



**ANNUAL STATEMENT
OF ACCOUNTS 2022-23**



TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED



TRANSMISSION CORPORATION OF
ANDHRA PRADESH LIMITED



25th ANNUAL STATEMENT OF ACCOUNTS
2022-23

Electricity Saved is Electricity Generated

BOARD OF DIRECTORS

1. Sri.K. Vijayanand, IAS : Chairman & Managing Director
2. Sri. B Malla Reddy, IPS (Retd) : Joint Managing Director (Vig& Security)
3. Sri. K.V.N. Chakradhar Babu, IAS : Joint Managing Director(HR & Adm.,)
4. Sri. A.K.V.Bhaskar : Director (Grid, Transmission &Mgt)
5. Sri. T.Veera Bhadra Reddy : Director (Finance)
6. Sri. K.V.V Satyanarayana, IRAS : Director (Non-Whole time)
7. Ms.SelvarajanNagalakshmi, IAS : Director (Non-Whole time)

Company Secretary : Sri NiteshRanjan,
M.Com,CS,

Bankers: : Canara Bank, State Bank of India
Union Bank, Bank of India, Indian Bank,
ICICI Bank, HDFC Bank and
Bank of India.

AUDITORS

Statutory Auditors : M/s. Niranjan&Narayan
Chartered Accountants,
Ameerpet, Hyderabad.

Cost Auditors : M/s. Narasimha Murthy & Co.,
Cost Accountants
2nd Floor, Pavani Plaza, Himayathnagar,
Hyderabad - 500029.

Internal Auditors : 1. M/s Ramamoorthy(N) & Co
2. M/s K.V.Brahmum& Co.
3. M/s. Mullapudi& Co.
4. M/s. SrinivasuluManthu& Associates
5. M/s. Kuldeep & Associates Chartered Accountants

Registered & Corporate Office : Transmission Corporation of Andhra
Pradesh Limited
#48-12-4/1, Vidyut Soudha, Gunadala, Eluru
Road,Vijayawada,Andhra Pradesh -520004

Web : www.aptransco.co.in

PAN No. : AABCT0088P

CIN : U31909AP1998SGC107226

TIN : 37760127045

GST IN : 37AABCT0088PIZU

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Transmission Corporation of Andhra Pradesh Ltd.

(a wholly owned State Govt. Company)

Vidyut Soudha, Gunadala, Vijayawada-520004.

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

25th ANNUAL GENERAL MEETING

SHORTER NOTICE

NOTICE IS HEREBY GIVEN THAT THE 25th ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF THE TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED WILL BE HELD ON FRIDAY, DECEMBER 29th, 2023 AT 04:00 P.M. AT THE REGISTERED ADDRESS OF THE COMPANY AT 48-12-16, VIDYUT SOUDHA, GUNADALA VIJAYAWADA KRISHNA AP 520 004 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

ITEM No 1:

APTRANSCO - ANNUAL ACCOUNTS FOR FY 2022-23 C&AG AUDIT COMPLETED –FINAL COMMENTS IS TO BE RECEIVED-REG.

The Audited financial statements of the company for consideration of the members and referred the fact that the final Comments from C&AG is to be received. The members may therefore decide for adjournment of the AGM to a future date for adoption of the audited accounts.

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

"RESOLVED THAT the consent of the members be and is hereby given for adjournment of the item relating to consideration and adoption of accounts, auditor's report, CAG report and Boards report to a future date."



ITEM No 2:

TO TAKE NOTE OF STATUTORY AUDITOR'S APPOINTMENT MADE BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE FINANCIAL YEAR 2023-2024 UNDER THE PROVISIONS OF SEC. 139 OF COMPANIES ACT, 2013 AND TO AUTHORIZE THE BOARD TO FIX THE REMUNERATION OF STATUTORY AUDITORS FOR THE FINANCIAL YEAR 2023-2024 AS PER SECTION / CLAUSE 142 OF THE COMPANIES ACT, 2013.

Draft Resolution:

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

"RESOLVED THAT the appointment of M/s. Rao & Narayan., Chartered Accountants, D.No. 29-4-8, Kodandarami Reddy Street, Governopet, Vijayawada – 520002, Andhra Pradesh were appointed by the Comptroller & Auditor General of India (C&AG) as the Statutory Auditors of the Company for the Financial Year 2023-24 U/s 139 of Companies Act, 2013 vide Lr.No.CA.V/COY/ANDHRAPRADESH, APTRAN(1)/907 Dt.20.09.2023 of C&AG of India, New Delhi be and is here by noted".

"FURTHER RESOLVED THAT pursuant to the provisions of Section 142 of the Companies Act, 2013 and other applicable provisions / guidelines, if any, the Board of Directors of the Company be and are hereby authorized to fix the remuneration payable to the Statutory Auditors M/s. Rao & Narayan., Chartered Accountants, Vijayawada and for reimbursement of their actual out-of-pocket expenses payable to Statutory Auditors for the Financial Year 2023-24, as follows in addition to applicable GST. "

Statutory Audit Fee	Rs. 5,00,000/-
Out of pocket expenses	Rs. 2,00,000/-
Upto.	

ITEM No 3:**TO RATIFY FOR APPOINTMENT OF COST AUDITORS FOR THE F.Y 2023-24 AND TO FIX REMUNERATION OF COST AUDITOR:**

"RESOLVED THAT pursuant to the provisions of Section 148 and any other provisions, if any, of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.2,00,000/- (Rupees Two lakh only) of audit fee and Out of pocket expenses, limited to Rs.5000/- + applicable taxes to conduct the audit of cost records in terms of section 148(3) read with Companies (Audit and Auditors) Rules 2014", to be paid to the Cost Auditors, Viz., M/s Narasimha Murthy & Co, Cost Accountants, Hyderabad, for the Financial Year 2023-2024, as approved by the board of Directors be and is hereby ratified".

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

**By order of the Board of Directors
For Transmission Corporation of Andhra Pradesh Limited**

**T. Veera Bhadra Reddy,
Director Finance**

**Date : 29/12/2023
Place: Vijayawada**



TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED

(a wholly owned State Govt. Company)

Vidyut Soudha :: Vijayawada

CIN: U31909AP1998SGC107226

Website address: www.aptransco.gov.in

25th ADJOURNED ANNUAL GENERAL MEETING

SHORTER NOTICE

NOTICE IS HEREBY GIVEN THAT THE 25th ADJOURNED ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF THE TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED WILL BE HELD ON FRIDAY, FEBRUARY 09th, 2024 AT 04:00 P.M. AT THE REGISTERED ADDRESS OF THE COMPANY AT 48-12-16, VIDYUT SOUDHA, GUNADALA VIJAYAWADA KRISHNA AP 520 004 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

ITEM No 1:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st, March 2023 and Statement of profit and Loss, Cash Flow Statement, for the period ended on that date together with Directors Report, Statutory Auditors Report and Comments of Comptroller and Auditor General of India, thereon.



TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED

(a wholly owned State Govt. Company)

Vidyut Soudha :: Vijayawada

CIN: U31909AP1998SGC107226

Website address: www.aptransco.gov.in

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

"RESOLVED THAT the Audited Balance Sheet of the Company as on 31st March, 2023 and Statement of Profit & Loss and Cash flow statement for the year ended as on that date together with the Directors' Report, the Auditors' Report & Management replies, the Supplementary Audit Report & Management replies thereon for the F.Y.2022-2023 as laid before the members at this meeting be and are hereby adopted."

By order of the Board of Directors

For Transmission Corporation of Andhra Pradesh Limited

T. Veera Bhadra Reddy,

Director Finance

Date : 09/02/2024

Place: Vijayawada



TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED
(a wholly owned State Govt. Company)
Vidyut Soudha::Vijayawada.
CINU31909AP1998SGC107226 Website address: www.aptransco.co.in

Board of Directors' Report

To,
The Members,
APTRANSCO

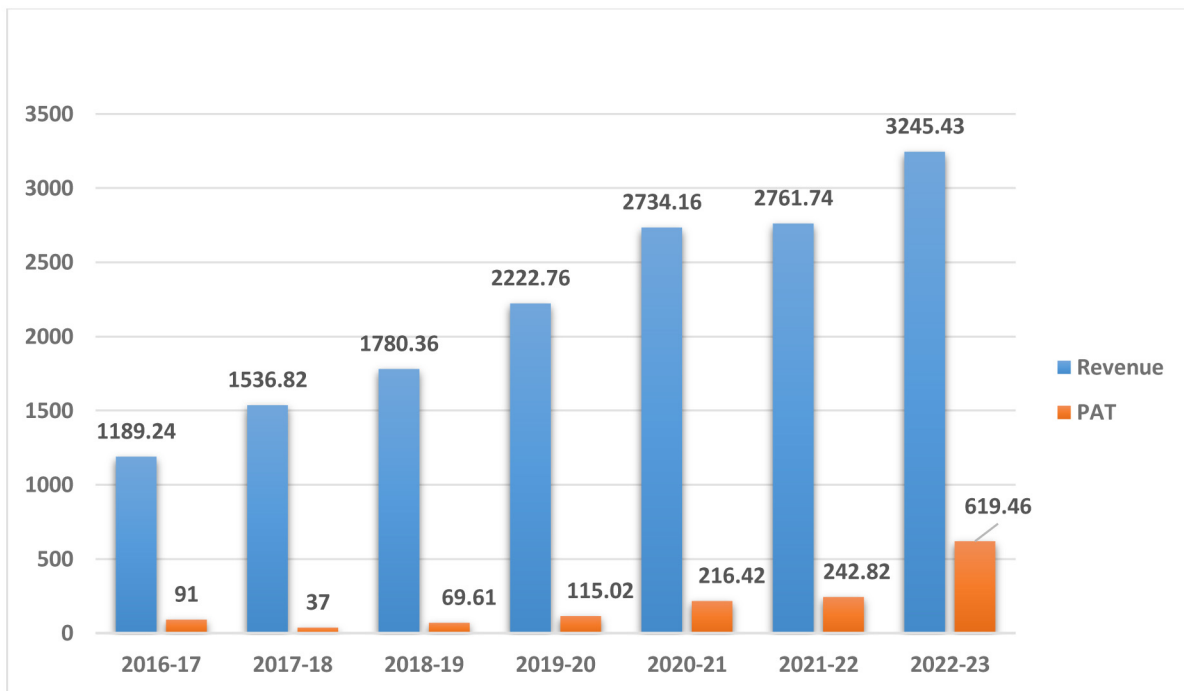
Your Directors have pleasure in presenting the 25th audited Financial Statements of the Company for the period ending 31st March 2023.

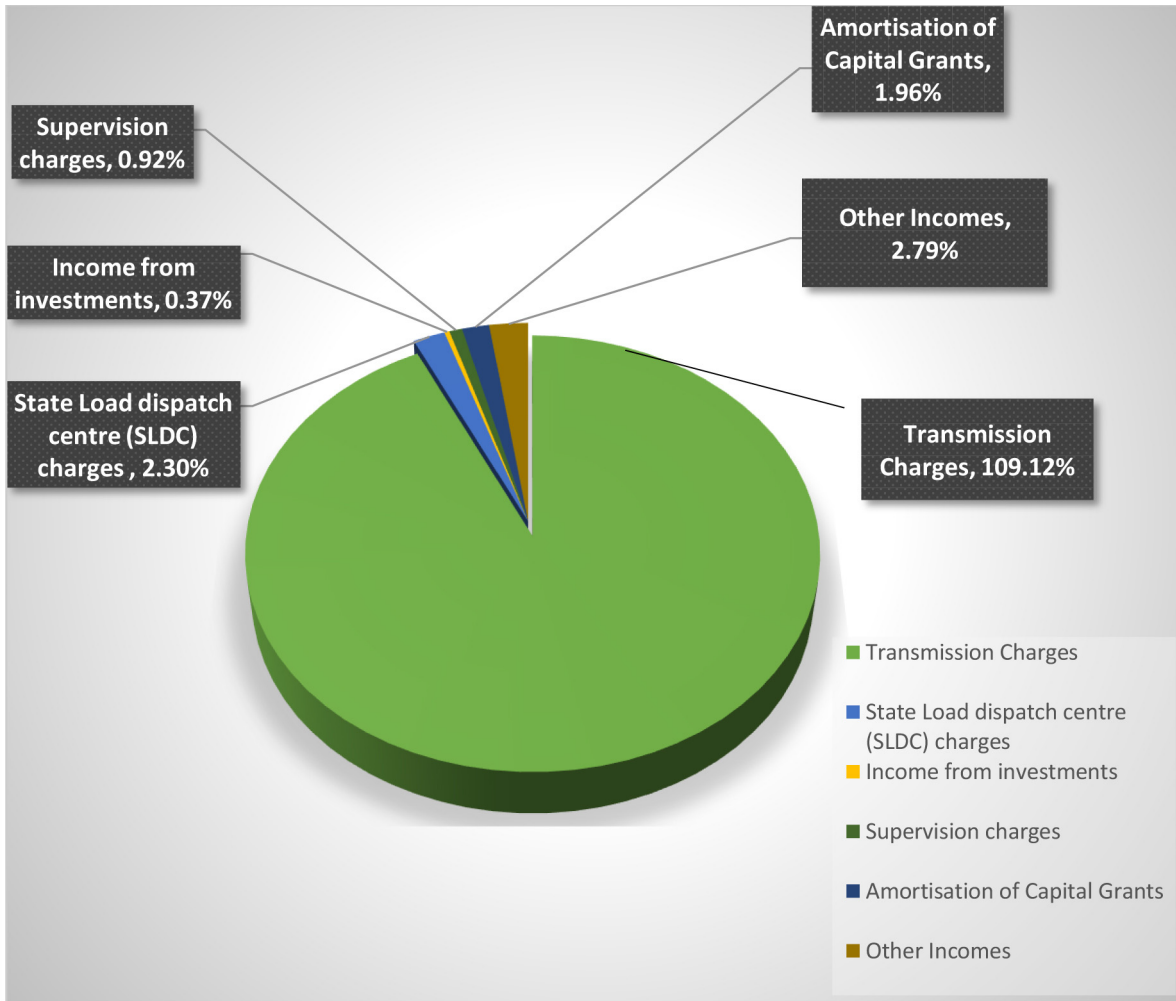
Financial performance of the Company:

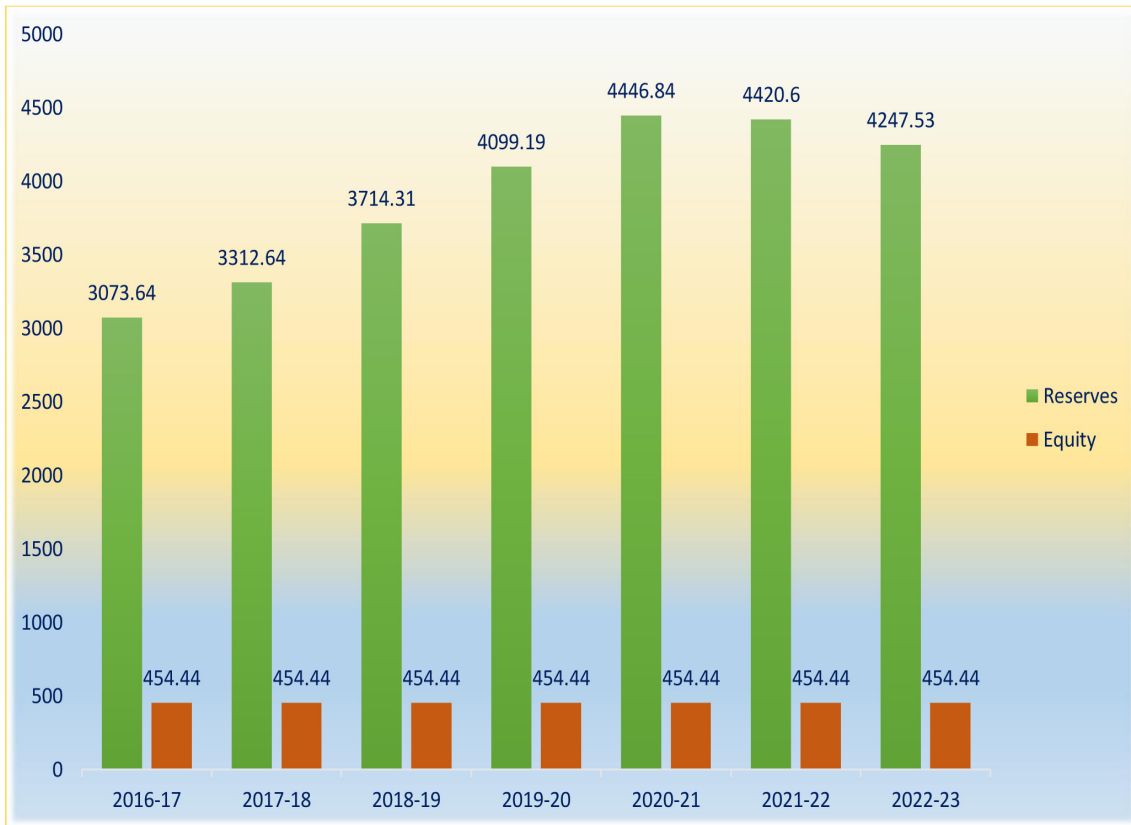
The financial performance of the Company for the year ended 31st March 2023 is summarized below:

Particulars	Rs. in Crores	
	Present FY 2022-23	Previous FY 2021-22
INCOME:		
Transmission & SLDC Charges/Revenue	3048.79	2574.49
Other Income	196.61	187.25
TOTAL INCOME:	3245.43	2761.74
EXPENDITURE:		
Employees Cost (net)	932.59	936.81
Operating and Other expenses (net)	271.72	277.25
Depreciation (net)	787.03	755.35
Interest and Finance Charges (net)	388.76	474.65
TOTAL EXPENDITURE:	2380.10	2444.06
Profit before tax (PBT)	865.33	317.68
Current Tax	(82.23)	(58.90)
MAT Credit entitlement	(48.42)	(4.22)
Deferred Tax (Liability)/Asset	(115.22)	(11.74)
Profit after tax (PAT)	619.46	242.82

The Analysis of Financial Performance of APTRANSCO is given below:







The Andhra Pradesh Electricity Regulatory Commission (APERC) notified the tariffs for the Transmission and SLDC business separately through Multi Year Tariff (MYT) Order from FY 2019-20 to FY 2023-24 w.e.f 08.03.2019. The Comparison statement of Actual Expenditure with APERC MYA Order (Transmission and SLDC) for the FY 2022-23 along with remarks is submitted below:



(Rs in Crores)

Particulars	Actuals	APERC Approved	Remarks
Revenue	3245.43	3260.57	The main reason for increase in revenue is due to increase in transmission charges of Rs.19.25 (Rs./KW/month) {i.e., previous year is Rs.154.54 and current year Rs.173.79 (Rs./KW/Month)}. Further the MW also increased from previous year is 12032 and current year 13209 (769 MW). POC charges received to the tune of Rs.5.01 crs as against estimated/approved of Rs.141.00 crs in Tariff order. for MYT 2019-20 to 2023-24.
Employee Cost	932.59	987.84	The Decrease in the employee cost is mainly due to recognition of additional liability of terminal benefits (100% 2029 & 26% liability) to the tune of Rs.511.33 crs as per Actuary Report (Previous Year Rs.513.71 Crs). The actual expenditure is incurred on employee cost is Rs.451.09 crs for the year 2022-23. The actual expenditure incurred on employee cost in previous year 2021-22 is Rs.423.10 Crs.
Operating Other Expenses	271.72		
Finance Charges	388.76	1011.75	The decrease in the interest is mainly due to decrease in the borrowings cost of 75.28 crs & increase in IDC of Rs.10.61 crs.
Depreciation	787.03	889.58	The increase in depreciation on account of capitalisation of the assets of Rs.758.33 crs for the year 2019-20, Rs.963.40 crs for the year 2020-21 and Rs.697.44 crs for the year 2021-22 and Rs.825.91 Crs for the current year 2022-23.

1.1 DIVIDEND:

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

1.2 CORPORATE SOCIAL RESPONSIBILITY:

Annual Report on Corporate Social Responsibility for the financial year 2022-23 is given as Annexure A and forms part of this report.

1.3 AUDIT:

The Report of Statutory Auditors along with their comments and replies by Management for the financial year 2022-23 is attached as Annexure B which forms part of this report.

The comments by C&AG and replies by the Management is attached as Annexure C which forms part of this Report.

1.4 COST AUDITORS:

The Board of Directors of the Company accorded approval for appointment of M/s. Narasimha Murthy & co., Cost Accountants, Hyderabad as Cost Auditors of your company for the financial year 2022-23 as per provisions of Companies Act, 2013.

The company is maintaining the required Cost Accounting Records and the same were audited.

1.5 INTERNAL AUDITORS OF THE COMPANY:

With a view of implementing better Internal control and ongoing Review, Internal auditors were appointed and they furnished their quarterly reports. The list of Internal Auditors for the year



1. M/s Ramamoorthy (N) & Co.,,
2. M/s. K V Brahmum & Co.,,
3. M/s. Mullapudi & Co.,
4. M/s. Srinivasulu Manthu & Associates
5. M/s. Kuladeep and Associates chartered Accountants.

1.6 DEPOSITS:

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

1.7 CONTRACTS & ARRANGEMENTS WITH RELATED PARTIES:

Nil.

1.8 SECRETARIAL AUDIT REPORT

Sri. Aniket Tater, Practicing Company Secretary was appointed as Secretarial Auditor under Section 204 of the Companies Act, 2013 for the FY 2022-23. The Secretarial Audit Report is attached as Annexure D and forms part of this report.

1.9 REPLIES TO THE COMMENTS OF THE STATUTORY AUDITORS AND COMPTROLLER AND AUDITOR GENERAL OF INDIA

Replies of the Management to comments of the Statutory Auditors, Comptroller and Auditor General of India (C&AG) and financials review by C&AG of India on the accounts of the Company for the year ended 31st March, 2023 are annexed here to and forms part of this report

1.10 SHIFTING OF THE REGISTERED OFFICE:

During the financial year the registered office of the Company has not changed.

2. OPERATIONAL PERFORMANCE

2.1 TRANSMISSION

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

The Intra-STs serves the following purposes.

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

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

2.2 REDUCTION IN TRANSMISSION LOSSES:

Transmission Losses were reduced significantly when compared with FY 2022-23.

The details of Transmission Losses Year wise are given below:

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Actual Transmission Losses (%)	3.10%	2.91%	2.60%	2.80%	2.61%
APERC Target	3.95%	3.10%	3.08%	3.06%	3.03%

Reduction in Transmission Losses is due to the following measures taken :

- Construction of EHT Substations (400kV, 220kV & 132kV)
- Erection of New HT Lines
- Augmentation & Addition of Power Transformers in EHT Substations.
- Reactive power Management by erection of Capacity bank/Reactors.



- Loading on 220kV and 132kV Lines are limited as per Surge impedance loading.
- Periodical Maintenance of Bus Jumpers clamps and CT stud clamps are being carried out in EHT Substations.

TRANSMISSION LOSSES FOR THE FY 2022-23

SI.No	Month	Transmission Loss
1	Apr-22	3.17%
2	May-22	2.83%
3	Jun-22	2.57%
4	Jul-22	2.62%
5	Aug-22	2.75%
6	September-22	2.58%
7	Oct-22	2.54%
8	November - 22	2.30%
9	December - 22	2.43%
10	January - 23	2.56%
11	February - 23	2.57%
12	March - 23	2.40%

2.3 LINE INTERRUPTIONS AND DURATION OF INTERRUPTIONS:

With an Objective of 24*7 Power Access to all consumers in the state of Andhra Pradesh, your company has performed exceptionally in terms of Reduction/Raise of Duration of interruption in the FY22-23 when compared with FY 2021-22. The comparison statement is summarized below:

Particulars	2019-20		2020-21		2021-22		2022-23		% Reduction over FY 21-22 in duration of interruptions	% Raise over FY 21-22 in duration of interruptions
	Interruptions (Nos)	Interruption Duration (feeder-hrs)	Interruptions (Nos.)	Interruption Duration (Feeder-Hrs)	Interruptions (Nos.)	Interruption Duration (Feeder-Hrs)	Interruptions (Nos.)	Interruption Duration (Feeder-Hrs)		
132KV Feeders	4454	15114	3708	15530	3904	27835	6237	26453	4.96%	-
220KV Feeders	3138	22237	2489	14776	2566	14011	3159	18215	-	30.00%
400KV Feeders	692	12864	311	8436	392	4176	549	5496	-	31.61%
Total	8284	50215	6508	38742	6862	46022	9945	11131.83	-	9.00%

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

2.4 OTHER SIGNIFICANT ACHIEVEMENTS:

- (a) 369 MVA New/Additional Contracted Maximum Demand (CMD) was released for 51 No's customers.
- (b) New Long Term Open Access approvals for 9.89 MW for 1 No. Customer was accorded during the above period totalling to 362.31 MW for 75 Nos Customers. Along with the said new OA approvals, Open Access was facilitated to various OA Users for transmitting of power from their existing generating plants to their amended captive/third party consumers for the sought allocation by according amendment approvals.
- (c) Grid connectivity approvals for Generators were issued for 1349.8 MW for 17 customers.
- (d) For all new 132kV lines, considering ampacity enhancement in the future, the existing P, R & S type 132kV towers are modified with revised IS code 2015 and nomenclated as P (00-20), R1(20-150), R2 (150-300) & S (300-600) type towers for a span of 250m in Wind Zone-3 and for 230m in Wind Zone-5 with ACSR Zebra Conductor.
- (e) In 132kV lines, considering ampacity enhancement in the future, the existing K, L&M type 132kV Multi circuit towers are modified with revised IS code 2015 and nomenclated as K (00-20), L1(20-150), L2 (150-300) & M (300-600) type towers for a span of 260m in Wind Zone-3 and for 230m in Wind Zone-5 with ACSR Zebra Conductor.
- (f) In 220kV lines, considering ampacity enhancement in the future, the existing X, Y&Z type 220kV Multi circuit towers are modified with revised IS code 2015 and nomenclated as X (00-20), Y1(20-150), Y2 (150-300) & Z (300-600) type towers for a span of 330m in Wind Zone-3 and for 300m in Wind Zone-5 with ACSS Moose Conductor.



- (g) For new 132kV, 220kV and 400kV Lines, considering ampacity enhancement in the future, it is proposed to utilize HTLS ACSS conductors equivalent to Panther and Moose Conductor in place of existing ACSR Panther and Moose conductor with normal spans and no change in type of towers. For some River crossing lines and special cases, it is proposed to utilize ACSS (TW) Moose conductor
- (h) Re-Conductoring of some of existing 132kV & 220kV lines in APTRANSCO with HTLS ACSS conductors equivalent to Lynx, Panther, Zebra and Moose Conductor in place of existing AAAC Panther, ACSR Lynx, Panther, Zebra and Moose without any modifications on towers for ampacity enhancement works.
- (i) Reconductoring of some of existing 132kV lines in Visakhapatnam Zone with AL-59 Zebra Conductor on the existing towers with minor modifications for ampacity enhancement works.

3. LOAD DISPATCH CENTER

3.1 FREQUENCY CONTROL:

Average Frequency Variation Index (FVI) during 2022-23 was 0.07 with best being 0.01 achieved on 30.09.2022. Frequency remained within IEGC band of 49.90 to 50.05 Hz for maximum of 87.74% of time on 10.06.2022.

Month wise Max, Min and Average Frequency during **2022-23**:

Month	Maximum	Minimum	Average
Apr-22	50.26	49.43	49.93
May-22	50.36	49.50	50.00
Jun-22	50.36	49.48	49.99
Jul-22	50.30	49.42	50.00
Aug-22	50.31	49.47	50.00
Sep-22	50.31	49.50	50.00
Oct-22	50.41	49.53	50.01
Nov-22	50.27	49.44	50.00
Dec-22	50.55	49.41	50.01
Jan-23	50.49	49.42	50.00
Feb-23	50.40	49.51	50.00
Mar-23	50.48	49.56	50.00

3.2 GRID DISTURBANCE:

As per CEA guidelines on Grid standards 2010, total nos. of 14 Grid disturbances occurred in AP including GD1 to GD-5, GI-1 and GI-2 in 2022-23. The summary of Grid events during 2022-23 and comparative data of 2021-22 is summarised below:

Particulars	2021-22	2022-23	Reduction %
Category - GI-1	06	2	66.67
Category - GI-2	01	6	-500.00
Category - GD-1	08	6	25.00
Category - GD-2	-	-	-
Category - GD-3	-	-	-
Category - GD-4	-	-	-
Category - GD-5	-	-	-
Total Disturbances	15	14	6.67
Energy Loss (MUs)	-	-	-
Load Loss (MW)	1964	319	83.76
Generation loss (MW)	750	0	100.00

3.3 DEMAND ACHIEVED:

- Max Demand of 12289 MW achieved on 08.04.2022 @ 12:21hrs
- Growth % in Max Demand compared with 2021-22 = 2.14%

Month	Maximum Demand met		Shortage				Growth in Max Demand %
	MW 2022-23	MW 2021-22	MW 2022-23	% MW 2022-23	MW 2021-22	% MW 2021-22	
April	12289	11618	1735	14.12	360	3.10	5.78
May	11218	10500	1405	12.52	504	4.80	6.84
June	11484	10451	1282	11.16	900	8.61	9.88
July	9763	9702	536	5.49	869	8.96	0.63
August	11299	11018	581	5.14	1409	12.79	2.55
September	10920	10445	0	0.00	1502	14.38	4.55
October	9847	9865	0	0.00	691	7.00	-0.18
November	9588	8037	0	0.00	491	6.11	19.30



December	10268	9462	0	0.00	242	2.56	8.52
January	11433	10117	0	0.00	1109	10.96	13.01
February	11981	11342	0	0.00	4540	40.03	5.63
March	12227	12032	0	0.00	1682	13.98	1.62
Maximum	12289	12032	1735		4540		2.14

4. CAPACITY ADDITION:

4.1 SUB STATIONS:

During the Financial Year 2022-23, 10 New Substations were added. To meet the increasing demand, robust & reliable Network is required to be built for Transmission. APTRANSCO is making all efforts for constructing the substations for achieving the target of uninterrupted power supply to the consumers in the state of A.P. For reducing losses, APTRANSCO is mainly focussed in upgrading the existing substations to higher voltage levels and building 400 KV substations. The details of substations commissioned during the year are as below

S.No	Sub-station Name	Combined District	Tr. Capacity in MVA
1	400/220/11kV Guddigudem SS	West Godavari	—
2	220/33kV SS Chinturu	East Godavari	50
3	33kV features at 220/132kV SS Pydibhimavaram	Srikakulam	31.5
4	Upgradation of existing 132kV SS Piduguralla to 220kV SS Piduguralla	Guntur	160
5	220/132KV Muthyala cheruvu	Kadapa	100
6	132/33kV SS Satellite city	Kadapa	32
7	Krishnapatnam Port Switching station	SPSR Nellore	—
8	132/33kV SS C.Orampadu	Kadapa	32
9	132kV SS at T.Sundupalli	Kadapa	32
10	132/33kV SS Narayanapuram	West Godavari	63
Total :			500.5

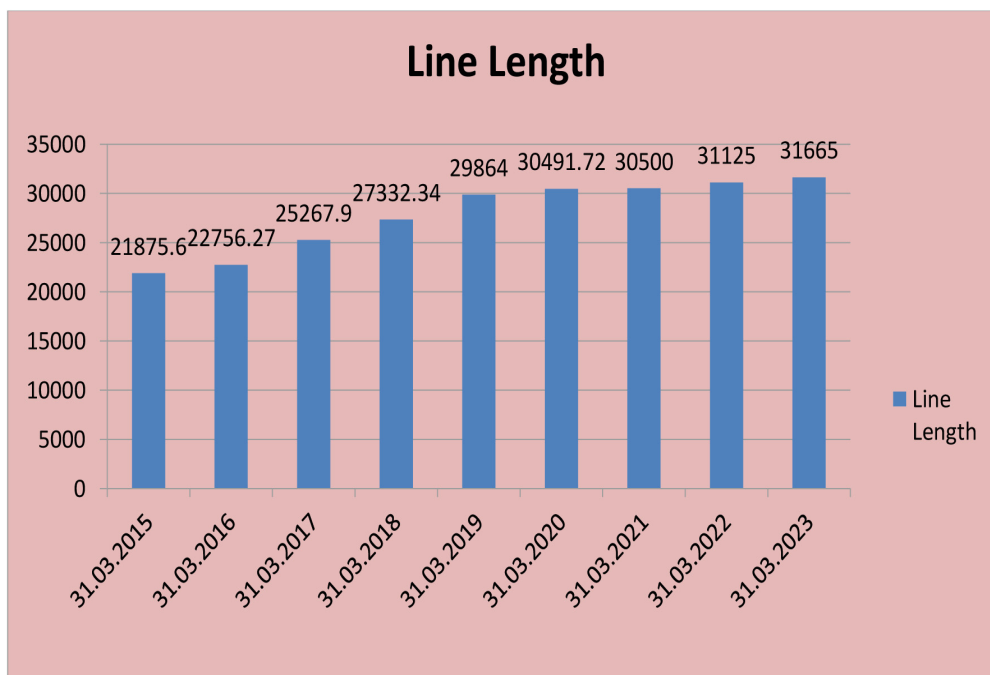
4.2 TRANSMISSION LINES :

We own a vast network of EHV transmission lines ranging from 132kV to 400kV. As on 31st March 2015, we had 21875.6 Ckm of Transmission lines, which is expanded to 31665.46 Ckm as on 31st March 2023 ranging from 132kV to 400kV with CAGR of 4.73 %.

In FY 2022-23, our company achieved 99.70% availability of Transmission Network. As on 31st March 2023, the Transmission assets owned and operated by the company consists of Transmission lines aggregating to **31665.46 Ckm**, 360 Nos Substations with **61330 MVA** of Transmission Capacity.

Adoption of best technological tools available for asset monitoring, meticulous planning, observance of well laid procedures and commitment of our employees enabled the Company to achieve high operational performance of its mammoth and geographically wide spread asset network.

Figure 1: Transmission Lines Data from 2014-15 to 2022-23



4.3 TELECOM :

1. APTRANSCO entered into commercial activities by leasing it's dark fibres. In the year 2022-23, optical fibre pairs of length 15,805.09 Km have been leased to various service providers due to which revenue generated to APTRANSCO was Rs 13.959 Cr.



2. The Ministry of Power, Government of India has sanctioned a grant of Rs.43.28 Cr under PSD Funding vide order No.10/1/2014-OM, Dt: 25th August 2022 towards implementation of Reliable Communication System up to 132kV SS (Phase-II) for providing OPGW on certain EHT lines to establish OPGW based wide band communication to all lines of APTRANSCO. The dark fibres from this OPGW may be leased to generate additional revenue to APTRANSCO.
3. Annual Maintenance Contract (AMC) have been undertaken by APTRANSCO for maintenance of Communication Equipment at various private generators/ Consumers, which generates revenue of Rs.19,76,361/- per annum.

4.4 PLANNING:

The objective of the Transmission Planning is to develop Transmission Expansion Plan based on the load forecast and generation supply scenario developed as part of the Load forecast and Resource plan for the state of Andhra Pradesh with the inputs of DISCOMs and GENCO. The purpose of state Electricity Plan was to present a comprehensive summary of the process, assumptions, methodology, Transmission network expansion plan required to ensure the Transmission system which would be capable transmitting the planned generation to meet the forecast loads up to FY 2029. Accordingly State Electricity Plan for the 5th Control period for the period for the period from FY2023-24 to FY 2028-29 was developed.

Requirement for capacity Addition:

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

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

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

a) Substations and Transmission Lines:

Tentative Transmission expansion plan for the short term i.e. from FY 2023-24 to FY 2025-26 is prepared as per the load requirement. This includes 516.36ckm of 400KV, 1221ckm of 220kV lines and 1482ckm of 132Kv lines towards transmission

expansion and 5 numbers of 400kV substations, 15 numbers of 220kV substations and 25 numbers of 132kV substations towards Transmission expansion. The details for the period from FY 2023-24 to FY2025-26 is summarized below:

FY	Sub-Stations			Lines		
	(Nos.)			Ckm		
	400	220	132	400	220	132
2023-24	1	6	10	13.4	511.55	586.67
2024-25	1	3	6	320.96	337.39	310.29
2025-26	3	6	9	182	372.39	585.1

b) No of substations planned for Augmentation of PTR Capacities at 400KV & 220KV:

S.No	FY	400 KV SS	220 KV SS
1	2023-24	2	5
2	2024-25	3	25
3	2025-26	1	13

5. APTRANSCO IT APPLICATIONS THAT ARE CURRENTLY IN USE:

APTRANSCO Servers located in the APGENCO Data Center are hosting critical applications and non-critical applications pertaining to APTRANSCO and APSLDC. These applications are being accessed through a Firewall, Layer 3 core switches, Layer 2 core switches etc which are considered critical infrastructure. Non-availability of the critical applications affects the day to day functioning of the organization. In order to have continuous availability of our network and applications, we need to maintain standby/parallel devices for firewall, L3 switches, L2 switches etc.

In this regard, the following are procured

i) Procured 2 Nos. Firewall Fortigate FG-601F for redundancy of Vidyut Soudha network and servers/applications with 5 years support & subscription

- ii) Procured 2 Nos. CISCO Catalyst 9300-24T-A with Smart Net Total Care (SNTC) warranty/support and Digital Network Architecture (DNA) license for 5 years along with accessories
2. 369 Nos Desktop Computers, HP Pro Desk 400G7 have been purchased during November 2022 and same were allotted to Vidyut Soudha (150Nos), Kadapa Zone (108Nos), Vijayawada Zone (91Nos) and Visakhapatnam Zone (20Nos).
3. Developed the following IT Applications for the year 2022-23 :
- a. On-line JMR application (Go-Live on 19-10-2022)
 - b. APTREXAM
 - c. Employee Dependents application
 - d. On-line IT Indents (Vidyut Soudha)
 - e. MRT Drawings
 - f. System Demand Particulars (SDP)
 - g. Attended to Cyber Security Audit of Applications
 - h. APNOAR (Open Access)

5.1 APTRANSCO Website: www.aptransco.co.in

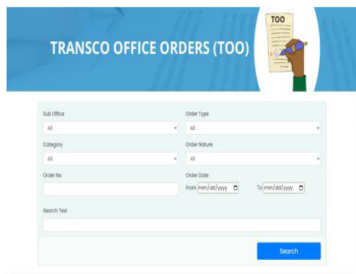
Developer: In House development Team

Description: APTRANSCO website has been developed to facilitate to view the organizational information by the public and employees. The information like about APTRANSCO, Tenders, TOOs, RTI Information etc. The website is developed in Python Technology with Plone Content Management System.



5.2 APTOOAPPLICATION:

Developer: In House development team (Dot Net)

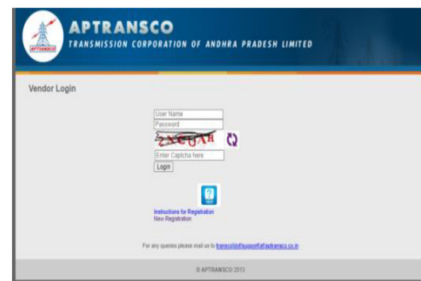


Description: TOO Application is developed to generate Transco Office Order(TOO) nos. online as and when issued by the functional heads. These TOOs are taken into references for lookup official orders in the departments.

5.3 VENDOR REGISTRATION APPLICATION

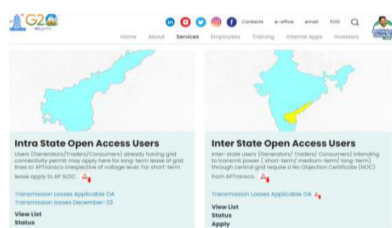
Developer: In House development team (Dot Net)

Description: Vendor registration application is developed for use of Vendor registration wing. The Vendors can apply online for registration of their company with product information.



5.4 OPEN ACCESS APPLICATION (Dot Net)

Developer: In House development team

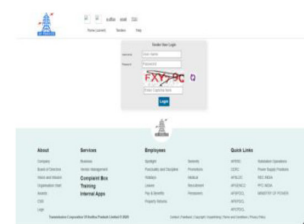


Description: Open access application is developed for the use of SLDC wing to enable Open access users to register online and to issue Open access approvals by SLDC wing.

5.5 TENDERS:

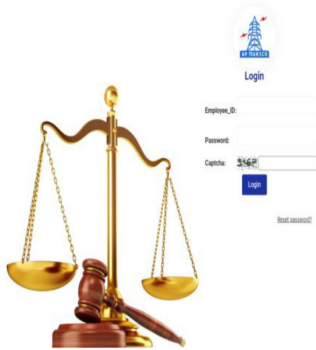
Developer: In House development team (Dot Net)

Description: Tenders application is developed for uploading the Tenders pertaining to APTRANSCO. Head of Departments will upload the Tenders other than e-Procurement, made available in website for visibility to public.



5.6 LCMS Application (Legal Case Monitoring System):

Developer: APTRANSCO IT Team (Python)

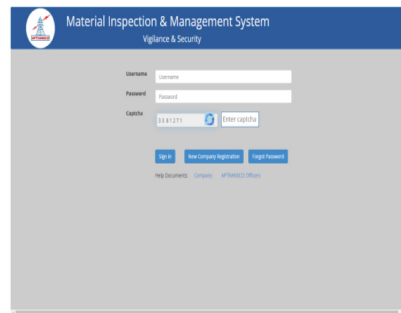


Description: Legal Case Monitoring System (LCMS) is developed by APTRANSCO IT team (during 2021-2022). The application is used for create and edit Court cases data and depending on the Hearing date SMS alerts will be sent to the case team members. The display the status and information of pending and Disposed cases viewed through Dashboard.

5.7 MIMS APPLICATION (MATERIAL INSPECTION MANAGEMENT SYSTEM):

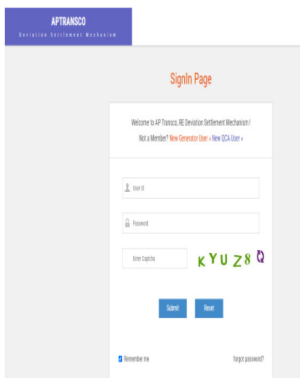
Developer: In House development team(Java)

-Description: MIMS application is developed for the use of Vigilance wing to track the inspections raised for quality check of material to be supplied by the vendor. The inspectors assigned for inspection, the status of inspection and the inspection reports, Inspection carried out by each inspecting officer etc can be tracked using MIMS application.



5.8 DSM APPLICATION (DEVIATION SETTLEMENT MANAGEMENT):

Developer: In House development team (Dot Net)

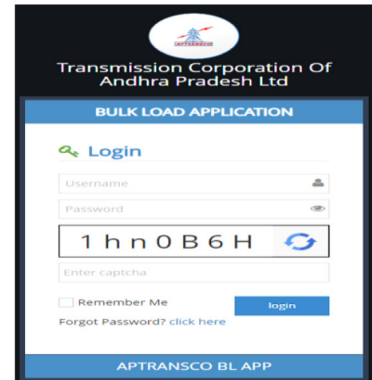


Description: Renewable energy certificate (REC) wing requirements for Renewable Energy Generators uploading their schedules through this application. In this DSM application impose APERC regulations for meeting their day to day activities. The developers can carry out maintain the declared capacities by the day ahead schedules and on the day of operations of activities that are carried out by SLDC wing.

5.9 BULK LOAD APPLICATION:

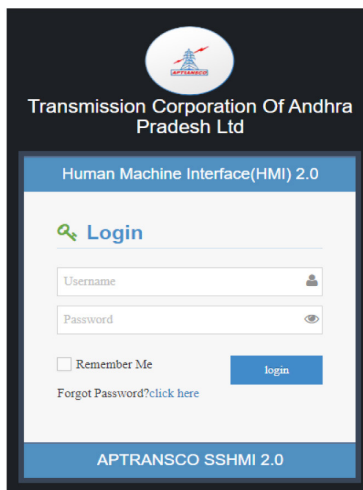
Developer: In House development team (Java)

Description: An application for online tracking of applications for HT Services at 132KV Potential and above received either through Single Desk Portal (SDP) of Industries department or from DISCOMs. Online processing and tracking is being introduced to avoid delays accounting to manual/postal correspondence.



5.10 SSHMI APPLICATION (SUBSTATION HUMAN MACHINE INTERFACE):

Developer: In House development team (Java)



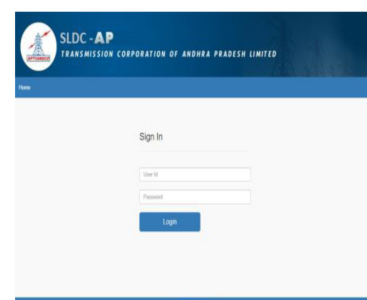
Description: The application is developed for maintaining E-registers for substation supervision activities in APTRANSCO for ease of access by the concerned officers for reviewing and for quick decision making. This application is interface with SAP system. The following registers are developed:

- a. LOG Book
- b. Line Clear (LC) Book
- c. Substation Hourly Readings

5.11 SLDC REPORTS

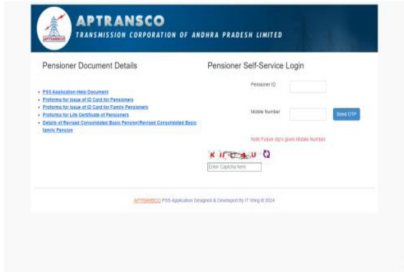
Developer: In House development team (Dot Net)

Description: SLDC reports are developed for the purpose of online monitoring of the Power Demand fluctuations in the state. All generating stations will update their generating station demand and distribution companies will update their required demand the both can be handled by SLDC wing through this portal.



5.12 PENSIONER SELF SERVICE:

Developer: In House Development team (Dot Net)

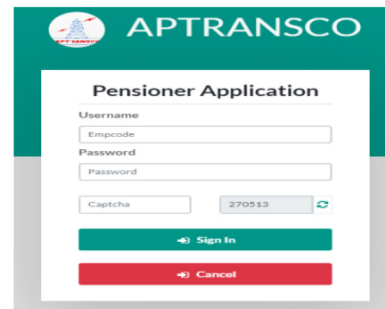


Description: The Pensioner Self Service (PSS) app is developed for the use by the APTRANSCO Pensioners to view their details and to download Pension slips.

5.13 PENSIONER BIOMETRIC APPLICATION:

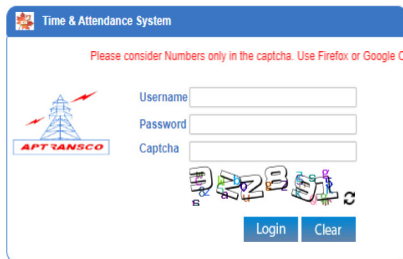
Developer: Developed by Third Party

Description: The Pensioner Biometric App is developed for the use of Pensioners to submit their life certificate online through biometric attendance system.



5.14 BIOMETRIC APPLICATION:

Developer: Third party M/s IDSL



Description: The Biometric Application is for maintaining Biometric attendance of the Employees. This online application is for employee leaves sanctioning and maintaining in the application.

5.15 SLDC SCHEDULING APP:

Developer: In House Development team (Dot Net)

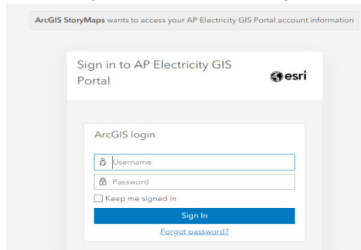
Description: SLDC Scheduling app is developed for the use of SLDC wing. The DISCOMS and the Developers are maintaining the declared capacities by the Day



ahead schedules and on the day of operations of activities using by the SLDC wing.

5.16 ARCGIS SOFTWARE (GEOGRAPHIC INFORMATION SYSTEM):

Developer: Third Party Product M/s ESRI

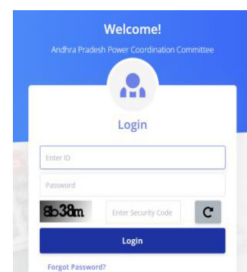


All assets pertaining to APTRANSCO i.e. offices, Substations, EHT lines, Control Rooms and open Lands etc. should be mapped in ArcGIS maps plotted software and maintained by APTRANSCO GIS Wing.

5.17 ON-LINE JMR APPLICATION (JOINT METER READING):

Developer: In House Development team (Java)

The On-line Joint Meter Reading is developed for the APTRANSCO, DISCOMs field engineer for online entering Energy Meter readings of Open access and PPA vendor’s Monthly Energy Readings. These readings will be taken into consideration for billing process at APPCC in SAP application.



6. RIGHT TO INFORMATION ACT 2005

APTRANSCO total RTI cases received and pending status from the Financial Year 2022-23,

RTI Application for the year 2022-2023				
Application		Appeal	Second Appeal	Total
Received	62	6	Nil	68
Closed	62	6	Nil	68
Pending	Nil	Nil	Nil	Nil

7. HUMAN RESOURCE DEVELOPMENT

Your company is committed in achieving the Sustainable Development Goals of **"GENDER EQUALITY"** and **"REDUCED INEQUALITIES"**



During the year under review, Corporate Lawyer on contract basis- 1 post, Executive (Accounts) on contract basis-1 post, Statistical officer on contract basis - 1 post and Director (Finance) -1 post was recruited.

The Company has Internal Complaint Committees (ICC), in place, to redress complaints regarding sexual harassment in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibitions and Redressal) Act, 2013, and rules made thereunder. There was no complaint of sexual harassment during the year.

8. CORPORATE GOVERNANCE AND BOARD

Corporate Governance is about meeting our strategic goals responsibly and transparently, while being accountable to our stakeholders. The Company is equipped with a robust framework of corporate governance that considers the long-term interest of stakeholders as we operate with a commitment to integrity, fairness, equity, transparency, accountability and commitment to values. The framework lays down procedures and mechanisms for enhancing leadership for smooth administration and productive collaboration among employees, value chain, community and the Government.

9. BOARD OF DIRECTORS:

The Board of Directors of the company are appointed / nominated by the Govt. of Andhra Pradesh. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Directors on the Company's Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/she is a Director

The list of Directors for the FY 2022-23 and as on date of Report are:

S.NO	NAME	DESIGNATION	DIRECTOR AS ON DATE OF REPORT
1.	Sri. K .Vijayanand, I.A.S	CMD	Yes
2.	Sri. B Sreedhar, IAS	CMD	No
3.	Sri. I Prudhvi Tej, IAS	JMD (HR & Administration)	No
4.	Sri. K.V.N. Chakradhar Babu,	JMD (HR & Administration)	Yes
5.	Dr. K V V Satyanarayana, I.R.A.S	Director(Non-Whole Time)	Yes
6.	Sri. B Malla Reddy	JMD (Vig. & Security)	Yes
7.	Sri. T. Veera Bhadra Reddy	Director (Finance)	Yes
8.	Sri. A. K. V. Bhaskar, Director	Director (Grid, Transmission & Management)	Yes

The following directors were changed by Govt of A.P during the FY 2022-23:

S.NO	NAME	DESIGNATION	DATE OF APPOINTMENT	DATE OF CESSATION
1	Sri. B Sreedhar, IAS	CMD	03.03.2022	06.04.2023
2	Sri. I Prudhvi Tej, IAS	JMD (HR & Administration)	01.11.2021	06.04.2023

9.1 BOARD MEETINGS:

Ten Board Meetings were held during the Financial Year 2022-23. The gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present in all the meetings. Leave of absence was granted to the concerned directors who could not attend the respective board meeting on request. The dates on which the Board Meetings were held during FY 2022-23 are as follows: 26.04.2022, 29.06.2022, 04.08.2022, 18.08.2022, 22.09.2022, 24.11.2022, 29.12.2022, 16.02.2023 and 21.03.2023

9.2 AUDIT COMMITTEE:

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

In Compliance with the provisions of Section 177 of the companies Act, 2013; during the year under review, the Audit Committee has met on 18.08.2022, 22.09.2022 & 21.03.2023. The composition of the Audit Committee is as follows:

The List of Committee Members for the FY 2022-23 and as on date of Report:

S.NO	NAME	DESIGNATION	MEMBER AS ON DATE OF REPORT
1.	Sri. B Sreedhar, IAS	CMD	No
2.	Dr. K V V Satyanarayana, I.R.A.S	Director(Non-Whole Time)	Yes
3.	Sri. I Prudhvi Tej, IAS	JMD (HR & Administration)	No
4.	Sri. B Malla Reddy	JMD (Vig. & Security)	Yes
5	Sri. T. Veera Bhadra Reddy	Director (Finance)	Yes
6.	Sri . P Murali Krishna	FA&CCA	Yes

9.3 DETAILS OF SUBSIDIARY/JOINT VENTURES COMPANIES

The Company had no subsidiaries/joint venture companies during the financial year.

9.4 EXTRACT OF THE ANNUAL RETURN

As provided under Section 92 (3) of the Companies Act, 2013, the financial for FY 2022-23 will be uploaded on company Website i.e. WWW.APTRANSCO.CO.IN which forms part of this report.

9.5 PARTICULARS OF EMPLOYEES

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

10. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

Subsequent to bifurcation of Organisation on 02.06.2014, AP Transco reconstituted the complaints committee vide Memo No. Addl. Secy/DS(L,IR&R)/AS(L,IR&R)/PO(IR)/469/07, dt.23.09.2016, after that Smt K Sudha Rani, CE/Transmission and Chairperson of the Committee was allotted to TSTRANSCO and relieved from APTRANSCO. Hence the Chairperson post was fallen vacant.

The Management was decided to constitute a new Complaints committee with the following members until further orders.

Sno	Name of the Member	Designation
1	Smt. K. Seetha Mahalakshmi DS(Personnel)	Chairperson
2	Smt. K. Suvarchala Devi, DGM (Co-Ordination)	Member
3	Smt. G. Nirmala,EE(GIS)	Member



4	Smt. P. Anusha, DEE(SLDC)	Member
5	Smt. V.Raja Gopal Naidu, EE(Asst. CIDO)	Member
6	SmtGoparaju Rashmi Secretary, Vasavya Mahila Mandal Vijayawada	Member

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

The following is the summary of number of sexual harassment complaints received and disposed of during the financial year 2022-2023.

No of Complaints Received (FY 2022-23) : - Nil

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

12. FOREIGN EXCHANGE EARNINGS AND OUTGO –

Nil.

13. DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgments

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

For and on behalf of Board of Directors

K .Vijayanand I.A.S
Chairman & Managing Director
DIN: 02138144

**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023****[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]****To,****The Members****TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED****CIN: U31909AP1998SGC107226****# 48-12-16, VIDYUT SOUDHA, GUNADALA,****VIJAYAWADA****Krishna****Andhra Pradesh****520004**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED**'s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the **TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED** ("The Company") for the financial year ended on 31st March 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) The Electricity Act, 2003 read with the Electricity Rules, 2005 and Regulations of the appropriate Commission issued from time to time.
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit period)**
- (vi) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **are not applicable to the Company during the Audit period being unlisted Company. Since the definition under the Companies Act, 2013 for listed companies has now been revised by inserting a new Rule 2A in Companies (Specification of definitions details) Rules, 2014. The new rule 2A specifies conditions to consider companies as listed companies. Also as per the Companies (Specification of definitions details) Second Amendment Rules, 2021, Public companies, which have not listed their equity shares listed but have debt or preference shares listed will not be counted as listed entities.**
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the audit period).**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not applicable to the Company during the audit period).**
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the audit period).**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the audit period).**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period).**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period).**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the audit period).**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ; **(Not applicable to the Company during the audit period).**
- (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015 ; **(Not applicable to the Company during the audit period)**



- (vii) CERC Rules & other Regulations issued from time to time, viz, CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010. The Central Electricity Regulatory Commission (Standards of Performance of inter-State transmission licensees) Regulations, 2012, CERC (Procedure for calculating Revenue from Tarff & Charges) Regulations 2010, Fees and charges of Regional Load Dispatch Centre and other related matters Regulations

We have also examined compliance with the applicable clauses of:

- (i) Secretarial Standards issued by “The Institute of Company Secretaries of India” to the extent applicable;

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

1. *The Company is yet to comply with the provisions of Section 149(1) of the Companies Act, 2013 relating to appointment of Woman Director on its board.*
2. *The Company is yet to comply with the provisions of Section 149(4) of the Companies Act, 2013 relating to appointment of Independent Directors on its board.*
3. *The Company failed to comply with the provisions of Section 177 as amended by the Companies (Amendment) Act, 2017 read with Rule 6 of the Companies (Meetings of the Boards and its Powers) Rules, 2014 for composition of the Audit Committee of the board. Since the Audit Committee shall consist of a minimum of 3 directors with independent directors forming a majority and company is yet to appoint independent director as per above para (i) 2.*
4. *The Company failed to establish Vigil/Whistle-blowing mechanism as per Sec.177 of the Companies Act,2013, certain companies have to report any unethical behaviour or other concerns to the management, also read with Companies (Meetings of Board and its Powers) Rules, 2014.*
5. *The Company could not fully utilize the budget allocated towards CSR during the financial year 2022-23. The Company have decided to spend CSR fund for the purpose of Research in energy and sustainable development in its 7th meeting of CSR committee.*
6. *The Company convened its 24th Annual General Meeting for the Financial Year 2021-22 on 29th December, 2022 , after seeking extension of 3 months from registrar for holding AGM. However, the said meeting was adjourned Sine die for want of Audited financial statements for FY 2021-22 and the Adjourned 24th Annual General Meeting of the Company was held 21st March, 2023, which is after the due date of the AGM.*

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

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

2013

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

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

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

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There were no prosecutions initiated and no fines or penalties were imposed during the year under review under SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers except under the SEBI Act in accordance with the notices.

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

- (i) Public/Right/Preferential issue of shares / sweat equity/ etc.
- (ii) Redemption / buy-back of securities -.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations



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

**For Aniket Tater & Company
Company Secretary**

PLACE : Jodhpur
DATE : 09/11/2023

sd/-
(ANIKET TATER)
Proprietor
ACS No. 64525
C.P.No. 24155

UDIN :

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

**‘Annexure A’**

**To,
The Members
TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED
CIN: U31909AP1998SGC107226
48-12-16, VIDYUT SOUDHA, GUNADALA,
VIJAYAWADA
Krishna
Andhra Pradesh
520004**

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

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

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

(3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

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

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

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

**For Aniket Tater & Company
Company Secretary**

PLACE : JODHPUR
DATE : 09/11/2023

sd/-
(ANIKET TATER)
Proprietor
ACS No. 64525
C.P.No. 24155

UDIN : -

**TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED****VIDYUT SOUDHA :: VIJAYAWADA****CIN: U31909AP1998SGC107226****Website address: www.aptransco.gov.in**

ANNEXURE A**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY**

As per the requirements under Section 135 of the Companies Act, 2013 read with relevant rules, APTRANSCO has CSR Policy.

a) The activities to be undertaken as per the Contents of CSR Policy are:

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

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

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

The CSR Policy is available on Company's website <https://www.aptransco.co.in/>

b) The list of CSR Committee members is as follows:

S.N O	NAME	DESIGNATION	MEMBER AS ON DATE OF REPORT
1.	Sri B. Sreedhar, IAS	CMD	No
2.	Sri. I Prudhvi Tej, IAS	JMD (HR&A)	No
3.	Sri. B. Malla Reddy, IPS(Retd.)	JMD (Vig. & Security)	Yes
4.	Sri. T. Veera Bhadra Reddy	Director (Finance)	Yes

c) CSR Requirement:

The CSR Provision for the FY 2021-22 is Rs.2.21 crs. As on March 31, 2022 the total balance of CSR amount is Rs.16.21 crs. **Company is looking forward for making CSR expenditure and looking for the suitable project. For FY 2021-22 Rs. 2 cr has been given to APSECM for CSR project under Energy Conservation Mission.**

d) Meetings of Committee:

Committee met on 23rd December 2022, 15th February 2023 & 31st March 2023. The members present in the meeting were Sri. B. Sreedhar, IAS, Sri B. Malla Reddy, IPS (Rtd), Sri. T Veera Bhadra Reddy and Sri I Prudhvi Tej, I.A.S.

Company Secretary



Revised Independent Auditors' Report

(Issued Consequent to Audit enquiries by the Office of the Principal Accountant General (Audit) Andhra Pradesh, Vijayawada and it supersedes our Independent Auditor Report dt. 29.09.2023)

We have audited the accompanying financial statement of Transmission Corporation of Andhra Pradesh Limited, Vijayawada (APTRANSCO" or Company"), which comprise the Balance sheet as at March 31st, 2023 and statement of profit & Loss and the cash flow statement for the year then ended., and a summary of the significant accounting policies and other explanatory information [hereinafter referred to as "the financial statements"]

We have issued an Audit Report dated 29.09.2023 ["the original report"] on the Financial Statements as adopted by Board of Directors on even date. Pursuant to Provisional Comments of Comptroller and Auditor General of India under section 143(6)(b) of Companies Act, 2013, the original report has been amended in certain items of Qualification numbers of this report, to comply with their observations.

To the Members of
Transmission Corporation of Andhra Pradesh Limited
Vijayawada

Report on Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the standalone financial statements of **Transmission Corporation of Andhra Pradesh Limited (the Company)**, which comprise the Balance Sheet as at 31st March 2023, 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, 2023, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

3. Basis for Qualified Opinion

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

- a) Deposits received from Suppliers/Contractors amounting to Rs.1,68,39,41,305
- b) Retention money received from Suppliers/Contractors (O&M) amounting to Rs.6,15,73,625.
- c) Retention money received from Suppliers/Contractors (Capital) amounting to Rs.3,46,37,81,163.

Hence, the impact, if any, for not arriving at the fair value measurement of the non-Current portion of such deposits/Retention money as per IND-AS 109 (Financial Instruments) on the financials as of 31st March 2023, could not be ascertained.

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

3.3 Company Claims Rs.1,925.05 crore from TSTRANSO, TSSPDCL & TSNPDCL and TSTRANSO claims Rs.175.70 crore on Company. Since the matter is in dispute, recovery of this amount from TSTRANSO, TSSPDCL & TSNPDCL is doubtful and requires provision.

3.4 Company needs to establish a system for obtaining confirmation of balances for receivables, advances, and Loans. Company has obtained the confirmation only from AP Discoms amounting to Rs.1,691.36 Crores, whereas Balance outstanding as per Accounts is Rs.2,084.44 Crores. In our opinion Doubtful Advances, Receivables were not provided.

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

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



4. We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

5. Emphasis of Matter:

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

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

- 5.1 Based on revised allocation of assets and liabilities between the company and TS Transco as per the objections / suggestions of TS Transco and mutually agreed vide letter dated 23.03.2017 and expert committee letter no. 326 dated 29.08.2018 and report dated 15.11.2018 and shown under Note No. 32 an amount of Rs. 199.29 crore (Debit balance) being the difference between re-allocated assets and liabilities is shown as Demerger Adjustment Account under other current assets (Note No. 10A) in the Balance sheet as at 31.03.2023. The recoverability/adjustment is subject to the decision of a third party referred by the company and TS TRANSCO.
- 5.2 Note No.30 to the standalone financial Statements which describe the uncertainties related to the outcome of suits/ appeals filed by/ against the company and other parties.
- 5.3 Note No. 33 with regard to non-accounting of transmission charges in respect of third-party generator an amount of Rs.279.60 Crore which will be accounted on cash basis.
- 5.4 Note No. 36 with regard to non-accounting of revenue in respect of demand raised on TS DISCOMS for transmission and SLDC charges of Rs. 1630.40 crores due to non-finalisation of LTTA (Long Term Transmission Agreement) with TS DISCOMS.
- 5.5 Note No. 38, with regard to non-accounting of common expenditure up to the year 2018-19 of Rs.15.51 Crore towards bills raised by TSTRANSCO

- 5.6 Note No. 38 with regard to recoverability of payments made on behalf of TS Transco up to 31-03-2023 of Rs.11.51 crores.
- 5.7 Note No. 39 With regard to recovery of salaries paid to TS Relieved employees from October'2015 to May'2016 amounting to Rs. 23.98 Crore.
- 5.8 Note No. 41(b) with regard to the whole of the contingency reserve investments including those apportioned to TSTRANSCO on demerger continue to be held in the name of the company.
- 5.9 Note No.42 regarding AP Transco Vidyut Bonds, floated by the company on behalf of GoAP, amounting to Rs. 975 Crore during the Financial Years 2005-06 to 2008-09. This Liability was discharged during the current financial year.
- 5.10 Note No.43 with regard to the continuance of charge on assets and the outstanding loans apportioned to TSTRANSCO, amounting to Rs.1,715.20 crore as on 01.06.2014, which are in the name of the company. However, outstanding balance as on 31st March 2023 was Rs.139.48 Crores.
- 5.11 Note No.44 with regard to risk and cost recoverable from two Contractors of Rs.12.12 crore which will be accounted as and when accepted by the parties or received.
- 5.12 Note No.45 With regard to non-accounting of the effect of True-up proposals on account of excess or shortfall in transmission charges of Rs.528.71 Crore up to 31.03.2023.
- 5.13 Note No.46 with regard to the property (land) transferred to and occupied by Greater Vishakha Municipal Corporation (GVMC) in exchange of land of GVMC being not identified by GVMC, value of Land transferred not removed from the books.
- 5.14 The company has not disclosed the terms of repayment of loans from Banks and FIs as required by "Schedule III" of the Companies Act, 2013. Further Maturity Pattern of the non-derivative financial liabilities with agreed repayment periods has not been disclosed as required by Ind AS 109, "Financial Instruments".
- 5.15 Company needs to establish a system for obtaining confirmation of balances for receivables, payables, advances, deposits and project stock held by the third party.
- 5.16 Accounting policy B2(c) Equity Investment in unquoted equity shares of the value of Rs.20 lacs have been carried at historical cost in the Standalone Financial Statement. To that extent it is a deviation from the application of relevant Ind AS. We are unable to quantify the effect in the absence of information.



5.17 The total Transmission loss for the financial year 2022-23 is **1834.59 MU**. We have not carried out technical verification of transmission loss. Based on the information, explanation and representation received from the management the benchmark set by APERC for transmission losses is 3.03% and the loss incurred by APTRANSCO is 2.61 % which is lesser than approved by APERC. The said loss in accounting parlance is to be termed as “Normal Loss” not requiring any separate accounting in the books of accounts.

6. 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 auditor’s report thereon.

6.2 Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

6.3 In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

6.5 Company needs to establish a periodical Information Systems Audit.

6.6 As per the Actuarial Valuation Report for the fiscal year ending on March 31, 2023, the actuary has determined the liability pertaining to the present value of defined benefits obligations for the company. This assessment has been conducted in accordance with the Mortality rate outlined in the Standard Indian Assured Live Mortality (2006-2008). It is essential to note that the selection of this mortality standard is at the sole discretion of the actuary, as per the APS27 Section 8.5.23 which reflecting their professional judgment and expertise. We are unable to quantify the effect in the absence of information.

7. Management’s Responsibility for the standalone financial statements

7.1 The Company's Board of Directors 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 Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- 7.2 In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 7.3 Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

- 8.1 Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include our opinion. Reasonable assurance is the high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise due to fraud or error and are considered material if, individually or in the aggregate, they could reasonably 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 scepticism throughout the audit. We also:
- Identify and assess risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one



resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.

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

8.3 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

9. Report on Other Legal and Regulatory Requirements

9.1 As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

9.2 In terms of section 143(5) of the Companies Act, 2013, we give in the “**Annexure C**” our comments on the directions and sub-directions issued by the Comptroller and Auditor General of India.

9.3 As required by Section 143(3) of the Act, we report that:

- a) we have sought and obtained the information except for the information detailed in “**Annexure D**” and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) the Balance Sheet, the Statement Profit and Loss, including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements, except for accounting on receipt / cash basis of the items as stated at Note 40 of the financial statements, comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 applicable from 01st April, 2015 as amended.
- e) Being a government company, pursuant to the notification no. GSR 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section 2 of section 164 of the Companies Act, 2013 are not applicable.
- f) With regard to the adequacy of the internal financial controls with respect to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”, our report expresses un-modified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the remuneration paid by the company, The Provisions of section 197 of Companies act 2013 are not applicable to the Government company vide notification No. GSR 463 (E) dated 05-06-2015. Being, AP Transco a Government Company, the Section 197 of Companies Act 2013 is not applicable. Hence, we need not comment up on as required under section 197(16) of the Companies Act, 2013.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:



- i) the company has disclosed the impact of pending litigations on its financial position in the standalone financial statements- Refer Note No.30 to the standalone financial statements.
- ii) the Company has no long-term contracts including derivative contracts requiring disclosure of material foreseeable losses
- iii) there were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) (a) As per the information and explanation given to us, in our opinion the company has advanced Rs.1564.26 Crores (Netting off) to AP Discoms, AP Genco & APPDCL (Refer Note 4A) from funds (either from borrowed funds or share premium or any other sources or kind of funds) borrowed from Power Finance Corporation Limited, PTC India Financial Services Limited & REC Limited.
 (b) As per the information and explanation given to us, in our opinion the company has received Rs.1300 Crores from Power Finance Corporation Limited and others during the year which have been advanced to AP Discoms, AP Genco & APPDCL (Refer Note 4A & 13)
 (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Company has not declared or paid dividend during the year by the company is in compliance with section 123 of the Companies Act, 2013.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Place: Hyderabad
Date : 29.12.2023



For Niranjan & Narayan
Chartered Accountants
FRN: 005899S

M. Niranjan
Partner – Memb No.029552
UDIN: 23029552BGXBSJ1530

Annexure – A to the Independent Auditor’s Report

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

i. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) As per the information and explanation given to us, the company is not having any regular programme of physical verification of its fixed assets by which all the fixed assets are verified in phased manner. In our opinion, this periodicity of physical verification of fixed assets is not reasonable having regard to the size of the company and the nature of its assets. The company does not have a system of tagging the fixed asset which in our opinion is major material weakness and is not having any regular programme of Land Survey. Land Survey reports are not available to ensure no encroachment of idle land.

land carried in the books of the company comprises of land vested pursuant to the APER(TS) Rules 1999, lands acquired subsequently which was apportioned to the company subsequent to the demerger plan, vide the AP Reorganization Act, 2014

(c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self constructed buildings and title deeds of all other immovable properties except Land & Buildings (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.



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

ii. In respect of Inventory of the Company

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

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

- a) The Company has provided loans or advances in the nature of loans or stood guarantee, or provided security to other entities during the year. An amount of Rs.1300 crores is advanced to AP Discoms, APGENCO and APPDCL in the form of Interest bearing advances during the year.
- b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest
- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation
- d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

- f) The Company has granted loans or advances in the nature of loans repayable on demand during the year. An amount of Rs.1300 crores is advanced to AP Discoms, AP GENCO, APPDCL which is repayable on demand.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable are not applicable to a Government company vide notification No. GSR 463 (E) dated 05-06-2015. Hence reporting under clause 3 (iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable
- vi. We have broadly reviewed the records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records u/s 148(1) of the Companies Act, 2013 and prima facie we are of the opinion that the prescribed accounts and records have been made and maintained properly
- vii. In respect of statutory dues:
- (a) According to the information and explanation given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including, provident fund, Income Tax, Goods and Service Tax and other statutory dues. There are no undisputed amounts payable which were in arrears as on 31.03.2023 for a period of 6 months or more from the date they become payable.



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

Name of the Statutory body	Financial year to which the matter pertains	Forum where dispute is pending	(Rs. in lakhs)		
			Total amount Disputed	Amount paid as per Court Directions	Balance
Interest on APGST	1994-95 to 1996-97	High Court of AP	6,584.28	-	6,584.28
	1997-98		2,304.74	-	2,304.74
APGST Total::			8,889.02	0.00	8,889.02
Entry Tax	2002-03	High Court of AP	1,235.09	358.18	876.91
	2003-04		29.9	8.67	21.23
	2003-04		342.83	171.42	171.41
	2004-05		963.43	481.71	481.72
	2005-06		697.79	239.28	458.51
	2005-06		359.02	104.12	254.9
	2006-07		1,405.18	702.59	702.59
	2014-15		3,375.25	843.81	2,531.44
	2015-16		3,450.20	862.54	2,587.66
	2016-17		1,460.75	365.19	1,095.56
	2017-18		24.08	6.02	18.06
Entry Tax Total::			13,343.52	4,143.53	9,199.99
Income Tax	2013-14	Income Tax Appellate Tribunal, Hyderabad	109.55	21.91	87.64
	2014-15	CIT Appeals, Rajahmundry	36.00	7.20	28.8
	2017-18	CIT Appeals, Vijayawada	0.79	0.16	0.63
	2020-21	CIT Appeals, Faceless	15.16	0.00	15.16
Income Tax Total::			161.50	29.27	132.23
TOTAL			22,394.03	4,172.79	18,221.24

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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



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

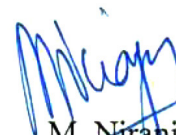
(b) According to the information and explanation given to us, the company has remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to ongoing project is amounting to Rs. 6,43,30,818, which is accumulated prior to Financial Year 2020-21 and need not be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

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

Place: Hyderabad
Date : 29.12.2023



For Niranjana & Narayan
Chartered Accountants
FRN: 005899S



M. Niranjana
Partner – Memb No.029552
UDIN: 23029552BGXBSJ1530



Annexure – B to the Independent Auditors’ Report

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

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

We have audited the internal financial controls over financial reporting of **Transmission Corporation of Andhra Pradesh Limited** (“the Company”) for the year ended 31st March 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and a guidance note issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial

reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanation given to us, the following are the material weaknesses identified as at March 2023.

- a. The company does not have a system of tagging the fixed asset which in our opinion is major material weakness.



- b. The company does not have a system to conduct the physical verification of Capital Work in Progress (CWIP) to determine the actual stage of completion of the project as on March 31, 2023. Thus, the impact of the same is not ascertainable as on March 31, 2023.
- c. Negative (Credit) balances under “Advance to Contractor”, “Staff Advances” have been observed and shown net balances.
- d. Positive (Debit) balances under “Deposits”, “Liability for contractors” have been observed and shown net balances.
- e. The company does not have a formal documented Business Continuity Plan (BCP), Restoration plan & Disaster Recovery Plan (DRP) that addresses all core processes, technologies.
- f. During the year the company has not conducted any System audit by any external firm / agency which would certify that the information security management system existing in the company is as per Information Security Management System Standards.
- g. Fire Drill was conducted on 4th February 2022 in Head office located at Vidyut Soudha, Vijayawada but not conducted in any other buildings. The company does not have a practice of scheduling Fire Drills in other buildings, which in our opinion, is an important activity and should be adhered to.

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

In our opinion, except for the effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material aspects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2023 standalone financial statements of the Company, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

Place: Hyderabad
Date : 29.12.2023



For Niranjana & Narayan
Chartered Accountants
FRN: 005899S



M. Niranjana
Partner - MembNo.029552
UDIN: 23029552BGXBSJ1530



Annexure – C to the Independent Auditors’ Report

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

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

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

Sl. No	Particulars	Auditor’s Observation
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	During the course of audit, we have observed that all the accounting transactions are processed through IT system using SAP Software. As informed by the company and as observed by us there are no instances of processing accounting transactions outside IT system causing a threat on the integrity of the accounts and other financial implications.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated.	As informed by the company and as observed by us during the course of Audit, there are no instances of restructuring of existing loans or there are no cases of waiver/write off of debts /loans/interest etc. made by a lender to the company during the year 2022-23.
3	Whether funds received / receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As informed by the company and as observed by us during the course of Audit, the company properly accounted for the funds received for specific schemes from central/ state agencies and properly recorded the utilization of funds as per its terms and conditions.

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

Sl. No	Particulars	Auditor's Observation
GENERAL		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created upto and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed	Based on our observations and information & explanations given by the Management, no grants received from Central or State government(s)/ other user department(s) or their agencies during the financial year 2022-23.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies, a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure; b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;	All the grants received up to 2022-23 are capital grants only. However, no grants are received during the FY 2022-23. No guarantees were obtained by the company during FY 2022-23 from Central or State Governments /Other user departments or their agencies.
3.	Where any long term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a	No such long term liabilities are undertaken by the company against assets of finite lifetime during the FY 2022-23 and as on 31.03.2023.



	specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	
4.	Whether the corresponding expenditure on which the taxes paid/payable are accounted in the financial statements is also included appropriately	Yes, the corresponding expenditure on which taxes paid/payable was accounted in the financial statements appropriately.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	<p>There is no Public Deposit accounts held in the name of the company as at 31.03.2023.</p> <p>Not applicable</p> <p>Not applicable</p> <p>Not applicable</p> <p>Not applicable</p> <p>Not applicable</p>
6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be	No such loans were raised by the company for which payment of principal or interest or both will be met by the State Government or its agencies during the FY 2022-23.

	stated along with the fact whether the funds were utilised for the stated purpose	
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As per the information provided by the management, no land of the company was encroached or under litigation or not put to use or declared surplus as at 31.03.2023 as well as during the FY 2022-23.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	As per the information provided by the management and based on our audit observations, we report that inventory has been taken into consideration on the basis of physical verification of by the internal auditors/management after duly adjusting the shortage/excess found on the verification.
9.	Whether the cost incurred on abandoned projects has been written off?	As per the information provided by the management and based on our audit observations there were no abandoned projects as on 31.03.2023.
10	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	Wherever funds received were temporarily invested, the interest benefit is being accounted against such funds as per the terms and conditions of the agreement by MNRE/PSDF.
11	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	As per the A.P. Reorganization Act, 2014, the assets and liabilities are bifurcated between APTRANSCO and TSTRANSCO. The same were noted in the Notes to Accounts for FY 2022-23 by the Company.
Sector Specific Sub-Directions		
Power Sector		
1.	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case fund of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	The Company had constructed compound wall around the company's land to prevent any unauthorized encroachment of land and the Sub-stations are also guarded by Security personnel at all the gates day and night. As on 31.03.2023, no land of the company is encroached or under litigation or not put to use or declared surplus.




2.	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.	Land acquisitions are being a continuous process and land acquisitions amounts are being deposited with Revenue Dept., by the company. After receipt of the land allotment from the Revenue Department the same will be accounted against the land by the company. An amount of Rs.30.70 Crs depicted in the AH 2892100000 – Deposit with Revenue Department as on 31.03.2023.
3.	Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?	The Company had been recognizing the revenue from Transmission & SLDC charges as per the tariff approved by APERC in the MYT 2019-20 to 2023-24. The company is recognizing the revenue as per Ind AS.
4.	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	There were no abandoned projects as on 31.03.2023 as well as during the FY 2022-23.
Transmission		
6.	Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.	As per the information provided by the management, the company constructing the transmission lines as per the requirement of Generation of electricity in the state. Further, the APERC had fixed the tariff for MYT 2019-20 to 2023-24, based on the peak demand. Further, the transmission system availability factor for the year 2022-23 is 99.84% (provisional). There are no instances i.e., claims by the generating company during the FY 2022-23.
7.	How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts?	As per the information provided by the management, the Hon'ble APERC has fixed the transmission loss for FY 2022-23 is 3.03%. However during the year 2022-23 the transmission losses is 2.61% which is lower than the APERC fixed transmission loss of 3.03%.

8.	Whether the assets constructed and completed on behalf of other agencies and handed over to the has been properly accounted for in the financial statements	As per the information provided by the management, the assets constructed and completed on behalf of other agencies i.e., deposit contribution works are accounted properly duly allocating to the respective asset class i.e., DCW works assets in the financial statements.
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Place: Hyderabad
Date : 29.12.2023



For Niranjan & Narayan
Chartered Accountants
FRN: 005899S



M. Niranjan
Partner - MembNo.029552
UDIN: 23029552BGXBSJ1530



Annexure - D To the Independent Auditors' Report

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

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

GL A/c	GL Name	Debit (Rs.in crores)	Credit (Rs. In Crores)
A. Staff Advances			
2710100001	Legacy balance upload	2.45	-
2710200001	Legacy balance upload	0.22	-
2710300001	Legacy balance upload	5.00	-
2710400001	Legacy balance upload	-	-
2710500001	Legacy balance upload	0.09	-
2710600001	Legacy balance upload	0.38	-
2712100001	Legacy balance upload	-	-
2712200001	Legacy balance upload	0.05	-
2712400001	Legacy balance upload	-	-
2712500001	Legacy balance upload	-	0.02
2720000001	Legacy balance upload	0.06	-
2721100001	Legacy balance upload	0.05	-
2721200001	Legacy balance upload	0.02	-
2721300001	Legacy balance upload	-	0.01
2721600001	Legacy balance upload	-	-
2722000001	Adv-against-legacy upload	0.01	-
	Total	8.33	0.03
B. Receivables			
2810000000	Sundry Debtors trading	0.08	-
	Total	0.08	-
C. Deposits with courts/Judicial authorities:			
2890000000	Deposits with others	1.23	-
2890000001	Deposits with others-legacy balances	7.72	-
	Total	8.95	-
D. Liability for capital works:			
4215000000	Lia-sup-mat-cap (Old)	-	27.14
4220000001	IFS GR/SR Ven Liabil	1.24	-
4220000002	IFS GR/SR GL open liability	-	23.04
	Total	1.24	50.18

E. Staff recoveries:			
4440000001	Staff loan legacy		0.07
	Total		0.07
F. Deposits:			
4610000000	Dep from Supp/cont	-	168.39
4610500000	Dep-Emd-RM-con (Old)	-	0.62
4612500001	Misc Deposits-GL	-	50.14
4612500002	Misc Deposits Customer	-	392.03
4627500000	TR & SLDC Clearing A/c	-	8.18
	Total	-	619.36
G. Grant			
5530000000	Grant-cost of CAP asset	-	11.30
	Total	-	11.30

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

GL A/c	GL Name	Debit (Rs.in Crores)	Credit (Rs.in crores)
A. Advances			
2840100000	Amount recoverable - Employees	0.58	-
2881000000	Exp Rec-sup/contractors	11.40	-
2887000000	Other amount receivable – Govt	1.12	-
	Total	13.10	-
B. Liability for capital works:			
4210000000	Lia-sup-mat/work-cap	-	159.99
4220000000	Suppliers/contractors control a/c	-	54.95
4220100000	Suppliers/contractors cont -cap/O&M	-	1.82
4221000000	Suppliers/contractors cont -ser	-	34.16
4310000000	Lia-supp-mater (O&M)	-	3.78
	Total	-	254.70



C. Deposits:			
4610100000	Sec dep in cash-cap	-	10.02
4610200000	Sec dep – cap	-	0.06
4610300000	E M D - Capital	-	1.28
4610400000	RM-supp/cont-capital	-	346.38
4610500000	Dep-Emd-Rm-Con	-	0.62
4612000001	Penalty Deposit a/c	-	0.01
4612100000	Sec dep in cash - O&M	-	23.33
4612200000	Sec dep other than in cash-O&M	-	0.21
4612300000	EMD - O&M	-	2.79
4612400000	RM-supp/cont - O&M	-	6.16
4612500000	Miscellaneous Deposits	-	106.52
4612500002	Miscellaneous Deposits Cust	-	392.03
	Total	-	889.41

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

Advance Tax			
2740000000 to 2740002022	Adv IT/TDS	173.41	-
	Total	173.41	-

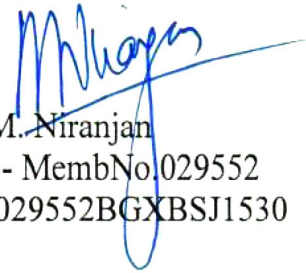
4. The company as per its accounting policy B2(c), an amount of Rs.0.20 crores investment of 2,00,000 shares (Face value Rs.10/- each) unquoted equity shares “Investment in JV-Andhra Pradesh State Energy Development corporation Ltd” not quoted at fair value.

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

Place: Hyderabad
Date : 29.12.2023



For Niranjani & Narayan
Chartered Accountants
FRN: 005899S



M. Niranjani
Partner - MembNo: 029552
UDIN: 23029552BGXBSJ1530



Annexure -I
Management's replies to the comments of the Statutory Auditors on the Annual Accounts for FY 2022-23

Sl.No.	Statutory Auditors Comments	Management Replies
1	<p><i>The other financial liabilities which are not bifurcated into current and non-current liability as required by IND-AS 1 (Presentation of financial statements) are as follows:</i></p> <p>a. Deposits received from Suppliers/Contractors amounting to Rs.168,39,41,305/-</p> <p>b. Retention money received from Suppliers/contractors (O&M) amounting to Rs.6,15,73,625/-</p> <p>c. Retention money received from Suppliers/contractors (Capital) amounting to Rs.3,46,37,81,163/-</p> <p><i>Hence, the impact, if any, for not arriving at the fair value measurement of non-current portion of such deposits/retention money as per IND-AS 109 (financial instruments) on the financials as of 31st March 2022, could not be ascertained.</i></p>	<p>The company has made the conversion of accounts from ESSAR-1984 to IND-AS from the year 2016-17. The above accounts i.e., deposits received from suppliers/ contractors towards Retention money as shown in the Other financial liabilities and there is no segregation as current and non-current. Further, it is to submit that, the deposits and retention monies are adjusted against the bills. These accounts are running accounts. Hence, there is no need to segregation of current and non-current.</p>
2	<p><i>Charges registered in MCA portal against the company are not matching with the actual charges registered as per books. Satisfaction of charges to be obtained from lenders and to clear the dues if any.</i></p>	<p>It is to intimate that, the correspondence with the lenders on the subject matter is a regular process and necessary action in this regard will be taken care as per the suggestion of the auditors.</p>
3	<p><i>Company claims Rs.1925.05 crore from TSTRANSCO, TSSPDCL & TSNPDCL and TSTRANSCO claims Rs.175.70 crore on Company. Since the matter is in dispute, recovery of this amount from TSTRANSCO, TSSPDCL & TSNPDCL is doubtful and require provision.</i></p>	<p>The matter is under correspondence with the TS power utilities and the same was reiterated in the Notes to Accounts of 2022-23 vide Note No.32 (xi). As and when the claim settles the same will be accounted accordingly.</p>
4	<p><i>Company needs to establish a system for obtaining confirmation of balances for receivables, advances and Loans. Company has obtained the confirmation only from AP Discoms amounting to Rs.1691.36 Crores. Whereas balance outstanding as per Accounts is Rs.2084.44 Crores. In our opinion Doubtful advances were not provided.</i></p>	<p>It is to intimate that, the maximum receivables are from Discoms only and the confirmation in this regard obtained from the Discoms and submitted to the audit. With regard to advances to suppliers/contractors are recovered from the bills. Hence, there is no doubtful advances and no need to provide doubtful advance in this accounts.</p>

5	<p><i>The Company extends various medical benefits to its employees and pensioners under different medical schemes. IndAS 19 (Employee Benefits) requires that medical care benefits need to be valued and provided for in books of accounts by carrying out an actuarial valuation. However, the Company neither carried out actuarial valuation nor accounted for liability towards medical benefits extended to its employees and pensioners.</i></p>	<p>Following the recommendation of the statutory auditor, a note will be circulated proposing the establishment of a dedicated medical trust, similar to the existing trust structures. A certified actuarial valuation will be conducted to determine the necessary liability associated with this trust. Upon receiving the required approvals from the Board, this liability will be accounted in the financial accounts.</p>
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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of Transmission Corporation of Andhra Pradesh Limited for the year ended 31 March 2023 in accordance with financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their **Revised Audit Report dated 29.12.2023** which supersedes their earlier Audit Report dated 29.09.2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit of the financial statements of Transmission Corporation of Andhra Pradesh Limited for the year ended 31 March 2023 under Section 143(6)(a) of the Act. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and the Company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the Statutory Auditor to give effect to some of my audit observations raised during the Supplementary Audit.

In addition, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

A. Comments on Profitability

Statement of Profit and Loss Account

Revenues

Other Income (Note-21A): ₹196.64 crore

1. The Company claimed Late Payment Surcharges (LPS) amounting to ₹2.96 crore on the SLDC charges demanded by it from the APDISCOMs as per the Tariff Orders issued by the APERC for the 4th Control Period (2019-2024). However, the Company neither recognised the LPS income due from APDISCOMs on accrual basis nor disclosed the reasons for non-recognition and financial impact though it deviated from Accounting Policy disclosed at Note-1(B)(g) to the accounts and the provisions of the Section 128(1) of the Companies Act. This has resulted in the understatement of Other Income and Trade Receivables (Note-7) by ₹2.96 crore each with corresponding impact on Profit for the year to that extent.

Revenue from Operations (Note-20): ₹3048.79 crore

2. As per APERC's True-up order dated 30.03.2022 for the 3rd Control Period, the Company was permitted to adjust the true-up (aggregate loss) of ₹492.02 crore from the Point of Connection (POC) charges (a pass-on item to the DISCOMs) to the extent collected in the future and to approach the Commission to recover any shortfall from the AP DISCOMs. However, POC charges of ₹5.01 crore received during the year was recognised as revenue leaving the balance ₹487.01 crore to be recognised while disclosing that the same would be accounted for as and when the POC charges are received. Since true-up amount was approved by the APERC, the same should have been recognised on accrual basis in line with the Accounting Policy of the Company and provisions of Section 128 of the Companies Act as no uncertainty of recovery was justified. Non-recognition resulted in understatement of Revenue from Operations and Trade Receivables by ₹487.01 crore each with corresponding impact on Profit for the year to that extent.

B. Comments on Financial Position**Balance Sheet****Assets****Current Assets****Loans (Note-4A): ₹1,564.26 crore**

3. The above included ₹400 crore towards interest bearing ICDs (inter Corporate Deposits) deposited with APGENCO (₹200 crore) and APPDCL (₹200 crore), which were receivable in three years (including a moratorium period of one year for the principal repayment from 29.12.2022). Since ICDs are not in the nature of the loans, classification of the same as Loans instead of Other Current Assets (ICDs) is not found correct.

Further, ₹350 crore receivable beyond normal accounting cycle (i.e. 12 months from the reporting date) has to be classified as Non-Current Assets. Thus, incorrect classification resulted in overstatement of Current Assets (Loans) by ₹400 crore, understatement of Other Current Assets (ICDs) by ₹50 crore and Other Non-Current Assets (ICDs) by ₹350 crore.

C. Comments on Statement of Cash Flows

4. The Company purchased Inter Corporate Deposits (ICDs) of APDISCOMs and APGENCO out of loans availed by the Company from the Financial Institutions (M/s. PFC, M/s. REC and M/s. PTC India) during the year. However, the cash out flows (net amount of ₹1,358.95 crore) due to purchase of ICDs were classified under 'Operating activities' as Loans given though the same were **not** in nature of operating activities considering the Company's business model. Instead, the same should have been classified under 'Investing activities'. Thus, wrong classification resulted in overstatement of the cash flows from Operating activities and understatement of cash flows from Investment activities by ₹1,358.95 crore each.

D. Comments on Disclosure

5. As on 31 March 2023, value of surplus, obsolete, unserviceable, scrap, and non-moving items in stock was ₹43.72 crore, as disclosed in Note-6 (Inventories). Of this, the value of obsolete, unserviceable, scrap, and non-moving items amounted to ₹18.32 crore (including ₹3.35 crore of obsolete stock) the Company made a provision of ₹0.60 crore during the year (Cumulative provision was ₹6.07 crore). However, the basis / criteria for recognizing provision in respect of



non-moving, unserviceable and surplus inventories in the stock was not disclosed. As a result, the reasonableness of the provision recognised and additional impairment provision, if any required could not be ascertained in audit.

6. Part-B of Schedule II of the Companies Act, 2013 specifies that the useful life or residual value of any specific asset, as notified for accounting purposes by a Regulatory Authority constituted under an Act of Parliament or by the Central Government shall be applied in calculating the depreciation to be provided for such asset. Though Electricity Act, 2003 and Companies Act, 2013 came into force, and CERC notified the depreciation rates, the Company continued its accounting policy to provide depreciation as notified by the Ministry of Power in March 1994, instead of adopting the rates notified by CERC under Electricity Act, 2003 (or depreciation rates as per Part-C of Schedule II to the Companies Act). **Thus, the present accounting policy of the Company is not consistent with the provisions of the Act.** However, neither the reasons for deviation nor impact is disclosed in the Notes to the Financial Statements. In the absence of relevant information, the financial effect could not be quantified in audit.

E. Other Comments

7. As per Actuarial assumptions, the Company considered salary growth rate of 11.5 per cent in respect of Gratuity and Pension benefits and Leave benefits to its employees. This represents sum of long-term salary growth rate of 6.5 per cent towards increments and promotions adopted for the actuarial valuation for the period ended 31.03.2022 and a onetime revision of pay scales at 5 per cent, which results in excess provision for long term employee benefits. Though significant variation is adopted, the Management did not provide any evidence-based information as basis for such a higher salary growth rate to ensure that such rate was not unbiased. Since the actuarial valuation is done by an expert, the actual financial implications could not be ascertained in audit. However, considering the sensitivity analysis disclosed in actuarial valuation report and effect of increase and decrease on defined benefit obligation (Pension, Gratuity and leave benefits) APTRANSCO is required to review the case in details in the light of the observation and take suitable action to arrive at the growth rate which does not understate or overstate the liability of the company.

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

Place: Vijayawada

Date: 02.02.2024

इ-5 अग्रवाल

(INDU AGRAWAL)

Principal Accountant General (Audit)

प्रधान महालेखाकार (ले.प.)

Annexure - II

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

C&AG comment	Management Reply
<p>Comments on Disclosure</p> <p>1.The Company claimed Late Payment Surcharges (LPS) amounting to Rs.2.96 crore on the SLDC charges demanded by it from the APDISCOMs as per the Tariff Orders issued by the APERC for the 4th Control Period(2019-2024).However, the Company neither recognized the LPS income due from APDISCOMs on accrual basis nor disclosed the reasons for non-recognition and financial impact though it deviated from Accounting Policy disclosed at Note-1(B)(g) to the accounts and the provisions of the Section 128(1) of the Companies Act. This has resulted in the understatement of Other Income and Trade Receivables (Note-7)by Rs.2.96 crore each with corresponding impact on Profit for the year to that extent.</p>	<p>The LPS amounts on SLDC charges are being accounted based on the realization only from the APDiscoms,. Which is already disclosed in the statement of accounts vide Note: 40 of Note to Accounts. However, amount arrived is not disclosed in the notes to accounts. n view of the audit comment necessary disclosure along with financial commitment (LPS) will be disclosed from 2023-24 onwards invariably.</p>
<p>2.As per APERC's True-up order dated 30.03.2022 for the 3rd Control Period, the Company was permitted to adjust the true-up (aggregate loss)of Rs.492.02 crore from the Point of Connection (POC) charges (a pass-on item to the DISCOMs) to the extent collected in the future and to approach the Commission to recover any shortfall from the AP DISCOMs. However, POC charges of Rs.5.01 crore received during the year was recognized as revenue leaving the balance Rs.487.01crore to be recognized while disclosing that the same would be accounted for as and when the POC charges are received. Since true-up amount was approved by the APERC, the same should have been recognized on accrual basis in line with the Accounting Policy of the Company and provisions of Section 128 of the Companies Act as no uncertainty of recovery was justified. Non-recognition resulted in understatement of Revenue from Operations and Trade Receivables by Rs.487.01 crore each with corresponding impact on Profit for the year to that extent.</p>	<p>The revenue and expenditure of APTRANSCO is completely depending upon the approval accorded by the Hon'ble APERC which is a statutory body and in its order dt:30.03.2022, the APERC has approved the True-up order for 3rd control period. The commission in its order, "directs APTRANSCO to adjust the true-up (aggregate loss) amount of Rs.492.02Cr determined in this order for the third control period, from the POC charges <u>if and when it received in the future</u> and any balance amount left after the adjustment shall be transferred to the DISCOMS. If there is any shortfall after the adjustment due to the receipt of less amount towards the POC charges, APTRANSCO may approach the Commission to recover such shortfall amount"</p> <p>The facts are disclosed in the statement of accounts at Note:45 of notes to Accounts. An amount of Rs.5.01 crores only received during 2022-23 and accounted for that extent only in the financial statements. Further an amount of Rs.347.48 crores were received during 2023-24 till January,2024 are accounted as revenue for in the financial statements for 2023-24.The balance amount of Rs.145.53 crores will be recognized as and when its received.</p>



	<p>Further, as per the section 128 of Companies Act the facts were already disclosed in the Accounts vide Note No. 45 of Notes to Accounts for the year 2022-23.</p> <p>The words in the Hon'ble APERC true-up order (if and when it received in the future) clearly shows the uncertainty of the realization of the POC charges to the extent of true-up ordered amounting to Rs.492.02 crs.</p> <p>In view of the above the accounting of amount on receipt basis followed by APTRANSCO is the only procedure to be followed in view of the Hon'ble APERC directions.</p> <p>However, in order to have better transparency, the detailed disclosure with True-up amounts received in each year and balance amount to be received will be included from Financial statements 2023-24 onwards.</p>
<p>3.The above included 400 crore towards interest bearing ICDs (inter Corporate Deposits) deposited with APGENCO (200 crore) and APPDCL (200 crore), which were receivable in three years (including a moratorium period of one year for the principal repayment from 29.12.2022). Since ICDs are not in the nature of the loans, classification of the same as Loans instead of Other Current Assets (ICDs) is not found correct.</p> <p>Further, 350 crore receivable beyond normal accounting cycle (i.e.12 months from the reporting date) has to be classified as Non-Current Assets. Thus, incorrect classification resulted in over statement of Current Assets (Loans) by 400 crore, understatement of Other Current Assets (ICDs) by 50 crore and Other Non-Current Assets (ICDs) by 350 crore.</p>	<p>The amount under ICDS in "other Current Loans" will be re-classified based on loan repayment schedules instead nature of loan from FY2023-24 onwards invariably.</p>
<p>C. Comments on Statement of Cash Flows</p> <p>4. The Company purchased Inter Corporate Deposits (ICDs) of APDISCOMs and APGENCO out of loans availed by the Company from the Financial Institutions (M/s. PFC, M/s. REC and M/s. PTC India) during the year. However, the cash out flows (net amount of 1,358.95 crore) due to purchase of ICDs were classified under 'Operating activities' as Loans given though the same were not in nature of operating activities considering the Company's business model. Instead, the same should have been classified under 'Investing activities'. Thus, wrong classification resulted in overstatement of the cash flows from Operating activities and understatement of cash flows from Investment activities by 1,358.95 crore each.</p>	<p>To ensure a more accurate reflection of the Company's financial activities, the classification of Inter Corporate Deposits (ICDs), Fixed Deposits, and non-operational Loan assets which were previously categorized under 'Operating activities,' will be reviewed. They will be reclassified to a more appropriate category, potentially 'Investing activities' or another relevant category depending on the decision of the management.</p>

<p>D. Comments on Disclosure</p> <p>5.As on 31 March 2023, value of surplus, obsolete, unserviceable, scrap, and non-moving items in stock was Rs.43.72 crore, as disclosed in Note-6 (Inventories). Of this, the value of obsolete, unserviceable, scrap, and non-moving items amounted to Rs.18.32 crore (including 3.35 crore of obsolete stock) the Company made a provision of Rs.0.60 crore during the year (Cumulative provision was Rs.6.07 crore). However, the basis/ criteria for recognizing provision in respect of non-moving, unserviceable and surplus inventories in the stock was not disclosed. As a result, the reasonableness of the provision recognised and additional impairment provision, if any required could not be ascertained in audit.</p>	<p>The 'Stores Management and Inventory Control Manual' clause 8.1 defines the identification criteria for obsolete, unserviceable, scrap, and non-moving materials as follows:</p> <p>Surplus Materials exceeding existing requirements but still usable.</p> <p>Obsolete Materials potentially useful but inactive due to process/ design changes.</p> <p>Unserviceable Materials no longer functional due to damage or deterioration.</p> <p>Scrap Materials reaching their end of life and rendered unusable by wear and tear.</p> <p>The company following the established criteria, in order to enhance the transparency starting from the 2023-24 financial statements, a detailed disclosure will be included explaining the specific basis for identifying each category of material.</p>
<p>6.Part-B of Schedule II of the Companies Act,2013 specifies that the useful life or residual value of any specific asset, as notified for accounting purposes by a Regulatory Authority constituted under an Act of Parliament or by the Central Government shall be applied in calculating the depreciation to be provided for such asset. Though Electricity Act,2003 and Companies Act,2013came into force, and CERC notified the depreciation rates, the Company continued its accounting policy to provide depreciation as notified by the Ministry of Power in March 1994, instead of adopting the rates notified by CERC under Electricity Act,2003 (or depreciation rates as per Part-C of Schedule II to the Companies Act). Thus, the present accounting policy of the Company is not consistent with the provisions of the Act. However, neither the reasons for deviation nor impact is disclosed in the Notes to the Financial Statements. In the absence of relevant information, the financial effect could not be quantified in audit.</p>	<p>APTRANSCO has a longstanding practice of adhering to the Ministry of Power's depreciation rates in its annual accounts, dating back to its inception. Deviating from this established approach, particularly after APERC's approval of the 4th Control Period's Aggregate Revenue Requirement using those same rates, would incur significant compliance costs and create reconciliation complexities. This could potentially hinder our ability to effectively monitor and report on efficiency gains.</p> <p>Therefore, to uphold consistency and mitigate unnecessary burdens, we propose maintaining the current depreciation methodology. However, to ensure enhanced transparency, we will explicitly disclose the applied depreciation percentages within the accounting policies section (B.2.(iii)) of the 2023-24 financial statements and onwards.</p>



<p>E.Other Comments</p> <p>7.As per Actuarial assumptions, the Company considered salary growth rate of 11.5 per cent in respect of Gratuity and Pension benefits and Leave benefits to its employees. This represents sum of long-term salary growth rate of 6.5 per cent towards increments and promotions adopted for the actuarial valuation for the period ended 31.03.2022 and a onetime revision of pay scales at 5 percent, which results in excess provision for long term employee benefits. Though significant variation is adopted, the Management did not provide any evidence-based information as basis for such a higher salary growth rate to ensure that such rate was not unbiased. Since the actuarial valuation is done by an expert, the actual financial implications could not be ascertained in audit.</p> <p>However, considering the sensitivity analysis disclosed in actuarial valuation report and effect of increase and decrease on defined benefit obligation (Pension, Gratuity and leave benefits)APTRANSCO is required to review the case in details in the light of the observation and take suitable action to arrive at the growth rate which does not understate or overstate the liability of the company.</p>	<p>The proposed actuarial salary growth rate of 11.50% is rationale and claimed based on the traditional long-term average for our valuations is around 6.50%, factoring in both increments and promotions, and expected revision of scale from April2022, this rate reflects the current reality of our compensation practices.</p> <p>The recent one-time pay scale revision of 8% from 01.04.2022 (Order Ms.No.2924, August 21, 2023) combined to traditional average valuation will become 14.50%. Thus, the anticipating commitment of salary growth of 11.5% is rationale and ensures the actuarial valuation remains reliable.</p>
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**Transmission Corporation of Andhra Pradesh Limited
Balance Sheet As at 31 March 2023**

ఆస్తి అప్పుల పట్టిక

In Crores of INR

Particulars	Note No.	As at	As at
		31 March 2023	31 March 2022
వివరములు	గమనిక	ప్రస్తుత సంవత్సరం	గత సంవత్సరం
Assets			
అస్తులు			
Non-current assets			
స్థిరాస్తులు			
Property, plant and equipment	2	8,777.29	8,729.58
అస్తులు మరియు పరికరాలు			
Capital work-in-progress	2	2,792.87	2,868.26
జరుగుతున్న పనులపై పెట్టుబడి ఖర్చులు			
Other Intangible Assets	2	1.86	10.68
ఇతర కనిపించని అస్తులు			
Trade Receivable	7	233.01	284.55
వాణిజ్యం పొందింది			
Financial assets			
ఆర్థిక అస్తులు			
(i) Investments	3	118.17	126.12
పెట్టుబడులు			
(ii) Loans	4	472.99	475.01
ఋణములు			
Other non-current assets	5	42.32	43.68
ఇతర స్థిరాస్తులు			
Total non-current assets		12,438.51	12,537.88
మొత్తం స్థిరాస్తులు			
Current assets			
చరాస్తులు			
Inventories	6	154.20	142.16
నిర్మాణ, విస్తరణాభివృద్ధి మరియు నిర్వహణ సరుకు			
Financial assets			
ఆర్థిక అస్తులు			
(i) Trade receivables	7	1,851.43	1765.17
వాణిజ్యం పొందింది			
(ii) Cash and cash equivalents	8A	50.17	106.34
నగదు లేదా నగదుతో సమానమైనవి			
(iii) Bank Balances in FDs	8B	12.02	0.93
బ్యాంకులో ఫిక్సిడ్ డిపాజిట్ నిల్వలు			



(iv) Loans ఋణములు	4A	1,564.26	205.31
Current tax assets (net) ప్రస్తుత పన్ను ఆస్తులు (నికర)	9	173.41	200.68
Other Current assets ఇతర చరాస్తులు	10	567.81	569.35
Total current assets మొత్తం చరాస్తులు		4,373.30	2989.94
Total assets మొత్తం ఆస్తులు		16,811.81	15,527.82
Equity and liabilities మూలధనం మరియు అప్పులు			
Equity మూలధనం			
Equity share capital వాటా మూలధనం	11A	454.44	454.44
Other equity ఇతర మూలధనం	11B	1,779.69	1,964.81
Total equity మొత్తం మూలధనం		2,234.13	2,419.25
Grants నిధులు	12	2,467.84	2,455.79
Liabilities అప్పులు			
Non-current liabilities స్థిర అప్పులు			
Financial liabilities ఆర్థిక అప్పులు			
Borrowings అప్పులు	13	5,906.09	5,434.85
Trade Payables అప్పులు	17	208.95	268.61
Provisions Employees ఖర్చుల కోసం దాచిన నిల్వ	14	1,378.82	1333.70
Deferred tax liabilities (net) భవిష్యత్తు పన్ను నిధి	15	165.16	1.52
Other non-current liabilities ఇతర స్థిర అప్పులు	16	157.23	1,320.15
Total non-current liabilities మొత్తం స్థిర అప్పులు		7,816.25	8,358.83

**Current liabilities**

ప్రస్తుత అప్పులు

Financial liabilities

ఆర్థిక అప్పులు

i) Borrowings	13A	40.91	9.22
అప్పులు			
ii) Trade Payables	17	139.45	127.80
అప్పులు			
iii) Other Financial Liabilities	18	2,555.01	1,305.20
ఇతర ఆర్థిక అప్పులు			
Other current liabilities	16A	460.81	790.53
ఇతర ప్రస్తుత ఆర్థిక అప్పులు			
Provisions Employee	14	1,079.27	45.13
Provisions	19	18.14	16.07
ఖర్చుల కోసం దాచిన నిధి			

Total current liabilities**4,293.59****2,293.95**

మొత్తం ప్రస్తుత అప్పులు

Total liabilities**12,109.84****10,652.78**

మొత్తం అప్పులు

Total equity and liabilities**16,811.81****15,527.82**

మొత్తం మూలధనం మరియు అప్పులు

Significant Accounting Policies

1

Accompanying notes to the Financial Statements

2-54

As per our report of even date

For and on behalf of the Board of Directors

Sd/-

Sd/-

For Niranjana & Narayan

Chartered Accountants

FRN:: 0058995

K.Vijayanand

Chairman & Managing Director

DIN:02138144

T.Veera Bhadra Reddy

Director (Finance)

DIN:08996446

Sd/-

M.Niranjana

Partner

Memb. No.:029552

Sd/-

P.Murali Krishna

Financial Adviser & Chief

Controller of Accounts

Place: Vijayawada.

Date: 29-09-2023

Place: Vijayawada

Date:29.09.2023.



Transmission Corporation of Andhra Pradesh Limited
Statement of changes in equity for the year ended 31 March 2023

A. Equity share capital*In Crores of INR*

	Amount		Amount
As at 31st March 2023	454.44	As at 31st March 2022	454.44
As at 31st March 2023	454.44	As at 31st March 2022	454.44

B. Other Equity*In Crores of INR*

Particulars	Balance at the beginning of the reporting period	Total Comprehensive Income for the Year	Transfer to/ (from) Retained Earnings	Transfer to/ (from) Other Reserve	Balance at the end of the reporting period
As at 31st March, 2022					
Reserves and Surplus					
Retained Earnings	1,629.17	-	242.81	(6.01)	1,865.97
Contingency Reserve	38.58	-	4.47	-	43.05
Other Reserves	163.53	-	-	46.98	210.51
Other Comprehensive Income	125.67	(280.39)	-	-	(154.72)
	0	-	-	-	0
Total	1,956.95	(280.39)	247.28	40.97	1,964.81
As at 31st March, 2023					
Reserves and Surplus					
Retained Earnings	1,865.98	0.00	619.47	(8.57)	2,476.88
Contingency Reserve	43.05	0.00	4.67	0.00	47.72
Other Reserves	210.50	0.00	0.00	(5.25)	205.25
Other Comprehensive Income	(154.72)	(795.44)	-	0.00	(950.16)
	-	-	-	-	-
Total	1,964.81	(795.44)	624.14	(13.82)	1,779.69

As per our report of even date

Sd/-
For Niranjana & Narayan
Chartered Accountants
FRN:: 0058995

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

Sd/-
S.VEENA BHARATI
Reddy
Director (Finance)
DIN:08996446.

Sd/-
M.Niranjana
Partner
Memb. No.:029552

Sd/-
P.Murali Krishna
Financial Adviser & Chief
Controller of Accounts

Place: Vijayawada
Date: 29-09-2023

Place: Vijayawada
Date: 29-09-2023



Transmission Corporation of Andhra Pradesh Limited
Statement of Profit and Loss For the year ended 31 March 2023

వార్షిక ఆదాయము మరియు వ్యయముల పట్టిక

In Crores of INR

SINo	Particulars వివరములు	Note No. గమనిక	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenues				
ఆదాయం				
1.	Revenue from operations పనుల నుండి వచ్చిన ఆదాయం	20	3,048.79	2,574.49
2.	Other income ఇతర ఆదాయం	21A	196.64	187.25
3.	Total income (1+2) మొత్తం ఆదాయం		3,245.43	2,761.74
Expenses				
ఖర్చులు				
4.	Employee benefits expense ఉద్యోగుల జీతభత్యాలు	22	932.59	936.81
5.	Finance costs ఆర్థిక ఖర్చులు	23	388.76	474.65
6.	Depreciation and Amortisation Expenses తరుగుదల ఖర్చులు	24	787.03	755.35
7.	Operating and other expenses నిర్వహణ మరియు ఇతర ఖర్చులు	25	271.72	277.25
8.	Total expenses (4 to 7) మొత్తం ఖర్చులు		2,380.10	2,444.06
9.	Profit before Exceptional Item & income tax		865.33	317.68
10.	Exceptional Item	21B	-	-
11.	Profit before Income tax (9+10)		865.33	317.68
Tax Expenses				
లాభం పన్నుల ముందు				
12.	Current tax ప్రస్తుత పన్ను		(82.23)	(58.90)
13.	Mat credit entitlement		(48.42)	(4.22)
14.	Deferred tax (charge)/credit భవిష్యత్ పన్ను కేటాయింపు		(115.22)	(11.74)
15.	Tax expense (12+13+14) ఆదాయం పన్ను ఖర్చు	26	(245.87)	(74.86)
16.	Profit for the year వార్షిక ఆదాయం		619.46	242.82



Particulars వివరములు	Note No. గమనిక	For the year ended 31 March 2023	For the year ended 31 March 2022
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
17. Remeasurement of defined Benefit liability (Net of Tax)		(795.01)	(280.75)
18. Equity Instruments (Net of Tax)		(0.42)	0.36
19. Total Other comprehensive income for the year, net of income tax (17+18)		(795.44)	(280.39)
20. Total comprehensive income for the year (16+19)		(175.98)	(37.57)
ఇతర సమగ్ర ఆదాయము			
21. Earnings per equity share - par value of INR 10 per share			
Basic (Amount in INR)		13.63	5.34
Diluted		13.63	5.34
Significant Accounting Policies	1		
Accompanying notes to the Financial Statements	2-54		
As per our report of even date attached to the Balance sheet	For and on behalf of the Board of Directors		
	Sd/-	Sd/-	
For Niranjana & Narayan Chartered Accountants FRN::0058995	K.Vijayanand Chairman & Managing Director DIN:02138144	T.Veera Bhadra Reddy Director (Finance) DIN:08996446	
Sd/- M.Niranjana Partner Memb. No.:029552	Sd/- P.Murali Krishna Financial Adviser & Chief Controller of Accounts		
Place: Vijayawada Date: 29.9.2023	Place: Vijayawada Date: 29.9.2023		



Transmission Corporation of Andhra Pradesh Limited
Statement of cash flows for the year ended 31 March 2023

In Crores of INR

	As At 31 March 2023	As At 31 March 2022
Cash flow from operating activities		
Profit before tax	865.34	317.67
<i>Adjustments for</i>		
Depreciation	787.03	755.35
Contributions towards depreciation of lift	(35.05)	(35.05)
Corporate Social Responsibility Expenses paid	(9.15)	(2.00)
Supervision charges on LIS	0.01	(0.01)
Interest on LIS		
Amortisation of capital grants	(63.86)	(43.54)
Income from investments	(12.19)	(15.85)
Interest on investments under contingency reserve	(7.17)	(6.87)
Interest on state government loans paid	8.74	4.06
Interest on loans	380.01	470.59
Operation profit before working capital changes:	1913.72	1,444.36
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(86.26)	(279.24)
(increase)/Decrease in inventories	(12.04)	(8.95)
(Increase) in other non current and current assets	6.10	307.24
(Increase)/Decrease in loans	2.02	2.38
(increase)/Decrease in Current loans	(1358.45)	(72.62)
(increase)/Decrease in Bank balances in FDs	(11.10)	(0.20)
Decrease/(Increase) in other financial (Non current & current) assets	-	-
(Decrease)/Increase in Trade payables	(48.01)	(91.23)
(Decrease)/Increase in other non-current and current financial liabilities	(32.33)	9.90
(Decrease)/Increase in other non-current and current liabilities	(323.88)	348.90
(Decrease) in provisions	47.19	523.65
Cash generated from operating Activities	161.12	2,184.19
Income taxes paid	81.41	(58.90)
Net cash from operating activities	(242.53)	2,125.29
Cash flows from investing activities		
Inflow		
Interest income on investments under contingency reserve	7.17	6.87
Proceeds from sale of investments-Ind AS EI	-	-
Interest income from investments	12.19	15.85
Interest on LIS		
Subtotal	19.36	22.72
Outflow		
Purchase of property, plant and equipment	750.53	896.58
Purchase of Investments and transfer from retained earnings	(0.62)	15.62
Subtotal	749.91	912.20
Net cash used in investing activities	(730.54)	(889.48)
Cash flows from financing activities		
Inflow		
Borrowings taken (net)	599.58	(481.92)
Grants obtained	(35.89)	34.11
Other equity	185.12	(313.36)
Subtotal	820.59	(761.17)
Outflow		
Interest paid on borrowings	388.76	474.65
Subtotal	388.76	474.65
Net cash received in financing activities	431.84	(1,235.82)



Net increase/(decrease) in cash and cash equivalents	(56.18)	(0.01)
Cash and cash equivalents at the beginning of the year	106.34	73.36
Cash and cash equivalents at the end of the year	50.17	73.36

Notes

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

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

Cash and cash equivalents as per above comprise of the following

Cash in hand

Balances with scheduled banks

- Current accounts

- Cash in transit

49.67

45.75

0.50

27.61

Total	50.17	73.36
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4) Changes in Borrowings through Financing Activities

Particulars	As on 1st	Cash	As on 31st
	April'2022	flow Net	March'2023
Borrowings Current (refer Note 19)	906.29	128.35	1,034.64
Borrowings Non Current (refer Note 14)	5,434.85	471.24	5,906.09
Total	6,341.14	599.58	6,940.72

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

For and on behalf of the Board of Directors

For Niranjana & Narayan
Chartered Accountants

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

Sd/-
T.Veera Bhadra Reddy
Director (Finance)
DIN:08996446

Sd/-
M.Niranjana
Partner

Sd/-
P. Murali Krishna
Financial Adviser & Chief Controller

Place: Vijayawada.
Date:29.09.2023

Place: Vijayawada
Date:29.09.2023

Transmission Corporation of Andhra Pradesh Limited
Notes to the Standalone financial statements for the year ended 31 March 2023.

1. Corporate Information and Significant Accounting policies

A. Corporate information:

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

B. Significant Accounting Policies:

B.1. Basis of preparation and Presentation

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

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

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

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

B.2. Summary of Significant accounting policies

(a) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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



(ii) Subsequent expenditure

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

(iii) Depreciation

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

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

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

(b) Intangible Assets

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

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

Computer software – over a period of 5 years

(c) Financial instruments

i) Financial Assets:

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

Classification

The Company classifies its financial assets in the following categories:

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

The classification is dependent on the following:

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

Initial Recognition and measurement

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

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

Subsequent measurement

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

Interest on staff Advance is recognised on cash basis.

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

Equity investments

All quoted equity investments are measured at fair value.

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

De-recognition of financial assets

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

ii) Financial Liabilities:

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

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

Classification, initial recognition and measurement

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

Subsequent Measurement

Financial liabilities are carried at transaction value.

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

De-recognition of financial liabilities

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



iii) Offsetting of financial instruments

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

(d) Inventories

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

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

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

(e) Impairment of assets

i. Impairment of financial instruments

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

i. Impairment of Financial Assets:

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

ii. Impairment of non-financial assets

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

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

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

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

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

(f) Employee benefits Expense

i) Short-term employee benefits

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

ii) Defined contribution plans

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

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

iii) Defined benefit plans

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

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

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the



net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

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

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

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

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

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

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

(g) Revenue recognition

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

i) Rendering of services

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

ii) Other income

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

(h) Government and other grants

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

(i) Tax Expenses

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

i) Current tax

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

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

ii) Deferred tax

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

(j) Provisions

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

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

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

(k) Borrowing cost

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

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



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

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

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

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

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

(I) Segment reporting

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

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

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

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

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

(b) Recoverability of Trade receivables:

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

(c) Provisions:

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



Transmission Corporation of Andhra Pradesh Limited

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

(Rs. In Crores)

3. Investments

	Account No.	As at 31 March 2023	As at 31 March 2022
A. Investments in Equity instruments			
a. Quoted equity shares measured at FVTOCI			
Investment in GVK Power & Infrastructure Limited. (6330000 equity shares with face value of Re.1/- each)	2040000000	1.30	1.72
b. equity shares - unquoted measured at Cost			
1) Investment in JV - Andhra Pradesh State Energy Efficiency Development Corporation Limited (200000 shares with face value of Rs.10 /- each)	2040600000	0.20	0.20
B. Investment in Govt. and Trust securities - Quoted measured at cost			
1) GOI Bonds	2060000000	-	0.12
C. Investment in Debentures & Bonds - Quoted measured at cost			
1) 8.74% Bonds of AP Power Finance Corporation		3.64	3.64
2) 9.60% Bonds of AP Power Finance Corporation		1.45	1.45
3) 8.95% Vidyut Bonds-2006 of APTRNASCO issued by GOAP		-	6.38
4) 8.69% Vidyut Bonds-2006 of APTRNASCO issued by GOAP		-	0.11
5) 9.64% Bonds of AP Power Finance Corporation		0.56	0.56
6) 9.15% Bonds APSECL		-	0.16
7) 10.25% Bonds of Rajasthan Rajya vidyut Prasaran Nigam Limited		-	1.68
8) 10.25% Bonds of Rajasthan State Road Transport Corporation		2.62	4.58
9) 8.69% Bonds of Rajasthan Rajya vidyut Prasaran Nigam Limited		0.84	0.84
10) 8.62% Bonds of Haryana Vidyut Prasaran Nigam Limited		6.27	6.27
11) 8.97% UPPCL Bonds 2023		-	1.12
12) 8.97% UPPCL Bonds 2024		3.75	3.75
13) 8.97% UPPCL Bonds 2025		10.24	10.24
14) 8.97% UPPCL Bonds 2026		15.56	15.56
15) 8.97% UPPCL Bonds 2027		3.01	3.02
16) 8.2% APPFCL Bonds			3.95
17) 10.50% TANZEDCO Bonds 2024		0.20	0.35
18) 9.72% TANZEDCO Bonds 2024		1.65	2.35
19) 8.48% UPPCL Bonds 2024		0.62	0.62
20) 10.15% UPPCL Bonds 2024		1.40	1.40
21) 7.09% Food Corporation of India Bonds 2031		10.92	10.92
22) 7.12% NHAI Bonds 2034		3.92	3.92
23) 9.62% AP State Beverages Corporation Ltd 2032		4.48	-
24) 9.62% AP State Beverages Corporation Ltd 2031		4.42	-
25) Premium on UPPCL Bonds	1723000000	0.57	0.78
26) 9.95% APCPDCL/TSSPDCL Power Bonds- Series 1/2014	2020000000	40.44	40.44
Total		118.17	126.12
Aggregate book value of quoted investments		117.97	125.92
Aggregate market value of quoted investments		117.97	125.92
Aggregate value of unquoted investments		0.20	0.20
Aggregate amount of impairment in value of investments		-	-
Financial Assets measured at fair value through Other Comprehensive Income		1.30	1.72
Financial Assets measured at Cost		116.88	124.39
Total		118.17	126.12



Transmission Corporation of Andhra Pradesh Limited

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

(Rs. In Crores)

4. Loans

	Account No.	As at 31 March 2023	As at 31 March 2022
Other Non Current Loans			
Loans and advances (GoAP LIS Deposits) - Discoms (Unsecured Considered Good)	2780000000	465.53	465.53
Loans and advances to staff (Secured Considered Good)	2710100000 to 2710400001; 2712100001 to 2712400001	7.46	9.48
Total		472.99	475.01

4A Other Current Loans

Loans and advances - AP DiscomsAPGenco & APPDCL (Unsecured Considered Good)	2780000000 & 2780500000	1,564.26	205.31
Total		1,564.26	205.31

5 Other Non Current Assets

	Account No.	As at 31 March 2023	As at 31 March 2022
1) Capital Advances	2500000000 to 2550000000	2.13	3.03
Others			
1) Deposit with revenue department as purchase consideration for land	28921000000	30.71	31.49
2) Deposit with others/Statutory/judicial authorities	2890000000 to 2891200000; 2891900000; & 2893300000	9.49	9.16
Total		42.32	43.68

6 Inventories

	Account No.	As at 31 March 2023	As at 31 March 2022
Stores & Spares	2260200000; 2260000001 to 2290000000	154.20	142.16
Total		154.20	142.16

Inventories are net off Demerger provision of Rs.532.54 Crores

7 Trade receivables- Unsecured if not specified

	Account No.	As at 31 March 2023	As at 31 March 2022
Trade receivables			
Unsecured, considered good	2300000000 to 2367000000	2,084.44	2,049.73
Total		2,084.44	2,049.73
Provision for doubtful receivables			
		-	-
Net trade receivables		2,084.44	2,049.73

Particulars	As at 31 March, 2023	As at 31 March, 2022
	Rs.	Rs.
Long terms Trade Receivables (include on deferred credit terms)		
Unsecured - Considered Good		
a) Less than one Year	1,851.43	1,765.17
b) More than One Year	233.01	284.55
Total	2,084.44	2,049.72



Transmission Corporation of Andhra Pradesh Limited

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

(Rs. In Crores)

Long term Trade Receivables Aging Schedule

Particulars	Outstanding for following periods from due date of payment (#)				
	Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade Receivables					
- Considered Good	1,851.43	-	133.72	99.29	2,084.44
- Considered Doubtful	-	-	-	-	-
Total					

8A. Cash and cash equivalents

	Account No.	As at 31 March 2023	As at 31 March 2022
Balances with Banks -Current Accounts	2400000000 to 2445121022	49.67	106.34
-Remittance in Transit (LOC)	2450000000 to 2466000000	0.50	-
Total		50.17	106.34

8B. Balances with Banks -in FDs

(funds relates to Contingency reserve)		12.02	0.93
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9 Other tax assets

	Account No.	As at 31 March 2023	As at 31 March 2022
Other tax assets			
Advance income tax/deduction at source (net of provision for income tax)	2740000000 to 2741000000	173.41	200.68
Total		173.41	200.68

10 Other Current Assets

A Unsecured , Considered Good

	Account No.	As at 31 March 2023	As at 31 March 2022
Advances for operations and maintenance supplies/works	2600000000 to 2651000000	5.52	5.50
Advances to Staff	2710500000 to 2710600001; 2712500001 to 2722000001	0.29	0.32
Receivable from Others	2800000000 to 2815000000	7.99	10.15
Interest accrued but not due - Discom Pool A/c	2820000000 to 2830000000	5.91	10.17
Interest accrued but not due - others	2839000000	1.47	1.81
Receivable from employees / ex-employees	2840000000 to 2841000000	0.56	0.55
Other receivables - Discoms	2880100000 to 2880400000	123.93	125.70
Other claims and receivables	2870000000 to 2877500000; 2880000000 & 2881000000 to 2884500000 & 2886000000 to 2889300000	37.03	34.74
Amount Receivable from Government of AP	2885000000	133.61	131.47
GST -ITC & TDS Receivables	4696100001	(0.98)	(3.54)
Other receivable - TSTRANSC-58.32%-Salaries of relieved employees	2891300000	23.99	23.99
Demerger Adjustment Account	2884600000	199.29	199.29
Interest receivable from TSSPDCL on 9.95% Power Bonds	2884700000	29.20	29.20
Sub-Total		567.81	569.35

B Doubtful

Other claims and receivables	2881000001	-	-
Provision for Doubtful Dbts	7940000000	-	-
Sub Total		-	-
Total		567.81	569.35



Transmission Corporation of Andhra Pradesh Limited

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

(Rs. In Crores)

11A Share capital

Authorized	Number of shares	As at 31 March 2023	Number of shares	As At 31 March 2022
Equity shares of Rs.10/- each	2,500,000,000	2,500.00	2,500,000,000	2,500.00
Increase during the year	-	-	-	-
Total	2,500,000,000	2,500.00	2,500,000,000	2,500.00

Issued & subscribed	Number of shares	As at 31 March 2023	Number of shares	As At 31 March 2022
Equity shares of Rs.10/- each (Fully Paid)	454439695	454.44	454439695	454.44

i) Rights, Preference & Restrictions attached to shares

The Company has only one class of equity shares having par value of INR 10 per share, and the holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to the number of equity shares held.

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

	31 March 2023	31 March 2022
Governor of Andhra Pradesh	454,439,695	454,439,695

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

Name of the shareholder	31-Mar-23		31-Mar-22	
	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 10/- each fully paid-up				
Governor of Andhra Pradesh	454439688	100%	454439688	100%
On Behalf of GOAP -Nominee Share holders				
1.Dr. N.Srikanth, IAS	1	0%	1	0%
2.Sri.B.Sridhar, IAS	1	0%	1	0%
3.Sri.L.Pruduvu Tej.IAS	1	0%	1	0%
4.Sri.B.Malla Reddy	1	0%	1	0%
5.Sr.K.V.V.Satyanarayana,IRAS	1	0%	1	0%
6.Dr.K.Muthupandian	1	0%	1	0%
7.Sri.K.Praveen Kumar	1	0%	1	0%

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

Particulars	As at 31 March 2023	As at 31 March 2022
	Number of shares	Number of shares
Equity shares at the beginning of the year	454439695	454439695
Shares issued during the Year	-	-
Equity shares at the end of the Year	454439695	454439695

11B Other equity

	As at 31 March 2023	As at 31 March 2022
Retained earnings	2,476.88	1,865.98
Other comprehensive income	(950.16)	(154.72)
Contingency reserve	47.72	43.05
Other reserves	205.25	210.50
Total other equity	1,779.69	1,964.81

i. Retained earnings

	Account No.	As at 31 March 2023	As at 31 March 2022
Opening balance	5820000000 & 5821000000	1865.98	1,629.17
Add: Profit for the year	carried from P&L	619.47	242.81
Add: Reclassification of FV on Equity investments		-	-
Add: PY TDS as per Retrun of income (MAT+Tax) 2020-21		-	0.68
Add: Retained earnings as per Demerger Account		-	-
Add: Last year 71 head		-	(4.47)
Less: Amount transferred to contingency reserve		(4.67)	(2.21)
Less: Amount transferred to corporate social responsibility fund		(3.90)	-
Less: Transfers from OCI		-	-
Closing balance		2,476.88	1,865.98



Transmission Corporation of Andhra Pradesh Limited

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

(Rs. In Crores)

ii) Other comprehensive income**Other items of OCI**

	Account No.	As at 31 March 2023	As at 31 March 2022
Opening balance		(154.72)	125.67
Add: Measurement of defined benefit obligation (Liability net of tax)	5822500000 to 5822700000	(795.01)	(280.75)
OCI - on Equity Investments	5822800003	(0.42)	0.36
Add: Previous years OCI restated as per Actuary Report for Retained earnings			
Less: Appropriated to Retained earnings			
Increment during the year (Net)		(795.44)	(280.39)
Closing balance		(950.16)	(154.72)

iii) Contingency reserve

	Account No.	As at 31 March 2023	As at 31 March 2022
Opening balance	5822000000	43.05	38.58
Add: Additions during the year		4.67	4.47
Less: Deductions during the year			
Closing balance		47.72	43.05

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.

iv) Other Reserves**a) Corporate social responsibility fund**

	Account No.	As at 31 March 2023	As at 31 March 2022
Opening balance		16.21	16.00
Add: Additions during the year	5630000000	3.90	2.21
Less: Contribution to CSR activity		(9.15)	(2.00)
Closing balance		10.96	16.21

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) Other reserves

	Account No.	As at 31 March 2023	As at 31 March 2022
Opening balance	5665000000	194.29	194.29
Add: Additions during the year		0	-
Less: Deductions during the year		0	-
Closing balance		194.29	194.29
Other Reserves Total (a +b+c)		205.26	210.50

12. Grants

	Account No.	As at 31 March 2023	As at 31 March 2022
Government grants			
Grants towards cost of capital assets	5530000000	11.30	11.30
Grants towards cost of capital assets for Green Energy Corridor	5530100000	243.07	243.07
Grants towards cost of capital assets from PSDF	5530200000	192.54	194.47
Grants towards cost of capital assets for SECI	5530300000	107.05	120.00
Grants towards Lift Irrigation works- Consumer Contribution)	4613000000 & 4613100000	1,216.70	1,168.76
Non government grants			
Consumers contribution	5510000000 to 5511000001	697.18	718.20
Total		2,467.84	2,455.79



Transmission Corporation of Andhra Pradesh Limited

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

(Rs. In Crores)

13. Borrowings

	Account No.	As at 31 March 2023	As at 31 March 2022
Rs. In Crores			
Non-current borrowings			
Term loans			
From Banks	5300000400	66.50	123.76
From Other Parties			
- Financial Institutions	5300000100 to 5300000300 & 5300000500 & 5300000502	5,210.34	4,690.59
- GoAP	5420000000 to 5420000001	629.25	620.50
Total non-current borrowings		5,906.09	5,434.85

A. Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Interest Rate	Carrying amount at 31 March 2023	Carrying amount at 31 March 2022
REC Limited	9.75% - 12.25%	4,985.77	4,899.86
NABARD	10.30%	54.59	66.52
Power Finance Corporation Limited	8.25%-9.30%	763.71	621.28
Union Bank of India (Andhra Bank)	9.50%	48.94	91.11
Punjab National Bank (Oriental Bank of Commerce)	11.30%	4.21	11.35
Tamilnadu Mercantile Bank	10.20%	13.35	21.30
PTC India Financial Services Ltd	11.00%	400.00	-
Government loan	1.72%	629.24	620.50
Total borrowings		6,899.81	6,331.92
Current Maturities		993.73	897.07
Non current		5,906.09	5,434.85
		6,899.81	6,331.92

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

	Outstanding as on 31.03.2022	Amount received during the year	Repayments due during the year	Outstanding as on 31.03.2023
Rs. In Rupees				
Loan from REC Ltd	48,998,612,044	7,892,920,989	7,033,838,407	49,857,694,626
Loan from NABARD	665,216,192	-	119,355,264	545,860,928
Loan from PFC Ltd	6,212,773,549	4,208,373,150	2,784,061,600	7,637,085,099
Loan from union Bank of India (AB)	911,082,811	1,300,388	423,000,000	489,383,199
Loan from Punjab National Bank (OBC)	113,536,074	25,158	71,421,168	42,140,064
Loan From PTC	-	4,000,000,000	-	4,000,000,000
Loan from Tamilnadu Mercantile Bank	212,965,345	546,687	80,021,076	133,490,956
Total Banks & Fis	57,114,186,015	-	16,103,166,372	62,705,654,872
Government Loans	6,205,038,569	689,921,307	602,492,570	6,292,467,306
Total (Banks, Fis and Government)	63,319,224,584	-	16,793,087,679	68,998,122,178

13A Current borrowings

		As at 31 March 2023	As at 31 March 2022
(Secured)			
From Banks for working capital	2440100000 to 2440100022 & 2440300000 to 2440300022	40.91	9.22
From Financial Institutions	5350000000	-	-
Total Current Borrowings		40.91	9.22

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 2023.

(Rs. In Crores)

14. Provisions

		As at 31 March 2023	As at 31 March 2022
Provisions for employee benefits			
Amount payable -APTRANSCO Gratuity Trust	4510200000	33.49	33.87
Amount payable -APTRANSCO Employee Leave Encashment	4510300000	557.66	10.27
Amount payable -APTRANSCO P&G Trust- Before 2029 (26%)	4510100000	210.32	0.99
Amount payable -APTRANSCO P&G Trust (100%) -2029	4510400000	277.79	
P&G Trust - Sub -Total	488.11		
Total Current provisions		1,079.26	45.13
Amount payable -APTRANSCO Pension and Gratuity Trust	4510200000	12.76	118.32
Amount payable -APTRANSCO Employee Leave Encashment	4510300000	344.63	334.36
Amount payable -APTRANSCO Gratuity Trust	4510100000	152.18	11.77
Amount payable -APTRANSCO P&G Trust (100%) -2029	4510400000	869.25	869.25
P&G Trust - Sub -Total	1,021.43		
Total Non-current provisions		1,378.82	1,333.70
Total Current and Non-Current provisions		2,458.08	1,378.83

Other long term employee benefits

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

Leave encashment

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

	Present value of the obligation	Fair value of the plan assets	Net amount
1 April 2022	620.72	276.09	344.63
Current service cost	5.03	-	5.03
Past Service Cost	-	-	-
Interest expense / (income)	44.69	19.88	24.81
Total amount recognized in profit or loss	670.44	19.88	29.84
<i>Remeasurements</i>			
Gain/(loss) on plan assets	-	3.65	(3.65)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	606.13	-	606.13
Experience (gains)/losses	(37.77)	-	(37.77)
Total amount recognized in other comprehensive income	568.36	3.65	564.71
Employer contribution	-	-	-
Benefits paid	(31.89)	5.00	(36.89)
31-Mar-2023	1,206.91	304.62	902.29

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

	31-Mar-23	31-Mar-22
Present value of funded obligations	1206.91	620.72
Fair value of plan assets	304.62	276.09
Deficit of funded plan	-	-
Unfunded plans	-	-
Deficit of Leave Benefits	902.29	344.63

*Significant estimates**i. Financial assumptions*

	31-Mar-23	31-Mar-22
Discount rate	7.20%	7.20%
Salary increase rate	11.50%	6.50%
Expected Rate of Return	7.20%	7.20%
DA Rate	32.36%	22.02%

ii. Demographic assumptions

	31-Mar-23	31-Mar-22
Withdrawal rate	30 & Below - 1% 31 to 48 - 0.50% 49 and above 2%	30 & Below - 1% 31 to 48 - 0.50% 49 and above 2%
Retirement age	60 years	60 years

Transmission Corporation of Andhra Pradesh Limited
Notes to the financial statements for the year ended 31st March 2023.
(Rs. In Crores)
Post employment benefit obligations
(i) Pension

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

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

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

During the FY 2022-23, the Company has reviewed and estimated the liability based on the actuary report as at 31st March, 2023 and charged to profit & loss account towards pension & gratuity for the employees on rolls as on 31.01.1999.

Balance sheet amounts - Pension & Gratuity

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

	Present value of the obligation	Fair value of the plan assets	Net amount
1 April 2022	905.21	753.02	152.19
Current service cost	11.81	-	11.81
Past Service Cost	-	2.53	(2.53)
Adjustments to plan assets	-	-	-
Interest expense / (income)	62.77	61.20	1.57
Total amount recognized in profit or loss	979.79	63.73	10.85
<i>Remeasurements</i>			
Gain/(loss) on plan assets	-	11.36	(11.36)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	231.07	-	231.07
Experience (gains)/losses	(20.25)	-	(20.25)
Total amount recognized in other comprehensive income	210.82	11.36	199.46
Employer contribution	-	-	-
Benefits paid	(36.17)	(36.17)	-
31-Mar-2023	1,154.44	791.94	362.50

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

		31-03-2023 as per Appendix F	31-03-2023 As per Appendix A	31-Mar-22
Present value of funded obligations	26% till Dec 2029 & 100% after Dec 2029	3027.70	1154.44	905.21
Fair value of plan assets		1534.74	791.94	753.02
Deficit of funded plan		-	-	-
Unfunded plans		-	-	-
Deficit of Pension & Gratuity plan		1,492.96	362.50	152.19

Significant estimates
i. Financial assumptions

	31-Mar-23	31-Mar-22
Discount rate for Employees	7.20%	6.80%
Discount rate for Pensioners	7.20%	7.10%
Salary Growth rate	11.50%	6.50%
Pension escalation	3.50%	3.50%
Expected Rate of Return	7.20%	7.10%
DA	32.36%	22.02%
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-23	31-Mar-22
Mortality rate	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
Withdrawal rate	upto 35 years- 1% 36 to 55 years- 0.5% Above 55 years- 2%	upto 35 years- 1% 36 to 55 years- 0.5% Above 55 years- 2%
Retirement age	60 years	60 years

Transmission Corporation of Andhra Pradesh Limited

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

(Rs. In Crores)

(ii) Gratuity

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

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

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

During the FY 2020-21, the Company has reviewed and estimated the liability based on the actuary report as at 31st March, 2023 and charged to profit & loss account towards gratuity for the employees recruited on or after 1.2.1999.

Balance sheet amounts - Gratuity

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

	Present value of the obligation	Fair value of the plan assets	Net amount
1 April 2022	74.55	61.80	12.75
Current service cost	1.66	-	1.66
Past Service Cost	0.00	-	-
Interest expense / (income)	5.44	4.45	0.99
Total amount recognized in profit or loss	7.10	4.45	2.65
<i>Remeasurements</i>			
Gain/(loss) on plan assets	-	1.35	(1.35)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	32.85	-	32.85
Experience (gains)/losses	(0.66)	-	(0.66)
Total amount recognized in other comprehensive income	32.19	1.35	30.84
Employer contribution	-	0.00	-
Benefits paid	(0.41)	(0.41)	-
March 31, 2023	113.43	67.19	46.24

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

	31-Mar-23	31-Mar-22
Present value of funded obligations	113.43	74.55
Fair value of plan assets	67.18	61.79
Deficit of funded plan	-	0
Unfunded plans	-	0
Deficit of gratuity plan	46.25	12.76

Significant estimates**i. Financial assumptions**

	31-Mar-23	31-Mar-22
Discount rate	7.20%	7.30%
Salary increase rate	11.50%	6.50%
Expected Rate of Return	7.20%	7.30%
DA Rate	32.36%	22.02%

ii. Demographic assumptions

	31-Mar-23	31-Mar-22
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 49 years- 2%	upto 30 years- 1% 31 to 48 years- 0.5% Above 49 years- 2%
Retirement age	60 years	60 years

15. Deferred tax liabilities (net)

	Account No.	As at 31 March 2023	As at 31 March 2022
Minimum Alternate Tax	2740100000	(0.13)	(48.55)
Property Plant and Equipment	4699900000	0.74	417.41
Provision for Employee Benefits	4699900000	(260.55)	(369.93)
Investments and Others	4699900000	(0.06)	2.59
Total		(260.01)	1.52



Transmission Corporation of Andhra Pradesh Limited

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

(Rs. In Crores)

16. Other Non current liabilities

	Account No.	As at 31 March 2023	As at 31 March 2022
General insurance scheme - savings fund	5715300000	2.75	2.85
General insurance scheme - insurance fund	5715400000	1.04	1.02
SD receivable from TS Transco	4614100000	2.49	2.49
TS Transco pool a/c (post bifurcation transactions)	4625100000	150.94	145.03
Total		157.23	151.39

16A. Other Current liabilities

	Account No.	As at 31 March 2023	As at 31 March 2022
Inter unit account adjustment balance	3100000000 to 3899900000	394.93	360.43
Staff related provisions	4410000000 to 4412000000 & 4430000000 to 4490000000	41.62	407.91
Other liabilities	4660000000; 4680000000 to 4698800000	24.26	22.19
Total		460.81	790.53

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

	Account No.	As at 31 March 2023	As at 31 March 2022
Current			
Liability for capital supplies/works	4210000000 to 4230000000;	137.00	127.80
Liability for operations and maintenance supplies/works	4310000000 to 4340000000	2.45	
		139.45	127.80
Non-Current			
Liability for capital supplies/works	4210000000 to 4230000000;	192.75	251.04
Liability for operations and maintenance supplies/works	4310000000 to 4340000000	16.20	17.58
		208.95	268.62
Total		348.40	396.42

Particulars	As at 31 March, 2023	As at 31 March, 2022
	Rs.	Rs.
(A) Trade payables	348.40	396.42
(B) Others	-	-
Total	348.40	396.42

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

NIL

Particulars	As at 31 March, 2023	As at 31 March, 2022
	Rs.	Rs.
(A) Total outstanding dues of micro enterprises and small enterprises	-	-
(B) Total outstanding dues of creditors other than micro enterprises and s	-	-
Total		

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023

Particulars	As at 31 March, 2023				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed dues - MSME	-	-	-	-	-
(ii) Undisputed dues - Others	139.45	10.80	-	198.15	348.40
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	139.45	10.80	-	198.15	348.40



Transmission Corporation of Andhra Pradesh Limited

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

(Rs. In Crores)

18. Other financial liabilities			
	Account No.	As at 31 March 2023	As at 31 March 2022
Current maturities of long-term debt-Government of Andhra Pradesh	542000000 to 5420000001	-	-
Current maturities of long-term debt-Banks & FI's	5300000100 to 5330100000	993.73	897.07
Transmission & SLDC clearing	4627500000	8.18	8.18
DSM Pool account & REMC Poll Account	4628500000 & 4628700000	12.86	9.80
Liability for expenses	4640000000 to 4643200000	47.06	47.07
Security deposits of operational charges & POC - SLDC	4614000000 & 4614500000	53.73	53.00
Accrued interest liability on borrowings	4670000000 to 4671000000	6.32	7.26
Deposits and retentions from suppliers & contractors	4610000000 to 4612600000; 4613200000 to 4613600000	1,430.89	1,449.37
Liability for Stale Cheques	4691000000	2.26	2.21
Total		2,555.01	2,473.96
19. Provisions - Current			
	Account No.	As at 31 March 2023	As at 31 March 2022
Current			
Provisions for employee benefits			
Gratuity Fund	5713500000;571210 0000;5712100001&5 712500000	1.47	1.24
Pension & Gratuity Fund	5714500000;571910 0000&5719500000,5 714100000	11.93	10.92
Provision for employee leave encashment	4415000000	4.76	3.91
Total		18.14	16.07
20. Revenue from operations			
	Account No.	As at 31 March 2023	As at 31 March 2022
Sale of services			
Transmission charges	6140100000 to 6141300000; 6141500000 to 6141700000; 6149000000 to 6149400000; & 6143000000	2,974.07	2,505.26
State load dispatch centre (SLDC) charges	6141400000; 6142100000 to 6142800000; 6143100000 to 6146400000; 6149500000 to 6149900000	74.72	69.22
Total		3,048.79	2,574.49

21. A. Other income

Delayed payment charges from consumers	6225000000 to 6225100000	0.11	0.15
SLDC registration fees	6291900000	0.01	0.01
Cash rebate earned on payment of supplier bills, etc.	6294000000 & 6294100000	1.36	0.40
Interest on staff loans and advances	6200000000 to 6221000000	1.15	1.01
Income from investments	6222000000 to 6227000000	12.19	15.85
Interest on investments under contingency reserve	6227100000	7.17	6.87
Income from sale of scrap, etc.,	6230000000 to 6240000000	25.80	22.11
Operations and maintenance/annual maintenance charges collected	6292500000	13.51	11.34
Contributions towards depreciation of lift irrigation scheme assets	6297500000	35.05	35.05
Interest on Advances to suppliers	6226000000	-	0.01
Miscellaneous receipts	6260000000 to 6293000000	6.43	6.17
Gain In Value of Investments	6290600000	-	-
Supervision charges	6291400000	30.00	44.73
Interest income on Industrial development area, Parawada loan	6227500000	-	-
Amortisation of Capital Grants	6297500000	63.86	43.54
Excess provision written back	6580000000	-	-
Total		196.64	187.25

B. Exceptional Items

Expenditure incurred towards cyclone losses	7980000000 to 7980300000	-	-
Total		-	-



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2023

(Rs. In Crores)

22. Employee benefits expense	Account No.	As at 31 March 2023	As at 31 March 2022
Salaries, Wages and Bonus	7500000000 to 7517100000; 7521000000; 7530000000 to 7533000000; 7540000000 to 7548400000;	470.41	465.61
Contribution to EPF	7581000000 to 7581700000;	26.50	22.42
Contribution to Pension, Gratuity & EL Encashment	7583000000; 7584000000; 7561200000 to 7561800000	511.64	547.50
Staff welfare expense & Others	7550000000; 7561100000; 75700000 to 7576000000; 7576500000; 7581600000; 7598000000.	6.62	6.63
Total employee cost		1,015.17	1,042.16
Less: Expense capitalised	7590000000	(82.59)	(105.35)
Total		932.59	936.81
23. Finance costs			
Interest expense on financial liabilities	7800000000 to 7888400000;	523.87	599.15
Less: Interest Expense capitalised	7890000000	(135.11)	(124.50)
Total		388.76	474.65
24. Depreciation expense			
Depreciation of property, plant and equipment	7700000000 to 7790000090	787.03	755.35
Total		787.03	755.35



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2023

(Rs. In Crores)

25. Other expenses	Account No.	As at 31 March 2023	As at 31 March 2022
Repairs and maintenance	7400000000 to 7419000000;	183.23	190.55
Building & Civil works	7420000000 to 7440000000	8.73	8.32
Lines, cable net work etc.	7450000000 to 7450000001	3.48	4.09
Vehicles	7460000000 to 7465000000	0.23	0.35
Office equipment	7470000000 to 7480000001	5.32	6.72
Total Repairs & Maintenance		200.98	210.03
Less: Repairs and maintenance costs capitalised	7490000000	(0.41)	(0.52)
Net Repairs & Maintenance Expenses (A)		200.57	209.51
Rent	7610000000 to 7610100000	0.37	0.36
Rates and taxes	7610200000	2.23	1.35
APERC license fees	7610300000	2.24	1.99
Insurance	7610400000 to 7416000000	0.59	0.31
Telephone & trunk calls	7611100000	0.67	0.78
Postage	7611200000 & 7611300000	0.15	0.15
Professional & Legal Charges	7612000000 & 7612100000	1.19	1.03
Audit fees	7612200000	0.05	0.05
Audit expenses- including Tax audit, Cost Audit, Reimbursement of Expenses and Internal auditors		0.15	0.15
Consultancy charges	7612300000	1.42	0.11
Other professional charges	7612500000	0.04	0.00
Commission	7612700000	0.49	0.45
Remuneration to internal auditors	7612800000	0.37	0.37
Conveyance expenses	7613100000	0.01	0.01
Travelling expenses	7613200000 & 7613300000	3.00	2.17
Vehicle running expenses	7613600000 & 7613800000	0.77	0.82
Vehicle hire charges	7613900000	18.18	16.45
Training and participation, Fees & Subscriptions	7615000000 & 7615100000	0.35	0.59
Books & periodicals	7615200000	0.02	0.02
Printing & stationery	7615300000	0.37	0.37
Advertisement	7615500000	0.66	1.77
Contributions	7615700000	0.94	0.24
Electricity charges	7615800000	1.87	1.93
Water charges	7616000000	0.28	0.17
Entertainment	7616200000	0.69	0.25
Miscellaneous expenses	7612600000; 7619000000; 7619500000; 7619600000; 7650000000 & 6293500000, 833000000	14.02	13.30
Outsourced staff wages	7619100000; 7619200000	28.77	32.06
Vehicle running expenses	7624000000	0.27	0.28
Misc. Losses & Write-offs	7910000000 & 7950000000	(0.45)	(0.46)
Loss on obsolescence of stores etc. in stock	7956100000	0.60	0.19
Incidental stores expenses	7627000000	0.33	0.20
Total Admin & General Expenses		80.64	77.44



Transmission Corporation of Andhra Pradesh Limited

Notes to the financial statements for the year ended 31st March 2023

(Rs. In Crores)

Less: administrative and general overheads capitalised	7690000000	(9.49)	(9.70)
Net Admin & General Expenses (B)		71.15	67.74
Other Expenses Total (A + B)		271.72	277.25

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

	As at 31 March 2023	As at 31 March 2022
Statutory Audit	0.05	0.05
	0.05	0.20

26. Income tax Expense

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

	As at 31 March 2023	As at 31 March 2022
(a) Income tax expense		
Current tax	(82.23)	(58.90)
MAT on profits for the previous year		
Mat credit entitlement	(48.42)	(4.22)
Deferred tax	(115.22)	(11.74)
Total	(245.87)	(74.86)

Income tax expense attributable to :

Profit from continuing operations	245.87	74.86
Profit from discontinued operations	-	-

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

	As at 31 March 2023	As at 31 March 2022
Profit before tax	865.33	317.68
Gratuity (employees recruited on or after 1-2-1999)-OCI	30.84	12.68
Pension & Gratuity (employees recruited before 1-2-1999)-OCI	(825.85)	(293.43)
Equity Instruments through OCI	(0.42)	0.36
Tax at Indian tax rate of 34%	(82.23)	(58.90)
MAT credit entitlement	(48.42)	(4.22)
Deferred Tax	(115.22)	(11.74)
Total comprehensive income for the year	(175.97)	(37.57)

Transmission Corporation of Andhra Pradesh Limited
Notes to the financial statements for the year ended 31st March 2023

27 Financial instruments

A. Fair Value Measurement Hierarchy

(Rs.In Crores)

Particulars	As at 31st March,2023				As at 31st March,2022			
	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	116.88	-	-	-	124.39	-	-	-
Trade receivables	2084.44	-	-	-	2049.73	-	-	-
Loans and advances to staff & Discoms	472.99	-	-	-	475.01	-	-	-
Current Loans	1564.26	-	-	-	205.31	-	-	-
Cash and cash equivalents	50.17	-	-	-	106.34	-	-	-
Balance with Banks-Others	12.02	-	-	-	0.93	-	-	-
Other financial assets	0.00	-	-	-	0.00	-	-	-
At FVTOCI								
Investments	1.30	1.30	0.00	0.00	1.72	1.72	-	-
Financial Liabilities								
At Amortised Cost								
Non current Borrowings	5906.09	-	-	-	5434.85	-	-	-
Current Borrowings	40.91	-	-	-	9.22	-	-	-
Other financial liabilities	2555.01	-	-	-	2473.96	-	-	-

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.



Transmission Corporation of Andhra Pradesh Limited
Notes to the financial statements for the year ended 31st March 2023

C. Credit risk

i. Credit risk management

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

ii. Liquidity risk

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

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

Maturity Pattern:

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

iii. Market risk

a. Foreign currency risk

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

b. Interest rate risk

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

28 Capital Management

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

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

	(Rs.In Crores)	
	31 March 2023	31 March 2022
Total Debt	6,899.81	6,331.92
Less : cash and cash equivalents	50.17	16.34
Adjusted net debt	6,849.65	6,315.58
Total equity	2,234.13	3,588.01
Adjusted net debt to total equity	3.07	1.76

29 Related party transactions

(i) List of Key Managerial Persons

Name of the Related Parties	Relationship
1.Sri B Sreedhar	Chairman & Managing Director (from 03.03.2022)
2. Sri I Prudhvi Tej	Joint Managing Director (HR & Admn) (from 01.11.2021)
3.Sri. B Malla Reddy	Joint Managing Director (V&S) (from 01.11.2021)
4. Sri.A.K. Bhaskar	Director (Grid Transmission & Mang.,(from 01.04.2022)
5. Dr K Muthupandian	Director (Finance) (from 28.01.2020 to 04-08-2022)
6.Sri T Veera Bhadra Reddy	Director (Finance) (from 10-10-2022)
7.Sri Nitesh Ranjan	Company Secretary & Compliance Officer (from 18.10.2021)

(ii) Transactions with Key Managerial persons during the Year

	31 March 2023	31 March 2022
	(Rs.In Crores)	(Rs.In Crores)
Key management personnel compensation comprised:		
Remuneration	0.51	1.23
Short-term employee benefits	0.71	0.36
Total compensation	1.22	1.58

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 2023

30 Contingent liabilities (to the extent not provided for)	(Rs. In Crores)	
	31 March 2023	31 March 2022
(a) Cases for disputed liabilities of Sales Tax/CST/Entry Tax/Service Tax are pending before the Appellate Authorities. Out of the demand an amount of Rs.41.44 crs had been paid as per Court Directions.	180.89	180.89
(b) Demand Raised by IT Authorities for the AY 2014-15, AY 2015-16, AY 2017-18 & 2021-22 out of demand raised an amount of Rs.29.27 Crs has been deposited, are pending before Appellate Authority for adjudication	161.50	146.34
(c) Cases/Disputes on account of claims by the company or against company pending before Courts, Tribunal, Regulatory Authority etc., (Company has deposited Rs.7.00 Crs in various courts against court direction and held under deposits)	118.10	104.52
(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	1,957.23	2,539.59
(f) Property Tax to Municipalities in respect of Vidyut soudha premises pending assessment and determination of amount of tax	-	-

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

A. Computation of basic and diluted EPS

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

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

i. Earnings per share	31 March 2023	31 March 2022
Basic earnings per share	0.14	0.05
Diluted earnings per share	0.14	0.05

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

ii. Profit attributable to equity shareholders	31 March 2023	31 March 2022
Profit for the year, attributable to the equity share holders	619.46	242.80

iii. Weighted average number of equity shares	31 March 2023	31 March 2022
Opening balance	4,544	4,544
Effect of shares issued for cash (if any)		
Weighted average number of shares for	4,544	4,544

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

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

(Rupees in Crores)

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

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

(Rs.InCrores)

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

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

(Rs. In Crores)

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

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

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

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

Year	Capacity (MW)	Transmission Charges (Rs./kW/per month)	Amount (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
2019-20	304	119.28	43.46
TOTAL			467.55

As per the Hon'ble Supreme Court order dated 29.11.2019, on the income from transmission charges in respect of third-party generators wheeling capacity bills were raised to the tune of



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

Sl.No	Name of the Generator	Amount (RS. in crs)
1	M/s. Sudha Agro oil & chemicals	1.23
2	M/s. The Andhra sugar ltd2004	4.89
3	M/s. Rain Cll carbon	44.78
4	M/s. APGPCL stage-1	92.75
5	M/s. APGPCL stage-11	88.31
6	M/s. Bharath wind farms ltd	1.40
7	M/s. Jyothi bio energy	3.59
8	M/s. Suddalagunta sugar ltd	3.00
9	M/s. Tirumala cotton Hydel	1.24
10	M/s. Dhanalakshmi cotton& rice mills	1.64
11	M/s. Jayalakshmi power corporation	0.21
12	M/s. Skj power Pvt ltd.	0.98
13	M/s. Trident power Systems limited.	2.74
14	M/s. Espar pakpvt ltd	1.33
15	M/s.Akshaya Profiles Pvt ltd	0.26
16	M/s. RPP limited	0.94
17	M/s. ShivaniPower Pvt ltd	0.51
18	M/s. KCP cement(3.75)	2.51
19	M/s. KCP cement(4.5	2.73
20	M/s. Deccan cement	1.38
21	M/s. Sagarpower	5.66
22	M/s. Bharath heavy Electrical	0.78
23	M/s. RCI power	6.17
24	M/s. Sri Vasasi Industries ltd	1.36
25	M/s. Sarita sftware and industrial	1.36
26	M/s. RVK Energy pvt ltd	0.00
27	M/s. HCL Agropower	1.55
28	M/s. PSM spinning	0.18
29	M/s.APSRTC (09.02.2022)	4.07
30	M/s.TGV SRAAC LTD (14.03.2022)	2.05
	TOTAL	279.60

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

Rs. in crores

Sl. No	Particulars	This year 2022-23	Previous year 2021-22
1.	Deposits received from GoAP to end of	1142.88	1142.88
2.	Deposit received during the year	0.00	0.00
3.	Interest payable to GoAP on LIS deposits to end of	866.90	820.05
4.	Total (1+2+3)	2009.78	1962.93
5.	Value of Lift Irrigation Assets put to use transferred to "Consumer Contribution towards cost of Capital Assets" to end of	528.81	529.66
6.	Development Charges transferred to "Consumers Contribution towards cost of Capital Assets" to end of	58.67	58.75
7.	Supervision Charges transferred to P&L A/c to end of	120.65	120.81
8.	Amount paid to Discoms to end of	63.59	63.59
9.	Demerger Adjustment to TSTRANSCO	21.35	21.35
10.	Total expenditure (5 to 9)	793.07	794.16
11.	Balance Deposits at the end of the year (4-10)	1216.71	1168.77
12.	Less: Capital Works in progress to end of	45.66	39.14
13.	Balance Deposits at the end of the year (11-12)	1171.05	1129.63

35. An amount of Rs.35.05 Crs (Previous year Rs.35.49 crs) has been credited to Other Income under Note No.21 - Capital Contribution towards Depreciation on GoAP Lift Irrigation Assets for the year 2022-23, which were created against the Lift Irrigation Scheme funds.

36. Consequent to bifurcation of APTRANSCO w.e.f. 02.06.2014, the Transmission & SLDC charges are determined based on the actual power scheduling to TS Discoms from AP Region to TS Region accordingly the company raised a demand on TS Discoms (TSSPDCL & TSNPDCL) to the extent of Rs.273.95crs for 2014-15, Rs.342.54crs for 2015-16, Rs.331.88crs for 2016-17, Rs.166.58crs for 2017-18, Rs.124.38crs for 2018-19, for Rs.117.16 crs for 2019-20, for Rs.132.67 crs for 2020-21 and Rs.141.24 crs for 2021-22 totalling to Rs.1630.40 crs (TSSPDCL – Rs.1150.25crs and TSNPDCL – Rs.480.15crs). All the above demands are inclusive of delay payment surcharge of Rs.462.89 crs (TSSPDCL – Rs.326.57 cr& TSNPDCL Rs.132.32 crs).The same has not been accounted and not considered in books as Revenue due to non-finalization of LTTA (Long Term Transmission Agreement) with TS Discoms.

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

(Rs.in Crores)

Particulars	Amount
Accrued Liability as on 31st March 2023	3044.28
Fund as on 31st March 2023 (with Trust)	1534.74
Deficit as at 31st March 2023	1509.54
Liability Recognized in the books of accounts to the end of 31st March 2023.	1509.54



38. APTRANSCO made certain payment up to 31st March 2023, i.e., legal and other charges to the tune of Rs.11.51 crs (Rs.11.42 Crores up to 31st March 2022) on behalf of TSTRANSCO and which are to be receivable from TSTRANSCO.

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

40. Surcharge on SLDC charges, interest on staff advances and Bay maintenance charges are accounted on receipt basis only as actual amounts receivable could not be determined due to non-confirmation of terms for quantifying the amounts.

41. (a.) As directed by APERC through tariff orders from time to time, company has appropriated from appropriation account to Contingency Reserve as per para IV (1) of the Sixth Schedule of Electricity Supply Act 1948 in earlier years. The funds relating to Contingency Reserve are invested in various Securities/Bonds, etc. from time to time. The funds are not at the disposal of the Company and as such the interest earned has been credited (net of tax) to Contingency Reserve Account under Note 11B. The utilization of contingency reserve shall be made only with the prior approval of APERC. Total Contingency Reserve to the end of 2021-22 is of Rs.4304.98Crores.

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

42. 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. Their existing liability as on 31-03-2023 of Vidyut Bonds to GOAP and GOTS is Nil as the Vidyut Bonds were completely repaid. The process of obtaining No Dues certificate from the Trustees is under pursuance.

43. All the Loans existing on 01.06.2014 from the REC, PFC and Banks are continued to be in the name of the Company. The loans outstanding as on 1.6.2014 were apportioned to TSTRANSCO of Rs. 1715.21 Cr as per the final de-merger plan. The debt service of loans apportioned to TSTRANSCO is being met by them regularly. However, since the loan documents were executed by the Company further loan draws/repayment of loan by TSTRANSCO are accounted for by the lenders in the existing loan accounts, similarly necessary demand notices and confirmation of balances are in the name of the Company. Accordingly, the loan outstanding of TSTRANSCO on this

account as at 31st March 2022, are not shown in the financial statements of the Company. The present outstanding balance is as on 31st March 2023 is Rs.139.48 Crs only.

44. 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.

45. The transmission charges for each of the MYT (5 years) are determined in terms of APERC Regulation 5 of 2005, based on the ARR (Aggregate revenue Requirement) proposals submitted by the company. Owing to variations in revenue recovery over approved period, the excess / shortfall in transmission charges will be adjusted in subsequent Control Period with financing cost at average rate of borrowing during the year to which the variations relate and accounted in the year of such determination. Thus, the transmission charges earned are subject to review by APERC in the subsequent MYT period. APTRANSCO has submitted True-up proposals of Rs.528.71 crs for MYT period 2014-19 to APERC. Accordingly, APERC issued True-up orders dated 30.03.2022 with a True-up of Rs.492.02 Cr and directed APTRANSCO to adjust the true-up aggregate loss amount of Rs.492.02 Cr determined for the third control period, from the POC charges if and when it receives in the future and any balance amount left after the adjustment shall be transferred to the Discoms. If there is any shortfall after the adjustment due to receipt of less amount towards the POC charges APTRANSCO may approach the Commission to recover such shortfall amount. Hence, the same shall be accounted as and when the POC charges received against the true-up of Rs.492.02 Crs as per the orders of APERC.

46. 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.

47. Payable to MSME as at the 31.03.2023 is Nil. Hence, trade payables to MSME have not been shown separately.

48. 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.16A).

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

50. As on 31st March 2023, an amount of Rs.1691.36 Crores (Rs.1719.48crs as on 31st March 2022) is receivable from the AP Discoms out of which an amount of Rs,50.85 Crs(Rs.74.42crs during 2021-22) is under reconciliation with APPCC.

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

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

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

53. Description of segments and principal activities:

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

54. Ratio Analysis and its elements:

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance
Current Ratio	Current Assets	Current Liabilities	95.99%	86.34%	9.64%
Debt-Equity Ratio	Total Outside Liabilities	Shareholder's Equity	197.97%	129.88%	68.09%
Debt Service Coverage Ratio	Earnings available for debt service	Interest + Instalments	122.82%	93.18%	29.65%
Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Net worth / Equity Shareholders Fund	136.31%	53.43%	82.88%
Trade Receivables turnover ratio	Net Credit sales	Average Trade Debtors / Accounts receivable	102.39%	107.31%	(4.92%)
Trade payables turnover ratio,	Annual Net Credit Purchases	Average Trade Payables / Account Payables	100.0%	200.0%	(100.0%)
Net capital turnover ratio,	Net Sales	Net Assets	-233.61%	970.53%	(1204.14%)
Net profit ratio,	Net profit	Net Sales	26.66%	11.50%	15.16%
Return on Capital employed,	Earnings Before Interest and tax	Capital employed	12.08%	7.07%	5.01%
Return on Investment (ROI)	Profit/Income	Investments	0.13%	0.09%	0.04%

55. The rapid spread of COVID-19 pandemic throughout the world has severely impacted the operations of Electricity & Power sector Companies around the globe including India. The nationwide lockdown has impacted the Company's operations in subsequent period on account of disruption in transportation, supply chain, travel bans, quarantines, social distancing and other precautionary measures. The underlying assumptions relating to the possible future uncertainties because of the pandemic, to assess the carrying value and recoverability of receivables and other assets as at the balance sheet date and has concluded that there are no material adjustments required in the financial statements. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the balance sheet date of approval of these financial statements and the Company will continue to monitor these aspects and takes actions as appropriate based on the future economic conditions.



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

57. The financial statements were approved for issue by the Board of directors on 29.09.2023.

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

For and on behalf of the Board of Directors

For Niranjan & Narayan.,
Chartered Accountants

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

Sd/-
T. Veera Bhadra Reddy,
Director (Finance)
DIN:08996446

Sd/-
M.Niranjan
Partner

Sd/-
P.Murali Krishna
Financial Adviser &
Chief Controller of
Accounts.

Place: Vijayawada
Date: 29.09.2023

Place: Vijayawada
Date: 29.09.2023.



Transmission Corporation of Andhra Pradesh Limited
Function wise Balance Sheet As at 31 March 2022

In Crores of INR

	Notes	Transmission	SLDC	APTRANSCO
Assets				
Non-current assets				
Property, plant and equipment	2	8,750.39	26.90	8,777.29
Capital work-in-progress	2	2,791.35	1.52	2,792.87
Intangible Assets	2	1.86	-	1.86
Financial assets				
(i) Investments	3	118.17	-	118.17
(ii) Loans	4	475.13	(2.14)	472.99
Other non-current assets	5	42.32	-	42.32
		-		
Total non-current assets		12,179.22	26.28	12,205.50
Current assets				
Inventories	6	153.89	0.31	154.20
Financial assets				
(i) Trade receivables	7	1,809.74	41.69	1,851.43
(ii) Cash and cash equivalents	8A	39.21	10.96	50.17
(iii) Bank Balances in FDs	8B	12.02	-	12.02
(iv) Loans	4A	1,564.26		1,564.26
Current tax assets (net)	9	159.98	13.43	173.41
Other current assets	10	569.52	(1.71)	567.81
Total current assets		4,308.63	64.68	4,373.30
Total assets		16,487.84	90.96	16,578.79
Equity and liabilities				
Equity				
Equity share capital	11A	454.44	-	454.44
Other equity	11B	1,777.82	1.87	1,779.69
Total equity		2,232.26	1.87	2,234.13
Liabilities				
Non-current liabilities				
Grants	12	2,467.84	-	2,467.84
Financial liabilities				
Borrowings	13	5,906.09		5,906.09
Provisions	14	1,378.82	-	1,378.82
Deferred tax liabilities (net)	15	165.16	-	165.16
Other non-current liabilities	16	169.42	(12.19)	157.23
Total non-current liabilities		7,619.49	(12.19)	7,607.30

**Current liabilities**

Financial liabilities

(i) Borrowings	132A	40.91		40.91
(ii) Trade Payables	17	138.88	0.57	139.45
(iii) Other financial liabilities	18	2,507.10	47.91	2,555.01
Other current liabilities	16A	604.74	(143.93)	460.81
Provisions	19	(13.88)	32.02	18.14

Total current liabilities		3,277.75	(63.43)	3,214.32
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Total liabilities		10,897.24	(75.62)	10,821.62
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Total equity and liabilities		15,597.33	-73.75	15,523.58
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TRANSMISSION & DISTRIBUTION LOSSES FOR MARCH'2023

ANNEXURE-IA

**Statement of Energy handled (in MU) for the month March - 2023
(FY 2022-23) (Incl Wheeling) (Actuals) (Including SR losses)**

S.No.	Particulars	Up to March' 23
1	Input from State Generators including wheeling	45250.93
2	CGS (Ex-Bus)	25863.53
3	System Input at 132 kv & above including Wheeled Energy (1+2)	71114.46
4 (a)	Energy delivered by Transco to Discoms through 33kV or 11 kV points from EHT SS Including Wheeled Energy	53481.08
4 (b)	Energy delivered by Transco to Discoms at 132 kV and above feeder points Including Wheeled Energy	14873.38
4 (c)	Aux.Consumption	25.67
4 (d)	Energy delivered by Transco to Discoms Including Wheeled Energy (4a + 4b - 4c)	68328.79
5	Transmission Losses (Incl.Wheeling) (3 - 4(d)) inclusive of SR losses	2785.67
6	% Transmission Losses (Incl wheeling) on respective Inputs{(5/3*100)} inclusive of SR losses	3.92
7 (a)	Net wheeled Energy at 132 KV & above by Third Party consumers	108.46
7 (b)	132 kv open access sales (Including IEX Sales)	662.57
8	Energy delivered by Transco to Discoms Excluding Wheeled Energy at 132 KV & above (4(d) - (7a + 7b))	67557.77
9(a)	Drawls at 33 KV & 11 KV from TP developers	2291.36
9 (b)	Energy received (+)/sent out (-) at interface points of other Circles (MU) (Net Power Exchange between AP and Telangana Discoms)	30.31
10	Drawls at 33 KV & 11 KV from Genco	11.45
11	Input to Discoms (Incl Wheeling Energy) (8+9a+9b+10)	69890.89
12	Discoms sales of Energy (Excl Wheeling)	63824.86
13 (a)	Net Wheeled Energy at 33 KV & Below by Third Party consumers + 75% Wheeling charge for 3rd party sale at 33 KV and below	39.35
13 (b)	33 kv open access sales (Including IEX Sales)	987.05
13 (c)	11 kv open access sales (Including IEX Sales)	66.51
14	Discoms sales of Energy (Incl. Wheeling) (12 + 13)	64917.77
15	Distribution Losses (Incl. wheeling) (11-14)	4973.12
16	% Distribution losses (Incl.Wheeling) on respective inputs { (15/11)*100 }	7.12
17	T & D Input (Ex-Bus Availability) (3+9a+9b+10)	73447.59
18	T & D Sales (Incl.Wheeling) by Discoms (14+7a+7b)	65688.80
19	T & D Losses (Incl. Wheeling) (17-18)	7758.79
20	%T & D losses (Incl.wheeling) { (19/17)*100 }	10.56

TRANSMISSION & DISTRIBUTION LOSSES FOR MARCH'2023
ANNEXURE- II A
**Statement of Energy handled (in MU) for the month March - 2023
(FY 2022-23) (Incl Wheeling) (Actuals)(Excluding SR losses)**

S.No.	Particulars	This Year 2022-23	Previous Year 2021-22
1	Input from State Generators including wheeling	45250.92	38905.52
2	CGS (Injection at AP-periphery)	24912.46	28969.42
3	System Input at 132 kv & above including Wheeled Energy (1+2)	70163.38	67874.94
4 (a)		53481.08	
4 (b)	Energy delivered by Transco to Discoms at 132 kv and above feeder points Including Wheeled Energy	14873.38	64986.2
4 (c)	Aux.Consumption	25.67	
4 (d)	Energy delivered by Transco to Discoms Including Wheeled Energy (4a + 4b - 4c)	68328.79	
5	Transmission Losses (Incl.Wheeling) (3 - 4(d)) exclusive of SR losses	1834.59	2888.74
6	% Transmission Losses (Incl wheeling) on respective Inputs{(5/3*100)} exclusive of SR losses	2.61	2.8
7 (a)	Net Wheeled Energy at 33 KV & Below by Third Party consumers	108.46	890.95
7 (b)	132 kv open access sales (Including IEX Sales)	662.57	
8	Energy delivered by Transco to Discoms Excluding Wheeled Energy at 132 KV & above (4(d) - (7a + 7b))	67557.77	64095.25
9(a)	Drawls at 33 KV & 11 KV from TP developers	2291.36	2124.58
9 (b)	Energy received (+)/sent out (-) at interface points of other Circles (MU) (Net Power Exchange between AP and Telangana Discoms)	30.31	
10	Drawls at 33 KV & 11 KV from Genco	11.45	16.5
11	Input to Discoms (Incl Wheeling Energy) (8+9a+9b+10)	69890.89	66236.33
12	Discoms sales of Energy (Excl Wheeling)	63824.86	60086.83
13 (a)	Net Wheeled Energy at 33 KV & Below by Third Party consumers + 75% Wheeling charge for 3rd party sale at 33 KV and below	39.35	
13 (b)	33 kv open access sales (Including IEX Sales)	987.05	
13 (c)	11 kv open access sales (Including IEX Sales)	66.51	
14	Discoms sales of Energy (Incl. Wheeling) (12 + 13)	64917.77	61160.16
15	Distribution Losses (Incl. wheeling) (11-14)	4973.12	5076.17
16	% Distribution losses (Incl.Wheeling) on respective inputs { (15/11)*100 }	7.12	7.66
17	T & D Input (Ex-Bus Availability) (3+9a+9b+10)	72496.51	70016.02
18	T & D Sales (Incl.Wheeling) by Discoms (14+7a+7b)	65688.80	62051.11
19	T & D Losses (Incl. Wheeling) (17-18)	6807.71	7964.91
20	%T & D losses (Incl.wheeling) { (19/17)*100 }	9.39	11.38





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