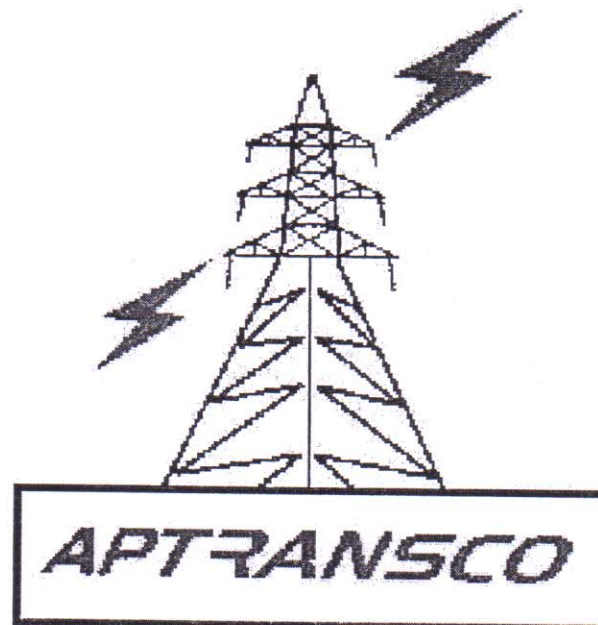


TRANSMISSION CORPORATION OF
ANDHRA PRADESH LIMITED
(An ISO 9001 : 2008)



ANNUAL STATEMENT OF ACCOUNTS
2018 -19

Electricity Saved is Electricity Generated

Transmission Corporation of Andhra Pradesh Limited
Balance Sheet As at 31 March 2019

In lakhs of INR

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	2	8,46,656.08	6,90,492.38
Capital work-in-progress	2	1,96,527.93	2,17,854.23
Other Intangible Assets	2	1,884.61	1,759.76
Financial assets			
(i) Investments	3	12,644.42	7,996.39
(ii) Loans	4	48,191.75	52,741.77
(iii) Others	5	-	1,090.91
Other non-current assets	6	9,257.70	9,216.29
Total non-current assets		11,15,162.49	9,81,151.73
Current assets			
Inventories	7	12,914.34	14,544.65
Financial assets			
(i) Trade receivables	8	41,318.84	13,000.41
(ii) Cash and cash equivalents	9A	32,223.40	21,474.50
(iii) Bank Balances in FDs	9B	1,090.91	519.72
(iv) Loans	4A	1,00,000.00	-
Current tax assets (net)	10	16,775.41	11,875.26
Other Current assets	11	32,037.55	5,359.04
Total current assets		2,36,360.45	66,773.58
Total assets		13,51,522.95	10,47,925.31
Equity and liabilities			
Equity			
Equity share capital	12A	45,443.97	45,443.97
Other equity	12B	2,60,635.45	2,40,101.99
Total equity		3,06,079.42	2,85,545.96
Grants	13	1,10,795.66	91,071.57
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	5,34,298.77	4,44,272.21
Provisions for Employee Benefits	15	35,245.03	25,190.62
Deferred tax liabilities (net)	16	13,884.03	14,359.62
Other non-current liabilities	17	11,528.40	12,836.56
Total non-current liabilities		5,94,956.23	4,96,659.01
Current liabilities			
Financial liabilities			
i) Borrowings	14A	1,05,169.50	-
i) Trade Payables	18	46,312.13	24,722.85
ii) Other Financial Liabilities	19	1,71,783.71	1,28,069.91
Other current liabilities	17A	15,127.45	21,576.73
Provisions	20	1,298.85	279.28
Total current liabilities		3,39,691.64	1,74,648.77
Total liabilities		9,34,647.87	6,71,307.78
Total equity and liabilities		13,51,522.95	10,47,925.31

Significant Accounting Policies 1
Accompanying notes to the Financial Statements 23-57
As per our report of even date
For Nataraja Iyer & Co
Chartered Accountants

For and on behalf of the Board of Directors

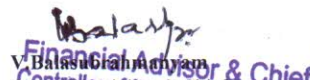


E. Sri Ranganath
Partner



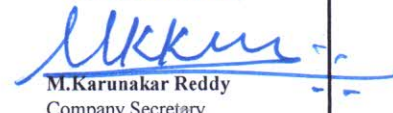


Dr. Srikant Nagulapalli
Chairman & Managing Director
Chairman & Managing Director
APTRANSCO, Vidyut Soudha,
VIJAYAWADA - 520 004.


V. Balasubrahmanyam
Financial Advisor & Chief
Controller of Accounts (Accounts)
APTRANSCO, Vidyut Soudha,
Gunadala, Vijayawada - 520 004.
Place: Vijayawada
Date: 5.11.2019



K.V.N. Chakradhar Babu.
Joint Managing Director
(Fin., Control, HR, IT & IT) &
Chief Financial Officer (CFO)
APTRANSCO



M. Karunakar Reddy
Company Secretary
Company Secretary
APTRANSCO, VIDYUT SOUDHA,
GUNADALA, VIJAYAWADA-520004.

Place: Vijayawada
Date: 06.11.2019

Place: Vijayawada
Date: 5.11.2019

Transmission Corporation of Andhra Pradesh Limited
Statement of changes in equity for the year ended 31 March 2019

A. Equity share capital

In lakhs of INR

	Amount		Amount
As at 31st March 2018	45,443.97	As at 31st March 2017	45,443.97
As at 31st Oct 2018	45,443.97	As at 31st March 2018	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, 2018					
Reserves and Surplus					
Retained Earnings	1,13,803.99	(3,958.68)	3,742.38	1,691.44	1,15,279.13
Contingency Reserve	2,336.54	-	-	318.90	2,655.44
Other Reserves	1,24,805.56	-	-	(7,189.88)	1,17,615.68
Other Comprehensive Income	(3,958.68)	4,551.73	3,958.68	-	4,551.73
Total	2,36,987.41	593.05	7,701.06	(5,179.54)	2,40,101.98
As at 31st March, 2019					
Reserves and Surplus					
Retained Earnings	1,15,279.13	4,503.20	6,961.24	16,094.27	1,42,837.84
Contingency Reserve	2,655.44	-	-	346.50	3,001.94
Other Reserves	1,17,615.68	-	-	1,975.01	1,19,590.69
Other Comprehensive Income	4,551.73	(4,843.55)	(4,503.20)	-	(4,795.02)
Total	2,40,101.98	(340.35)	2,458.04	18,415.78	2,60,635.45

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

For Nataraja Iyer & Co
Chartered Accountants

E.Sri Ranganath
Partner



Place: Vijayawada

Date: 05.11.2019

Dr. Srikant Nagulapalli
Chairman & Managing Director

Chairman & Managing Director
APTRANSCO, Vidyut Soudha,
VIJAYAWADA - 520 004.

V. Balasubrahmanyam
Financial Adviser & Chief Controller
of Accounts (Accounts)
Controller of Accounts (Accounts)
APTRANSCO, Vidyut Soudha,
Gunadala, Vijayawada - 520 004.

Date: 5.11.2019

K. M. S. Chakraborty
Joint Managing Director
(Fin., Comml., HRD & IT) &
Chief Financial Officer (CFO)
APTRANSCO
M. Karunakar Reddy
Company Secretary
Company Secretary
APTRANSCO, VIDYUT SOUDHA,
GUNADALA, VIJAYAWADA-520004.

Transmission Corporation of Andhra Pradesh Limited
Statement of Profit and Loss
For the year ended 31 March 2019

In lakhs of INR

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenues			
Revenue from operations	21	1,57,674.85	1,43,271.09
Other income	22	20,361.30	10,348.75
Total income		1,78,036.15	1,53,619.84
Expenses			
Employee benefits expense	23	44,436.56	36,258.51
Finance costs	24	37,591.05	31,649.19
Depreciation and Amortisation Expenses	25	60,754.66	52,015.37
Operating and other expenses	26	28,576.41	21,436.94
Total expenses		1,71,358.68	1,41,360.01
Profit before Exceptional Item & income tax		6,677.47	12,259.83
Exceptional Item	22A	(139.67)	63.46
Profit before Income tax		6,537.80	12,323.29
Current tax		(454.14)	(3,592.11)
Mat credit entitlement		454.14	1,389.20
Deferred tax (charge)/credit		423.44	(6,378.00)
Income tax expense	27	423.44	(8,580.91)
Profit for the year		6,961.24	3,742.38
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of defined Benefit liability (Net of Tax)		(4,435.27)	4,503.20
Equity Instruments (Net of Tax)		(408.28)	48.53
Total Other comprehensive income for the year, net of income tax		(4,843.55)	4551.73
Total comprehensive income for the year		2,117.69	8,294.11
Earnings per equity share - par value of INR 10 per share			
Basic (Amount in INR)	32	1.53	0.82
Diluted	32	1.53	0.82

Significant Accounting Policies 1
 Accompanying notes to the Financial Statements 23-57

For and on behalf of the Board of Directors

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

For Nataraja Iyer & Co
 Chartered Accountants

E.Sri Ranganath
 Partner



Place: Vijayawada
 Date: 08.11.2019

Dr. Srikant Nagulapalli
 Chairman & Managing Director
 Chairman & Managing Director
 APTRANSCO, Vidyut Soudha,
 VIJAYAWADA - 520 004.

V. Balasubrahmanyam
 Financial Advisor & Chief
 Controller of Accounts (Accounts)
 Controller of Accounts (Accounts)
 APTRANSCO, Vidyut Soudha,
 Gunadala, Vijayawada - 520 004.
 Place: Vijayawada
 Date: 5.11.2019

Joint Managing Director
 (Fin., Comm, HRD, ITC & IT) &
 Chief Financial Officer (CFO)
 APTRANSCO

M. Karunakar Reddy
 Company Secretary

Company Secretary
 APTRANSCO, VIDYUT SOUDHA,
 GUNADALA, VIJAYAWADA - 520 004.

Transmission Corporation of Andhra Pradesh Limited
Statement of cash flows as at 31 March 2019

In lakhs of INR

	As At 31 March 2019	As At 31 March 2018
Cash flow from operating activities		
Profit before tax	6,537.80	12,323.29
<i>Adjustments for</i>		
Depreciation	60,754.66	52,015.37
Contributions towards depreciation of lift irrigation scheme assets	(3,648.81)	(3,066.28)
Corporate Social Responsibility Expenses paid	(171.59)	(30.72)
Amortisation of capital grants	(2,627.18)	(2,092.63)
Interest expense on industrial development area, Parawada loan (net of interest income)	-	-
Income from investments	(5,670.54)	(2.68)
Interest on investments under contingency reserve	(532.62)	(487.67)
Prepaid employee cost on loans and advances to staff (net of interest income)	-	-
Interest on state government loans paid	21.58	30.17
Interest on loans	37,569.48	31,619.02
Operation profit before working capital changes:	92,232.78	90,307.88
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(28,318.43)	2,975.65
(increase)/Decrease in inventories	1,630.30	(22,886.60)
(Increase) in other non current and current assets	(7,367.37)	2,659.74
Decrease in loans	4,550.02	528.85
(increase)/Decrease in Current loans	(1,00,000.00)	-
(increase)/Decrease in Bank balances in FDs	(571.19)	54.38
Decrease/(Increase) in other financial (Non current & current) assets	1,090.91	287.01
(Decrease)/Increase in Trade payables	21,589.28	1,546.30
(Decrease)/Increase in other non-current and current financial liabilities	35,743.21	1,019.54
(Decrease)/Increase in other non-current and current liabilities	(7,757.45)	(24,471.34)
(Decrease) in provisions	11,073.99	9,272.88
Cash generated from operating Activities	23,896.06	61,294.30
Income taxes paid	(5,339.71)	(6,110.34)
Net cash from operating activities	18,556.34	55,183.96
Cash flows from investing activities		
Inflow		
Interest income on investments under contingency reserve	501.91	394.60
Proceeds from sale of investments-Ind AS EI	-	21.82
Interest income from investments	1,380.57	745.35
Subtotal	1,882.48	1,161.77
Outflow		
Purchase of property, plant and equipment	1,95,716.92	1,23,394.36
Purchase of Investments	5,056.32	760.18
Subtotal	2,00,773.23	1,24,154.54
Net cash used in investing activities	(1,98,890.75)	(1,22,992.78)
Cash flows from financing activities		
Inflow		
Borrowings taken (net)	2,03,166.65	86,248.14
Grants obtained	25,507.71	25,884.83
Subtotal	2,28,674.37	1,12,132.98
Outflow		
Interest paid on borrowings	37,591.05	31,649.19
Subtotal	37,591.05	31,649.19
Net cash received in financing activities	1,91,083.31	80,483.79
Net increase/(decrease) in cash and cash equivalents	10,748.90	12,674.97
Cash and cash equivalents at the beginning of the year	21,474.50	8,799.54
Cash and cash equivalents at the end of the year	32,223.40	21,474.50
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Cash in hand		
Balances with scheduled banks		
- Current accounts	32,177.65	21,463.33
- Cash in transit	45.74	11.17
Total	32,223.40	21,474.50

Changes in Borrowings through Financing Activities


Particulars	As on 1st		As on 31st March'2019
	April'2018	Cash flow Net	
Borrowings Current (refer Note 19)	48,986.19	1,13,140.09	1,62,126.28
Borrowings Non Current (refer Note 14)	4,44,272.20	90,026.57	5,34,298.77
Total	4,93,258.39	2,03,166.65	6,96,425.05

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

E.Sri Ranganath
Partner



Dr. Srikanth Nagulapalli
Chairman & Managing Director
APTRANSCO, Vidyut Soudha,
VIJAYAWADA - 520 004.

Financial Adviser & Chief Controller
of Accounts (Accounts)
APTRANSCO, Vidyut Soudha,
Gunadala Vijayawada-520 004.

Joint Managing Director
(Fin. Control, HRD, IPC & IT) &
Chief Financial Officer (CFO)
APTRANSCO

M. Karunakar Reddy
Company Secretary

Company Secretary
APTRANSCO, VIDYUT SOUDHA,
GUNADALA, VIJAYAWADA-520004.

Place: Vijayawada
Date: 05.11.2019

Date: 5.11.2019

Transmission Corporation of Andhra Pradesh Limited
Notes to the Standalone financial statements for the year ended 31 March 2019.

1. Corporate Information and Significant Accounting policies

A. Corporate information:

Transmission Corporation of Andhra Pradesh Limited ('the Company') is a public limited company domiciled and incorporated in India on 1st February 1999. The Company is engaged in the business of providing transmission and state load dispatch services (SLDC) of electrical energy in the State of Andhra Pradesh by acquiring, constructing and operating extra high tension (EHT) transmission network i.e. 400kV to 132kV level substations and lines & SLDC. Consequent to the Division of the State of Andhra Pradesh, vide the A.P. Reorganization Act, 2014, the Company's Assets & liabilities and operations relating to the State of Telangana have been demerged and handed over to Telangana State Transmission Corporation Limited (TSTRANSCO) with effect from 2nd June 2014. The company's operations are now limited to residuary State of Andhra Pradesh. The Company's registered office is located at #48-12-4/1, Eluru Road, Gunadala, Vijayawada, Andhra Pradesh-520008.

B. Significant Accounting Policies:

B.1. Basis of preparation and Presentation

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

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

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

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

B.2. Summary of Significant accounting policies

(a) Property, plant and equipment

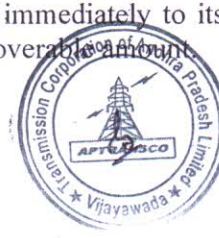
(i) Recognition and measurement

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

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

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

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



(ii) Subsequent expenditure

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

(iii) Depreciation

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

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

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

(b) Intangible Assets

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

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

Computer software – over a period of 5 years

(c) Financial instruments

i) Financial Assets:

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

Classification

The Company classifies its financial assets in the following categories:

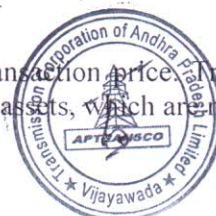
- At amortized cost (or)
- At fair value through other comprehensive income

The classification is dependent on the following:

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

Initial Recognition and measurement

All financial assets are initially recognised at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair value through Profit or



Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using the trade date accounting.

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

Subsequent measurement

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

Interest on staff Advance is recognised on cash basis.

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

Equity investments

All quoted equity investments are measured at fair value.

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

De-recognition of financial assets

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

ii) Financial Liabilities:

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

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

Classification, initial recognition and measurement

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

Subsequent Measurement

Financial liabilities are carried at transaction value.

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

De-recognition of financial liabilities

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



iii) Offsetting of financial instruments

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

(d) Inventories

Items of inventories are measured at lower of cost or net realisable value after providing for 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.

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

(e) Impairment of assets

i. Impairment of financial instruments

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

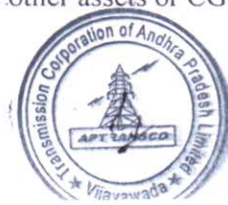
i. Impairment of Financial Assets:

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

ii. Impairment of non-financial assets

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

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



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

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

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

(f) Employee benefits Expense

i) Short-term employee benefits

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

ii) Defined contribution plans

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

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

iii) Defined benefit plans

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

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

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



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

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

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

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

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

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

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

(g) Revenue recognition

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

i) Rendering of services

Revenue is 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**

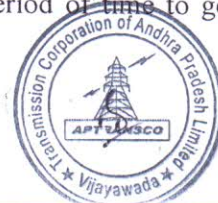
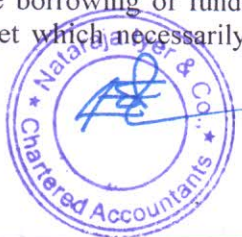
Provisions are recognized when the company has a present obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

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 recognize 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.



Transmission Corporation of Andhra Pradesh Limited
Notes to the financial statements for the year ended 31st March 2019

Description	Gross Block					Depreciation Block			Net Block	
	As at 01-04-2018	Additions/ Adjustments	Demerger Adjustments	As at 31-03-2019	As at 01-04-2018	For the Year	Demerger Deductions/ (Adjustments)	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018
Property, Plant and Equipment										
owned Assets:										
Freehold Land	4,878.23	946.35	15.08	5,839.66	-	-	-	-	5,839.66	4,878.23
Buildings	10,236.56	95.37	171.62	10,503.55	3,335.45	226.78	44.38	3,606.62	6,896.93	6,901.11
Other civil works	6,187.07	15,186.41	868.07	22,241.55	461.04	173.30	240.93	875.26	21,366.29	5,726.04
Plant and equipment	4,21,723.19	1,13,572.44	782.82	5,36,078.45	1,91,556.51	28,092.65	768.22	2,20,417.37	3,15,661.07	2,30,166.68
Lines and cable network	6,14,729.24	93,689.02	(8,308.15)	7,00,110.11	1,74,580.31	31,515.32	(77.72)	2,06,017.91	4,94,092.21	4,40,148.93
Vehicles	282.63	-	-	282.63	252.26	(2.33)	4.42	254.35	28.29	30.37
Furniture and fixtures	398.24	48.38	-	446.62	176.84	38.06	(0.21)	214.70	231.92	221.40
Office equipment	4,694.04	469.02	(10.30)	5,152.76	2,274.42	427.90	(6.81)	2,695.51	2,457.24	2,419.62
Computers	84.28	84.28	-	84.28	-	1.81	-	1.81	82.47	-
Total (A)	10,63,129.20	2,24,091.26	(6,480.86)	12,80,739.60	3,72,636.83	60,473.48	973.21	4,34,083.52	8,46,656.08	6,90,492.37
Intangible Assets										
Software	1,817.63	406.03	-	2,223.66	57.87	281.18	-	339.05	1,884.61	1,759.76
Total (B)	1,817.63	406.03	-	2,223.66	57.87	281.18	-	339.05	1,884.61	1,759.76
Total (A+B)	10,64,946.83	2,24,497.29	(6,480.86)	12,82,963.26	3,72,694.70	60,754.66	973.21	4,34,422.57	8,48,540.69	6,92,252.13
Previous Year	8,82,726.68	1,82,220.16	-	10,64,946.84	3,20,679.32	52,027.21	11.83	3,72,694.70	6,92,252.14	5,62,047.36
Capital work-in-Progress										
Freehold Land									1,96,577.93	2,17,854.23
Buildings									0.00	55.10
Other civil works									3329.28	683.70
Plant and equipment									23500.53	3607.12
Lines and cable network									30259.67	58344.98
Vehicles									42555.70	123991.28
Furniture and fixtures									0.00	10.3
Office equipment									28.73	1.28
Construction stores (Stock with third party)									80.38	363.52
									96773.64	30796.95

No. in: Comprise of additions during the year of Rs.226002.50 lakhs and reduction on account of devolutions of Rs.1505.21 lakhs and reduction on account of inter asset transfer of Rs.406.03 lakhs



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2019

(Rs. In Lakhs)

3. Investments	Account No.	As at 31 March	
		2019	As at 31 March 2018
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	484.25	892.53
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	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	12.31	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
7) 8.40% bonds of Tamilnadu Electricity Board		13.43	23.50
8) 8.64% bonds of Tamilnadu Electricity Board		15.67	27.42
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		62.67	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		50.36	39.17
18) 8.97% UPPCL Bonds 2026		917.64	643.47
19) 8.97% UPPCL Bonds 2024		218.22	
20) 8.97% UPPCL Bonds 2025		531.56	
21) 8.15% Energy Efficiency Services Ltd.,		179.05	
22) Premium on UPPCL Bonds	1723000000	73.26	57.55
23) 9.95% APCPDCL/TSSPDCL Power Bonds- Series I/2014	2020000000	4,044.00	
Total		12,644.42	7,996.39
Aggregate book value of quoted investments		9814.19	5166.15
Aggregate market value of quoted investments		9814.19	5166.15
Aggregate value of unquoted investments		2,830.24	2,830.24
Aggregate amount of impairment in value of investments		-	-
Financial Assets measured at fair value through Other Comprehensive Income		484.25	892.53
Financial Assets measured at Cost		12,160.18	7,103.86
Total		12,644.42	7,996.39



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2019

(Rs. In Lakhs)

4. Loans	Account No.	As at 31 March	
		2019	As at 31 March 2018
Other Non Current Loans			
Loans and advances (GoAP LIS Deposits) - Discoms (Unsecured , Considered Good)	2780000000	46,553.02	51,779.32
Loans and advances to staff (Secured Considered Good)	2710000001 to 2712400001	1,638.74	962.45
Total		48,191.75	52,741.77
4A Other Current Loans			
Loans and advances - AP Discoms & APPDCL (Unsecured , Considered Good)	2780000000 & 2780500000	1,00,000.00	-
Total		1,00,000.00	-
5. Other Financial Assets			
Balances with Bank- fixed deposits (funds relate to Contingency reserve)		-	1,090.91
6. Other Non Current Assets			
1) Capital Advances	2500000000 to 2550000000	1362.68	1790.13
Others			
1) Deposit with revenue department as purchase consideration for land	28921000000	6999.44	6478.97
2) Prepaid employee cost	2722500000	0.00	97.67
3) Deposit with others/Statutory/judicial authorities	2890000000 to 2893300000	895.58	849.52
Total		9,257.70	9,216.29
7. Inventories			
Stores & Spares	2260000001 to 2290000000	12,914.34	14,544.64
Total		12,914.34	14,544.64
8. Trade receivables			
Trade receivables			
Unsecured, considered good	2300000000 to 2367000000	41,318.84	13,000.41
Total		41,318.84	13,000.41
Provision for doubtful receivables		-	-
Net trade receivables		41,318.84	13,000.41
9A. Cash and cash equivalents			
Balances with Banks -Current Accounts	2400000000 to 2445121022	32,177.65	21,463.33
-Remittance in Transit (LOC)	2450000000 to 2466000000	45.74	11.17
Total		32,223.40	21,474.50
9B. Balances with Banks -in FDs (funds relates to Contingency reserve)		1,090.91	519.72



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2019

(Rs. In Lakhs)

10 Other tax assets

	Account No.	As At 31 March 2019	As At 31 March 2018
Other tax assets			
Advance income tax/deduction at source (net of provision for income tax)	2740000000 to 2741000000	16,775.41	11,875.26
Total		16,775.41	11,875.26

11 Other Current Assets

A Unsecured, Considered Good

Advances for operations and maintenance supplies/works	2600000000 to 2651000000	1,344.71	1,765.25
Advances to Staff	2710000000; 2710500000 to 2722000001	61.38	60.09
Receivable from Others	2800000000 to 2815000000	132.09	611.50
Interest accrued but not due - Discom Pool A/c	2820000000 to 2830000000	2,860.27	393.68
Interest accrued but not due - others	2839000000	327.20	296.49
Receivable from employees / ex-employees	2840000000 to 2841000000	54.05	52.26
Other receivables - Discoms	2880100000 to 2880400000	768.11	732.84
Other claims and receivables	2880000000 & 2881000000 to 2884500000 & 2885000000 to 2889300000	1,525.20	1,446.93
GST -ITC & TDS Receivables	4696100001	813.17	-
Other receivable - TSTRANSC-58.32%-Salaries of relieved employees	2891300000	2,398.86	-
Demerger Adjustment Account	2884600000	19,929.12	-
Interest receivable from TSSPDCL on 9.95% Power Bonds	2884700000	1,823.38	-
Sub-Total		32,037.55	5,359.04

B Doubtful

Other claims and receivables	2881000001	54.74	
Provision for Doubtful Dbts	7940000000	(54.74)	
Sub Total		(0.00)	-
Total		32,037.55	5,359.04

12A Share capital

Authorized	As At 31 March 2019		As At 31 March 2018	
	Number of shares		Number of shares	
Equity shares of Rs.10/- each	2,50,00,00,000	2,50,000.00	2,50,00,00,000	2,50,000.00
Increase during the year	-	-	-	-
Total	2,50,00,00,000	2,50,000.00	2,50,00,00,000	2,50,000.00
Issued & subscribed	As At 31 March 2019		As At 31 March 2018	
	Number of shares		Number of shares	
Equity shares of Rs.10/- each (Fully Paid)	454439695	45,443.97	454439695	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-19 No. of shares	31-Mar-18 No. of shares	
Equity shares of INR 10/- each fully paid-up			
Government of Andhra Pradesh	45,44,39,695	45,44,39,695	100%



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2019

(Rs. In Lakhs)

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

Particulars	As At 31 March	As At 31 March
	2019	2018
	Number of shares	Number of shares
Equity shares at the beginning of the year	454439695	454439695
Shares issued during the Year	-	-
Equity shares at the end of the Year	454439695	454439695

12B Other equity

	As At 31 March	As At 31 March
	2019	2018
Retained earnings	1,42,837.84	1,15,279.13
Other comprehensive income	(4,795.02)	4,551.73
Contingency reserve	3,001.94	2,655.44
Other reserves	1,19,590.69	1,17,615.69
Total other equity	2,60,635.45	2,40,101.99

i. Retained earnings

	Account No.	As At 31 March	As At 31 March
		2019	2018
Opening balance	5820000000 & 5821000000	115279.13	1,13,803.99
Add: Profit for the year	carried from P&L	6,961.24	3,742.38
Add: Reclassification of FV on Equity investments			466.10
Add: Retained earnings as per Demerger Account		16,748.03	
Add: PY OCI on P&G and Gratuity		4,503.20	
Less: Withdrawal of IND As employee loans		(31.26)	
Less: Amount transferred to contingency reserve		(346.50)	(318.90)
Less: Amount transferred to corporate social responsibility fund		(276.00)	(227.00)
Less: Transfers from OCI			(3,958.68)
Less: Reclassification of Deferred Tax on OCI items			1,771.24
Closing balance		1,42,837.84	1,15,279.13

ii) Other comprehensive income

Other items of OCI

Opening balance		4,551.73	(3,958.68)
Add: Measurement of defined benefit obligation (Liability net of tax)	5822500000 to 5822700000	(4,435.27)	4,503.20
OCI - on Equity Investments	5822800003	(408.28)	48.53
Less: Appropriated to Retained earnings		(4,503.20)	3,958.68
Increment during the year (Net)		(9,346.75)	8,510.41
Closing balance		(4,795.02)	4,551.73

Other comprehensive income reserve is created from increase/decrease in the valuation of Non-current investment in equity instruments classified as fair value through other comprehensive income (FVOCI) and increase/decrease due to remeasurement of Employee Benefit Obligations.

iii) Contingency reserve

Opening balance	5822000000	2,655.44	2,336.54
Add: Additions during the year		346.50	318.90
Less: Deductions during the year			
Closing balance		3,001.94	2,655.44

Note: Contingency reserve is required to be created mandatorily out of appropriation account as per Andhra Pradesh Electricity Regulatory Commission (APEREC 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.



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2019

(Rs. In Lakhs)

iv) Other Reserves

a) Corporate social responsibility fund

Opening balance		1,125.28	929.00
Add: Additions during the year	5630000000	276.00	227.00
Less: Contribution to Medical vans and Others		(171.59)	(30.72)
Closing balance		1,229.69	1,125.28

Corporate social responsibility fund is created vis-à-vis the amount to be spent by the company as stipulated in the Companies Act, 2013 towards CSR activity

b) Lift irrigation scheme reserve

Opening balance	4613000000 to 4613100000	97,061.18	1,04,447.34
Add/(Less): Changes during the year		1,870.60	(7,386.16)
Closing balance		98,931.78	97,061.18

Refer Note No.36

c) Other reserves

Opening balance	5665000000	19,429.22	19,429.22
Add: Additions during the year		-	-
Less: Deductions during the year		-	-
Closing balance		19,429.22	19,429.22
Other Reserves Total (a +b+c)		1,19,590.69	1,17,615.68

13. Grants

	Account No.	As At 31 March 2019	As at 31 March 2018
Government grants			
Grants towards cost of capital assets	5530000000	1,130.08	1,130.08
Grants towards cost of capital assets for Green Energy Corridor	5530100000	19,520.43	14,812.00
Grants towards cost of capital assets from PSDF	5530200000	9,867.46	1,175.08
Grants towards cost of capital assets for SECI	5530300000	8,703.50	6,703.50
Non government grants			
Consumers contribution	5510000000 to 5511000000	71,574.19	67,155.28
Deferred grant on Industrial development area, Parawada loan	5540000000	-	95.62
Total		1,10,795.66	91,071.57

14. Borrowings

Non-current borrowings

Term loans			
From Banks	5300000400	26,425.43	39,435.46
From Other Parties			
- Financial Institutions	5300000100 to 5300000300 & 5330100000	4,69,162.62	3,77,770.81
- GoAP	5420000000 to 5420000001	38,710.72	27,065.94
Total non-current borrowings		5,34,298.77	4,44,272.21



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2019

(Rs. In Lakhs)

A. Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Interest Rate	Carrying amount at 31 March 2019	Carrying amount at 31 March 2018
REC Limited	9.75% - 12.50%	4,51,487.59	3,57,196.11
NABARD	10.75%	10,230.87	11,424.17
Power Finance Corporation Limited	11% - 12.50%	1,64,400.94	48,004.35
Andhra Bank	10.20%	17,543.51	13,802.64
Syndicate Bank	9.50%	1,014.65	1,286.92
Indian Bank	10.55%	-	9,543.67
Bank of Maharashtra	10.45%	-	1,831.72
Oriental Bank of Commerce	10.65%	3,332.96	4,047.20
Punjab & Sind Bank	10.20%	-	531.91
Tamilnadu Mercantile Bank	9.75%	4,534.31	5,581.57
Dena Bank	10.70%	-	4,161.46
State Bank of India	10.70%	-	8,608.89
Government loan	1.72% & 9.5%	38,710.72	27,237.78
Total borrowings		6,91,255.55	4,93,258.39
Current Maturities		1,56,956.78	48,986.19
Non current		5,34,298.77	4,44,272.20
		6,91,255.55	4,93,258.39

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.

Details of Additions and Repayments of Loans

Particulars	Outstanding at the end of 2017-18	Amount received during the year	Repayments due during the year	Outstanding at the end of 2018-19
Loan from REC Ltd	35,71,96,11,634	13,05,95,07,226	3,63,03,59,405	45,14,87,59,455
Loan from NABARD	1,14,24,17,895	-	11,93,30,809	1,02,30,87,086
Loan from PFC Ltd	4,80,04,34,805	12,03,96,00,567	39,99,41,372	16,44,00,94,000
Loan from Andhra Bank	1,38,02,64,206	79,70,89,744	42,30,02,591	1,75,43,51,359
Loan from Syndicate Bank	12,86,92,159	-	2,72,27,579	10,14,64,580
Loan from Indian Bank	95,43,66,837	-	95,43,66,837	-
Loan from Bank of Maharashtra	18,31,72,413	-	18,31,72,413	-
Loan from Oriental Bank of Commerce	40,47,19,940	-	7,14,23,734	33,32,96,206
Loan from Punjab & Sind Bank	5,31,90,952	-	5,31,90,952	-
Loan from Tamilnadu Mercantile Bank	55,81,56,850	-	10,47,26,224	45,34,30,626
Loan from Dena Bank	41,61,45,912	-	41,61,45,912	-
State Bank of India	86,08,89,309	1,81,78,033	87,90,67,342	-
Total Banks & Fis	46,60,20,62,912	25,91,43,75,570	7,26,19,55,170	65,25,44,83,312
Government Loans	2,72,37,78,062	1,19,46,13,466	4,73,19,528	3,87,10,72,000
Total (Banks, Fis and Government)	49,32,58,40,974	27,10,89,89,036	7,30,92,74,698	69,12,55,55,312

14A Current borrowings

	As at 31 March	
(Secured)	2019	As at 31 March 2018
From Banks for working capital	2440100000 to 2440100022 & 2440300000 to 2440300022	5,169.50
From Financial Institutions	5350000000	1,00,000.00
Total Current Borrowings		1,05,169.50

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



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2019

(Rs. In Lakhs)

15. Provisions

		As at 31 March	
		2019	As at 31 March 2018
Provisions for employee benefits			
Amount payable -APTRANSCO gratuity trust	4510200000	123.28	975.88
Amount payable -APTRANSCO pension and gratuity trust	4510100000	11,135.58	7,665.81
Amount payable -APTRANSCO employee leave encashment	4510300000	13,692.60	16,548.92
Amount payable -APTRANSCO P&G Trust (100%) -2029	4510400000	10,293.57	-
Total non-current provisions		35,245.03	25,190.62

Other long term employee benefits

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

Leave encashment

The leave obligations cover the Company's liability for the sick and the earned leave for all employees. Based on the past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The level of benefits provided depends on the employees length of service and salary at retirement age. The liability at the end of the year after current payments in respect of leave encashment is reviewed and estimated on the basis of 30 days of salary commitment of all the employees. An amount of 2428.29 lakhs has been paid.

Post employment benefit obligations

(i) Pension

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

The Company has certain defined benefits plans. an annual contribution rate as a percentage of pensionable salaries is estimated (say, 5.89 % in the current year 2018-19), 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 5.89% of the basic salary plus DA as per the guidelines. The expense recognized during the period towards defined benefit plan is Rs.2074.05 lakhs (31 March 2018- Rs.3611.30 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:

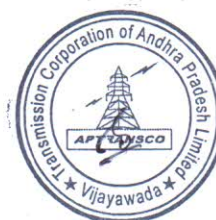
1. 100% of pension liability of employees who have retired on or before 31st January,1999.
2. 74% of pension and gratuity liability in respect of employees who have continued in service beyond 31st January ,1999.

During the FY 2018-19, the Company has reviewed and estimated the liability based on the actuary report as at 31st March, 2018 and charged to profit & loss account @ 5.89% 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 2018	61603.65	53937.84	7,665.81
Current service cost	1546.31	-	1,546.31
Past Service Cost	-	-	-
Interest expense / (income)	4680.96	4,153.21	527.75
Total amount recognized in profit or loss	6227.27	4153.21	2074.06
<i>Remeasurements</i>			
Gain/(loss) on plan assets	-	376.36	(376.36)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(12,764.20)	-	(12,764.20)
Experience (gains)/losses	17,856.47	-	17,856.47
Total amount recognized in other comprehensive income	5,092.27	376.36	4,715.91
Employer contribution	-	3320.20	(3,320.20)
Benefits paid	(1,826.69)	(1,826.69)	-
31-Mar-2019	71096.50	59960.92	11135.58



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2019

(Rs. In Lakhs)

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

	31-Mar-19	01-Apr-18
Present value of funded obligations	71096.51	61603.66
Fair value of plan assets	59960.93	53937.84
Deficit of funded plan	-	-
Unfunded plans	-	-
Deficit of Pension & Gratuity plan	11,135.58	7,665.82

Significant estimates

i. Financial assumptions

	31-Mar-19	31-Mar-18
Discount rate	7.60%	7.70%
Salary increase rate	10.00%	12.75%
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-19	31-Mar-18
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	60 years

(ii) Gratuity

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

The Company has certain defined benefit plans. an annual contribution rate as a percentage of pensionable salaries is estimated (say, 7.67 % in the current year 2018-19), 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 7.67% of the basic salary + DA as per the guidelines. The expense recognized during the period towards defined benefit plan is RS.459.36 lakhs (31 March 2018- RS.2715.85 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 2018-19, the Company has reviewed and estimated the liability based on the actuary report as at 31st March, 2018 and charged to profit & loss account @ 7.67% of basic & dearness allowance towards gratuity for the employees recruited on or after 1.2.1999.



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2019

(Rs. In Lakhs)

Balance sheet amounts - Gratuity

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

	Present value of the obligation	Fair value of the plan assets	Net amount
1 April 2018	4570.18	3594.30	975.88
Current service cost	384.22	-	384.22
Past Service Cost	0.00	-	-
Interest expense / (income)	349.98	274.84	75.14
Total amount recognized in profit or loss	734.20	274.84	459.36
<i>Remeasurements</i>			
Gain/(loss) on plan assets	-	51.08	(51.08)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(223.89)	-	(223.89)
Experience (gains)/losses	(5.67)	-	(5.67)
Total amount recognized in other comprehensive income	(229.56)	51.08	(280.64)
Employer contribution	-	1031.32	(1,031.32)
Benefits paid	-	-	-
March 31, 2019	5074.82	4951.54	123.28

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

	31-Mar-19	31-Mar-18
Present value of funded obligations	5,074.81	4,570.18
Fair value of plan assets	4,951.53	3,594.29
Deficit of funded plan	-	0
Unfunded plans	-	0
Deficit of gratuity plan	123.28	975.88

Significant estimates

i. Financial assumptions

	31-Mar-19	31-Mar-18
Discount rate	7.60%	7.70%
Salary increase rate	10.00%	12.75%

ii. Demographic assumptions

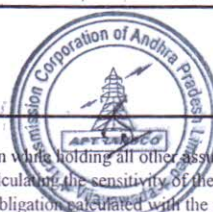
	31-Mar-19	31-Mar-18
Mortality rate	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
Withdrawal rate	upto 30 years- 1% 31 to 48 years- 0.5% Above 48 years- 2%	upto 30 years- 1% 31 to 48 years- 0.5% Above 48 years- 2%
Retirement age	60 years	58 or 60 years

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-19	31-Mar-18
Discount rate (1% increase)	4364.69	3,902.99
Future salary growth (1% increase)	5197.51	4,644.40
<hr/>		
	31-Mar-19	31-Mar-18
Discount rate (1% decrease)	5939.06	5,384.57
Future salary growth (1% decrease)	4944.50	4,481.20

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 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.



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2019

(Rs. In Lakhs)

16. Deferred tax liabilities (net)

	Account No.	As at 31 March	
		2019	As at 31 March 2018
Deferred tax liabilities (net of MAT)	2740100000 4699900000	13,884.03	14,359.62
Total		13,884.03	14,359.62

17. Other Non current liabilities

General insurance scheme - savings fund	5715300000	238.46	209.90
General insurance scheme - insurance fund	5715400000	83.94	79.21
SD receivable from TS Transco	4614100000	249.10	249.10
TS Transco pool a/c (post bifurcation transactions)	4625100000	10,956.90	12,298.36
Total		11,528.40	12,836.56

17A. Other Current liabilities

Inter unit account adjustment balance	3100000000 to 3899900000	8,351.20	-
Staff related provisions	4410000000 to 4490000000	4,813.02	4,752.20
Other liabilities	4660000000; 4680000000 to 4698800000	1,963.22	16,824.53
Total		15,127.45	21,576.73

18 Trade Payables (See Note No.53)

Liability for capital supplies/works	4210000000 to 4230000000;	43,685.73	21,879.54
Liability for operations and maintenance supplies/works	4310000000 to 4340000000	2,626.40	2,843.31
Total		46,312.13	24,722.85



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2019

(Rs. In Lakhs)

19. Other financial liabilities	Account No.	As at 31 March	
		2019	As at 31 March 2018
Current maturities of long-term debt-Government of Andhra Pradesh	542000000 to 542000001	-	171.84
Current maturities of long-term debt-Banks & FI's	5300000100 to 5330100000	56,956.79	48,814.36
Transmission & SLDC clearing	4627500000	819.89	819.89
DSM Pool account	4628500000	59.88	
Liability for expenses	4640000000 to 4643200000	4,570.88	5,146.83
Security deposits of operational charges - SLDC	4614000000	805.72	683.48
Accrued interest liability on borrowings	4670000000 to 4671000000	1,985.71	1,041.78
Deposits and retentions from suppliers & contractors	4610000000 to 4612600000; 4613000000 to 4613600000	1,06,398.66	71,285.81
Liability for Stale Cheques	4691000000	186.18	105.93
Total		1,71,783.71	1,28,069.91
20. Provisions - Current			
Current			
Provisions for employee benefits			
Provision for gratuity	4411000000	-	-
Gratuity Fund - Deputationists	5713500000;571210 0000;5712100001& 5712500000	37.28	9.51
Provision for pension	4412000000	-	-
Pension & Gratuity Fund - Deputationists	5714500000;571910 0000&5719500000, 5714100000	1,148.49	259.40
Provision for employee leave encashment	4415000000	113.08	10.37
Total		1,298.85	279.28



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2019

(Rs. In Lakhs)

21. Revenue from operations	Account No.	As at 31 October 2019	As at 31 March 2018
Sale of services			
Transmission charges	6140100000 to 6141300000; 6141500000 to 6141700000; 6149000000 to 6149400000;	1,52,113.75	1,38,007.93
State load dispatch centre (SLDC) charges	& 6143000000 6141400000; 6142100000 to 6142800000; 6143100000 to 6146400000; 6149500000 to 6149900000	5,561.10	5,263.16
Total		1,57,674.85	1,43,271.09
22. A. Other income			
Delayed payment charges from consumers	6225000000 to 6225100000	28.87	18.22
SLDC registration fees	6291900000	0.83	0.64
Cash rebate earned on payment of supplier bills, etc.	6294000000 & 6294100000	216.76	176.65
Interest on staff loans and advances	6200000000 to 6221000000	100.99	76.87
Income from investments	6222000000 to 6227000000	5,670.54	2.68
Interest on investments under contingency reserve	6227100000	532.62	487.67
Income from sale of scrap, etc.,	6230000000 to 6240000000	627.10	69.75
Operations and maintenance/annual maintenance charges collected	6292500000	681.99	210.00
Contributions towards depreciation of lift irrigation scheme assets	6297500000	3,648.81	3,066.28
Interest on Advances to suppliers	6226000000	-	375.96
Miscellaneous receipts	6260000000 to 6293000000	471.41	253.37
Fines & penalties recovered		-	-
Supervision charges	6291400000	5,153.00	3,470.22
Interest income on Industrial development area, Parawada loan	6227500000	86.95	47.81
Amortisation of Capital Grants	6297500000	2,627.18	2,092.63
Excess provision written back	6580000000	514.25	-
Total		20,361.30	10,348.75
B. Exceptional Items			
Expenditure incurred towards cyclone losses	7980000000 to 7980300000	(139.67)	63.46
Total		(139.67)	63.46

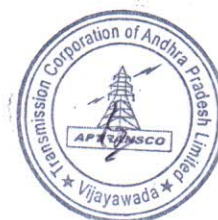


Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2019

(Rs. In Lakhs)

23. Employee benefits expense	Account No.	As at 31 October 2019	As at 31 March 2018
Salaries, Wages and Bonus	7500000000 to 7517100000; 7521000000; 7530000000 to 7533000000; 7540000000 to 7548400000;	35,514.21	28,076.02
Contribution to EPF	7581000000 to 7581600000;	1,666.92	1,169.11
Contribution to Pension, Gratuity & EL Encashment	7583000000; 7584000000; 7561200000 to 7561800000	14,859.37	12,732.46
Staff welfare expense & Others	7550000000; 7561100000; 75700000 to 7576000000; 7576500000; 7581600000; 7598000000.	746.38	529.91
Total employee cost		52,786.87	42,507.51
Less: Expense capitalised	7590000000	(8,350.32)	(6,249.00)
Total		44,436.56	36,258.51
24. Finance costs			
Interest expense on financial liabilities measured at amortized cost	7800000000 to 7888400000;	51,113.31	45,146.70
Less: Interest Expense capitalised	7890000000	(13,522.25)	(13,497.51)
Total		37,591.05	31,649.19
25. Depreciation expense			
Depreciation of property, plant and equipment	7700000000 to 7790000090	60,754.66	52,015.37
Total		60,754.66	52,015.37

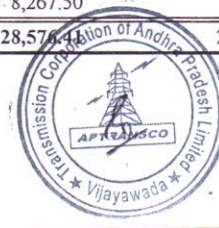


Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2019

(Rs. In Lakhs)

26. Other expenses	Account No.	As at 31 October 2019	As at 31 March 2018
Repairs and maintenance	7400000000 to 7419000000;	18,217.65	13,608.58
Building & Civil works	7420000000 to 7440000000	1,032.42	396.91
Lines, cable net work etc.	7450000000 to 7450000001	457.82	883.75
Vehicles	7460000000 to 7465000000	100.03	126.60
Office equipment	7480000000 to 7480000001	543.08	204.02
Total Repairs & Maintenance		20,351.00	15,219.87
Less: Repairs and maintenance costs capitalised	7490000000	(42.09)	(32.57)
Net Repairs & Maintenance Expenses (A)		20,308.90	15,187.30
Rent	7610000000 to 7610100000	182.20	170.05
Rates and taxes	7610200000	510.41	219.24
APERC license fees	7610300000	192.18	183.90
Insurance	7610400000	13.78	14.29
Telephone & trunk calls	7611100000	95.39	120.48
Postage	7611200000	16.42	14.48
Professional Charges	7612000000	15.86	18.33
Legal charges	7612100000	46.99	44.30
Audit fees	7612200000	11.74	14.72
Consultancy charges	7612300000	389.62	657.44
Other professional charges	7612500000	12.86	0.08
Commission	7612700000	8.63	7.36
Remuneration to internal auditors	7612800000	36.34	39.53
Conveyance expenses	7613100000	3.79	1.33
Travelling expenses	7613200000	380.67	435.43
Vehicle running expenses	7613600000 & 7613800000	84.13	85.53
Vehicle hire charges	7613900000	1,118.71	1,055.86
Training and participation	7615000000	173.67	48.91
Fees & subscription	7615100000	71.90	15.59
Books & periodicals	7615200000	2.38	2.14
Printing & stationery	7615300000	40.65	46.00
Advertisement	7615500000	202.02	142.14
Contributions	7615700000	69.24	33.16
Electricity charges	7615800000	139.80	205.13
Water charges	7616000000	11.77	9.65
Entertainment	7616200000	47.34	47.57
Miscellaneous expenses	7612600000; 7619000000;7619600 000; 7650000000 & 6293500000, 8330000000	2,134.32	426.94
Outsourced staff wages	7619100000; 7619200000	2,827.65	2,050.82
Vehicle running expenses	7624000000	23.28	21.85
Misc. Losses & Write-offs	7910000000 & 7950000000	(88.23)	728.45
Loss on obsolescence of stores etc. in stock	7956100000 & 7980300000	223.41	70.59
Incidental stores expenses	7627000000	19.05	15.76
Total Admin & General Expenses		9,017.94	6,947.05
Less: administrative and general overheads capitalised	7690000000	(750.44)	(697.41)
Net Admin & General Expenses (B)		8,267.50	6,249.64
Other Expenses Total (A + B)		28,576.40	21,436.94



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2019

(Rs. In Lakhs)

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

	31 March 2019	31 March 2018
Statutory Audit	5.90	4.96
Tax Audit	1.48	1.15
Reimbursement of expenses	2.00	2.00
Cost Audit	2.36	1.77
	11.74	9.88

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

	Account No.	As at 31 March 2019	As at 31 March 2018
(a) Income tax expense			
<i>Current tax</i>		(454.14)	(3,592.11)
MAT on profits for the previous year			
Mat credit entitlement		454.14	1,389.20
<i>Deferred tax</i>		423.45	(6378.00)
Deferred tax as per previous GAAP			
Deferred tax on depreciation			
Deferred tax on others			
Increase in deferred tax assets (net of Mat credit entitlement)			
(Decrease) increase in deferred tax liabilities			
	8100000000 to		
Total	815000000	423.44	(8,580.91)

Income tax expense attributable to :

Profit from continuing operations	(423.44)	8,580.91
Profit from discontinued operations	-	-

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

	31 March 2019	31 March 2018
Profit before tax	6537.80	12,323.29
Gratuity (employees recruited on or after 1-2-1999)-OCI	280.64	1,188.27
Pension & Gratuity (employees recruited before 1-2-1999)-OCI	(4715.91)	3,314.93
Equity Instruments through OCI	(408.28)	48.53
Tax at Indian tax rate of 34% (2015-16 - 34%)	(454.14)	(3,592.11)
MAT credit entitlement	454.14	1,389.20
Deferred Tax	423.45	(6,378.00)
Total comprehensive income for the year	2,117.69	8,294.11



28. Financial instruments

A. Fair Value Measurement Hierarchy

(Rs.In lakhs)

Particulars	As at 31st March,2019				As at 31st March,2018			
	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	12160.18	-	-	-	7103.86	-	-	-
Trade receivables	41318.84	-	-	-	13000.41	-	-	-
Loans and advances to staff & Discoms	48191.75	-	-	-	52741.77	-	-	-
Current Loans	100000.00	-	-	-	-	-	-	-
Cash and cash equivalents	32223.40	-	-	-	21474.50	-	-	-
Balance with Banks-Others	1090.91	-	-	-	519.72	-	-	-
Other financial assets	0.00	-	-	-	1090.91	-	-	-
At FVTOCI								
Investments	484.25	484.25	0.00	0.00	892.53	892.53	-	-
Financial Liabilities								
At Amortised Cost								
Non current Borrowings	534298.77	-	-	-	444272.21	-	-	-
Current Borrowings	105169.50	-	-	-	-	-	-	-
Other financial liabilities	171783.71	-	-	-	128069.91	-	-	-

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

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

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

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

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

(ii) Valuation technique used to determine fair value

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

B. Financial risk management

Risk management framework

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

The Company's risk management policies are to identify and 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-derivative financial liabilities with agreed repayment periods, could not be given due to the voluminous number of term loans given against each scheme/project works by financial institutions and banks.

iii. Market risk

a. Foreign currency risk

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

b. Interest rate risk

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

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 2019	31 March 2018
Total Debt	6,91,255.55	4,93,258.39
Less : cash and cash equivalents	32,223.40	21,474.50
Adjusted net debt	6,59,032.15	4,71,783.89
Total equity	3,06,079.42	2,85,545.96
Adjusted net debt to total equity	2.15	1.65

30. Related party transactions

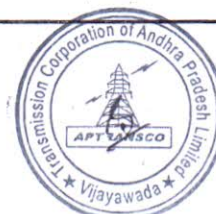
(i) List of Key Managerial Persons

Name of the Related Parties	Relationship
1.Sri.K Vijayanand	Chairman & Managing Director
2.Sri.Dinesh Paruchuri	Joint Managing Director
3.Sri Paradesi Umamathi	Joint Managing Director
4.Sri Sistu Subrahmanyam	Whole Time Director
5.Sri J.Venkateswara Rao	Whole Time Director
6. Adam Yadala	Whole Time Director
7.Sri M.Karunakar Reddy	Company Secretary

(ii) Transactions with Key Managerial persons during the Year

	31 March 2019	31 March 2018
	(Rs. In lakhs)	(Rs. In lakhs)
Key management personnel compensation comprised:		
Remuneration	79.92	38.85
Short-term employee benefits	39.07	43.67
Total compensation	118.99	82.52

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



Transmission Corporation of Andhra Pradesh Limited
Notes to the financial statements for the year ended 31st march 2019

31 Contingent liabilities (to the extent not provided for)	(Rs. In crs)	
	31 March 2019	31 March 2018
(a) Cases for disputed liabilities of Sales Tax/CST/Entry Tax/Service Tax are pending before the Appellate Authorities. Out of the demand an amount of Rs.20.98 crs had been paid as per Court Directions.	139.83	139.30
(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	123.40
(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)	4,889.24	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	2,970.75	805.00
(f) Property Tax to Municipalities in respect of Vidyut soudha premises pending assessment and determination of amount of tax	Amount not determined	

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 adjustment for the effects of all dilutive potential equity shares. The Company doesn't have any potentially dilutive shares for year ended 31st March 2019

i. Earnings per share	31 March 2019	31 March 2018
Basic earnings per share	1.53	0.82
Diluted earnings per share	1.53	0.82

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

ii. Profit attributable to equity shareholders	31 March 2019	31 March 2018
Profit for the year, attributable to the equity share holders	6,961.24	3,742.38

iii. Weighted average number of equity shares	31 March 2019	31 March 2018
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 (a). Apportionment/allocation of Assets and Liabilities to AP and TS TRANSCO as on 02.06.2014

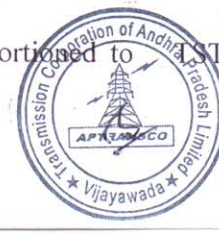
- (i) As per the AP Reorganization Act, 2014 the State of Andhra Pradesh has been bifurcated in to Andhra Pradesh and the State of Telangana from 02.06.2014. The APTRANSCO has bifurcated into APTRANSCO & TSTRANSCO with effect from 02.06.2014. As per section 53 of AP Reorganization Act, 2014, the assets 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.
- (ii) 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

(iii) 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.

(iv) Registration of transfer of title of the immovable properties apportioned to TSTRANSCO is pending on the date of Balance Sheet.



33 (b). APTRANSCO has submitted its revised demerger plan to Expert Committee headed by Mrs Sheela Bhide as per the provisions of AP. Reorganization Act, 2014 and as per generally accepted accounting principles vide letter No.427 dated 09.11.2017. The committee has made several suggestions and TSTRANSCO has raised certain objections on the revised Demerger plan submitted vide their letter dated 31.05.2018. Accordingly, APTRANSCO has submitted the demerger plan duly modified as per the objections/suggestions of TSTRANSCO and Expert Committee vide letter dated 326, dt.29.08.2018.

The following are the changes in allocation of assets and liabilities as per the objections/suggestions of TSTRANSCO (mutually agreed vide Letter dated 23.03.2017) and Expert Committee vide letter dated 326, dt.29.08.2018 and report dated 15.11.2018.

Particulars	APTRANSCO			TSTRANSCO		
	APTRANSCO as per draft demerger plan 02.06.2014	After Adjustments as per letter dated 23.03.2017 and final demerger plan	Difference kept in demerger adjustment accounts	TSTRANSCO as per draft demerger plan 02.06.2014	After Adjustments as per letter dated 23.03.2017 and final demerger plan	Difference kept in demerger adjustment accounts
Fixed Assets	522571.69	516090.84	(6480.85)	481858.02	488338.87	6480.85
Depreciation	238658.59	239631.80	(973.21)	218614.62	217641.41	973.21
CWIP	84384.22	84287.68	(96.54)	164595.58	164692.11	96.53
Investments	30431.90	34475.90	4044.00	39830.02	35786.02	(4044.00)
Current Assets	112243.74	113221.77	978.03	150254.14	149276.12	(978.02)
Total A	988290.14	987707.99	(2528.57)	1055152.38	1055734.53	2528.57
Current Liabilities	170730.94	171338.35	(607.41)	167996.77	167389.36	607.41
Deferred Tax Liability	7380.40	7782.40	(402.00)	5274.61	4872.61	402.00
Capital Liabilities	122193.23	123268.81	(1075.58)	172596.18	171520.60	1075.58
Reserve and Surplus	25711.41	24145.21	1566.20	15950.99	17517.19	(1566.20)
Accumulated Surplus	32931.18	49812.93	(16881.75)	52481.94	35600.19	16881.75
Total B	358947.16	376347.70	(17400.54)	414300.49	396899.95	17400.54
Total (A+B)	1347237.30	1364055.69	(19929.11)	1469452.87	1452634.48	19929.11



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

(Rs. In Lakhs)

Sch. No.	Schedule Note	Allocated Balance		
		Combined TRANSCO	APTRANSCO	TSTRANSCO
	Liabilities			
32	Capital Liabilities	294789.41	123268.81	171520.60
33	Funds from State Government	70840.94	1249.31	69591.63
	Liability for Pension, Gratuity and Leave Encashment Trusts	96353.86	45960.19	50393.67
	Deferred Tax Liability	12655.01	7782.40	4872.61
34	Contributions, Grants and Subsidies towards cost of Capital Assets	140735.42	73616.05	67119.37
	Equity	77921.76	45443.97	32477.79
35	Reserve and Reserve Funds	41662.39	24145.21	17517.18
	Surplus	85413.12	49812.93	35600.19
	Demerger Adjustment account	19929.12		19929.12
	Total Liabilities	840301.03	371278.86	469022.17
	Assets			
	Fixed Assets	1004429.71	516090.84	488338.87
19	Less: Accumulated Depreciation	457273.22	239631.80	217641.41
	Net Fixed Assets	547156.49	276459.04	270697.46
21	Capital Work in Progress	248979.80	84287.69	164692.11
22	Intangible Assets	260.03	0.00	260.03
23	Deferred Cost	29943.48	14243.70	15699.78
25	Investments	70261.93	34475.90	35786.02
26	Current Assets	262497.89	113221.77	149276.12
28	Less: Current Liabilities	338727.71	171338.35	167389.36
	Net Current assets (Sch 26-28)	(76229.82)	(58116.58)	(18113.24)
	Demerger Adjustment account	19929.12	19929.12	0.00
	Total Assets	840301.03	371278.86	469022.17

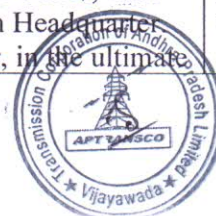
TSTRANSCO also accepted the Demerger Plan submitted by APTRANSCO duly recording its dissent on 5 issues and the same are as follows:

1. Investments in APGPCL, and GVK Power & Infrastructure Ltd.,
2. Head quarter buildings i.e., Vidyut Soudha.,
3. CTI building at Erragadda, Hyderabad.
4. Treatment of Demerger Adjustment Account of Rs.199.29 crs.
5. Allotment of personnel in the demerger proposal.

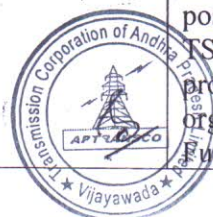


The Expert Committee has issued its views on the final demerger plan vide their letter dated 15.11.2018. The issues on which dissent was recorded by TSTRANSCO, APTRANSCO stand, TSTRANSCO stand and Expert Committee recommendations on the above 5 issues are tabulated below:

Sl.No.	Dissent Issue	APTRANSCO stand	TSTRANSCO stand	Recommendations of Expert Committee
1.	Investment in APGPCL and GVK Power & Infrastructure Limited	In respect of the investments in public, private or commercial undertaking companies held by APTRANSCO before the Appointed Date are <u>apportioned on the region basis where the projects are located.</u>	The said investments are movable assets held in the books of Head Quarters Office. As such, it is a head quarter asset. Hence, the investments in (i) Equity of Andhra Pradesh Gas Power Corporation Limited (APGPCL); and (ii) Equity of M/s.GVK Power and Infrastructure Limited are to be allocated between two entities on population ratio basis, as per the provisions of the A.P.Re-Organisation Act, 2014.	The shares of these two companies purchased by APTRANSCO were in the form of location-specific investments and must be apportioned on the basis of location to APTRANSCO. The physical assets of APGPCL and GVK Power and Infrastructure Ltd which are located entirely in Andhra Pradesh must also be apportioned on the basis of location to APTRANSCO. <u>The Expert Committee concurred with the opinion of APTRANSCO.</u>
2	Apportionment of Vidyut Soudha Building.	The Headquarter Building i.e., <u>Vidyut Soudha Building</u> (D.No.6-3-572, Khairatabad, Hyderabad) is apportioned between the two TRANSCOs as per the population ratio on book value. The physical division of this asset is also to be done on the basis of population ratio as per section 53(1) of AP Re-organization Act, 2014. The physical division of Vidyut Soudha building, at Schedule -E. Erstwhile APSEB/APTRANSCO has given some part of the building to united APGENCO on lease. The same lease agreement given to united APGENCO has to be shared between	Only the book value of Vidyut Soudha building has to be apportioned on population basis as mandated in Section 53(1) of AP Re-organisation Act. The physical details of these assets need not be shown in Annexure, as the transfer of these assets in any form can be only after the apportionment as per clause 53(2). With the bifurcation of the State, the establishments in Government and semi-government organizations come into existence separately for both the resultant states. Accordingly, Transmission Corporations of both the States have started their functioning in the respective States, with their own Headquarters. However, in the ultimate	<u>The recommendations of Expert committee</u> since APTANSCO is an inter-state undertaking, the assets of its Headquarters located in is the <u>Vidyut soudha building complex</u> must be apportioned between APTRANSCO and TSTRANSCO on the basis of the population ratio as per section 53 (1) proviso (b) of the AP Reorganization Act, 2014. Therefore, the asset of the APTRANSCO at Headquarters in Vidyut soudha building complex in Khairatabad, Hyderabad must be apportioned on the population ratio. Further, the ownership rights of the office space in Vidyut soudha building complex which was given on lease by APTRANSCO to



		<p>both entities i.e., APTANSCO and TSTRANSCO on population basis as per section 53(1) of AP Re-organisation Act, 2014.</p>	<p>analysis, each State is required to have its own establishment in all respects. If the division of Headquarters Building is permitted, one of the resultant States will have two headquarters: one within its own territory and the other in the territory of the other resultant State. The very purpose of division of State would be defeated.</p> <p>In view of the above, the claim of physical division of Vidyut soudha Building by APTANSCO on population ratio basis is not correct and does not accord with the spirit and letter of the Act. The entire building needs to be allocated to TSTRANSCO.</p>	<p>APGENCO must also be apportioned on population ratio basis between ATPRANSCO and TSTRANSCO. The office space in Vidyut soudha which is to be apportioned between APTRANSCO and TSTRANSCO and the office space given on lease by APTRANSCO to APGENCO should be physically demarcated by representatives of both the entities and sketch map signed by them should be attached to the demerger proposal. This has been done by other Companies/Corporations included in the Schedule IX so as to avoid any ambiguity on the apportionment of assets. In respect of land on which Vidyut soudha building complex stands belongs to APTRANSCO and this land should also be apportioned between APTRANSCO and TSTRANSCO on the basis of population ratio.</p>
3.	<p>Corporate Training Institute, Erragadda, Hyderabad.</p>	<p>The physical division of CTI Building is to be done as per population ratio.</p>	<p>It is pertinent to mention that Corporate Training Institute is an independent Accounting unit located at Hyderabad in Telangana Region. Pursuant to the Government order issued by the then Government of Andhra Pradesh vide G.O.ms.No.26, Energy (CC) Department dated 29.05.2014, the Corporate Training Institute along with posts was transferred to TSTRANSCO as per the provisions of AP Re-organisation Act. Further, as per the</p>	<p><u>Corporate Training Institute, Hyderabad.</u> The Chairman of the Expert Committee, and members i.e., Sri.K.V.Rao and Sir.K.narasimha Murty, recommends that the Corporate Training Institute Centre in Erragadda should be transferred to TSTRANSCO and should continue to provide services to APTRANSCO on cost basis as per request made by ATPRANSCO.</p> <p><u>Shri A.K.Goel,</u> <u>Member, Expert</u></p>



			Office Memorandum vide F.No.12012/2014-SR issued by the Ministry of Home Affairs, Government of India, in this regard "In the case of more than one common facility such as workshops, guest houses and operational plants etc., such entities cannot be construed to be part of "headquarter". The term "Headquarter" would be co-terminus with the principal office of the Undertaking as per its ordinary dictionary meaning". Therefore, in such a case, the operational units and headquarters would be apportioned as per the proviso to section 53 of the AP Re-organisation Act. Hence, the Corporate Training Institute needs to be allocated to TSTRANSCO on location basis.	<u>Committee recommendation on CTI building:</u> The CTI, by virtue of its location has be allotted to TSTRANSCO. The Expert Committee's rider that "CTI should continue to provide services to APTRANSCO on cost basis as per request made by APTRANSCO" is not covered by the provisions of the APRA, 2014. The Act,2014 deals strictly with the demerger of 'Headquarters' and 'Operational unit' and nothing beyond that. Any arrangement between the two demerged corporations has to be decided mutually by their managements alone. The Expert Committee need not create any rights of one Corporation over the facility belonging to other Corporation.
4.	Accounting Treatment of Demerger Adjustment Account	The difference between Assets and Liabilities was transferred to Demerger Adjustment Account. APTRANSCO claimed this amount has to be settled by way of payment or adjustment through any other mode as per section 53 (2) of the AP Reorganisation Act, 2014.	TSTRANSCO claimed this has to be adjusted against the Accumulated Surplus.	The committee has difference of opinion: 1. Chairman of the committee concurred with the stand of TSTRANSCO i.e., the difference between the book value of the assets, liabilities, share capital of the transferor company that is transferred to the transferee company pursuant to the scheme, if any shall be adjusted with Reserves and Surplus Account. 2. Two Members of the Committee i.e., Sri. K.V.Rao and Sri. K.Narasimha Murty, recommended that



				<p>falling under Section 53(2) of the AP State Reorganisation Act, 2014, it cannot be adjusted to any other reserve as on 2nd June 2014.</p> <p>3. The other member i.e., sri.A.K.Goel, opined this issue has to be settled between the two state Governments.</p>
5.	Allotment of Personnel in demerger plan	Section – 5 specify the allocation of personnel and agreed with the recommendation of the Expert Committee.	Since the scheme does not cover the allocation of employees, the words “Personnel”/“Employees” wherever referred in the scheme may be deleted. The allocation of employees is covered under section 82 of the Act, which is irrelevant here. Hence, the words “Personnel/employees wherever referred in the scheme are to be deleted.	All references to division of employees or allocation of personnel in the demerger proposal of APTRANSCO ought to be dropped from this Demerger proposal.

Both the entities i.e., APTRANSCO and TSTRANSCO are agreed to the amount of Rs.19929.12 lakhs towards the difference between Assets and Liabilities, with the difference of opinions on the treatment of the amount only. As such the earlier allocation of assets and liabilities needs to be corrected by way of journal entries i.e., to brought the amount of Rs.19929.12 lakhs in the books of APTRANSCO as Demerger Adjustment Account. In the Draft demerger plan, accumulated surplus of Rs.166.86 crs was excess allocated to TSTRANSCO to match the assets and liabilities. The same has been now brought to the accounts along with other adjustments. After finalisation/approval of demerger plan by the both Governments the treatment of demerger adjustment account will be carried out in the respective accounts accordingly.

However, APTRANSCO addressed a letter on 22.01.2019, to the Principal Secretary to Government, Energy, I&I Department, GOAP duly stating that the proposal/recommendation of the Expert Committee on treatment of Demerger Adjustment Account of Rs.199.29 Crs not acceptable to APTRANSCO as the same was the result of not following of Section 53(2) of A P Reorganization Act, 2014.

Any differences/deviations in the demerger adjustment account balance will be considered in the subsequent years.



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	33.30
2016-17	372.97	91.36	40.78
2017-18	371	95.37	41.21
2018-19	346	94.44	39.25
TOTAL			424.19

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:

Sl. No	Particulars	Rs. in crores	
		This year 2018-19	Previous year 2017-18
1.	Deposits received from GoAP to end of	1083.74	1083.74
2.	Interest payable to GoAP on LIS deposits to end of	679.34	633.03
3.	Total (1+2)	1763.08	1716.77
4.	Value of Lift Irrigation Assets put to use transferred to "Consumer Contribution towards cost of Capital Assets" to end of	516.29	511.47
5.	Development Charges transferred to "Consumers Contribution towards cost of Capital Assets" to end of	56.59	56.13
6.	Supervision Charges transferred to P&L A/c to end of	116.94	115.96
7.	Amount paid to Discoms to end of	62.59	62.59
8.	Demerger Adjustment to TSTRANSCO	21.35	
9.	Total expenditure (4 to 8)	773.76	746.15
10.	Balance Deposits at the end of the year (3-9)	989.32	970.62
11.	Less: Capital Works in progress to end of	38.71	52.38
12.	Balance Deposits at the end of the year (10-11)	950.61	918.24



36. An amount of Rs.36.49 Crs (Previous year Rs.30.66 crs) has been credited to Other Income under Note No.22 - Capital Contribution towards Depreciation on GoAP Lift Irrigation Assets for the year 2018-19, which were created against the Lift Irrigation Scheme funds.

37. Consequent to bifurcation of APTRANSCO w.e.f. 02.06.2014, the Transmission & SLDC charges are determined based on the actual power scheduling to TS Discoms from AP Region to TS Region accordingly the company raised a demand on TS Discoms (TSSPDCL & TSNPDCL) to the extent of Rs.177.95 crs for 2014-15, Rs.236.95 crs for 2015-16, Rs.250.47 crs for 2016-17, Rs.123.00 crs for Rs.2017-18 (including the differential capacity billing) and Rs.94.07 crs for 2018-19, 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.

38. In respect of Pension & Gratuity provision relating to Master Trust of APSEB origin employees belonging to the company based on comment of AG, AP on the accounts for the year 2017-18 company has considered the following:

In view of the above comment, APTRANSCO has made certain directions to the Actuary that prepare the actuarial valuation report as per the procedure in vogue i.e., 26% borne by APTRANSCO P&G Trust and the remaining 74% will be borne by Master Trust.

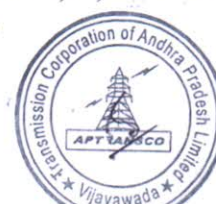
Further made a request to project the liability to be borne by APTRANSCO after 2029 (100%), as Master Trust liability ceases from 2029.

Accordingly, the Actuary has given the report dated 04.07.2019, 1) duly specifying the liability of 26% to be considered for FY 2018-19 as APTRANSCO portion of liability and 2) prepared the summary to the management regarding the P&G Liability 26% up to 2029 and 100% after 2029.

Sl.No	Particulars	APTRANSCO (26%) for the year 2018-19	APTRANSCO (100%) after 2029
1.	Total Accrued Liability as at 31st March 2019	710.96	1946.19
2.	Fund as on 31st March 2019 with Trusts	599.60	599.60
3.	Deficit/(Surplus) (1-2)	111.36	1346.59
4.	Liability already recognized in the books of accounts	56.66	56.66
5.	To be provided in 2018-19 (3-4)	54.70	1289.93
6.	26% liability recognized in 2018-19		54.70
7.	Net to be recognized for 2029 liability (5-6)		1235.23

It is not possible/appropriate to recognize the huge liability at a time though P&L i.e., in the year 2029 or in the present year. As such it is proposed to recognize the future liability of Rs.1235.23 crs in a phased manner i.e., year on year from 2018-19 to 2029-30 (i.e., in 12 years) through P&L along with regular liability of 26%. Accordingly, an amount of Rs.102.93 crs has been recognized as P&G Liability, which occurs in 2029 (100% liability of APTRANSCO).

39. TS Transco has raised bills towards share of common expenditure, for the year 2018-19 amounting to Rs.2.14 crs (up to previous year Rs.13.37 crs), which is not accepted and not consider in accounts by the company, pending review and finalization. However, an amount of Rs.82,94,402/- has been reimbursed towards property tax for FY 2018-19 share of APTRANSCO (58.32%).



40. APTRANSCO made certain payment like legal and other charges to the tune of Rs.11.04 crs on behalf of TSTRANSCO and which are to be receivable from TSTRANSCO.

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

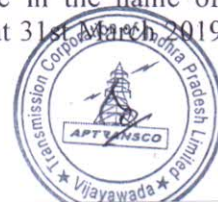
42. Surcharge on SLDC charges, lease rent for using optical network of APTRANSCO by APSFL, lease rent ATM constructed at 220 KV SS Vijayawada by Axis Bank Limited and interest on staff advances are accounted on receipt basis only and actual amounts receivable could not be determined due to non-confirmation of terms for quantifying the amounts..

43. (a.) As directed by APERC through tariff orders from time to time, company has appropriated from appropriation account to Contingency Reserve as per para IV (1) of the Sixth Schedule of Electricity Supply Act 1948 in earlier years. The funds relating to Contingency Reserve are invested in various Securities/Bonds, etc. from time to time. The funds are not at the disposal of the Company and as such the interest earned has been credited (net of tax) to Contingency Reserve Account under Note 12B. The utilization of contingency reserve shall be made only with the prior approval of APERC. Total Contingency Reserve to the end of 2018-19 is of Rs.3001.94 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 made after demerger pertaining to the share of TSTRANSCO will be transferred.

44. 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, 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 31-03-2019 of Vidyut Bonds to AP and TS is of Rs.5.20 Crs and Rs.417.80 Crs respectively.

45. 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. 1715.21 Cr as per the final de-merger plan. The debt service of loans apportioned to TSTRANSCO is being met by them regularly. However, since the loan documents were executed by the Company further loan draws/repayment of loan by TSTRANSCO are accounted for by the lenders in the existing loan accounts, similarly necessary demand notices and confirmation of balances are in the name of the Company. Accordingly, the loan outstanding of TSTRANSCO on this account as at 31st March, 2019, are not shown in the financial statements of the Company.



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

47. 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. The company during the MYT period of 2014-19, accounted for 'True down' benefit on transmission charges, whereas 'True up' increase in transmission charges of Rs. 158.10 crores for the period 2014-16 has not been considered in the accounts pending approval of APERC. The same shall be claimed through true up proposals of MYT 2014-19 will be submitted to APERC on completion of accounts for FY 2018-19.

48. The company entered into agreement dated 15.02.2019 effective for a period of 5 years from date of signing of agreement with AP Fibrenet Ltd (APSFL) for payment of charges on utilisation of dark fibres on its network by APSFL. The company made claim on APSFL for Rs. 4,39,00,500/- for the period from 01.07.2016 to 31.03.2019 and not considered in the accounts for the year 2018-19 and the company decided to account on receipt basis as indicated at Note No.42.

49. Company entered into agreement four in number for recovery of O&M charges for maintenance of sub-stations, switchyards and bays belonging to Power Grid Corp of India Ltd and accounted for income on account of O&M charges for the year and for earlier years.

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

51. Impact of application of Ind AS 115 'Revenue from contractors with customers': Effective April, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining revenue. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts. The application of Ind AS 115 does not have any significant impact on the financial position and/ or financial performance of the company.

52. Staff advances - Change in method of valuation from Fair Value method to cost: During the year, the company has changed method of valuation of staff advance as at balance sheet date from fair value method to cost basis/carrying balance. The impact on such change is Rs. 31.26 lakhs which has been transferred to retained earnings. Previous years figures have not been reinstated as the impact of such change on financial statements is not material.

53. Payable to MSME as at the 31.03.2019 has not been identified. Hence, trade payables to MSME has not been shown separately.



54. As per GO.328 dated 16.11.2017, Vizag Chennai Industrial Corridor (VCIC) works are to be executed by APIIC, GVMC, APRDC and APTRANSCO to the tune of Rs.358 million USD the share of APTRANSCO under VCIC project is 151.65 million USDs. As per the GOs the payments are to be made by GoAP/ADB in the ratio of 22:78. Hence, APTRANSCO is sending all vendor claims (bills) to GoAP/ADB for payment. GoAP/ADB is directly making the payments to the vendors on sending the claims by APTRANSCO through CFMS portal. The contractor bills on the company relating to VCIC project have been paid by GoAP/ADB as stated above and are recorded by the company in its books of account and disclosed under CWIP (Note No.2) and under Other Current Liabilities (Note No.17B).

55. An amount of Rs.301.71 crs is receivable from the AP Discoms out of which an amount of Rs.9.60 crs is under reconciliation with APPCC.

56. Previous year's figures are re-grouped wherever necessary to confirm with the current year classification.

57. The financial statements were approved for issue by the Board of directors on 5.11.2019.

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


For and on behalf of the Board of Directors

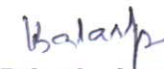
For Nataraja Iyer & Co.,
Chartered Accountants




E. Sri Ranganath
Partner



Place: Vijayawada
Date: 08-11-2019


Dr. Srikant Nagulapalli,
Chairman & Managing Director
APTRANSCO, Vidyut Soudha,
VIJAYAWADA - 520 004.


V. Balasubrahmanyam
Financial Advisor & Chief
Controller of Accounts (Accounts)
APTRANSCO, Vidyut Soudha,
Gunadala, Vijayawada - 520 004.


K.V.N. Chakradhar Babu
Joint Managing Director
(Fin., Comm., HRD, IPC & IT) &
Chief Financial Officer (CFO)
APTRANSCO

M. Karunakar Reddy
Company Secretary
Company Secretary
APTRANSCO, VIDYUT SOUDHA,
GUNADALA, VIJAYAWADA-520004

Place: Vijayawada
Date: 5.11.2019

Transmission Corporation of Andhra Pradesh Limited
Function wise Analysis of Revenue & Expenses

(Rs. in lakhs)

Particulars	400 KV Units	OMC Units	Head Office/ Common	Total (Trns)	SLDC	Total (Trns+SLDC)
REVENUE:						
Revenue from operation	0.00	0.00	152113.75	152113.75	5561.10	157674.85
Other income	247.77	3086.38	16802.21	20136.36	224.95	20361.30
Total Income	247.77	3086.38	168915.95	172250.10	5786.05	178036.15
EXPENSES:						
Employee Benefits expenses	3570.94	21170.90	15068.06	39809.90	4626.65	44436.56
Finance Cost	23640.75	12779.73	1170.58	37591.05	0.00	37591.05
Depreciation and related expenses	27004.58	25623.08	7801.26	60428.92	325.74	60754.66
Operating and Other expenses	2510.81	17826.52	7519.34	27856.67	719.73	28576.41
Exceptional items		139.67		139.67		139.67
Total Expenditure	56727.09	77539.89	31559.24	165826.22	5672.13	171498.35
Profit from operation before income tax				6423.88	113.92	6537.80



Transmission Corporation of Andhra Pradesh Limited Function wise Balance Sheet As at 31 March 2019				
<i>In lakhs of INR</i>				
	Notes	Transmission	SLDC	APTRANSCO
Assets				
Non-current assets				
Property, plant and equipment	2	8,42,841.12	3,814.96	8,46,656.08
Capital work-in-progress	2	1,96,443.98	83.95	1,96,527.93
Intangible Assets	2	1,884.61	-	1,884.61
Financial assets				
Investments	3	12,644.42	-	12,644.42
Loans	4	48,391.39	(199.64)	48,191.75
Others	5	-	-	-
Other non-current assets	6	9,257.15	0.55	9,257.70
Total non-current assets		11,11,462.67	3,699.82	11,15,162.49
Current assets				
Inventories	7	12,896.40	17.94	12,914.34
Financial assets				
Trade receivables	8	37,442.64	3,876.20	41,318.84
Cash and cash equivalents	9A	26,432.62	5,790.78	32,223.40
Bank Balances in FDs	9B	1,090.91	-	1,090.91
Loans	4B	1,00,000.00	-	1,00,000.00
Current tax assets (net)	10	15,700.38	1,075.03	16,775.41
Other current assets	11	32,199.78	(162.23)	32,037.55
Total current assets		2,25,762.73	10,597.72	2,36,360.45
Total assets		13,37,225.40	14,297.55	13,51,522.95
Equity and liabilities				
Equity				
Equity share capital	12A	45,443.97	-	45,443.97
Other equity	12B	2,42,974.27	17,661.18	2,60,635.45
Total equity		2,88,418.24	17,661.18	3,06,079.42
Liabilities				
Non-current liabilities				
Grants	13	1,10,795.66	-	1,10,795.66
Financial liabilities				
Borrowings	14	5,34,298.77	-	5,34,298.77
Provisions	15	35,245.03	-	35,245.03
Deferred tax liabilities (net)	16	13,884.03	-	13,884.03
Other non-current liabilities	17A	12,023.46	(495.06)	11,528.40
Total non-current liabilities		5,95,451.29	(495.06)	5,94,956.23
Current liabilities				
Financial liabilities				
Borrowings	14B	1,05,169.50	-	1,05,169.50
Trade Payables	18	46,246.66	65.47	46,312.13
Other financial liabilities	19	1,70,286.22	1,497.49	1,71,783.71
Other current liabilities	17 B	22,769.80	(7,642.35)	15,127.45
Provisions	20	(1,911.96)	3,210.81	1,298.85
Total current liabilities		3,42,560.22	(2,868.58)	3,39,691.64
Total liabilities		9,38,011.51	(3,363.64)	9,34,647.87
Total equity and liabilities		13,37,225.42	14,297.55	13,51,522.95



Transmission Corporation of Andhra Pradesh Limited
STATEMENT OF TECHNICAL PARTICULARS

Sl. No.	Particulars	Unit	This Year 2018-19	Previous Year 2017-18
1	Input from State Generators including wheeling	MU	42908.19	39851.12
2	CGS (Ex-Bus)	MU	18965.10	16957.12
3	System input at 132 KV & above including Wheeled Energy (1+2)	MU	61873.29	56808.24
4	Energy delivered by Transco to Discoms including Wheeled Energy	MU	59443.95	54583.39
5	Transmission Losses (incl wheeling) (3-4) inclusive of PGCIL losses	MU	2429.34	2224.85
6	%Transmission Losses (Incl wheeling) on respective Inputs $\{(5/3*100)\}$ inclusive of PGCIL losses	%	3.93	3.92
6a	%Transmission Losses (Incl wheeling) on respective Inputs $\{(5-11)/(3-11)*100\}$ exclusive of PGCIL losses	%	3.10	3.13
7	Net wheeled Energy at 132 KV & above by Third Party Developers	MU	539.17	574.64
8	Energy delivered by Transco to Discoms Excluding Wheeled Energy at 132 KV & above (4-7)	MU	58904.78	54008.75
9	Drawls at 33 KV & 11 KV from TP developers	MU	2258.01	1899.13
10	Drawls at 33 KV & 11 KV from Genco	MU	16.85	17.03
11	External losses (PGCIL losses)	MU	526.10	461.78
12	Input to Discoms (incl Wheeling Energy) (8+9+10)	%	61179.64	55924.91
13	Discoms sales of Energy (Excl Wheeling)	MU	55094.11	50519.22
14	Net Wheeled Energy at 33 KV & Below by Third party Developers	MU	221.73	219.91
15	Discoms sales of Energy (incl. Wheeling) (13+14)	MU	55315.84	50739.13
16	Distribution losses (incl. Wheeling) (12-15)	MU	5863.80	5185.78
17	% Distribution losses (incl. Wheeling) on respective inputs $\{(16/12)*100\}$	%	9.58	9.27
18	T&D Input (Ex-Bus Availability) (3+9+10)	MU	64148.15	58724.40
19	T & D Sales (incl. Wheeling) by Discoms (15+7)	%	55855.01	51313.77
20	T&D Losses (inc. Wheeling) (18-19)	MU	8293.14	7410.63
21	% T&D Losses (incl. wheeling) $(20/18*100)$	%	12.93	12.62



INDEPENDENT AUDITOR'S REPORT

To the Members of
TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the standalone financial statements of **Transmission Corporation of Andhra Pradesh Limited (the Company)**, which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").
2. In our opinion and to the best of our information and according to the explanation given to us, subject to the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

3.0 Basis for Qualified Opinion

- 3.1 Based on revised allocation of assets and liabilities between the company and TS Transco as per the objections / suggestions of TS Transco and mutually agreed vide letter dated 23.03.2017 and expert committee letter no. 326 dated 29.08.2018 and report dated 15.11.2018 and shown under Note No. 33 (a) and (b) an amount of Rs. 199.29 crore (Debit balance) being the difference between re-allocated assets and liabilities is shown as Demerger Adjustment Account under other current assets (Note No. 11A) in the Balance sheet as at 31.03.2019. The recoverability/adjustment is subject to the decision of a third party referred by the company and TS Transco.
- 3.2 Note No. 37 with regard to non-accounting of revenue in respect of demand raised on TSDISCOMS for transmission and SLDC charges of Rs.94.07 Crore



(up to Previous Year Rs. 788.37 Crore) due to non-finalisation of LTTA (Long Term Transmission Agreement) with TS DISCOMS.

- 3.3 Note No. 39, with regard to non-accounting of common expenditure of Rs.2.14 Crore (up to Previous Year Rs.13.37 Crore) towards bills raised by TSTRANSCO
- 3.4 Note No. 44 regarding AP Transco Vidyut Bonds, floated by the company on behalf of GOAP, amounting to Rs. 975 Crore, out of the above an amount of Rs. 417.8 Crore has been apportioned in favour of TSTRANSCO and these bonds are not shown in the books of account of the company. The assets and liabilities of the company to the extent apportioned to the Company has been understated to the tune of Rs. 5.20 Crore, as on 31.03.2019 excluding accrued interest.
- 3.5 Accounting policy B2(c) Equity Investment in unquoted equity shares of the value of Rs. 2830.24 lacs have 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 quantify the effect in the absence of information.
- 3.6 Accounting policy B2 (k) Borrowing Cost directly attributable to the acquisition or construction of a qualified asset and capitalised as part of cost of the asset, the method adopted by the company in arriving the borrowing cost to be capitalised is in deviation from the stated accounting policy, and Ind AS 23 "Borrowing Cost". We are unable to quantify the effect in the absence of information.
- 4.0 We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

5.0 Emphasis of Matter:

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

- 5.1 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.



- 5.2 Note No.33 (b) with regard to the continuance of the charge on assets and the outstanding loans apportioned to TSTRANSCO, amounting to Rs. 1715.20 Crore as on 01.06.2014, which are in the name of the company.
- 5.3 Note No. 34 with regard to non-accounting of transmission charges in respect of third party generator since the matter is Sub-Judice Rs. 39.25 Crore (up to 31-03-2018 Rs.384.94 Crore).
- 5.4 Note No. 40 with regard to payments made on behalf of TS Transco of Rs. 11.40 Crore.
- 5.5 Note No. 43(b) with regard to the whole of the contingency reserve investments including those apportioned to TSTRANSCO on demerger, continue to be held in the name of the company.
- 5.6 Note No.46 with regard to recovery of risk and cost from two Contractors of Rs.12.12 crore which will be accounted as and when accepted by the parties or received.
- 5.7 Note No.47 With regard to non-accounting of True-up increase in transmission charges as stated in the note of Rs.158.10 Crore.
- 5.8 Note No.50 with regard to the property (land) transferred to Greater Visakha Municipal Corporation (GVMC). We are unable to quantify and account for the same due to non-availability of value of land.
- 5.9 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".
- 5.10 Company need to establish a system for obtaining confirmation of balances for receivables, payables, advances, deposits and project stock held by the third party etc.

Our opinion is not modified in respect of these matters.

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

- 6.1 The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our report thereon.
- 6.2 Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- 6.3 In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



- 6.4 If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

7.0 Management's Responsibility for the standalone financial statements

- 7.1 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, total comprehensive income, changes in equity, cash flows of the Company in accordance with the Indian Accounting Standards ('Ind AS') and other accounting principles generally accepted in India. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 7.2 In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 7.3 Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

- 8.1 Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include our opinion. Reasonable assurance is the high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise due to fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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

- Identify and assess risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of the internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances. Under section 143(3)(i) of the Act, we are responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of going concern basis of accounting and, based on the audit evidences obtained, whether any material uncertainty exists related to the events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditor' report. However, future events or conditions may cause the Company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

8.3 Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating



the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

- 8.4 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 8.5 We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

9.0 Report on Other Legal and Regulatory Requirements

- 9.1 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 paragraphs 3 and 4 of the Order, to the extent applicable.
- 9.2 In terms of section 143(5) of the Companies Act, 2013, we give in the "Annexure C" our comments on the directions issued by the Comptroller and Auditor General of India and sub directions issued by the Principal A.G (Audit) AP vide letter dated 24.03.2019.
- 9.3 As required by Section 143(3) of the Act, we report that:
- a) we have sought and obtained the information except for the information detailed in "Annexure D" and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) the Balance Sheet, the Statement Profit and Loss, including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this report are in agreement with the books of account.
 - d) in our opinion, the aforesaid Standalone Financial Statements, except for accounting on receipt / cash basis of the items stated at Note 42 and matters referred at para 3.5 and 3.6 of this report, comply with the Indian 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 05.06.2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section 2 of section 164 of the Companies Act, 2013 are not applicable.



- f) with regard to the adequacy of the internal financial controls with respect to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”, our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) with respect to the remuneration paid by the company to its directors is in accordance with the provisions of section 197 of the companies Act, 2013 the provisions of section 197 of Companies act 2013 are not applicable to a Government company vide notification No. GSR 463 (E) dated 05-06-2015. Hence we need not comment up on as required under section 197(16) of the Companies Act, 2013.
- h) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i) the company has disclosed the impact of pending litigations on its financial position in the standalone financial statements- Refer Note No.31 to the standalone financial statements.
- ii) the Company has no long-term contract including derivative contracts requiring disclosure of material foreseeable losses.
- iii) there has been no amount, required to be transferred to the Investor Education and Protection Fund by the Company.

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



(Signature)
(E.SRI RANGANATH)
PARTNER
Membership No. 013924

Place : Vijayawada
Date : 08.11.2019

UDIN NO: 19013924AAAAF77431

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

Referred to in paragraph 9.1 under Report on other legal and Regulatory Requirements of our Report for the year ended 31st March 2019.

i. In respect of the fixed assets of the Company:

- (a) The Company has recorded particulars, including quantitative details and situation of fixed assets. However, information of cost and depreciation need to be included to compare with books of account.
- (b) The company provided certificate from all units including head office stating that physical verification of assets has been carried during the year and no discrepancies reported.
- (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 collection of title deeds and land records and in the absence of complete record we are unable to comment on whether the company holds title deeds in respect of the immovable property (Land/building).

ii.

- (a) As per the information and explanations given to us, during the year, physical verification of inventory has been conducted by external Chartered Accountants appointed by the company.
- (b) The procedure of physical verification followed by the external Chartered Accountants was reasonable and adequate in relation to the size of the company and the nature of the business.
- (c) According to the information and explanation given to us the company is maintaining proper records of inventory and the discrepancies reported are under review by the company for carrying out corrections in the stores records.

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 as specified under Section 186 of the Act, the Company has complied with the provisions of the section.
- 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, Goods and Service Tax and other statutory dues. The undisputed amounts payable which were in arrears as on 31.03.2019 for a period of 6 months or more from the date they become payable are as follows:
- i) Service tax payable - Rs.2,01,686/-
 ii) TDS- VAT payable - Rs. 17,81,591/- and
 iii) Purchase tax payable – Rs. 2,71,94,420/-
- (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 and Income tax etc. as on 31st March 2019					
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
Service Tax	April 2013 to March 2016	Customs, excise and service tax appellate tribunal	29.61	2.22	27.39
	July 2012 to March 2017	Customs, excise and service tax appellate tribunal	23.55	1.77	21.78
Total			27036.15	2790.01	24246.14

- viii. In our opinion and on verification of records, the Company has not defaulted in repayment of loan dues to its bankers/ financial institutions/ Government of AP during the year. The company has not issued any debentures.
- 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.

Place: Vijayawada
Date : 08.11.2019



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

A handwritten signature in blue ink, appearing to be "Nataraja Iyer", written over the firm registration number.

PARTNER
Membership No. 013924

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 2019 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 2019, based on the



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 2019, 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



A handwritten signature in blue ink, appearing to be "Nataraja Iyer".

PARTNER
Membership No. 013924

Place : Vijayawada
Date : 08.11.2019

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 31.03.2019

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

Sl. No.	Particulars	Auditor's 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 collection of title deeds and updation of land records and in the absence of complete information 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 08.11.2019 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	During the year an amount of Rs.54.74 lacs has been provided being irrecoverable from contractors in the unit of SE / OMC / Rajahmundry.
3	Whether proper records are maintained for inventories lying with the third parties & assets received as gift/grant(s) from Government or other authorities.	As informed 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. However we suggest that Company should obtain certificate for physical holding of stores as at the year end. As informed company has not received land as gift or grant from Government or other authorities during the financial year 2018-19.



b. Reply to Sub-directions given by Principal Accountant General (Audit) AP vide letter dated 24.03.2019:

Sl. No.	Particulars	Auditor's Observation
1.	Whether the company has made adequate provision towards pension, gratuity and leave encashment liability of APSEB origin employees (retired and serving) and gratuity and leave encashment liability of employees recruited on or after 1st February 1999.	<p>According to information and explanations furnished to us</p> <p>a. APTRANSCO has made certain directions to the Actuary that prepare the actuarial valuation report as per the procedure in vogue i.e., 26% borne by APTRANSCO P&G Trust and the remaining 74% borne by Master Trust.</p> <p>b. Company made a request to project the liability to be borne by APTRANSCO after 2029 (100%), as Master Trust liability ceases from 2029.</p> <p>Accordingly, the Actuary has given the report dated 04.07.2019, 1) duly specifying the liability of 26% to be considered for FY 2018-19 as APTRANSCO portion of liability and 2) prepared the summary to the management regarding the P&G Liability 26% up to 2029 and 100% after 2029.</p> <p>The Actuary has calculated/projected the liability towards P&G of APSEB origin employees to the tune of Rs.1235.23 crs and which is to be borne by APTRANSCO (100%) after 2029.</p> <p>The AG, AP commented/suggested for recognition of entire liability i.e., 100% in the books of APTRANSCO and also stated that APGENCO has provided full provision i.e., 26% (their share) + 74% (Master Trust Share) in their books of account in respect of serving APSEB employees allocated to them.</p> <p>In view of above comment, as it is not possible to recognize the huge liability at a time through P&L i.e., in the year 2029 or in the present year, APTRANSCO proposed to</p>



		<p>recognize the future liability of Rs.1235.23 crs in a phased manner i.e., year on year from 2018-19 to 2029-30 (i.e., in 12 years) through P&L along with regular liability of 26%.</p> <p>Accordingly, the above proposal has been brought to the notice of the Board of APTANSCO and resolved that, “the Board decided to recognize the liability of Rs.1235.22 crs year on year from FY 2018-19 to 2029-30 (i.e., in 12 years) in P&L along with regular liability of 26%, as it is not possible to recognize the entire liability in the year 2029 and the Master Trust responsibility seizes from 2029 onwards”. Further also resolved that “the liability towards Pension & Gratuity of APSEB origin employees to the tune of Rs.103 crs (i.e., 1/12th of 100% liability of APTRANSCO after 2029 of Rs.1235.23 crs) to be provided in the accounts for FY 2018-19 along with regular liability of 26%”.</p> <p>We agree to the above procedure adopted by the company.</p> <p>With regard to employees recruited on or after 01.02.1999, Gratuity and Leave encashment liability has been provided as per the Actuarial valuation.</p>
2	Whether the company accounted for the transmission, wheeling and network maintenance charges due to it.	According to information and explanations furnished to us the Transmission and SLDC charges, open access Transmission and SLDC charges (Wheeling charges) and network maintenance charges are accounted on Accrual basis.
3	Whether the company has system for monitoring mobilisation advance and recovery of principal and interest as per contract/agreement terms.	According to information and explanation furnished to us the company has kept mobilisation advances for interest bearing and non-interest bearing under A/c.255000000 and 265000000. As and when the contractor submit bill, payments are made, the advance will be set off against the above



		<p>accounts as per the terms of the agreements without any default.</p> <p>We have called for party wise details from units of the company and noted advances both interest bearing and non-interest bearing are accounted under both the heads causing difficulty in identifying the advances of each nature. Therefore, we are of the view that this exercise will be carried out during the statutory audit for the year 2019-20</p>
4.	Whether the company has system to monitor the bank guarantees and for extension/encashment of the same before expiry	<p>According to information and explanations furnished to us the company is maintaining register of Bank guarantees with the unit officers/PO placing authority where the bank guarantees submitted. If any extension given for the work, accordingly the extension of bank guarantees will be obtained from the contractor by the PO placing authority, otherwise the bills will not be paid.</p> <p>In case of major default by the contractor during the work execution the encashment of BGs is being made.</p>
5.	Whether the company has system to monitor the contract terminated at the risk & cost of the defaulting contractors and to monitor the realisation of risk & cost amount.	<p>According to information and explanations furnished to us where ever the contracts are terminated the EMD/SD paid by contractor are forfeited and BGs if any also encashed. The risk & cost will be collected from the contractor after adjustment of EMD/SD/RM. The company disclosed amounts recoverable of the nature at Note No.46. The company need to confirm as to existence of any other instances of this nature.</p>
6.	Whether interest during construction booked to the project cost /capital work-in-progress is as per Ind AS.	<p>According to information and explanations furnished to us the company's management has identified funding agency based on the WBS element/ Scheme ID for CWIP and Assets capitalized during the year and calculated interest during construction by applying rate of interest charged by respective funding agency on the closing balance of</p>



	<p>CWIP for full year irrespective of period of spending based on WBS element. For assets capitalised during the year IDC is calculated by applying aforesaid interest rate on amount capitalized from first day of the financial year up to the date of capitalisation.</p> <p>In our opinion the above method of capitalizing interest is not as per Ind AS 23 "Borrowing Cost" since the company has not identified borrowing cost attributable to acquisition or construction of qualifying asset, further the company has no procedure for identification of asset as qualifying asset. There is no general rule or stand taken by the management with respect to substantial period of time as a result even the assets which do not take substantial period of time have been considered while capitalising interest.</p> <p>There is no procedure to suspend capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.</p>
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For NATARAJA IYER & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 002413S



A handwritten signature in blue ink, appearing to be "S. Srinivas" or similar, written over the printed name.

PARTNER
Membership No. 013924

Place: Vijayawada
Date : 08.11.2019

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

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

GL A/c	GL Name	Debit (Rs.)	Credit (Rs.)
A. Staff Advances			
2710100001	Legacy balance upload	24,519,898.21	0.00
2710200001	Legacy balance upload	2,230,969.03	0.00
2710300001	Legacy balance upload	50,186,049.96	0.00
2710400001	Legacy balance upload	0.00	21,316.06
2710500001	Legacy balance upload	857,743.16	0.00
2710600001	Legacy balance upload	3,790,631.26	0.00
2712100001	Legacy balance upload	0.00	15,998.00
2712200001	Legacy balance upload	513,274.75	0.00
2712400001	Legacy balance upload	0.00	600.00
2712500001	Legacy balance upload	0.00	188,319.00
2720000001	Legacy balance upload	570,975.00	0.00
2721100001	Legacy balance upload	454,431.00	0.00
2721200001	Legacy balance upload	177,971.00	0.00
2721300001	Legacy balance upload	0.00	122,980.00
2721600001	Legacy balance upload	5,250.00	0.00
2722000001	Adv-against-legacy upload	103,547.00	0.00
	Total	83,410,740.37	349,213.00
B. Deposits with courts/Judicial authorities:			
2890000000	Deposits with others	12,323,017.00	0.00
2890000001	Deposits with others-legacy balances	71,073,219.45	0.00
2891100000	Deposits with customs authority	5,000,000.00	0.00
	Total	88,396,236.45	0.00
C. Liability for capital works:			
4215000000	Lia-sup-mat-cap (Old)	0.00	271,394,505.19
4220000001	IFS GR/SR Ven Liabil	0.00	21,498,895.60
4220000002	IFS GR/SR GL open liability	0.00	236,555,284.59
	Total	0.00	529,448,685.38
D. Staff recoveries:			
4440000001	Staff loan legacy	0.00	828,368.01
	Total	0.00	828,368.01



E. Deposits:			
4610000000	Dep from Supp/cont	0.00	1,683,941,304.89
4610500000	Dep-Emd-RM-con (Old)	0.00	13,795,839.00
4612500001	Misc Deposits-GL	0.00	382,461,670.89
4612500002	Misc Deposits Customer	0.00	106,952,146.95
4627500000	TR & SLDC Clearing A/c	0.00	81,989,337.22
	Total	0.00	2,269,140,298.95
F. Grant			
5530000000	Grant-cost of CAP asset	0.00	113,008,372.00
	Total	0.00	113,008,372.00

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

GL A/c	GL Name	Debit (Rs.)	Credit (Rs.)
A. Advances			
2500000000	Advance to Supp/Contractor-cap	321,800,966.00	30,248,282.00
2840100000	Amount recoverable-Employees	5,548,543.80	228,734.75
2881000000	Exp Rec-sup/contractors	8,307,742.60	0.00
2887000000	Other amount received-Govt	11,212,120.00	0.00
	Total	346,869,372.40	30,477,016.75
B. Sundry Debtors			
2315100000	SD-TC-OAG APEPDCL	455,195.00	0.00
2315600000	SD-SLDC CH OA-EPDCL	44,122.00	0.00
2316600000	SD-SLDC CH OA-SPDCL	52,147.00	0.00
2367000000	Intrastate TR CH Others	0.00	19,091,604.00
	Total	551,464.00	19,091,604.00
C. Liability for capital works:			
4210000000	Lia-sup-mat/work-cap	45,038.95	7,319,376.75
4220000000	Suppliers/contractors control a/c	0.00	1,652,756,723.18
4220100000	Suppliers/contractors cont - cap/O&M	0.00	49153065.87
4221000000	Suppliers/contractors cont - ser	0.00	160724.32
4310000000	Lia-supp-mater (O&M)	10780.00	955855.96
	Total	55,818.95	1,710,345,746.08



D. Deposits:			
4610100000	Sec dep in cash-cap	1,388,649.92	1,583,144.00
4610300000	E M D – Capital	1,210,711.00	1,985,244.50
4610400000	RM-supp/cont-capital	1,566,161,250.00	24,161,949.00
4612000001	Penalty Deposit a/c	0.00	8,616,807.00
4612100000	Sec dep in cash-O&M	3,279,568.00	4,402,090.00
4612200000	Sec dep other than in cash-O&M	1,432,674.00	1,398.00
4612300000	EMD - O&M	14,672,951.00	3,375,435.00
4612400000	RM-supp/cont - O&M	1,426,390.00	445,080.00
4612500000	Miscellaneous Deposits	49,518,664.00	749,180,680.00
	Total	1,639,090,857.92	793,751,827.50
E. Advance Tax			
2740000000	Adv IT/TDS (Old)	936,227,518.00	0.00
	Total	936,227,518.00	0.00

Place : Vijayawada
Date : 08.11.2019



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

(Signature)

(E.SRI RANGANATH)
PARTNER
Membership No. 013924