore (up to previous year Rs.10.64 crore) towards bills raised by TSTRANSCO.</i></p>	<p>The APTRANSCO share of common expenditure incurred by TSTRANSCO on Vidyut Soudha Building at Hyderabad has not been considered and accepted by the Company, which is pending review and finalisation of demerger.</p>



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 2018.

The Preparation of Financial statements of Transmission Corporation of Andhra Pradesh Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act,2013 is the responsibility of the management of the company. The statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is/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 Audit Report dated 17 August 2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Transmission Corporation of Andhra Pradesh Limited for the year ended 31 March 2018 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on the supplementary audit, 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 the Act which have come to my attention and which in my view are necessary for enabling better understanding of the financial statements and the related audit report.

Statement of Profit and Loss

Revenues

Other Income (Note 22)

1. Interest on Advances to Suppliers: Rs.3.76 crore

The above is overstated by Rs.3.76 crore due to accountal of interest on mobilization advances relating to capital works as income instead of crediting the same to the CWIP of the concerned work. Consequently, profit for the year was overstated by similar amount.

Balance sheet

Assets

Non-Currents Assets

Other Current Assets (Note 11):Rs 53.59 crore

2. Other Claims and Receivables: RS.14.47 Crore

- i) The above does not include Rs.23.99 crore being the amount receivable from TSTRANSCO as the orders of the Supreme Court /High Court. During 2015-16, the company paid Rs.23.99 crore to AP origin employee unilaterally relieved by TSTRANSCO. This amount was initially booked as deposit recoverable. Even though the case was still pending, the company charged off the same as expenditure during 2016-17. As per the order of the High court, TSTRANSCO has to pay the amount to the company. Though this was already commented, the company did not restore the amount receivable. This resulted in understatement of Other Non-current Assets and



overstatement of Salaries, Wage and Bonus by Rs.23.99 crore. Consequently, profit for the year is understated to the same extent.

- ii) The above does not include Rs.12.14 crore being the amount recoverable from the contractors towards risk and cost for breach of contracts. Non-adjustment of risk and cost amount resulted in understatement of Other Claims and Receivables and overstatement of Property, Plant and Equipment.

Non-current Liabilities Provisions (Note 15)

3. Provision for Employee Benefits: Rs.251.91 crore

The above is understated by Rs.1,640.91 crore due to short provision of liability towards pension and gratuity of APSEB origin employees. The company arrived at the pension and gratuity liability of APSEB employees as on 31 March 2018 based on actuarial valuation at Rs.2,427.94 crore. Against this, provision made and fund balance in the company trust/master trust is for Rs.776.96 crore and 10.07 crore is with the reinstated employees rejoined due to enhancement of age limit. The company has not made provision of the balance liability which resulted in understatement of Provision towards Employee Benefits and Contribution to Pension, Gratuity and E.L. Encashment by Rs.1640.91 (Rs.2,427.94 crore - Rs.776.97 crore - Rs.10.07 crore). Consequently, Profit for the year is overstated by the same amount.

4. Notes to Financial Statements

The company is sharing its Optical Fibre Network with Andhra Pradesh State Fibre Limited (APSFL) since June 2015 without any agreement. Similarly, the company is utilising APSFL's network without any agreement. This fact was not disclosed in the Notes to Financial Statements together with the financial impact of the arrangement. Further, this matter was not brought to the notice of the Board of the company.

5. Other Comments

As on 31 March 2018, the company has lands worth of Rs. 48.78 crore. Besides, the company also has lands gifted by others. However, the company does not have complete details of Lands such as location, extent of land, lands alienated in its favour with full titles, land yet to be alienated, gifted lands, disputed lands whose value is yet to be taken into books, land under encroachment etc. In spite of past comments, the company failed to create comprehensive data bank of Lands.

the comptroller and Auditor General of India

Place: Hyderabad.

Date: 30.11.2018

for and on the behalf of

Sd/-

(L.V.SUDHIR KUMAR)

Principal Accountant General (Audit)



**Management's replies to the comments of the C & AG Auditors on the
Annual Accounts for FY 2017-18**

<p>Statement of Profit and Loss Revenue Other Income 1. Interest on Advances to Suppliers:Rs.3.76 crore</p> <p>The above is overstated by Rs.3.76 crore due to accountal of interest on mobilization advances relating to capital works as income instead of crediting the same to the CWIP of the concerned work. Consequently, profit for the year was overstated by similar amount.</p>	<p>Instructions were issued to all the filed units to credit the interest on the mobilization advance relating to capital works to the respective work i.e., CWIP and not to credit to P&L account.</p> <p>Necessary steps will be initiated from FY 2018-19 to account the interest earned on the mobilization advance to respective work/CWIP and not to P&L.</p>
<p>Balance Sheet Assets Non-Current Assets Other Current Asset (Note 11): Rs.53.59 crore 2.Other Claims and Receivables: Rs.14.47 corre</p> <p>i. The above does not include Rs.23.99 crore being the amount receivable from TSTRANSCO as per the orders of the Supreme Court/High Court. During 2015-16, the company paid Rs.23.99 crore to AP origin employees unilaterally relieved by TSTRANSCO. This amount was initially booked as deposit recoverable. Even through the case was still pending, the company charged off the same as expenditure during 2016-17. As per the orders of the High Court, TSTRANSCO has to pay the amount to the company. Though this was already commented, the company did not restore the amount receivable. This resulted in understatement of Other Non-current Assets and overstatement of Salaries, Wages and Bonus by Rs.23.99 crore. Consequently, Profit for the year is understated to the same extent.</p>	<p>It is to inform that, as per the Supreme Court orders dated 02.02.2018, a letter had already been addressed to TSTRANSCO to reimburse the amount paid by APTRANSCO towards 58.32% share of salaries to the relieved employees of TSTRANSCO.</p> <p>However, necessary entries will be incorporated in FY 2018-19 as receivable from TSTRANSCO.</p>



<p>ii. The above does not include Rs.12.14 crore being the amount recoverable from the contractors towards risk and cost for breach of contracts. Non-adjustment of risk and cost amount resulted in understatement of Other Claims and Receivables and overstatement of Property, Plant and Equipment.</p>	<p>In view of the audit comment, necessary instruction will be issued to the field units/concerned to take action immediately in this regard.</p> <p>However, necessary disclosure will be given in the notes to account or entries will be incorporated in the year 2018-19 as the case may be.</p>
<p>Non-Current Liabilities Provisions (Note 15) 3. Provision for Employee Benefits: Rs.251.91 crore.</p> <p>The above is understated by Rs.1640.91 crore due to short provision of liability towards pension and gratuity of APSEB origin employees. The company arrived at the pension and gratuity liability of APSEB employees as on 31 March 2018 based on actuarial valuation at Rs.2427.94 crore. Against this, provision made and fund balance in the company trust/master trust is for Rs.776.96 crore and Rs.10.07 crore is with the reinstated employees rejoined due to enhancement of age limit. The company has not made provision for the balance liability which resulted in understatement of Provision towards Employee Benefits and Contribution to Pension, Gratuity and E.L.Encashment by Rs.1640.91 (Rs.2427.94 crore – Rs.776.96 crore – Rs.10.07 crore). Consequently, Profit for the year is overstated by the same amount.</p>	<p>During the reforms in 1998 APSEB was unbundled into the Power Generation Corporation of Andhra Pradesh Limited (APGENCO) and Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) w.e.f 1.2.1999. Further, APTRANSCO was unbundled in to Transmission Company and Four Distribution Companies (Discoms) on 1st April 2000.</p> <p>In this connection, Master Trust was created based on the initial estimation, the initial fund size for liabilities of pension and gratuity were estimated as under to meet the Pension and Gratuity Liabilities of the following category of employees:</p> <ol style="list-style-type: none"> a) Rs.1320.43 Crs for funding pension liability of pensioner (100%). Pensioners are those employees who retired on or before 31st January 1999. b) Rs.2811.98 crs for funding towards pension and Rs.254.54 crs towards Gratuity in respect of serving employees that is employees who were on rolls as on 31st January 1999 (74%). <p>In order to comply with legal, accounting and fiscal management requirements Trusts are set up to manage and administer Pension and Gratuity programs. Details of trusts are:</p> <p>Master Trust : Managed and administrated by APGENCO (74%)</p> <p>Companies Trusts: Managed and administrated by the respective companies i.e., APTRANSCO, APGENCO and</p>



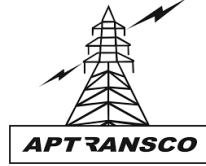
	<p>APDiscoms. (26%)</p> <p>APGENCO is managing the Master Trust and accordingly claiming the any additional liability through tariff as envisaged in the PPA vide para No.99 and 100 these are reproduced hereunder:</p> <p><i>Para 99. The particulars furnished by APGENCO in their letter dated 22nd March 2003, have demonstrated (Annexure 1) that with the allowance of annual depreciation and return on equity, there would be adequate funds to meet the debt repayment (including pension bonds, provident fund bonds & Vidyut Bonds) as also the interest on Pension, Provident Fund & Vidyut Bonds in the next thirty year period.</i></p> <p><i>Para 100. On the concerns raised was the likelihood of increase of liability on account of interest on pension bonds. The possibility of grant of higher pensions and extended longevity of the pensioners, makes the liability uncertain. After careful consideration Commission agrees that any liability on account of interest on pension bonds in excess as specified in the annexure will be allowed through in the tariff of APGENCO on a year to year basis. Similarly, any fall in the liability on this account will be adjusted in the tariffs on a year to year basis.</i></p> <p><i>Further, in the order dated 15.03.2004 in R.P.No.13 of 2003 in O.P.No.402 of 2002, the commission analysis and order that "APGENCO would normally be entitled for the return only on equity based on the equity prior to up-valuation. Return on up-valued equity was considered to enable APGENCO to meet the interest liability or Vidyut/Pension /PF Bonds along with depreciation. Annexure 1 of the Commissions order clearly demonstrates that APGENCO has sufficient funds to meet the liability. Further, the Commission has indicated under para 100 of the order under review stating "any liability on account of interest on pension bonds in excess of that specified in the annexure will be allowed as a pass through in the tariff of APGENCO on a year to</i></p>
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	<p><i>year basis. Similarly, any fall in the liability on this account will be adjusted in the tariffs on a year to year basis". APGENCO can claim if there is any increase in pension liability.</i></p> <p>It is apparent that the provision of liability towards Pension and Gratuity of APSEB origin employees i.e., 100% pension liability of employees who have retired on or before 31st January 1999 and 74% of pension and gratuity liability in respect of who have continued in service beyond 31st January 1999, is to be borne by APGENCO through MASTER Trust only.</p> <p>As such no liability arises on the part of APTRANSCO as APTRANSCO is providing its liability of 26% in the books of accounts for the employees who were on the rolls on 31st January 1999 and continued in service beyond 31st January 1999. The remaining 74% is being claiming from Master Trust for payment of pension.</p> <p>Hence, the liability of Rs.1640.91crs is to be discharged by Master Trust which is under the control of APGENCO. However, APTRANSCO has made provision to the extent of 26% i.e., 616.22 crs. Out of the above the liability an amount of Rs.76.65 crs is still to be discharged to the end of 2017-18.</p> <p>As such APTRANSCO is providing its 26% liability of Pension & Gratuity in the books of accounts and no need to provide the 74% liability of Master Trust maintained by APGENCO in the books of APTRANSCO.</p>
<p>4. Notes to Financial Statements</p> <p>The company is sharing its Optical Fiber Network with Andhra Pradesh State Fiber Limited (APSFL) since June 2015 without any agreement. Similarly, the company is utilizing APSFL's network without any agreement. This fact was not disclosed in the Notes to Financial Statements together with the financial impact of the arrangement. Further, this matter was not brought to the notice of the Board of the Company.</p>	<p>APTRANSCO is providing its network of OFC wherever required on its networks to APFSL. At the same time APSFL also providing required Band width from the optical fiber cable laid on transmission lines and distribution lines for the power sector captive communication requirement being ROW provider, as per the terms and conditions as decided by the Government of Andhra Pradesh.</p> <p>The draft MOU had been sent to APSFL for their approval. After finalization of the MOU</p>



	<p>between APTRANSCO and APSFL the same will be accounted accordingly as receivable/payable.</p> <p>However, as per the suggestion of the audit the matter will be taken up earnestly and MOU will be concluded in the financial year 2018-19 and necessary disclosure will be made in the Notes to Accounts for the year 2018-19.</p>
<p>5. Other Comments</p> <p>As on 31 March 2018, the company has land worth of Rs.48.78 crore. Besides, the company also has lands gifted by others. However, the company does not have complete details of Land such as location, extent of land, land alienated in its favour with full titles, land yet to be alienated, gifted lands, disputed lands whose value is yet to be taken into books, lands under encroachment etc. In spite of past comments, the company failed to create comprehensive data bank of lands.</p>	<p>It is to inform that as per the suggestion of the C&AG Audit during 2015-16, APTRANSCO had initiated to form a Land Bank committee consisting of Technical and Finance officials to prepare land details/data bank vide TOO No.[FA&CCA(Accounts)] RT.No.639, dated 23.05.2018. Accordingly, some of the units have send the land documents relating their circle to this office.</p> <p>However, this is a continuous process and the land bank details will be updated regularly. The committee formed on the above is initiating to prepare the land data of APTRANSCO.</p> <p>The land Bank data will be prepared and produced to the audit of accounts for 2018-19.</p>



Balance Sheet As at 31 March 2018

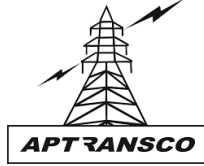
ఆస్తి అప్పుల పట్టిక

In lakhs of INR

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
వివరములు	గమనిక	ప్రస్తుత సంవత్సరం	గత సంవత్సరం
Assets			
ఆస్తులు			
Non-current assets			
స్థిరాస్తులు			
Property, plant and equipment ఆస్తులు మరియు పరికరాలు	2	690,492.38	562,047.35
Capital work-in-progress జరుగుతున్న పనులపై పెట్టుబడి ఖర్చులు	2	187,057.28	252,461.99
Other Intangible Assets ఇతర కనిపించని ఆస్తులు	2	1,759.76	-
Intangible Assets under development మెరుగుపరుచబడుతున్న కనిపించని ఆస్తులు	2	-	807.32
Financial assets			
ఆర్థిక ఆస్తులు			
(i) Investments పెట్టుబడులు	3	7,996.39	6,743.40
(ii) Loans ఋణములు	4	52,741.77	53,316.01
(iii) Others ఇతరములు	5	1,090.91	1,377.92
Other non-current assets ఇతర స్థిరాస్తులు	6	9,216.29	11,009.70
Total non-current assets మొత్తం స్థిరాస్తులు		950,354.78	887,763.69
Current assets			
చరాస్తులు			
Inventories నిర్మాణ, విస్తరణాభివృద్ధి మరియు నిర్వహణ సరుకు	7	45,341.60	22,455.00
Financial assets ఆర్థిక ఆస్తులు	8	13,000.41	15,976.06
(i) Trade receivables వాణిజ్యం పొందింది	9A	21,474.50	8,799.54
(ii) Cash and cash equivalents నగదు లేదా నగదుతో సమానమైనవి	9B	519.72	574.10
(iii) Bank Balances in FDs బ్యాంకులో ఫిక్సిడ్ డిపాజిట్ నిల్వలు			



Particulars వివరములు	Note No. గమనిక	As at 31 March 2018 ప్రస్తుత సంవత్సరం	As at 31 March 2017 గత సంవత్సరం
Current tax assets (net) ప్రస్తుత పన్ను ఆస్తులు(నికర)	10	11,875.26	9,357.03
Other Current assets ఇతర చరాస్తులు	11	5,359.04	6,910.55
Total current assets మొత్తం చరాస్తులు		97,570.53	64,072.28
Total assets మొత్తం ఆస్తులు		1,047,925.31	951,835.97
Equity and liabilities మూలధనం మరియు అప్పులు			
Equity మూలధనం			
Equity share capital వాటా మూలధనం	12A	45,443.97	45,443.97
Other equity ఇతర మూలధనం	12B	240,101.99	236,987.41
Total equity మొత్తం మూలధనం		285,545.96	282,431.38
Grants నిధులు	13	91,071.57	70,376.36
Liabilities అప్పులు			
Non-current liabilities స్థిర అప్పులు			
Financial liabilities ఆర్థిక అప్పులు			
Borrowings అప్పులు	14	444,272.21	387,394.90
Provisions ఖర్చుల కోసం దాచిన నిల్వ	15	25,190.62	19,871.98
Deferred tax liabilities (net) భవిష్యత్ పన్ను నిధి	16	14,359.62	11,223.08
Other non-current liabilities ఇతర స్థిర అప్పులు	17A	12,836.56	15,365.20
Total non-current liabilities మొత్తం స్థిర అప్పులు		496,659.01	433,855.16



Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
వివరములు	గమనిక	ప్రస్తుత సంవత్సరం	గత సంవత్సరం
Current liabilities			
ప్రస్తుత అప్పులు			
Financial liabilities			
ఆర్థిక అప్పులు			
i) Trade Payables	18	24,722.85	23,176.55
వాణిజ్య అప్పులు			
ii) Other Financial Liabilities	19	128,069.91	97,679.54
ఇతర ఆర్థిక అప్పులు			
Other current liabilities	17B	21,576.73	43,519.47
ఇతర ప్రస్తుత అప్పులు			
Provisions	20	279.28	797.52
ఖర్చుల కోసం దాచిన నిధి			
Total current liabilities		174,648.77	165,173.07
మొత్తం ప్రస్తుత అప్పులు			
Total liabilities		671,307.78	599,028.23
మొత్తం అప్పులు			
Total equity and liabilities		1,047,925.31	951,835.97
మొత్తం మూలధనం మరియు అప్పు			

Significant Accounting Policies
See Accompanying notes to the Financial Statements
As per our report of even date

1-48
For and on behalf of the Board of Directors

For Nataraja Iyer & Co
Chartered Accountants

Sd/-
K.Vijayanand
Chairman & Managing Director

Sd/-
Dinesh Paruchuri
Joint Managing Director
(Fin.Comml.,IPC, HRD & IT) &
Chief Financial Officer (CFO)

Sd/-
E.Sri Ranganath
Partner

Sd/-
V.B.S.Kumara Gupta
Financial Adviser & Chief
Controller of Accounts (Accounts)

Sd/-
M.Karunakar Reddy
Company Secretary

Place: Hyderabad
Date: 17.08.2018

Place: Vijayawada
Date: 16.08.2018



Statement of changes in equity for the year ended 31 March 2018

A. Equity share capital

In lakhs of INR

	Amount		Amount
As at 31st March 2017	45,443.97	As at 31st March 2016	45,443.97
Changes in equity share capital	-	Changes in equity share capital	-
As at 31st March 2018	45,443.97	As at 31st March 2017	45,443.97

B. Other Equity

In lakhs 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, 2017					
Reserves and Surplus					
Retained Earnings	105,220.43	-	9,391.21	(807.65)	113,803.99
Contingency Reserve	2,032.90	-	-	303.64	2,336.54
Other Reserves	136,054.92	-	-	(11,249.36)	124,805.56
Other Comprehensive Income	(8,728.26)	4,769.58	-	-	(3,958.68)
Total	234,579.99	4,769.58	9,391.21	(11,753.37)	236,987.41
As at 31st March, 2018					
Reserves and Surplus					
Retained Earnings	113,803.99	(3,958.68)	3,742.38	1,691.44	115,279.13
Contingency Reserve	2,336.54	-	-	318.90	2,655.44
Other Reserves	124,805.56	-	-	(7,189.88)	117,615.68
Other Comprehensive Income	(3,958.68)	4,551.73	3,958.68	-	4,551.73
Total	236,987.41	593.05	7,701.06	(5,179.54)	240,101.98

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

For Nataraja Iyer & Co
Chartered Accountants

Sd/-
K.Vijayanand
Chairman & Managing Director

Sd/-
Dinesh Paruchuri
Joint Managing Director
(Fin.Comml.,IPC, HRD & IT) &
Chief Financial Officer (CFO)

Sd/-
E.Sri Ranganath
Partner

Sd/-
V.B.S.Kumara Gupta
Financial Adviser & Chief Controller
of Accounts (Accounts)

Sd/-
M.Karunakar Reddy
Company Secretary

Place: Hyderabad
Date: 17.08.2018

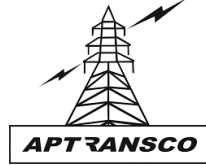
Place: Vijayawada
Date: 16.08.2018



Statement of Profit and Loss
For the year ended 31 March 2018
వార్షిక ఆదాయము మరియు వ్యయముల పట్టిక

In lakhs of INR

Particulars వివరములు	Note No. గమనిక	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenues ఆదాయం			
Revenue from operations పనుల నుండి వచ్చిన ఆదాయం	21	143,271.09	98,195.72
Other income ఇతర ఆదాయం	22	10,412.21	20,728.82
Total income మొత్తం ఆదాయం		153,683.30	118,924.54
Expenses ఖర్చులు			
Employee benefits expense ఉద్యోగుల జీతభత్యాలు	23	36,258.51	30,233.46
Finance costs ఆర్థిక ఖర్చులు	24	31,649.19	20,550.98
Depreciation and Amortisation Expenses తరుగుదల ఖర్చులు	25	52,015.37	33,594.52
Operating and other expenses నిర్వహణ మరియు ఇతర ఖర్చులు	26	21,436.94	18,917.68
Total expenses మొత్తం ఖర్చులు		141,360.01	103,296.64
Profit before income tax లాభం పన్నుల ముందు		12,323.29	15,627.90
Current tax ప్రస్తుత పన్ను		(3,592.11)	(3,346.87)
Mat credit entitlement		1,389.20	2,411.25
Deferred tax (charge)/credit భవిష్యత్ పన్ను కేటాయింపు		(6,378.00)	(5,301.07)
Income tax expense ఆదాయం పన్ను ఖర్చు	27	(8,580.91)	(6,236.69)
Profit for the year వార్షిక ఆదాయం		3,742.38	9,391.21



Particulars వివరములు	Note No. గమనిక	For the year ended 31 March 2018	For the year ended 31 March 2017
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of defined Benefit liability (Net of Tax)		4,503.20	4,769.58
Equity Instruments (Net of Tax)		48.53	
Total Other comprehensive income for the year, net of income tax		4551.73	4,769.58
Total comprehensive income for the year		8,294.11	14,160.79
ఇతర సమగ్ర ఆదాయము			
Earnings per equity share - par value of INR 10 per share			
Basic (Amount in INR)	32	0.82	2.07
Diluted	32	0.82	2.07

Significant Accounting Policies

See Accompanying notes to the Financial Statements 1-48

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

For and on behalf of the Board of Directors

For Nataraja Iyer & Co
Chartered Accountants

Sd/-
K.Vijayanand
Chairman & Managing Director

Sd/-
Dinesh Paruchuri
Joint Managing Director
(Fin.Comml.,IPC, HRD & IT) &
Chief Financial Officer (CFO)

Sd/-
E.Sri Ranganath
Partner

Sd/-
V.B.S.Kumara Gupta
Financial Adviser & Chief
Controller of Accounts (Accounts)

Sd/-
M.Karunakar Reddy
Company Secretary

Place: Hyderabad
Date: 17.08.2018

Place: Vijayawada
Date: 16.08.2018



Statement of cash flows as at 31 March 2018

In lakhs of INR

Particulars	As At 31 March 2018	As At 31 March 2017
Cash flow from operating activities		
Profit before tax	12,323.29	15,627.90
<i>Adjustments for</i>		
Depreciation	52,015.37	33,594.87
Contributions towards depreciation of lift irrigation scheme assets	(3,066.28)	(1,940.28)
Gain on investments	-	54.44
Amortisation of capital grants	(2,092.63)	(1,530.30)
Interest expense on industrial development area, Parawada loan (net of interest income)	-	30.44
Income from investments	(2.68)	(264.75)
Interest on investments under contingency reserve	(487.67)	(464.34)
Prepaid employee cost on loans and advances to staff (net of interest income)	-	(43.81)
Interest on state government loans paid	30.17	38.78
Interest on loans	31,619.02	20,481.77
Operation profit before working capital changes:	90,338.60	65,584.72
Change in operating assets and liabilities		
Decrease in trade receivables	2,975.65	7,829.21
(increase)/Decrease in inventories	(22,886.60)	4,592.94
(Increase) in other non current and current assets	2,659.74	(4,451.27)
Decrease in loans	528.85	21,647.98
(increase)/Decrease in Bank balances in FDs	54.38	(1,107.87)
Decrease/(Increase) in other financial (Non current & current) assets	287.01	44.40
(Decrease)/Increase in Trade payables	1,546.30	-
(Decrease)/Increase in other non-current and current financial liabilities	1,019.54	(10,259.60)
(Decrease)/Increase in other non-current and current liabilities	(24,471.34)	7,170.97
(Decrease) in provisions	9,272.88	(2,803.77)
Cash generated from operations	61,325.02	88,247.71
Income taxes paid	(6,110.34)	(6,487.64)
Net cash from operating activities	55,214.68	81,760.07



Particulars	As At 31 March 2018	As At 31 March 2017
Cash flows from investing activities		
Inflow		
Interest income on investments under contingency reserve	394.60	822.08
Proceeds from sale of investments-Ind AS EI	21.82	23,044.93
Interest income from investments	745.35	493.81
Subtotal	1,161.77	24,360.82
Outflow		
Purchase of property, plant and equipment	123,394.36	230,039.04
Purchase of Investments	760.18	
Subtotal	124,154.54	230,039.04
Net cash used in investing activities	(122,992.78)	(205,678.22)
Cash flows from financing activities		
Inflow		
Borrowings taken (net)	86,248.14	125,653.11
Grants obtained	25,854.11	23,944.10
Subtotal	112,102.26	149,597.21
Outflow		
Interest paid on borrowings	31,649.19	20,520.55
Subtotal	31,649.19	20,520.55
Net cash used in financing activities	80,453.07	129,076.66
Net increase/(decrease) in cash and cash equivalents	12,674.97	5,158.51
Cash and cash equivalents at the beginning of the year	8,799.54	3,641.03
Cash and cash equivalents at the end of the year	21,474.50	8,799.54
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	11.17	196.13
Balances with scheduled banks		
- Current accounts	21,463.33	8,603.41
Total	21,474.50	8,799.54

**Changes in Borrowings through Financing Activities**

Particulars	As on 1st		As on 31st
	April'2017	Cash flow Net	March'2018
Borrowings Current (refer Note 19)	19,615.37	29,370.82	48,986
Borrowings Non Current (refer Note 14)	387,394.90	56,877.30	444,272
Total	407,010.27	86,248.12	493,258.39

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

For and on behalf of the Board of Directors

For Nataraja Iyer & Co
Chartered Accountants

Sd/-
K.Vijayanand
Chairman & Managing Director

Sd/-
Dinesh Paruchuri
Joint Managing Director
(Fin.Comml.,IPC, HRD & IT) &
Chief Financial Officer (CFO)

Sd/-
E.Sri Ranganath
Partner

Sd/-
V.B.S.Kumara Gupta
Financial Adviser & Chief Controller
of Accounts (Accounts)

Sd/-
M.Karunakar Reddy
Company Secretary

Place: Hyderabad
Date: 17.08.2018

Place: Vijayawada
Date: 16.08.2018

**Notes to the Standalone financial statements for the year ended 31 March 2018**

1. Corporate Information and Significant Accounting policies

A. Corporate information:

Transmission Corporation of Andhra Pradesh Limited ('the Company') was incorporated on 1st February 1999. 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 there after 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 lakhs, except when otherwise stated.

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

- 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-recognize of an item of property, plant and equipment are measured as the difference between the net disposal proceeds and the 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 as 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 Schedule II of 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

(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 6 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 fair value. 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 income statement.

Equity investments

All quoted equity investments are measured at fair value.

During the year the company has reclassified its quoted equity investment from Fair value through Profit and Loss (FVTPL) to Fair value through Other Comprehensive Income (FVTOCI).

Indian Accounting Standards (IndAs) have not been applied to the Investments in unquoted equity shares of APGPCL and 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 Corporation.

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 minus transaction costs that are directly attributable to the issue of financial liabilities. Fees of recurring nature are directly recognised in the statement of Profit and loss as finance cost.

Subsequent Measurement

Financial liabilities are carried at amortized cost using effective interest method.

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 obsolescence 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 and project stock 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 measured at the fair value of the consideration received or receivable. Amount disclosed as revenue is net of amounts collected on behalf of third parties.

The Company recognizes revenue when the significant risks and rewards of the ownership have been transferred to the customer, amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company’s activities as described below.

i) Rendering of services

Revenue is recognised when the outcome of the services rendered can be estimated reliably. Revenue is recognised 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 recognise a contingent asset which cannot be measured reliably.

(k) Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalize as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(l) 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:**

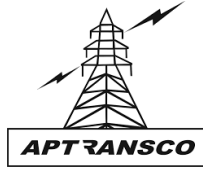
Property, Plant and Equipment/ Intangible assets are depreciated/ amortized over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual value of the assets annually in order to determine the amount of depreciation/ 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.



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

Description	Gross Block						Depreciation Block			Net Block	
	As at 01-04-2017	Additions/ Adjustments	Deductions/ Adjustments	As at 31-03-2018	As at 01-04-2017	For the Year	Deductions/ Adjustments	As at 31-03-2018	As at 31-03-2018	As at 01-04-2017	
	(Rs. in Lakhs)										
Property, Plant and Equipment											
owned Assets:											
Freehold Land	4,303.44	574.79	-	4,878.23	-	-	-	-	-	4,878.23	4,303.44
Buildings	8,868.80	1,367.76	-	10,236.56	3,120.14	213.31	-	3,335.45	6,901.11	5,748.66	5,748.66
Other civil works	4,821.23	1,365.84	-	6,187.07	374.33	86.71	-	451.04	5,726.03	4,445.90	4,445.90
Plant and equipment	383,967.17	37,756.01	-	421,723.18	159,773.89	21,782.61	-	191,556.50	230,166.68	214,193.28	214,193.28
Lines and cable network	475,890.96	138,838.29	-	6,14,729.25	145,087.45	29,492.87	-	174,580.32	440,148.93	330,803.51	330,803.51
Vehicles	273.57	9.07	-	282.64	264.09	-	11.83	252.26	30.38	9.48	9.48
Furniture and fixtures	304.75	93.49	-	398.24	145.48	31.36	-	176.84	221.40	159.27	159.27
Office equipment	4,296.76	397.28	-	4,694.04	1,913.94	360.48	-	2,274.42	2,419.62	2,382.82	2,382.82
Total (A)	882,726.68	180,402.53	-	1,063,129.21	320,679.32	51,969.34	11.83	372,636.83	690,492.38	562,047.36	562,047.36
Intangible Assets											
Software	-	1,817.63	-	1,817.63	-	57.87	-	57.87	1,759.76	-	-
Total (B)	-	1,817.63	-	1,817.63	-	57.87	-	57.87	1,759.76	-	-
Total (A+B)	882,726.68	182,220.16	-	1,064,946.84	320,679.32	52,027.21	11.83	372,694.70	692,252.14	562,047.36	562,047.36
Previous Year	677,176.62	205,550.06	-	882,726.68	287,084.45	33,594.87	-	320,679.32	562,047.36	390,092.17	390,092.17
Capital work-in-Progress Intangible Assets under Development											
										187,057.28	257,461.99
										-	807.32



3. Investments

(Rs. In Lakhs)

	Account No.	As at 31 March 2018	As at 31 March 2017
A. Investments in Equity instruments			
a. Quoted equity shares measured at FVTOCI			
Investment in GVK Power & Infrastructure Limited. (6,330,000 equity shares with face value of Re.1/- each)	2040000000	892.53	377.90
b. equity shares - unquoted measured at Cost			
1) Investment in JV - Andhra Pradesh State Energy Efficiency Development Corporation Limited (2,00,000 shares with face value of Rs.10/- each)	2040600000	20.00	
2) Investment in Andhra Pradesh Gas Power Corporation Limited (15,758,400 shares with face value of Rs.10/- each)	2040500000	2,810.24	2,810.24
B. Investment in Govt. and Trust securities - Quoted measured at cost			
1) GOI Bonds	2060000000	147.66	147.66
C. Investment in Debentures & Bonds - Quoted measured at cost			
1) 8.15% bonds of AP Power Finance Corporation		5.60	5.60
2) 8.74% bonds of AP Power Finance Corporation		363.70	363.70
3) 9.60% bonds of AP Power Finance Corporation		145.48	145.48
4) 8.95% vidyut bonds I/2006 of APTRANSCO issued by GoAP		637.88	637.88
5) 8.69% vidyut bonds II/2006 of APTRANSCO Issued by GoAP		27.98	27.98
6) 8.55% vidyut bonds I/2008 of APTRANSCO issued by GoAP		44.76	44.76
7) 8.40% bonds of Tamilnadu Electricity Board		23.50	33.57
8) 8.64% bonds of Tamilnadu Electricity Board		27.42	39.17
9) 8.23% bonds of Karnataka State Financial Corporation		61.55	61.55
10) 9.64% bonds of AP Power Finance Corporation		55.95	55.95
11) 9.67% bonds of Tamil Nadu Power Finance and Infrastructure Development Corporation		380.49	380.49
12) 9.15% AP State Finance Corporation bonds		78.34	78.34
13) 10.25% bonds of Rajasthan Rajya vidyut Prasaran Nigam Limited		167.86	167.86
14) 10.25% bonds of Rajasthan State Road Transport Corporation		654.66	654.66
15) 8.69% bonds of Rajasthan Rajya vidyut Prasaran Nigam Limited		83.93	83.93
16) 8.62% bonds of Haryana Vidyut Prasaran Nigam Limited		626.68	626.68
17) 8.97% UPPCL Bonds 2027		39.17	-
18) 8.97% UPPCL Bonds 2026		643.47	-
19) Premium on UPPCL Bonds	1723000000	57.55	
Total		7,996.39	6,743.40
Aggregate book value of quoted investments		5166.15	3,933.16
Aggregate market value of quoted investments		5166.15	3933.16
Aggregate value of unquoted investments		2,830.24	2,810.24
Aggregate amount of impairment in value of investments		-	-
Financial Assets measured at fair value through Other Comprehensive Income		892.53	377.90
Financial Assets measured at Cost		7,103.86	6,365.50
Total		7,996.39	6,743.40



4. Loans (Rs. In Lakhs)

	Account No.	As at 31 March 2018	As at 31 March 2017
A. Other Loans			
Loans and advances - discoms pool account (Unsecured , Considered Good)	2730000000 & 2780000000 to 2784000000	51,779.32	51,779.32
Loans and advances to staff (Secured Considered Good)	2710000001 to 2712400001	962.45	1,536.69
Total		52,741.77	53,316.01

5. Other Financial Assets

Balances with Bank- fixed deposits (funds relate to Contingency reserve)	1,090.91	1,377.92
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6. Other Non Current Assets

1) Capital Advances	2500000000 to 2550000000	1790.13	3056.65
Others			
1) Deposit with revenue department as purchase consideration for land	28921000000	6478.97	6947.08
2) Prepaid employee cost	2722500000	97.67	161.01
3) Deposit with others/Statutory/judicial authorities	2890000000 to 2893300000	849.52	844.96
Total		9,216.29	11,009.70

7. Inventories

a) Stores & Spares	2260000001 to 2290000000	20,891.49	22,455.00
b) Project stock	2260000000	24,450.11	-
Total		45,341.60	22,455.00

8. Trade receivables

Trade receivables			
Unsecured, considered good	2300000000 to 2367000000	13,000.41	15,976.06
Total		13,000.41	15,976.06
Provision for doubtful receivables			
		-	-
Net trade receivables		13,000.41	15,976.06



9A. Cash and cash equivalents (Rs. In Lakhs)

	Account No.	As at 31 March 2018	As at 31 March 2017
Balances with Banks -Current Accounts	2400000000 to 2445121022	21,463.33	8,603.41
Remittance in Transit (LOC)	2450000000 to 2466000000	11.17	196.13
Total		21,474.50	8,799.54

9B. Balances with Banks -in FDs 519.72 574.10
(funds relates to Contingency reserve)

10 Other tax assets

Other tax assets			
Advance income tax/deduction at source (net of provision for income tax)	2740000000 to 2741000000	11,875.26	9,357.03
Total		11,875.26	9,357.03

11 Other Current Assets (Unsecured , Considered Good)

Advances for operations and maintenance supplies/works	2600000000 to 2651000000	1,765.25	1,719.91
Advances to Staff	2710000000; 2710500000 to 2722000001	60.09	67.17
Receivable from Others	2800000000 to 2815000000	611.50	432.56
Interest accrued but not due - Discom Pool A/c	2820000000 to 2830000000	393.68	1,136.35
Interest accrued but not due - others	2839000000	296.49	203.41
Receivable from employees / ex-employees	2840000000 to 2841000000	52.26	247.97
Other receivables - Discoms	2880100000 to 2880400000	732.84	382.52
Other claims and receivables	2880000000 & 2881000000 to 2887000000	1,446.93	2,720.66
Total		5,359.04	6,910.55



12A Share capital

Authorized	Number of shares	As At 31 March	
		2018	2017
Equity shares of Rs.10/- each	2,500,000,000	25,000.00	250,000.00
Increase during the year	-	-	-
Total	2,500,000,000	250,000.00	250,000.00

Issued & subscribed	Number of shares	As At 31 March	
		2018	2017
Equity shares of Rs.10/- each (Fully Paid)	454439695	45,443.97	45,443.97

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

Name of the shareholder	31-Mar-18		31-Mar-18	
	No. of shares		No. of shares	
Equity shares of INR 10/- each fully paid-up				
Government of Andhra Pradesh	454,439,695	100%	454,439,695	100%

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

Particulars	As At 31 March	
	2018	2017
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



12B. Other equity

(Rs. In Lakhs)

	Account No.	As at 31 March 2018	As at 31 March 2017
Retained earnings		115,279.13	113,803.99
Other comprehensive income		4,551.73	(3,958.68)
Contingency reserve		2,655.44	2,336.54
Other reserves		117,615.69	124,805.56
Total other equity		240,101.99	236,987.41

i. Retained earnings

Opening balance	582000000 & 5821000000	113803.99	105,220.42
Add: Profit for the year	carried from P&L	3,742.38	9,391.21
Add: Reclassification of FV on Equity investments		466.10	
Less: Amount transferred to contingency reserve		(318.90)	(303.64)
Less: Amount transferred to corporate social responsibility fund		(227.00)	(504.00)
Less: Transfers from OCI		(3,958.68)	
Less: Reclassification of Deferred Tax on OCI items		1771.24	-
Closing balance		115,279.13	113,803.99

ii) Other comprehensive income

Other items of OCI

Opening balance		(3,958.68)	(8,728.26)
Add: Measurement of defined benefit obligation (Liability net of tax)	5822500000 to 5822700000	4,503.20	4,769.58
OCI - on Equity Investments	5822800003	48.53	-
Less: Appropriated to Retained earnings		3,958.68	-
Increment during the year (Net)		8,510.41	4,769.58
Closing balance		4,551.73	(3,958.68)



iii) Contingency reserve

Opening balance	5822000000	2,336.54	2,032.90
Add: Additions during the year		318.90	303.64
Less: Deductions during the year			-
Closing balance		2,655.44	2,336.54

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

Opening balance		929.00	-
Add: Additions during the year	5630000000	227.00	929.00
Less: Contribution to Indian Red Cross Society		(30.72)	-
Closing balance		1,125.28	929.00

b) Lift irrigation scheme reserve

Opening balance	4613000000 to 4613100000	104,447.34	116,625.70
Add /(Less): Changes during the year		(7,386.16)	(12,178.36)
Closing balance		97,061.18	104,447.34

c) Other reserves

Opening balance	5665000000	19,429.22	19,429.22
Add: Additions during the year		0	-
Less: Deductions during the year		0	-
Closing balance		19,429.22	19,429.22
Other Reserves Total (a +b+c)		117,615.68	124,805.56



(Rs. In Lakhs)

13. Grants	Account No.	As at 31 March 2018	As at 31 March 2017
Government grants			
Grants towards cost of capital assets	553000000	1,130.08	15,942.08
Grants towards cost of capital assets for Green Energy Corridor	553010000	14,812.00	
Grants towards cost of capital assets from PSDF	553020000	1,175.08	
Grants towards cost of capital assets for SECI	553030000	6,703.50	
Non government grants			
Consumers contribution	551000000 to 551100000	67,155.28	54,290.84
Deferred grant on Industrial development area, Parawada loan	554000000	95.62	143.44
Total		91,071.57	70,376.36

14. Borrowings

Non-current borrowings

Term loans			
From Banks	5300000400	39,435.46	40,085.24
From Other Parties			
- Financial Institutions	5300000100 to 5300000300 & 5330100000	377,770.81	346,885.57
- GoAP	5420000000 to 5420000001	27,065.94	424.09
Total non-current borrowings		444,272.21	387,394.90



A. Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

Particulars	Interest Rate	Carrying amount at 31 March 2018	Carrying amount at 31 March 2017
REC Limited	9.75% - 12.50%	357,196.11	300,551.99
NABARD	10.75%	11,424.17	12,678.01
Power Finance Corporation Limited	11% - 12.50%	48,004.35	46,333.58
Federal Bank	10.75%	-	247.81
Andhra Bank	10.20%	13,802.64	8,781.55
Syndicate Bank	9.50%	1,286.92	1,500.26
Indian Bank	10.55%	9,543.67	10,975.22
Bank of Maharashtra	10.45%	1,831.72	1,831.66
Oriental Bank of Commerce	10.65%	4,047.20	4,747.30
Punjab & Sind Bank	10.20%	531.91	753.77
Bank of Rajasthan	11.15%	-	90.10
Tamilnadu Mercantile Bank	9.75%	5,581.57	6,418.80
Dena Bank	10.70%	4,161.46	4,665.48
State Bank of India	10.70%	8,608.89	6,838.81
Government loan	1.72 % & 9.5%	27,237.78	595.93
Total borrowings		493,258.39	407,010.27
Current		48,986.19	19,615.37
Non current		444,272.20	387,394.90
		493,258.39	407,010.27

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 installments varying from 10-15 years.



B. Details of Additions and Repayments of Loans

(Rs. In Lakhs)

Particulars	Outstanding at the end of 2016-17	Amount received during the year	Repayments due during the year	Outstanding at the end of 2017-18
Loan from REC Ltd	30,055,198,666	7,581,429,000	1,917,016,032	35,719,611,634
Loan from NABARD	1,267,800,806		125,382,911	1,142,417,895
Loan from PFC Ltd	4,633,358,406	644,017,033	476,940,634	4,800,434,805
Loan from Federal Bank	24,780,726		24,780,726	-
Loan from Andhra Bank	878,154,968	539,775,904	37,666,666	1,380,264,206
Loan from Syndicate Bank	150,025,645	5,177,047	26,510,533	128,692,159
Loan from Indian Bank	1,097,521,857		143,155,020	954,366,837
Loan from Bank of Maharashtra	183,165,802	6,611		183,172,413
Loan from Oriental Bank of Commerce	474,730,466		70,010,526	404,719,940
Loan from Punjab & Sind Bank	75,377,039	12,647,949	34,834,036	53,190,952
Loan from Bank of Rajasthan	9,009,830		9,009,830	-
Loan from Tamilnadu Mercantile Bank	641,880,393		83,723,543	558,156,850
Loan from Dena Bank	466,548,437	2,001,535	52,404,060	416,145,912
State Bank of India	683,881,015	177,008,294		860,889,309
Total Banks & Fis	40,641,434,056	8,962,063,373	3,001,434,517	46,602,062,912

15. Provisions

	Account No.	As at 31 March 2018	As at 31 March 2017
Provisions for employee benefits			
Amount payable -APTRANSCO gratuity trust	4510200000	975.88	22.60
Amount payable -APTRANSCO pension and gratuity trust	4510100000	7,665.81	8,804.88
Amount payable -APTRANSCO employee leave encashment	4510300000	16,548.92	11,044.50
Total non-current provisions		25,190.62	19,871.98



Post employment benefit obligations

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

(i) 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.6393.72 lakhs has been charged to P&L out of which an amount of Rs.889.30 lakhs was paid .

(ii) 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 contribution plans. an annual contribution rate as a percentage of pensionable salaries is estimated (say, 9.10 % in the current year 2017-18), which if paid regularly, (together with existing fund) is expected to meet the benefits out go in respect of existing members of the scheme. Contributions are made to provident fund for employees at the rate of 9.10% of the basic salary plus DA as per the guidelines. The expense recognized during the period towards defined contribution plan is Rs.3611.30 lakhs (31 March 2017- Rs.2364.40 lakhs) 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.
2. 74% of pension and gratuity liability in respect of employees who have continued in service beyond 31st January ,1999.

During the FY 2017-18, the Company has reviewed and estimated the liability based on the actuary report as at 31st March, 2017 and charged to profit & loss account @ 9.10% of basic & dearness allowance 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
1 April 2017	58723.68	49918.80	8,804.88
Current service cost	1837.14	-	1,837.14
Past Service Cost	1195.84	-	1,195.84
Interest expense / (income)	4197.44	3,619.10	578.34
Total amount recognized in profit or loss	7230.42	3619.10	3611.32



(Rs. In Lakhs)

Remeasurements

Gain/(loss) on plan assets	-	360.20	(360.20)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	1282.96	-	1,282.96
Experience (gains)/losses	(4,237.70)	-	(4,237.70)
Total amount recognized in other comprehensive income	(2,954.74)	360.20	(3,314.94)
Employer contribution	-	1435.44	(1,435.44)
Benefits paid	(1,395.70)	(1,395.70)	-
31-Mar-2018	61603.66	53937.84	7665.82

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

	31-Mar-18	1-Apr-17
Present value of funded obligations	61603.66	58723.68
Fair value of plan assets	53937.84	49918.80
Deficit of funded plan	0.00	0.00
Unfunded plans	0.00	0.00
Deficit of Pension & Gratuity plan	7,665.82	8,804.88

Significant estimates

	31-Mar-18	31-Mar-17
Discount rate	7.70%	7.25%
Salary growth rate	12.75%	11.00%
Mortality	Indian assured lives mortality (2006-08) ultimate upto 30 years- 1%	Indian assured lives mortality (2006-08) ultimate upto 30 years- 1%
Withdrawal- age specific	31 to 48 years- 0.5% Above 48 years- 2%	31 to 48 years- 0.5% Above 48 years- 2%
Normal retirement age	60 years	58 or 60 years



i. Financial assumptions

	31-Mar-18	31-Mar-17
Discount rate	7.70%	7.25%
Salary increase rate	12.75%	11.00%
Pension increase rate	7.00%	7.00%
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-18	31-Mar-17
Mortality rate	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
Withdrawal rate	upto 30 years- 1% 31 to 48 years- 0.5% Above 48 years- 2%	upto 30 years- 1% 31 to 48 years- 0.5% Above 48 years- 2%
Retirement age	60 years	58 (or) 60 years

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

	31-Mar-18	31-Mar-17
Discount rate (1% increase)	34,045.07	50,276.27
Future salary growth (1% increase)	45,224.32	61,615.12

	31-Mar-18	31-Mar-17
Discount rate (1% decrease)	51,341.39	69,483.54
Future salary growth (1% decrease)	38,195.23	56,071.74

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.



(iii) 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 contribution plans. an annual contribution rate as a percentage of pensionable salaries is estimated (say, 6.57 % in the current year 2017-18), which if paid regularly, (together with existing fund) is expected to meet the benefits out go in respect of existing members of the scheme. Contributions are made to provident fund for employees at the rate of 6.57% of the basic salary + DA as per the guidelines. The expense recognized during the period towards defined contribution plan is RS.2715.85 lakhs (31 March 2017- RS.896.08 lakhs) 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 2017-18, the Company has reviewed and estimated the liability based on the actuary report as at 31st March, 2017 and charged to profit & loss account @ 6.57% of basic & dearness allowance 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	(Rs. In Lakhs) Net amount
1 April 2017	2825.67	2803.07	22.60
Current service cost	906.37	-	906.37
Past Service Cost	1807.84		1,807.84
Interest expense / (income)	203.46	201.82	1.64
Total amount recognized in profit or loss	2917.67	201.82	2715.85
<i>Remeasurements</i>			
Gain/(loss) on plan assets	-	15.10	(15.10)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(170.90)	-	(170.90)
Experience (gains)/losses	(1,002.26)	-	(1,002.26)
Total amount recognized in other comprehensive income	(1173.16)	15.10	(1188.26)
Employer contribution	-	574.30	(574.30)
Benefits paid	-	-	-
March 31, 2018	4570.18	3594.29	975.89



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

	31-Mar-18	31-Mar-17
Present value of funded obligations	4,570.18	2,825.66
Fair value of plan assets	3,594.29	2,803.07
Deficit of funded plan	-	0
Unfunded plans	-	0
Deficit of gratuity plan	975.89	22.59

Significant estimates

	31-Mar-18	31-Mar-17
Discount rate	7.70%	7.25%
Salary growth rate	12.75%	11.00%
Mortality- active members	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
Withdrawal - age specific	upto 30 years- 1%	upto 30 years- 1%
	31 to 48 years- 0.5%	31 to 48 years- 0.5%
	Above 48 years- 2%	Above 48 years- 2%
Normal retirement age	60 years	58 or 60 years

E. Defined benefit obligation

i. Financial assumptions

	31-Mar-18	31-Mar-17
Discount rate	7.70%	7.25%
Salary increase rate	12.75%	11.00%
Pension increase rate	7.00%	7.00%
Rate of commutation of pension	40.00%	40.00%
Restoration of commutation	15 years from retirement	15 years from retirement



(Rs. In Lakhs)

ii. Demographic assumptions

	31-Mar-18	31-Mar-17
Mortality rate	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
Withdrawal rate	upto 30 years- 1%	upto 30 years-1%
	31 to 48 years- 0.5%	31 to 48 years- 0.5%
	Above 48 years- 2%	Above 48 years- 2%
Retirement age	60 years	58 or 60 years

iii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31-Mar-18	31-Mar-17
Discount rate (1% increase)	3902.99	2,257.86
Future salary growth (1% increase)	4644.40	2,854.44

	31-Mar-18	31-Mar-17
Discount rate (1% decrease)	5384.57	3,079.02
Future salary growth (1% decrease)	4481.20	2,791.22

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.



16. Deferred tax liabilities (net)

(Rs.In Lakhs)

	Account No.	As at 31 March 2018	As at 31 March 2017
Deferred tax liabilities (net of MAT)	2740100000 4699900000	14,359.62	11,223.08
Total		14,359.62	11,223.08

17A. Other Non current liabilities

General insurance scheme - savings fund	5715300000	209.90	183.58
General insurance scheme - insurance fund	5715400000	79.21	71.25
SD receivable from TS Transco	4614100000	249.10	249.10
TS Transco pool a/c (post bifurcation transactions)	4625100000	12,298.36	14,861.27
Total		12,836.56	15,365.20

17B. Other Current liabilities

Staff related provisions	4410000000 to 4490000000	4,752.20	4,552.42
Other liabilities & Provisions	4660000000; 4690000000 to 4698800000	16,824.53	38,967.05
Total		21,576.73	43,519.47

18. Trade Payables

Liability for capital supplies/works	4210000000 to 4230000000;	21,879.54	20,771.04
Liability for operations and maintenance supplies/works	4310000000 to 4340000000	2,843.31	2,405.51
Total		24,722.85	23,176.55



19. Other financial liabilities

(Rs. In Lakhs)

	Account No.	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term debt-Government of Andhra Pradesh	542000000 to 5420000001	171.84	171.84
Current maturities of long-term debt-Banks & FI's	5300000100 to 5330100000	48,814.36	19,443.53
Transmission and SLDC clearing	4627500000	819.89	910.49
Liability for expenses	4640000000 to 4643200000	5,146.83	4,542.06
Security deposits of operational charges - SLDC	4614000000	683.48	512.55
Accrued interest liability on borrowings	4670000000 to 4671000000	1,041.78	1,111.64
Deposits and retentions from suppliers & contractors	4610000000 to 4612600000; 4613000000 to 4613600000	71,285.81	70,917.16
Liability for Stale Cheques	4691000000	105.93	70.27
Total		128,069.91	97,679.54

20. Provisions - Current

Current			
Provisions for employee benefits			
Provision for gratuity	4411000000	-	-
Gratuity Fund - Deputationists	5713500000	9.51	
Provision for pension	4412000000	-	-
Pension & Gratuity Fund - Deputationists	5714500000	259.40	
Provision for employee leave encashment	4415000000	10.37	797.52
Total		279.28	797.52



21. Revenue from operations

(Rs. In Lakhs)

	Account No.	As at 31 March 2018	As at 31 March 2017
Sale of services			
Transmission charges	6140100000 to 6141300000; 6141500000 to 6141700000; 6149000000 to 6149400000; &6143000000	138,007.93	93,485.65
State load dispatch centre (SLDC) charges	6141400000; 6142100000 to 6142800000; 6143100000 to 6146400000; 6149500000 to 6149900000	5,263.16	4,710.07
Total		143,271.09	98,195.72

22. Other income

Delayed payment charges from consumers	6225000000 to 6225100000	18.22	209.90
SLDC registration fees	6291900000	0.64	0.65
Cash rebate earned on payment of supplier bills, etc.	6294000000 & 6294100000	176.65	239.54
Interest on staff loans and advances	6200000000 to 6221000000	76.87	44.30
Income from investments	6222000000 to 6227000000	2.68	264.75
Interest on investments under contingency reserve	6227100000	487.67	464.34
Income from sale of scrap, etc.,	6230000000 to 6240000000	69.75	26.63
Operations and maintenance/annual maintenance charges collected	6292500000	210.00	249.59
Contributions towards depreciation of lift irrigation scheme assets	6297500000	3,066.28	1,940.28
Interest on Advances to suppliers	6226000000	375.96	755.97
Miscellaneous receipts	6260000000 to 6293500000	253.37	2,143.98
Fines & penalties recovered		-	3,506.20
Supervision charges	6291400000	3,470.22	9,145.74
Interest income on Industrial development area, Parawada loan	6227500000	47.81	120.32
Reimbursement of expenditure incurred for cyclone	7980000000 to 7980300000	63.46	86.33
Amortisation of Capital Grants	6297500000	2,092.63	1,530.30
Total		10,412.21	20,728.82



23. Employee benefits expense

(Rs. In Lakhs)

	Account No.	As at 31 March 2018	As at 31 March 2017
Salaries, Wages and Bonus	750000000 to 7517100000; 7521000000; 7530000000 to 7533000000; 7540000000 to 7548400000;	28,076.02	30,576.75
Contribution to EPF	7581000000 to 7581600000;	1,169.11	1,060.59
Contribution to Pension, Gratuity & EL Encashment	7583000000; 7584000000; 7561200000 to 7561800000	12,732.46	8,116.35
Staff welfare expense & Others	7550000000; 7561100000; 75700000 to 7576000000; 7576500000; 7581600000; 7598000000	529.91	502.17
Total employee cost		42,507.51	40,255.85
Less: Expense capitalised	7590000000	(6,249.00)	(10,022.38)
Total		36,258.51	30,233.47

24. Finance costs

Interest expense on financial liabilities measured at amortized cost	7800000000 to 7888400000;	45,146.70	39,182.98
Less: Interest Expense capitalised	7890000000	(13,497.51)	(18,632.00)
Total		31,649.19	20,550.98

25. Depreciation expense

Depreciation of property, plant and equipment		52,015.37	33,594.52
Total		52,015.37	33,594.52



26. Other expenses

(Rs. In Lakhs)

	Account No.	As at 31 March 2018	As at 31 March 2017
Repairs and maintenance	7400000000 to 7419000000;	13,608.58	12,836.07
Building & Civil works	7420000000 to 7440000000	396.91	237.68
Lines, cable net work etc.	7450000000 to 7450000001	883.75	641.20
Vehicles	7460000000 to 7465000000	126.60	82.42
Office equipment	7480000000 to 7480000001	204.02	135.08
Total Repairs & Maintenance		15,219.87	13,932.45
Less: Repairs and maintenance costs capitalised	7490000000	(32.57)	(33.85)
Net Repairs & Maintenance Expenses (A)		15,187.30	13,898.60
Rent	7610000000 to 7610100000	170.05	47.22
Rates and taxes	7610200000	219.24	365.24
APERC license fees	7610300000	183.90	175.73
Insurance	7610400000	14.29	12.42
Telephone & trunk calls	7611100000	120.48	122.53
Postage	7611200000	14.48	14.73
Professional Charges	7612000000	18.33	15.40
Legal charges	7612100000	44.30	68.29
Audit fees	7612200000	14.72	10.81
Consultancy charges	7612300000	657.44	405.69
Other professional charges	7612500000	0.08	11.19
Commission	7612700000	7.36	1.50
Remuneration to internal auditors	7612800000	39.53	32.33
Conveyance expenses	7613100000	1.33	1.23
Travelling expenses	7613200000	435.43	416.27
Vehicle running expenses	7613600000 & 7613800000	85.53	108.06
Vehicle hire charges	7613900000	1,055.86	1,015.77
Training and participation	7615000000	48.91	24.76
Fees & subscription	7615100000	15.59	12.46
Books & periodicals	7615200000	2.14	5.24
Printing & stationery	7615300000	46.00	28.64
Advertisement	7615500000	142.14	195.38
Contributions	7615700000	33.16	63.87
Electricity charges	7615800000	205.13	58.59
Water charges	7616000000	9.65	9.69
Entertainment	7616200000	47.57	24.69
Miscellaneous expenses	7612600000; 7619000000; & 8330000000	426.94	504.86
Outsourced staff wages	7619100000; 7619200000	2,050.82	1,519.99
Vehicle running expenses (heavy vehicles)	7624000000	21.85	26.61
Misc. Losses & Write-offs	7910000000 & 7950000000	728.45	10.52
Stock shortages		-	-
Loss on obsolescence of stores etc. in stock	7956100000	70.59	272.45
Incidental stores expenses	7627000000	15.76	20.44
Fair value of investments		-	54.44
Total Admin & General Expenses		6,947.05	5,657.04
Less: administrative and general overheads capitalised	7690000000	(697.41)	(637.94)
Net Admin & General Expenses (B)		6,249.64	5,019.10
Other Expenses Total (A + B)		21,436.94	18,917.70



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

(Rs. In Lakhs)

	31 March 2018	31 March 2017
Statutory Audit	4.96	4.77
Tax Audit	1.15	1.12
Reimbursement of expenses	2.00	0.90
Cost Audit	1.77	1.98
	9.88	8.77

27. 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 how the tax expenses is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

	Account No.	As at 31 March 2018	As at 31 March 2017
(a) Income tax expense			
<i>Current tax</i>		(3592.11)	(3,346.87)
MAT on profits for the previous year			(76.15)
Mat credit entitlement		1389.20	2,487.40
<i>Deferred tax</i>		(6378.00)	
Deferred tax as per previous GAAP			-
Deferred tax on depreciation			(5,192.17)
Deferred tax on others			
Increase in deferred tax assets (net of Mat credit entitlement)			(108.90)
(Decrease) increase in deferred tax liabilities			
	8100000000 to		
Total	8150000000	(8,580.91)	(6,236.69)
Income tax expense attributable to :			
Profit from continuing operations		8,580.91	(6,236.69)
Profit from discontinued operations			

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

	31 March 2018	31 March 2017
Profit before tax	12323.29	15,627.92
Gratuity (employees recruited on or after 1-2-1999)-OCI	1188.27	871.49
Pension & Gratuity (employees recruited before 1-2-1999)-OCI	3314.93	6,422.34
Equity Instruments through OCI	48.53	
Tax at Indian tax rate of 34% (2015-16 - 34%)	(3592.11)	(3,423.02)
MAT credit entitlement	1389.20	2,487.39
Deferred Tax	(6378.00)	(7,825.33)
Total comprehensive income for the year	8,294.11	14,160.79



28. Financial instruments

A. Fair Value Measurement Hierarchy

(Rs.In lakhs)

Particulars	As at 31st March,2018				As at 31st March,2017			
	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	7103.86	-	-	-	6365.50	-	-	-
Trade receivables	13000.41	-	-	-	15976.06	-	-	-
Loans and advances to staff & Discoms	52741.77	-	-	-	53316.01	-	-	-
Cash and cash equivalents	21474.50	-	-	-	8799.54	-	-	-
Balance with Banks-Others	519.72	-	-	-	574.10	-	-	-
Other financial assets	1090.91	-	-	-	1377.92	-	-	-
At FVTOCI								
Investments*	892.53	892.53	-	-	377.9	377.9	-	-
Financial Liabilities								
At Amortised Cost								
Borrowings	444272.21	-	-	-	387394.90	-	-	-
Other financial liabilities	128069.91	-	-	-	97679.54	-	-	-

* Investments in quoted equity shares have been reclassified from FVTPL to FVTOCI

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 amortised 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 analyze 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.

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-detrivative 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.

29. 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 lakhs)	
	31 March 2018	31 March 2017
Total Debt	493,258.39	407,010.27
Less : cash and cash equivalents	21,474.50	8,799.54
Adjusted net debt	471,783.89	398,210.73
Total equity	285,545.96	282,431.38
Adjusted net debt to total equity	1.65	1.41

30. Related party transactions

(i) List of Key Managerial Persons

Name of the Related Parties	Relationship
1.Sri.K Vijayanand	Chairman & Managing Director
2.Sri.Dinesh Paruchuri	Joint Managing Director
3.Sri Paradesi Umapathi	Joint Managing Director
4.Sri Sistu Subrahmanyam	Whole Time Director
5.Sri R Nagaraja Swamy	Whole Time Director
6.Sri M.Karunakar Reddy	Company Secretary



(ii) Transactions with Key Managerial persons during the Year

Key management personnel compensation comprised:	31 March 2018	31 March 2017
Remuneration	38.85	48.11
Short-term employee benefits	43.67	69.28
Total compensation	82.52	117.39

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

31 Contingent liabilities (to the extent not provided for)

(Rs.In crs)

	31 March 2018	31 March 2017
(a) Cases for disputed liabilities of Sales Tax/VAT/CST/Entry Tax are pending before the Appellate Authorities	139.30	138.86
(b) Demand Raised by IT Authorities for the AY 2014-15, AY 2015-16 out of demand raised an amount of Rs.29.11 Crs has been deposited are pending before Appellate Authority for adjudication	123.40	94.60
(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)	4,659.24	4,659.24
(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	805.00	-
(f) Demand raised by municipal authorities towards disputed municipal taxes	4.37	4.37
(g) TSTRANSCO has raised bills towards share of common expenditure which is not accepted by company pending review and finalisation	13.37	10.63
(h) Claims against the company not acknowledge as debt		
Claims arising on increase in retirement age from 58 Year to 60 years for back wages & other connected demands pending outcome of legal review and discussion of management		Amount not ascertained



32 Earnings per share (EPS)

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 adjustments for the effects of all dilutive potential equity shares. The Company doesn't have any potentially dilutive shares for year ended 31st March 2018

i. Earnings per share	31 March 2018	31 March 2017
Basic earnings per share	0.82	2.07
Diluted earnings per share	0.82	2.07

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 March 2018	31 March 2017
Profit for the year, attributable to the equity share holders	3,742.38	9,391.21

iii. Weighted average number of equity shares	31 March 2018	31 March 2017
Opening balance	4,544	4,544
Effect of shares issued for cash (if any)		
Weighted average number of shares for	4,544	4,544



33. Apportionment/allocation of Assets and Liabilities to AP and TS TRANSCO as on 02.06.2014

- (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 provisionally as per draft demerger plan, accordingly entries were incorporated in the books on the methodology as per draft demerger plan submitted to Expert Committee of Demerger of Government Corporations which is pending for final approval.
- (ii) Section 65 of AP Re-organization Act, 2014 also empowers the successor states of AP and Telangana to mutually agree upon the apportionment of Assets and Liabilities between themselves in a manner other than that provided in the Act, however, no such final agreement has been arrived at in so far and as may be applicable to the affairs of APTRANSCO and TSTRANSCO.
- (iii) The Summary of assets and liabilities transferred to the Resulting Company (TSTRANSCO) as on 02.06.2014 as given below:

(Rupees in lakhs)

Sch. No.	Schedule Note	Total (Rs.In lakhs)	APTRANSCO (Demerged Co.,)	TSTRANSCO (Resulting Co.)
1	2	3	4	5
19	FIXED ASSETS :			
	Gross Block of Assets	1004429.71	522571.70	481858.02
	Less: Accumulated Depreciation	457273.22	238658.59	218614.62
	<u>Net Fixed Assets</u>	547156.50	283913.10	263243.40
21	Capital work-in progress	248979.80	84384.23	164595.58
23	Deferred Cost	29943.48	14243.70	15699.78
24	Intangible Asset	260.03	0.00	260.03
25	Investments	70261.93	30431.91	39830.02
26	Total Current Assets	262497.88	112243.74	150254.14
28	Less: Current Liabilities	338727.72	170730.94	167996.77
	Net Current Assets (Sch.26 - Sch.28)	(76229.84)	(58487.20)	(17742.63)
	Total Assets	820371.90	354485.74	465886.18
	Financed by :			
30	Borrowings for working capital	0.00	0.00	0.00
31	Payments due on Capital Liabilities	0.00	0.00	0.00
32	Capital Liabilities	294789.41	122193.23	172596.18
	Deferred Tax Liability (Net)	12655.01	7380.40	5274.61
28a	Liability for Pension & Gratuity, Gratuity and Leave Encashment Trusts	96353.86	45960.19	50393.67
33	Funds from State Government	70840.94	1249.31	69591.63
	Equity	77921.76	45443.97	32477.79
34	Contributions, Grants and Subsidies towards cost of Capital Assets	140735.42	73616.05	67119.37
35	Reserve and Reserve Funds	41662.39	25711.41	15950.99
	Surplus	85413.12	32931.18	52481.94
	TOTAL FUNDS (A+B)	820371.90	354485.74	465886.18

- (iv) Subsequent events after the Draft Demerger plan submitted to "Expert Committee" is that, it is noticed some of fixed assets are located in one region and accounted in another region, the net gross value of such fixed assets amounting to Rs. 64.80 crs and accumulated depreciation thereon are not yet effected in apportionment for demerger plan.



- (v) Further, upon apportionment of the assets and liabilities w.e.f., 02-06-2014 such assets and liabilities are to be transferred in physical form on mutual agreement or by making payment or adjustment through any other mode as may be agreed to by the successor states, which is pending at the close of the year.
- (vi) Any differences/deviations in the draft demerger plan will be effected on finalization of Demerger Plan and the same will be considered in to subsequent years.
- (vii) 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.
- (viii) Registration of transfer of title of the immovable properties apportioned to TSTRANSCO is pending on the date of Balance Sheet.
34. Income from transmission charges in respect of third party generators wheeling capacity were not billed and accounted for as detailed below, since the matter is sub-judice.

Year	Capacity (MW)	Transmission Charges (Rs./kW/per month)	Amount (Rs. 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	33.40
2016-17	372.97	91.36	40.78
2017-18	371	95.37	41.21
TOTAL			384.94

35. 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 2017-18	Previous year 2016-17
1.	Deposits received from GoAP to end of	1083.74	1083.74
2.	Interest payable to GoAP on LIS deposits to end of	633.03	586.90
3.	Total (1+2)	1716.77	1670.64
4.	Value of Lift Irrigation Assets put to use transferred to "Consumer Contribution towards cost of Capital Assets" to end of	511.47	421.96
5.	Development Charges transferred to "Consumers Contribution towards cost of Capital Assets" to end of	56.13	49.58
6.	Supervision Charges transferred to P&L A/c to end of	115.96	100.58
7.	Amount paid to Discoms to end of	62.59	54.04
8.	Total expenditure (4 to 7)	746.15	626.16
9.	Balance Deposits at the end of the year (3-8)	970.62	1044.48
10.	Less: Capital Works in progress to end of	52.38	77.80
11.	Balance Deposits at the end of the year (9-10)	918.24	966.68



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 or vice versa (i.e., net of power scheduling) and accordingly the company raised a demand on TS Discoms (TSSPDCL & TSNPDCL) to the extent of Rs.177.95 crs for 2014-15, Rs.236.95 crs for 2015-16, Rs.250.77 for 2016-17 and Rs.257.51 crs for Rs.2017-18 (including the differential capacity billing), the same has not been accounted and considered in books as Revenue due to non-finalization of LTTA (Long Term Transmission Agreement) with TS Discoms.
37. An amount of Rs.30.66 crs (previous year Rs.19.40 crs) has been credited to Other Income under Note 22 towards capital contribution in proportion to the depreciation in respect of GoAP's Lift Irrigation assets.
38. TS Transco has raised bills towards share of common expenditure, for the year 2017-18 amounting to Rs.2.73 crs (up to previous year Rs.10.64 crs), which is not accepted and not consider in accounts by the company, pending review and finalization.
39. An amount of Rs.89.23 crs is receivable from the AP Discoms out of which an amount of Rs.7.60 crs is under reconciliation with APPCC.
40. (a.) Maintenance charges from NCE developers and Open Access Generators, Surcharge on SLDC charges and interest on staff advances are accounted on receipt basis.
(b) Rent for premises used by APGENCO for the period ended 31.03.2018, pending finalisation of terms & Conditions shall be accounted on receipt basis.
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. 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 12B. The utilization of contingency reserve shall be made only with the prior approval of APERC. Total Contingency Reserve to the end of 2017.18 is of Rs.2655.44 lakhs.
(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 pertaining to the share of TSTRANSCO will be transferred.
42. The GoAP had taken decision to waive Agriculture dues outstanding as on 31-3-2004 and to compensate the DISCOMs for free power supplied to Agriculture consumers. Accordingly, orders were issued vide G.O.Ms.No.30 dt.09-03-2006 permitting the Company to mobilize resources to the extent of Rs.975 crs during FY 2005-06 (Rs.200 crs), FY 2006-07 (Rs.300 crs), FY 2007-08 (Rs.125 crs) and FY 2008-09 (Rs.350 crs). The repayment of principal and interest is guaranteed by GoAP with Budgetary support. The Company had mobilized the funds by issuing APTRANSCO Vidyut Bonds in FY 2005-06 to FY 2007-08 amounting to Rs.975 crs on behalf of GoAP and the proceeds were paid to DISCOMs. The GoAP is releasing the required funds to service these Bonds to the Company and the Company is discharging the liability. As these Bonds were floated by the Company on behalf of GoAP, the value of these Bonds and the interest thereon year on year were not shown in the financial statements of the Company. The existing liability as on 31-03-2018 of Vidyut Bonds to AP and TS is of Rs.350 Crs and Rs.417.80 Crs respectively.
43. All the Loans existing on 01.06.2014 from the REC, PFC and Banks are continue to be in the name of the Company. The loans outstanding as on 1.6.2014 were apportioned to TSTRANSCO of Rs.1725.96 Cr as per the draft 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 2018, are not shown in the financial statements of the Company.
44. Land at 220 KV 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 Lankelapalam or at Mudasarlova. 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 accounts of the company.



45. 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. Accordingly, the additional revenue identified by APTRANSCO passed on to AP Discoms during the current financial year in the form of rebate to the extent of Rs.87.00 crs in terms of the said APERC Regulation.
46. An amount of Rs.8.61 crs (Net of debit balance Rs.16.13 crs and credit balance Rs.7.52 crs) has been written off during the year 2017-18 as these balances are held in head of accounts kept in 9999(APT) and 9801 units while migration of balances in IFS ERP in 2006 without any subsequent transactions and recovery/Claim.
47. Previous year's figures are re-grouped wherever necessary to confirm with the current year classification.
48. The financial statements were approved for issue by the Board of directors on 16.08.2018.

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

For and on behalf of the Board of Directors

For Nataraja Iyer & Co.,
Chartered Accountants

Sd/-
K.Vijayanand
Chairman & Managing
Director

Sd/-
Dinesh Paruchuri
Joint Managing Director
(Fin. Comm., IPC, HRD &
IT) & Chief Financial
Officer (CFO)

Sd/-
E.Sri Ranganath
Partner

Sd/-
V.B.S.Kumara Gupta
Financial Adviser &
Chief Controller of
Accounts (Accounts)

Sd/-
M.Karunakar Reddy
Company Secretary

Place: Hyderabad
Date: 17.08.2018

Place: Vijayawada
Date: 16 .08.2018



Function wise Balance Sheet As at 31 March 2018

In lakhs of INR

	Notes	Transmission	SLDC	APTRANSCO
Assets				
Non-current assets				
Property, plant and equipment	2	688,872.46	1,619.92	690,492.38
Capital work-in-progress	2	184,771.58	2,285.70	187,057.28
Intangible Assets	2	1,759.76	-	1,759.76
Financial assets				
Investments	3	7,996.39	-	7,996.39
Loans	4	52,741.77	-	52,741.77
Others	5	1,090.91	-	1,090.91
Other non-current assets	6	9,216.29	-	9,216.29
Total non-current assets		946,449.16	3,905.62	950,354.78
Current assets				
Inventories	7	45,341.60	-	45,341.60
Financial assets				
Trade receivables	8	10,212.17	2,788.24	13,000.41
Cash and cash equivalents	9A	21,472.01	2.49	21,474.50
Bank Balances in FDs	9B	519.72	-	519.72
Current tax assets (net)	10	11,875.26	-	11,875.26
Other current assets	11	5,168.57	190.47	5,359.04
Total current assets		94,589.33	2,981.20	97,570.53
Total assets		1,041,038.49	6,886.83	1,047,925.31
Equity and liabilities				
Equity				
Equity share capital	12A	45,443.97	-	45,443.97
Other equity	12B	236,833.67	3,268.32	240,101.99
Total equity		282,277.64	3,268.32	285,545.96
Liabilities				
Non-current liabilities				
Grants	13	91,071.57	-	91,071.57
Financial liabilities				
Borrowings	14	444,205.16	67.05	444,272.21
Provisions	15	25,190.62	-	25,190.62
Deferred tax liabilities (net)	16	14,359.62	-	14,359.62
Other non-current liabilities	17A	12,836.56	-	12,836.56
Total non-current liabilities		496,591.96	67.05	496,659.01
Current liabilities				
Financial liabilities				
Trade Payables	18	24,722.85	-	24,722.85
Other financial liabilities	19	128,069.91	-	128,069.91
Other current liabilities	17 B	18,025.27	3,551.46	21,576.73
Provisions	20	279.28	-	279.28
Total current liabilities		171,097.31	3,551.46	174,648.77
Total liabilities		667,689.27	3,618.51	671,307.78
Total equity and liabilities		1,041,038.48	6,886.83	1,047,925.31



Function wise Analysis of Revenue & Expenses

(Rs. in lakhs)

Particulars	400 KV Units	OMC Units	Head Office/ Common	Total (Trms)	SLDC	Total (Trms+SLDC)
REVENUE:						
Revenue from operation	0.00	0.00	138007.93	138007.93	5263.16	143271.09
Other income	1421.04	3081.05	5758.22	10260.31	151.90	10412.21
Total Income	1421.04	3081.05	143766.15	148268.25	5415.06	153683.31
EXPENSES:						
Employee Benefits expenses	1852.86	16328.57	14460.35	32641.78	3616.73	36258.51
Finance Cost	17105.61	14535.83	0.00	31641.44	7.75	31649.19
Depreciation and related expenses	20753.09	25144.55	5971.87	51869.51	145.86	52015.37
Operating and Other expenses	2651.19	14851.86	3085.89	20588.95	847.99	21436.94
Total Expenditure	42362.76	70860.81	23518.11	136741.68	4618.34	141360.02
Profit from operation before income tax				11526.57	796.72	12323.29



STATEMENT OF TECHNICAL PARTICULARS

Sl. No.	Particulars	Unit	This Year 2017-18	Previous Year 2016-17
1	Input from State Generators including wheeling	MU	39851.12	46403.65
2	CGS (Ex-Bus)	MU	16957.12	6824.61
3	System input at 132 KV & above including Wheeled Energy (1+2)	MU	56808.24	53228.26
4	Energy delivered by Transco to Discoms including Wheeled Energy	MU	54583.39	51488.76
5	Transmission Losses (incl wheeling) (3-4) inclusive of PGCIL losses	MU	2224.85	1739.50
6	%Transmission Losses (Incl wheeling) on respective Inputs $\{(5/3*100)\}$ inclusive of PGCIL losses	%	3.92	3.27
6a	%Transmission Losses (Incl wheeling) on respective Inputs $\{(5-11)/(3-11)*100\}$ exclusive of PGCIL losses	%	3.13	2.92
7	Net wheeled Energy at 132 KV & above by Third Party Developers	MU	574.64	379.34
8	Energy delivered by Transco to Discoms Excluding Wheeled Energy at 132 KV & above (4-7)	MU	54008.75	51109.42
9	Drawls at 33 KV & 11 KV from TP developers	MU	1899.13	1708.36
10	Drawls at 33 KV & 11 KV from Genco	MU	17.03	22.07
11	External losses (PGCIL losses)	MU	461.78	188.15
12	Input to Discoms (incl Wheeling Energy) (8+9+10)	%	55924.91	52839.85
13	Discoms sales of Energy (Excl Wheeling)	MU	50519.22	48038.28
14	Net Wheeled Energy at 33 KV & Below by Third party Developers	MU	219.91	190.13
15	Discoms sales of Energy (incl. Wheeling) (13+14)	MU	50739.13	48228.41
16	Distribution losses (incl. Wheeling) (12-15)	MU	5185.78	4611.44
17	% Distribution losses (incl. Wheeling) on respective inputs $\{(16/12)*100\}$	%	9.27	8.73
18	T&D Input (Ex-Bus Availability) (3+9+10)	MU	58724.40	54958.69
19	T & D Sales (incl. Wheeling) by Discoms (15+7)	%	51313.77	48607.75
20	T&D Losses (inc. Wheeling) (18-19)	MU	7410.63	6350.94
21	% T&D Losses (incl. wheeling) $(20/18*100)$	%	12.62	11.56



Handing over of cheque (one day salary of power sector employees) to Hon'ble Chief Minister Sri N.Chandra Babu Naidu by Principal Secretary/ Energy Sri Ajay Jain I.A.S., & CMD / APTRANSCO Sri K.Vijayanand I. A.S, Representatives of AP Electricity Employees Unions to CM Relief Fund for Titili Cyclone.



VIDYUT SOUDHA - GUNNADALA