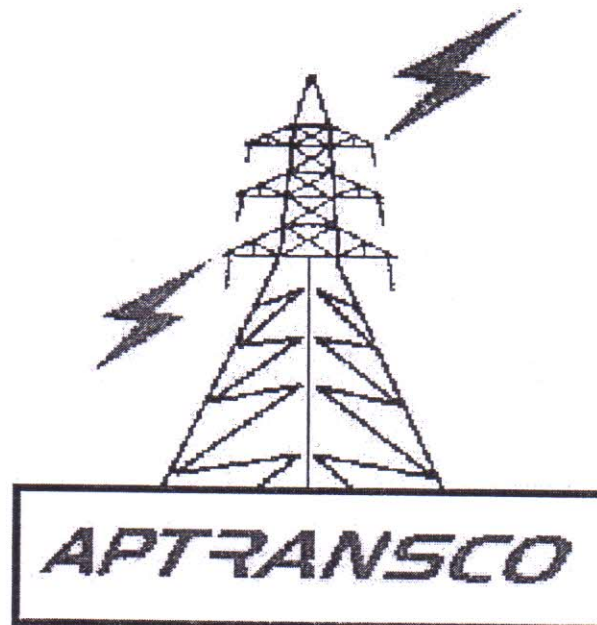


TRANSMISSION CORPORATION OF  
ANDHRA PRADESH LIMITED  
(An ISO 9001 : 2008)



ANNUAL STATEMENT OF ACCOUNTS  
2018 -19

Electricity Saved is Electricity Generated

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

*In lakhs of INR*

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

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

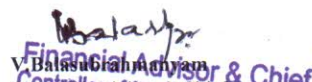
For and on behalf of the Board of Directors



E. Sri Ranganath  
Partner




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

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

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

  
M. Karunakar Reddy  
Company Secretary

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

Place: Vijayawada  
Date: 06.11.2019

Place: Vijayawada  
Date: 5.11.2019

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

**A. Equity share capital**

In lakhs of INR

	Amount		Amount
As at 31st March 2018	45,443.97	As at 31st March 2017	45,443.97
As at 31st Oct 2018	<b>45,443.97</b>	As at 31st March 2018	<b>45,443.97</b>

**B. Other Equity**

In lakhs of INR

Particulars	Balance at the beginning of the reporting period	Total Comprehensive Income for the Year	Transfer to/ (from) Retained Earnings	Transfer to/ (from) Other Reserve	Balance at the end of the reporting period
<b>As at 31st March, 2018</b>					
<b>Reserves and Surplus</b>					
Retained Earnings	1,13,803.99	(3,958.68)	3,742.38	1,691.44	1,15,279.13
Contingency Reserve	2,336.54	-	-	318.90	2,655.44
Other Reserves	1,24,805.56	-	-	(7,189.88)	1,17,615.68
Other Comprehensive Income	(3,958.68)	4,551.73	3,958.68	-	4,551.73
<b>Total</b>	<b>2,36,987.41</b>	<b>593.05</b>	<b>7,701.06</b>	<b>(5,179.54)</b>	<b>2,40,101.98</b>
<b>As at 31st March, 2019</b>					
<b>Reserves and Surplus</b>					
Retained Earnings	1,15,279.13	4,503.20	6,961.24	16,094.27	1,42,837.84
Contingency Reserve	2,655.44	-	-	346.50	3,001.94
Other Reserves	1,17,615.68	-	-	1,975.01	1,19,590.69
Other Comprehensive Income	4,551.73	(4,843.55)	(4,503.20)	-	(4,795.02)
<b>Total</b>	<b>2,40,101.98</b>	<b>(340.35)</b>	<b>2,458.04</b>	<b>18,415.78</b>	<b>2,60,635.45</b>

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

For Nataraja Iyer & Co  
Chartered Accountants

E.Sri Ranganath  
Partner



Place: Vijayawada

Date: 05.11.2019

Dr. Srikant Nagulapalli  
Chairman & Managing Director

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

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

Date: 5.11.2019

K. M. S. Chakraborty  
Joint Managing Director  
(Fin., Comml., HRD & IT) &  
Chief Financial Officer (CFO)  
APTRANSCO

M. Karunakar Reddy  
Company Secretary

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

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

*In lakhs of INR*

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

Significant Accounting Policies

Accompanying notes to the Financial Statements

1

23-57

For and on behalf of the Board of Directors

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

For Nataraja Iyer & Co  
Chartered Accountants

E.Sri Ranganath  
Partner



Place: Vijayawada  
Date: 08.11.2019

Dr. Srikant Nagulapalli  
Chairman & Managing Director

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

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

Place: Vijayawada  
Date: 5.11.2019

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

M. Karunakar Reddy  
Company Secretary

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

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

In lakhs of INR

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

**Changes in Borrowings through Financing Activities**


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

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

For and on behalf of the Board of Directors

For Nataraja Iyer & Co  
Chartered Accountants

E.Sri Ranganath  
Partner



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

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

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

M. Karunakar Reddy  
Company Secretary

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

Place: Vijayawada  
Date: 05.11.2019

Date: 5.11.2019

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

1. Corporate Information and Significant Accounting policies

**A. Corporate information:**

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

**B. Significant Accounting Policies:**

**B.1. Basis of preparation and Presentation**

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

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

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

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

**B.2. Summary of Significant accounting policies**

**(a) Property, plant and equipment**

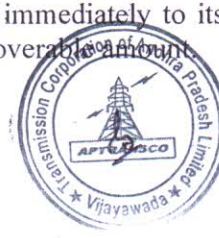
**(i) Recognition and measurement**

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

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

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

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



## (ii) Subsequent expenditure

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

## (iii) Depreciation

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

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

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

## (b) Intangible Assets

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

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

Computer software – over a period of 5 years

## (c) Financial instruments

### i) Financial Assets:

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

### Classification

The Company classifies its financial assets in the following categories:

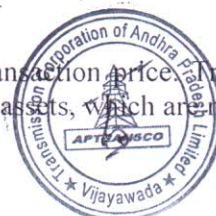
- At amortized cost (or)
- At fair value through other comprehensive income

The classification is dependent on the following:

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

### Initial Recognition and measurement

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



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

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

#### **Subsequent measurement**

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

Interest on staff Advance is recognised on cash basis.

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

#### **Equity investments**

All quoted equity investments are measured at fair value.

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

#### **De-recognition of financial assets**

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

#### **ii) Financial Liabilities:**

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

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

#### **Classification, initial recognition and measurement**

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

#### **Subsequent Measurement**

Financial liabilities are carried at transaction value.

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

#### **De-recognition of financial liabilities**

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



### iii) Offsetting of financial instruments

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

### (d) Inventories

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

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

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

### (e) Impairment of assets

#### i. Impairment of financial instruments

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

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

#### Measurement of expected credit losses

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

#### Presentation of allowance for expected credit losses in the balance sheet

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

#### Write-off

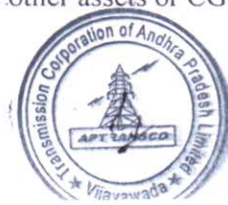
#### i. Impairment of Financial Assets:

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

#### ii. Impairment of non-financial assets

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

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



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

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

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

**(f) Employee benefits Expense**

**i) Short-term employee benefits**

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

**ii) Defined contribution plans**

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

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

**iii) Defined benefit plans**

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

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

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



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

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

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

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

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

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

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

#### (g) Revenue recognition

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

##### i) Rendering of services

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



ii) **Other income**

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

(h) **Government and other grants**

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

(i) **Tax Expenses**

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

i) **Current tax**

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

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

ii) **Deferred tax**

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

(j) **Provisions**

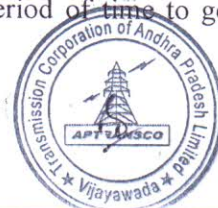
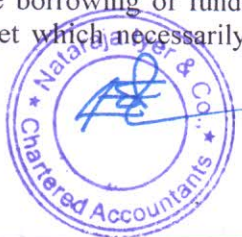
Provisions are recognized when the company has a present obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

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

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

(k) **Borrowing cost**

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



intended use are capitalize as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**(l) Segment reporting**

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

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

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

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

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

**(b) Recoverability of Trade receivables:**

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

**(c) Provisions:**

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



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

Description	Gross Block					Depreciation Block			Net Block	
	As at 01-04-2018	Additions/ Adjustments	Demerger Adjustments	As at 31-03-2019	As at 01-04-2018	For the Year	Demerger Deductions/ (Adjustments)	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018
Property, Plant and Equipment										
owned Assets:										
Freehold Land	4,878.23	946.35	15.08	5,839.66	-	-	-	-	5,839.66	4,878.23
Buildings	10,236.56	95.37	171.62	10,503.55	3,335.45	226.78	44.38	3,606.62	6,896.93	6,901.11
Other civil works	6,187.07	15,186.41	868.07	22,241.55	461.04	173.30	240.93	875.26	21,366.29	5,726.04
Plant and equipment	4,21,723.19	1,13,572.44	782.82	5,36,078.45	1,91,556.51	28,092.65	768.22	2,20,417.37	3,15,661.07	2,30,166.68
Lines and cable network	6,14,729.24	93,689.02	(8,308.15)	7,00,110.11	1,74,580.31	31,515.32	(77.72)	2,06,017.91	4,94,092.21	4,40,148.93
Vehicles	282.63	-	-	282.63	252.26	(2.33)	4.42	254.35	28.29	30.37
Furniture and fixtures	398.24	48.38	-	446.62	176.84	38.06	(0.21)	214.70	231.92	221.40
Office equipment	4,694.04	469.02	(10.30)	5,152.76	2,274.42	427.90	(6.81)	2,695.51	2,457.24	2,419.62
Computers	84.28	84.28	-	84.28	-	1.81	-	1.81	82.47	-
<b>Total (A)</b>	<b>10,63,129.20</b>	<b>2,24,091.26</b>	<b>(6,480.86)</b>	<b>12,80,739.60</b>	<b>3,72,636.83</b>	<b>60,473.48</b>	<b>973.21</b>	<b>4,34,083.52</b>	<b>8,46,656.08</b>	<b>6,90,492.37</b>
Intangible Assets										
Software	1,817.63	406.03	-	2,223.66	57.87	281.18	-	339.05	1,884.61	1,759.76
<b>Total (B)</b>	<b>1,817.63</b>	<b>406.03</b>	<b>-</b>	<b>2,223.66</b>	<b>57.87</b>	<b>281.18</b>	<b>-</b>	<b>339.05</b>	<b>1,884.61</b>	<b>1,759.76</b>
<b>Total (A+B)</b>	<b>10,64,946.83</b>	<b>2,24,497.29</b>	<b>(6,480.86)</b>	<b>12,82,963.26</b>	<b>3,72,694.70</b>	<b>60,754.66</b>	<b>973.21</b>	<b>4,34,422.57</b>	<b>8,48,540.69</b>	<b>6,92,252.13</b>
Previous Year	8,82,726.68	1,82,220.16	-	10,64,946.84	3,20,679.32	52,027.21	11.83	3,72,694.70	6,92,252.14	5,62,047.36
Capital work-in-Progress										
Freehold Land									1,96,527.93	2,17,854.23
Buildings									0.00	55.10
Other civil works									3329.28	683.70
Plant and equipment									23500.53	3607.12
Lines and cable network									30259.67	58344.98
Vehicles									42555.70	123991.28
Furniture and fixtures									0.00	10.3
Office equipment									28.73	1.28
Construction stores (Stock with third party)									80.38	363.52
									96773.64	30796.95

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



**Transmission Corporation of Andhra Pradesh Limited**

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

(Rs. In Lakhs)

3. Investments	Account No.	As at 31 March	
		2019	As at 31 March 2018
<b>A. Investments in Equity instruments</b>			
<b>a. Quoted equity shares measured at FVTOCI</b>			
Investment in GVK Power & Infrastructure Limited. (6,330,000 equity shares with face value of Re.1/- each)	2040000000	484.25	892.53
<b>b. equity shares - unquoted measured at Cost</b>			
1) Investment in JV - Andhra Pradesh State Energy Efficiency Development Corporation Limited (2,00,000 shares with face value of Rs.10 /- each )	2040600000	20.00	20.00
2) Investment in Andhra Pradesh Gas Power Corporation Limited ( 15,758,400 shares with face value of Rs.10/- each)	2040500000	2,810.24	2,810.24
<b>B. Investment in Govt. and Trust securities - Quoted measured at cost</b>			
1) GOI Bonds	2060000000	12.31	147.66
<b>C. Investment in Debentures &amp; Bonds - Quoted measured at cost</b>			
1) 8.15% bonds of AP Power Finance Corporation		5.60	5.60
2) 8.74% bonds of AP Power Finance Corporation		363.70	363.70
3) 9.60% bonds of AP Power Finance Corporation		145.48	145.48
4) 8.95% vidyut bonds I/2006 of APTRANSCO issued by GoAP		637.88	637.88
5) 8.69% vidyut bonds II/2006 of APTRANSCO Issued by GoAP		27.98	27.98
6) 8.55% vidyut bonds I/2008 of APTRANSCO issued by GoAP		-	44.76
7) 8.40% bonds of Tamilnadu Electricity Board		13.43	23.50
8) 8.64% bonds of Tamilnadu Electricity Board		15.67	27.42
9) 8.23% bonds of Karnataka State Financial Corporation		61.55	61.55
10) 9.64% bonds of AP Power Finance Corporation		55.95	55.95
11) 9.67% bonds of Tamil Nadu Power Finance and Infrastructure Development Corporation		380.49	380.49
12) 9.15% AP State Finance Corporation bonds		62.67	78.34
13) 10.25% bonds of Rajasthan Rajya vidyut Prasaran Nigam Limited		167.86	167.86
14) 10.25% bonds of Rajasthan State Road Transport Corporation		654.66	654.66
15) 8.69% bonds of Rajasthan Rajya vidyut Prasaran Nigam Limited		83.93	83.93
16) 8.62% bonds of Haryana Vidyut Prasaran Nigam Limited		626.68	626.68
17) 8.97% UPPCL Bonds 2027		50.36	39.17
18) 8.97% UPPCL Bonds 2026		917.64	643.47
19) 8.97% UPPCL Bonds 2024		218.22	
20) 8.97% UPPCL Bonds 2025		531.56	
21) 8.15% Energy Efficiency Services Ltd.,		179.05	
22) Premium on UPPCL Bonds	1723000000	73.26	57.55
23) 9.95% APCPDCL/TSSPDCL Power Bonds- Series I/2014	2020000000	4,044.00	
<b>Total</b>		<b>12,644.42</b>	<b>7,996.39</b>
Aggregate book value of quoted investments		9814.19	5166.15
Aggregate market value of quoted investments		9814.19	5166.15
Aggregate value of unquoted investments		2,830.24	2,830.24
Aggregate amount of impairment in value of investments		-	-
Financial Assets measured at fair value through Other Comprehensive Income		484.25	892.53
Financial Assets measured at Cost		12,160.18	7,103.86
<b>Total</b>		<b>12,644.42</b>	<b>7,996.39</b>



**Transmission Corporation of Andhra Pradesh Limited**

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

(Rs. In Lakhs)

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



