



TRANSMISSION CORPORATION OF TELANGANA LIMITED

ANNUAL STATEMENT OF ACCOUNTS FOR FY 2016-17

Electricity Saved is Electricity Generated



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ANNUAL STATEMENT OF ACCOUNTS FOR FY 2016-17





TRANSMISSION CORPORATION OF TELANGANA LIMITED

BOARD OF DIRECTORS

S.No.	Sarva Sri	Designation
1)	D. PRABHAKAR RAO	Chairman & Managing Director (FAC)
2)	AJAY MISRA, IAS	Director (Non-whole time)
3)	K.RAMA KRISHNA RAO, IAS	Director (Non-whole time)
4)	C. SRINIVASA RAO, IRAS	Joint Managing Director(Finance, Comml., & HRD)
5)	T. JAGATH REDDY	Director (Transmission)
6)	G. NARSING RAO	Director (Projects & Grid Opn.)
7)	J. SURYA PRAKASH	Director (Lift Irrigation Schemes

Company Secretary : **Sri. Ravi Kumar Suluva**

Bankers : **STATE BANK OF INDIA**

AUDITORS:

Statutory Auditors : **M/s. M. Anandam & Co.,**
Chartered Accountants
7 A, Surya Towers, S.P. Road,
Secunderabad,
Hyderabad – 500 003.

Cost Auditors : **Mrs. M.Madhavi Latha,**
Cost Accountant,
Flat No.528, Land Mark Apartment,
Raja Rajeshwari Nagar,
Behind Saket Towers, ECIL Post,
HYDERABAD – 500062.

Internal Auditors : **M/s. Eswar & Co.,**
Chartered Accountants
Flat No.103, Matha Residency,
Raghavendra Nagar, Nacharam,
HYDERABAD – 500 076.

Registered Office : 6-3-572, Vidyut Soudha,
Khairatabad, HYDERABAD
TELANGANA – 500 082.

Web site : www.tstransco.in

PAN No. : AAFCT0166J

NOTICE

NOTICE is hereby given that the 3rd Annual General Meeting (Adjourned) of the Members of the Company will be held on Friday, the 1st day of March, 2019 at 3.15 P.M. at the Registered Office at Vidyut Soudha, Hyderabad to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited statement of Profit and Loss for the financial year ended 31st March, 2017 and the Balance Sheet as on that date together with Reports of the Board of Directors and Auditors and Comments of Comptroller and auditor General of India.

By order of the Board of Directors,

Sd/-

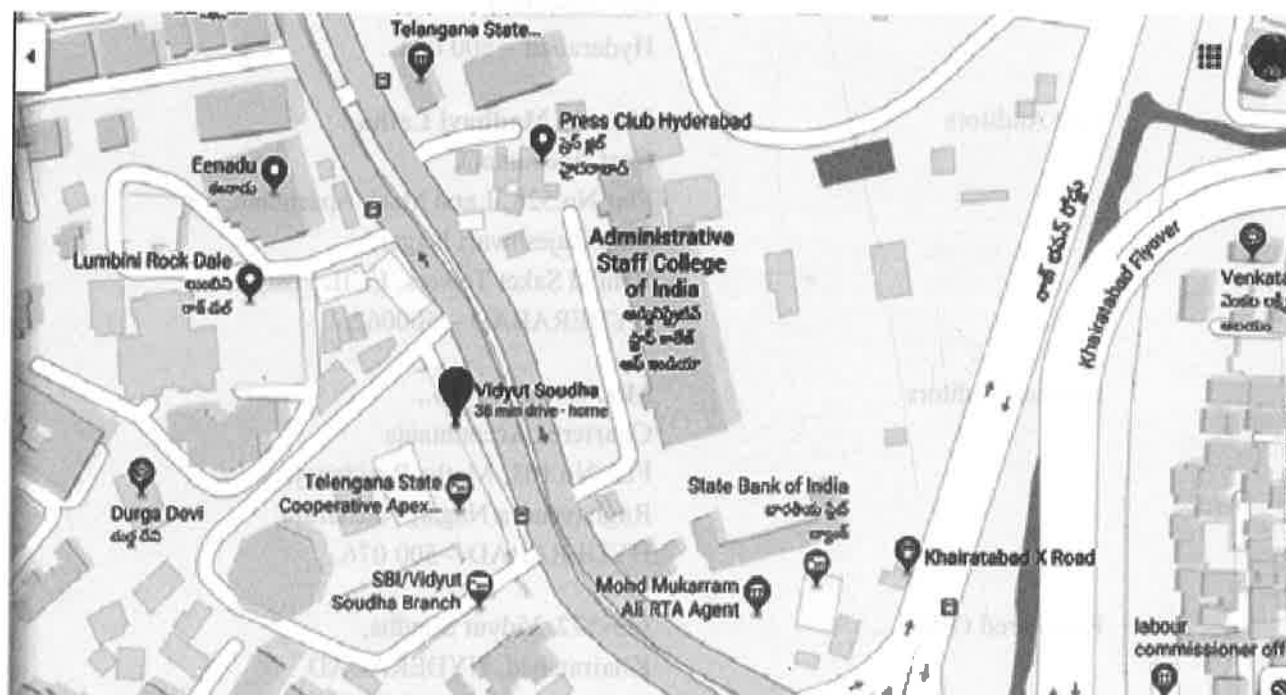
Company Secretary

Date: 01.03.2019

NOTES:

1. Shareholder(s) present in person or through registered proxy shall only be entertained.

Route Map





NOTICE

NOTICE is hereby given that the 3rd Annual General Meeting of the Members of the Company will be held on Friday, the 15th day of December 2017 at 4:45 PM at the Registered Office at Vidyut Soudha, Hyderabad to transact the following business:

ORDINARY BUSINESS:

To consider the status of Financial Statements of the Company for the period ending 31st March 2017.

By order of the Board of Directors,

Sd/-

Company Secretary

Date: 15th day of December 2017.

Registered Office:

Vidyut Soudha, Khairatabad,
Hyderabad – 500 082.

CIN: U40102TG2014SGC094248

NOTES:

1. In view of provisions of Section 107 of the Companies Act, 2013 read with general circular no. 20/2014 dated 17th June, 2014 issued by the Ministry of Corporate Affairs, voting by show of hands shall not be allowed in the meeting.

Route Map





Directors' Report

To
The Members,
Transmission Corporation of Telangana Limited (TSTRANSCO).

Your Directors have great pleasure in presenting the Third Annual Report of the Company with the Audited accounts for the Financial Year ended 31st March, 2017.

1. Financial summary or highlights / Performance of the Company:

Financial Performance of the Company:

The summarized financial Performance of the Company for the FY 2016-17 is as detailed below:

(Rs. in Crore)		
Particulars	Current Year (FY 2016-17)	Previous Year (FY 2015-16)
INCOME		
Revenue from Transmission & SLDC Charges	1443.48	1008.00
Other Income	25.23	40.65
TOTAL INCOME	1468.71	1048.65
EXPENDITURE		
Employee Benefit Expenses	246.84	214.36
Finance Costs	347.73	234.97
Depreciation and Amortization Expenses	432.20	285.42
Other Debits	176.01	137.56
TOTAL EXPENSES	1202.78	872.31
PROFIT / (LOSS) BEFORE TAX	265.93	176.34
Current Tax (net of MAT credit entitlement)	7.88	6.32
Deferred Tax	78.76	73.55
PROFIT / (LOSS) for the period	179.29	96.47
Earnings per equity share in Rupees :		
Basic	35859.10	19294.14
Diluted	35859.10	19294.14

Financial Highlights of the Company:

The Company has commenced its operations with effect from 2nd June 2014. The Transmission and SLDC Charges are collected as per the tariff notified by the TSERC for the 3rd Multi Year Tariff (MYT) Control Period (FY 2014-15 to FY 2018-19) for the power sharing capacity for FY 2016-17 and other open access customers. During the Year, The Company has earned a net surplus of Rs.179.29 crores.

**2. Dividend:**

The Board has decided to retain the surplus amount to meet the counterpart funding amount @10% to 20% of various ongoing and future CAPEX programmes of the Company and therefore has not recommended any amount a dividend to its shareholders.

3. Transfer to Reserves:

During the year 2016-17, no amount has been transferred to general reserve.

4. Brief description of the Company's Operational Performance, Achievements and Planning for near future:**Operational Performance:**

<i>Voltage Level</i>	<i>Position as on 31-03-2016</i>	<i>Added during the FY 2016-17</i>	<i>Total as on 31-03-2017</i>
<i>Sub-stations (Nos.)</i>			
400 KV	07	01	08
220 KV	63	07	70
132 KV	189	18	207
Total EHTSS in Nos	259	26	285
<i>EHT Lines (CKM)</i>			
400 KV	2175	322	2497
220 KV	5836	660	6496
132 KV	9572	144	9716
Total EHT Lines (CKM)	17582	1127	18709

Achievements:**Power supply position prior to formation:**

- ❖ On the day of formation of the State of Telangana, there was a peak demand shortage of 2700 MW and 4-8 hours of load relief to domestic and other consumers and 2-day power holiday to Industries.
- ❖ Due to the neglect of Telangana region in the erstwhile united Andhra Pradesh, lack of proper planning in forecasting the demand and non-scheduling of 1559 MW Power by Andhra Pradesh, Telangana State inherited huge deficit resulting in acute shortage of power.

Noteworthy achievements after formation:

- ❖ After bifurcation of the State within six months of time, Power Utilities have undertaken number of measures such as –
 - Reduction of T&D Losses from 16.83% to 15.89%.
 - Staggering of agriculture loads to 24 hours of the day.
 - Increase in generation by TSGENCO plants.



- Entering into short term power purchase agreements.
- Purchase from Exchange.
- ❖ As a result of the above measures, there was substantial improvement in power supply position in the State. There was no load relief from 20-11-2014 onwards in the State to any category of consumer and quality power is being supplied to all the consumers.
- ❖ 9 hours power supply was given to agricultural consumers from 01.04.2016, onwards.
- ❖ 24 hours power supply is being extended to all categories of consumers except agriculture.
- ❖ Unlike in the past when the farmers were agitating for replacement of transformers resulting in loss of crops, after formation of the State, the transformers are replaced within 6 hours in the urban areas and 24 hours in the rural areas. The transformer failures are brought down to less than 10% from 30% and above with proper maintenance.
- ❖ Further, to monitor interruptions on real time basis, Supervisory Control and Data Acquisition (SCADA) Centre is commissioned and integrated 121 sub-stations out of 228 DISCOM sub-stations in Hyderabad and the balance is proposed to be integrated within 6 months.
- ❖ Post bifurcation of the State, 600 MW 2nd Stage of Bhupalapally TPP, 240 MW of Jurala, 30 MW (unit-I of 4X30 MW) Pulichinthala, 1200 MW of Singareni, 50 MW CGS share (Kudankulam Nuclear plant), Wind 100.8 MW, and 1000 MW of Solar has been added to Grid.
- ❖ The two Distribution Companies of Telangana State (TS SPDCL & TS NPDCL) are catering to over 1.34 Crore Consumers including 22.16 Lakh Agriculture consumers.
- ❖ 94,735 Agricultural connections were released during FY2016-17.
- ❖ Required network strengthening to meet the increased load on account of 9 Hours Day Time Agriculture Supply has been done by TSTRANSCO & TSDISCOMs.
- ❖ The State grid has met a peak demand of 9191 MW on 31.03.2017 & record consumption of 188.63 MU on 31.03.2017, being highest so far, post formation of the State and utilities are fully geared up to meet load upto 11000 MW.

Planning for near future:

- ❖ The Contracted capacity as on 02-06-2014, i.e., on the day of formation of the State of Telangana, was 7778 MW. The contracted capacity as on 31.03.2017 is 12006 MW.
- ❖ 90 MW Pulichintala Projects is in advanced stage of completion. In addition, to that 1000 MW Chhattisgarh Power, 180 MW Kudgi-I&II are proposed to be added to the grid enabling the State to maintain satisfactory power supply.
- ❖ TSGENCO is adding 5880 MW of thermal capacity at Manuguru (4x270 MW), Kothagudem (1x800 MW) and Damarcherla (5x800 MW) with an investment of Rs. 37,600 Crores for which financial closure has been achieved and given to M/s BHEL on MOU route to avoid delay. In that TSGENCO – 800 MW plant at Kothagudem will be commissioned by July'18.
- ❖ The Transmission and Distribution system is proposed to be made ready to meet the peak demand of 11000 MW with an investment of around Rs. 12,230 crores.\



- ❖ Solar Power potential in the State is being harnessed in a big way. State Solar Policy is in place. 2,000 MW solar capacity will be added by the next year to the grid.
- ❖ The total investment in the Power Sector, i.e., Generation, Transmission, and Distribution, will be around Rs. 94,000 Crores.

5. Audit:

Statutory Audit:

TSTRANSCO, being a Government Company, the Statutory Auditors are appointed by the Comptroller and Auditor General of India. M/s. M Anandam & Co., Chartered Accountants, Secunderabad, were appointed as the Statutory Auditors of the Company for the FY 2016-2017. M/s. M Anandam & Co., Statutory Auditors, gave their Report on 31-08-2018, which is placed separately.

Secretarial Audit:

Sri. M B Suneel, Practicing Company Secretary, Hyderabad, was appointed as Secretarial Auditor for the FY 2016-2017 to conduct Secretarial Audit of records and documents of the company. In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Secretarial Auditor has issued the Secretarial Audit Report for the FY 2016-17 (Annexure –I).

Cost Audit:

Mrs. M. Madhavi Latha, Cost Accountant, Hyderabad, was appointed as the Cost Auditor of the Company for the FY 2016-2017. In accordance with the requirement of the Central Government and pursuant to Section 148 of Companies Act, 2013, Company is carrying out an audit of cost accounts every year. The Cost Audit Report of the Company for the Financial Year ended 31st March, 2016 and 31st March, 2017 were filed on 20.06.2018 and 06.12.2018 with the Ministry of Corporate Affairs respectively.

Internal Audit:

M/s. Eswar & Co., Chartered Accountants, Hyderabad, were the Internal Auditors for the Company up to 31-05-2016 and during the FY 2016-2017 the same Auditors were appointed as Internal Auditors for the period from 01-06-2016 to 31.05.2018 with administrative approval.

Supplemental audit by the Comptroller & Auditor General of India:

The annual accounts of the company for the FY 2016-17 were submitted to the Comptroller & Auditor General of India for supplemental audit under section 143 (6) of the Companies Act, 2013. C&AG's Comments on the accounts for the year ended 31st March, 2017 is furnished in Annexure –II.

Management Replies to the Auditor's Comments:

In compliance of the provisions of Section 134 (3) (f) of the Companies Act, 2013 replies to comments contained Auditor's report and Secretarial audit report are given as Annexure III to the Director's Report.

6. Extract of Annual Return:

Pursuant to Section 92 (3) of the Companies (Amendment) Act 2017, an extract of Annual Return in Form MGT-9, is placed in the website of the company at www.tstransco.in



7. **Conservation of energy, technology absorption and foreign exchange earnings and outgo:**
Conservation of energy and technology absorption: There are no significant particulars relating to conservation of energy and technology absorption under the Companies (Accounts) Rules, 2014, as the Company is not involved in any manufacturing activity.

8. **Foreign exchange earnings and Outgo:**

NIL during the FY 2016-2017.

9. **Material changes and commitments:**

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

10. **Directors and Key Managerial Personnel:**

Directors and Key Managerial Personnel and changes among them during the FY 2016-17:

Sl. No	Name	Designation/Position	From	To
Chairman & Managing Director (CMD)				
1.	Sri D Prabhakar Rao (DIN: 00676316)	CMD (FAC)	25-10-2014	-
Joint Managing Director				
2.	Sri Srinivasa Rao, IRAS (DIN: 00196179)	JMD (Finance, Comml & HRD)	23-06-2015	-
Whole-time Directors				
3.	Sri T Jagath Reddy (DIN: 07050306)	Director (Transmission)	26-11-2014	-
4.	Sri G Narsing Rao (DIN: 07050313)	Director (Projects & Grid Operation)	26-11-2014	-
5.	Sri J Surya Prakash (DIN: 07274535)	Director (Lift Irrigation Schemes)	03-08-2015	-
Directors (Non-whole time)				
6.	Sri Arvind Kumar, IAS (DIN: 03567738)	Director (Non-whole time)	30-01-2015	20-12-2016
7.	Sri K. Ramakrishna Rao, IAS (DIN: 05148824)	Director (Non-whole time)	16-04-2015	-
8.	Sri. Ajay Misra, IAS (DIN: 02470889)	Director (Non-whole time)	20-12-2016	-
CFO				
9.	Sri G. Srinivas	CFO	18-04-2016	-
Company Secretary				
10.	Smt. Hrudaya Purna Rajeshwari Annavaiahala	Company Secretary	11-03-2015	01-10-2016
11.	Sri A. Vijaykumar Sinivas	Company Secretary	01-10-2016	-



Composition of the Board: The Company is a Government Company within the meaning of section 2(45) of the Companies Act, 2013. Being a Government Company, the power to appoint Directors on the Board is vested with the Government, Energy Department. The Composition of the Board as on 31.03.2017 as follows:

S. No.	Name of the Director	Position
1.	Sri D Prabhakar Rao	CMD (FAC)
2.	Sri Srinivasa Rao, IRAS	JMD (Finance, Comml & HRD)
3.	Sri T Jagath Reddy	Director (Transmission)
4.	Sri G Narsing Rao	Director (Projects & Grid Operation)
5.	Sri J Surya Prakash	Director (Lift Irrigation Schemes)
6.	Sri. Ajay Misra, IAS	Director (Non-whole time)
7.	Sri K. Ramakrishna Rao, IAS	Director (Non-whole time)

The Government has extended the tenure of Sri J Surya Prakash, Director (Lift Irrigation Schemes) for a period of two years with effective from 05.08.2016 vide G.O.Rt. No.58, Energy (HR.A1) Dept., Dated 30.07.2016. The Government has extended the tenure of Sri T Jagath Reddy, Director (Transmission) and Sri G Narsing Rao, Director (Projects & Grid Operation) for a period of one year with effective from 27.11.2016 vide G.O.Rt. No.85, Energy (HR.A1) Dept., Dated 25.11.2016. Further, the Government has extended the tenure of Sri Srinivasa Rao, IRAS, JMD (Finance, Comml & HRD) for a period of three years with effective from 27.01.2017 vide G.O.Rt. No.304, General Administration (SPL-A) Dept., Dated 02.02.2017.

As per the provisions of Section 149 of the Companies Act, 2013 the Company shall have at least two Independent Directors and one woman Director. The Company has appraised the requirement to the Energy Department, appointing authority.

11. Number of meetings of the Board of Directors:

During the financial year ended 31st March, 2017, seven Meetings of the Board of Directors were held on the following dates:

3rd May, 2016, 5th July, 2016, 31st August, 2016, 8th November, 2016, 30th December, 2016, 11th February, 2017 and 30th March, 2017.

12. Audit Committee:

In compliance with the provisions of Section 177 of the Companies Act 2013, Audit Committee was duly constituted and following were the Members as on 31-03-2017 –



<i>Sl. No.</i>	<i>Name</i>	<i>Position</i>
1.	Sri D Prabhakar Rao, CMD (FAC)	Member
2.	Sri Ajay Misra, IAS Director (Non-whole time)	Member
3.	Sri T Jagath Reddy, Director (Transmission)	Member
4.	Sri C Srinivasa Rao, IRAS JMD (Fin., Comml., & HRD)	Special Invitee
5.	Sri G. Srinivas, FA & CCA & CFO	Special Invitee

As per the provisions of section 177 of the Companies Act, 2013 the Audit Committee shall have minimum three directors with Independent Directors forming a majority. As on 31.03.2017 there were no Independent Directors on the Board and hence the Audit Committee could not be constituted in accordance with the requirements of Companies Act, 2013. The Committee will be reconstituted suitably on appointment of Independent Directors on the Board.

13. Corporate Social Responsibility:

Consequent to the finalization of Annual Accounts for the first financial year ending 31st March, 2015, TSTRANSCO is required to adhere to the provisions of Section 135 of the Companies Act, 2013 and the Rules framed thereunder. Necessary steps are being initiated for constitution of Corporate Social Responsibility (CSR) Committee to formulate and recommend to the Board CSR Policy indicating therein activities to be undertaken as specified in Schedule VII, including amendments thereon. No expenditure incurred towards Corporate Social Responsibility during FY 2016-17.

14. Vigil Mechanism Policy:

Pursuant to Section 177 (9) of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 a Vigil Mechanism Policy was not established during the FY 2016-17 for directors and employees to report to the management instances of irregularity, unethical practices and /or misconduct. However the Policy was established during the FY 2018-19 and the details of such policy were communicated to all offices apart from disclosing in the Company's website www.tstransco.in.

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

Adhering to the provisions of the Act, an "Internal Complaints Committee", to prevent or deter the commission of acts of sexual harassment of Women Employees in TSTRANSCO, has been constituted. There were no complaints to the Committee during the FY 2016-17.

16. Particulars of Contracts or Arrangements with Related Parties:

During the year under review, no contract(s) or arrangement(s) entered into by the Company with related parties requiring disclosure under section 134 (3) (h) of the Companies Act, 2013.



17. Loans, Guarantees and Investments:

The Company, being an infrastructure company as classified under Schedule VI of the Companies Act, 2013, is exempt from the provisions as applicable to loans, guarantees and securities under Section 186 (11) of the Act. However, the details of investments made and loans given by the company are provided in the relevant notes to the financial statements.

18. Particulars of Employees

Particulars of Employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – Nil.

19. Directors' Responsibility Statement:

In compliance with the provisions of Section 134 (5) of the Companies Act, 2013, it is confirmed that—

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had 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 and loss of the company for that period;
- c) the directors had 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 had prepared the annual accounts on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) 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.

20. Other Statutory Disclosures

- The Company has not accepted any public deposits covered under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on deposits was outstanding as on 31st March, 2017.
- No significant or material orders were passed by the regulator or courts or tribunal impacting the going concern status and company's operations in future;
- Company maintains an adequate system of internal controls which ensures accurate and timely financial reporting of various transactions;



21. The Annual Report for FY 2014-15 and FY 2015-16 are under printing. On completion of printing, the same will be submitted to the Energy Department, Government of Telangana with a request to arrange to place the same before the members of State Legislature.

Acknowledgements

Your Directors express their gratitude to all the Stakeholders, Bankers, Financial Institutions, Regulatory Authorities, Government, Consumers, Suppliers, Officers and Staff for their continued support at all times and look forward to have the same in future endeavors. Directors are pleased to place on record their appreciation of the sincere and dedicated services of all the Employees at all levels.

For and on behalf of the Board of Directors

Sd/-

Chairman & Managing Director
TSTRANSCO

Place: Hyderabad.

Date: 01.03.2019



INDEPENDENT AUDITORS' REPORT

To

The Members of Transmission Corporation of Telangana Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of **Transmission Corporation of Telangana Limited** (the Company), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Ind AS financial statements.

Basis for Qualified Opinion

Section 53 of the Andhra Pradesh Re-Organisation Act, 2014 requires apportionment of the assets and liabilities of State Government Undertakings on the basis as specified therein. Accordingly, the assets and liabilities of Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) (State Government Undertaking) as at the commencement of business hours on 2nd June, 2014, in the manner specified therein, between the States of Andhra Pradesh and Telangana. The manner in which the said apportionment has been assessed by the Company and recognised in the Ind AS financial statements under report is as stated in Note 36 to the Ind AS financial statements.

- a) The Ind AS financial statements are prepared based on the assets and liabilities allocated to the Company pursuant to revised draft demerger plan which is subject to finalisation by respective Board of Directors of the Company and APTRANSCO and approval of respective State Governments. The impact on the accounts is not ascertained.
- b) Non-provisioning for gratuity, pension and leave encashment on actuarial basis as required under Ind AS 19 on "Employee Benefits". The impact on the accounts is not ascertained. (Note 22.1 and 22.2 to the Ind AS financial statements)
- c) The balances shown under Advance to suppliers (Note 6 to the Ind AS financial statements), Trade receivables (Note 9 to the Ind AS financial statements), Other receivables from APTRANSCO/DISCOMS (Note 6 (B) to the Ind AS financial statements), Advance from customers (Note 19 (B) to the Ind AS financial statements) and liability towards O&M works and Capital works (Note 14 and Note 15 to the Ind AS financial statements) are subject to confirmation and reconciliation and consequential adjustments, if any. The impact on the accounts is not ascertained.
- d) Investment in Andhra Pradesh Gas Power Corporation Limited is measured at cost instead of fair value as required under Ind AS 109 – "Financial Instruments". The impact on the accounts is not ascertained. (Note 4 to the Ind AS financial statements)
- e) Adjustment entries required if any, have not been passed for the unidentified balances of assets and liabilities of Rs.416.57 Lakhs (net credit) which are transferred by APTRANSCO on demerger pending review. The impact, if any on the accounts is not ascertained. (Note 40 to the Ind AS financial statements)
- f) Cash in Transit included in Bank balances of Rs.11.29 Lakhs, the details of which are not available. (Note 10.1 to the Ind AS financial statements)
- g) The Company has not calculated fair value of staff loans to the extent of Rs. 208.92 Lakhs as per Ind AS 109 – Financial Instruments. (Note 5 to the Ind AS financial statements)
- h) The Company has not calculated fair value of other financial liabilities as per Ind AS 109 – Financial Instruments. (Note 15 to the Ind AS financial statements)
- i) Classification of certain other financial liabilities (Note 15 to the Ind AS financial statements) into current and non-current portion is not made as per Schedule III to the Companies Act, 2013.



j) Material variations in values of certain assets and liabilities as adopted by the Company and as per the Revised draft demerger plan by APTRANSCO:

- i. Investment in GVK Power & Infrastructure Limited and Andhra Pradesh Gas Power Corporation Limited is considered as geographical location wise asset to Andhra Pradesh by APTRANSCO whereas the Company opined that since it is headquarters asset and apportioned on population basis. The Expert Committee opined the apportionment of these investments may be made as per the proposed APIDC Demerger Plan. However, the Company stands with its view of allocation of these investments on population ratio basis. This has an impact of increase in assets by Rs.1523.09 Lakhs (Note 36 (xx) (a) to the Ind AS financial statements)
- ii. In respect of the differences between assets and liabilities apportioned to the Company, APTRANSCO has shown as demerger adjustment account (receivable from the Company), whereas the Company has taken the said difference including the material variations as stated above to "Reorganization Resultant Reserve". The Expert Committee stated that this issue can be sorted out keeping in view generally accepted accounting principles for balancing of the accounts in a Balance sheet. The Company has decided to continue the difference between the assets and liabilities (including equity) under "Reorganization Resultant Reserve" only. (Note 36 (xx) (f) to the Ind AS financial statements)
- iii. Vidyut Soudha Building: As per the Expert Committee, the book value and physical division of the headquarters building of APTRANSCO as it appears in the audited balance sheet as on 02.06.2014 has to be apportioned between the organizations on the basis of the population ratio as per the Andhra Pradesh Reorganisation Act. However, the Company is of the view that only the book value of VidyutSoudha building has to be apportioned on population basis as mandated in Section 53 (1) (b) of the Andhra Pradesh Reorganisation Act, 2014. (Note 36 (xx) (g) to the Ind AS financial statements)
- iv. Corporate Training Institute Building: As per the Expert Committee, this facility must be apportioned on the basis of the clarification issued by Government of India, Home Ministry recently on the definition of "Headquarters" in terms of the Andhra Pradesh Reorganisation Act, 2014. However, the Company is of the view that the Corporate Training Institute Building at Hyderabad is an independent unit and is to be allocated to the Company on location basis. (Note 36 (xx) (h) to the Ind AS financial statements)

Emphasis of Matter

We draw attention to the following

- a) The Long term loans apportioned by APTRANSCO and availed from various Banks & Financial Institutions continue to be in the name of APTRANSCO. Debt service of such loans is met by the Company. Pending modification of charges created with Registrar of Companies, Hyderabad some of the assets allocated to the Company continue to be charged against the borrowings made by APTRANSCO. (Note 13.1 to the Ind AS financial statements)
- b) The Company has recognised an amount of Rs. 33007.97 Lakhs towards Pass-through gains on variations in Transmission Charges and SLDC Charges of Rs.593.34 Lakhs attributable to the current year. (Note 20.2 to the Ind AS financial statements)
- c) We have relied on the details of contingent liabilities as disclosed by the management in Note 32 to the Ind AS financial statements.

Our opinion is not modified in respect of these matters.



j) Material variations in values of certain assets and liabilities as adopted by the Company and as per the Revised draft demerger plan by APTRANSCO:

- i. Investment in GVK Power & Infrastructure Limited and Andhra Pradesh Gas Power Corporation Limited is considered as geographical location wise asset to Andhra Pradesh by APTRANSCO whereas the Company opined that since it is headquarters asset and apportioned on population basis. The Expert Committee opined the apportionment of these investments may be made as per the proposed APIDC Demerger Plan. However, the Company stands with its view of allocation of these investments on population ratio basis. This has an impact of increase in assets by Rs.1523.09 Lakhs (Note 36 (xx) (a) to the Ind AS financial statements)
- ii. In respect of the differences between assets and liabilities apportioned to the Company, APTRANSCO has shown as demerger adjustment account (receivable from the Company), whereas the Company has taken the said difference including the material variations as stated above to "Reorganization Resultant Reserve". The Expert Committee stated that this issue can be sorted out keeping in view generally accepted accounting principles for balancing of the accounts in a Balance sheet. The Company has decided to continue the difference between the assets and liabilities (including equity) under "Reorganization Resultant Reserve" only. (Note 36 (xx) (f) to the Ind AS financial statements)
- iii. Vidyut Soudha Building: As per the Expert Committee, the book value and physical division of the headquarters building of APTRANSCO as it appears in the audited balance sheet as on 02.06.2014 has to be apportioned between the organizations on the basis of the population ratio as per the Andhra Pradesh Reorganisation Act. However, the Company is of the view that only the book value of VidyutSoudha building has to be apportioned on population basis as mandated in Section 53 (1) (b) of the Andhra Pradesh Reorganisation Act, 2014. (Note 36 (xx) (g) to the Ind AS financial statements)
- iv. Corporate Training Institute Building: As per the Expert Committee, this facility must be apportioned on the basis of the clarification issued by Government of India, Home Ministry recently on the definition of "Headquarters" in terms of the Andhra Pradesh Reorganisation Act, 2014. However, the Company is of the view that the Corporate Training Institute Building at Hyderabad is an independent unit and is to be allocated to the Company on location basis. (Note 36 (xx) (h) to the Ind AS financial statements)

Emphasis of Matter

We draw attention to the following

- a) The Long term loans apportioned by APTRANSCO and availed from various Banks & Financial Institutions continue to be in the name of APTRANSCO. Debt service of such loans is met by the Company. Pending modification of charges created with Registrar of Companies, Hyderabad some of the assets allocated to the Company continue to be charged against the borrowings made by APTRANSCO. (Note 13.1 to the Ind AS financial statements)
- b) The Company has recognised an amount of Rs. 33007.97 Lakhs towards Pass-through gains on variations in Transmission Charges and SLDC Charges of Rs.593.34 Lakhs attributable to the current year. (Note 20.2 to the Ind AS financial statements)
- c) We have relied on the details of contingent liabilities as disclosed by the management in Note 32 to the Ind AS financial statements.

Our opinion is not modified in respect of these matters.

**Qualified Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, except for the matters disclosed in the Basis for Qualified Opinion paragraph, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 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.
2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure-B" on the directions and sub-directions issued by the Comptroller and Audit General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters described in the Basis for Qualified Opinion paragraph above.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - (d) Except for the effect of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.
 - (e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India; the provisions of sub-section (2) of section 164 of the Companies Act, 2013 are not applicable to the Company.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in the "Annexure - C".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i) The Company has disclosed the impact of all pending litigations on its financial position in its Ind AS financial statements. (Note 32 to the Ind AS financial statements)
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any 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) The Company has provided requisite disclosures in its Ind AS financial statements as to the holding of Specified Bank Notes on 8th November, 2016 and 30th December, 2016 as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of account maintained by the Company. (Note 46 to the Ind AS financial statements).

For M.Anandam& Co.,
Chartered Accountants
(Firm Regn. No. 000125S)

Sd/-
M.V.Ranganath
Partner
Membership No.028031

Place: Hyderabad
Date: 31 August, 2018

**Annexure-A to the Auditor's Report**

The Annexure referred to in our report to the members of the Company for the period ended on 31st March, 2017. We report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The management has not carried out physical verification of fixed assets during the period. As explained to us, the Company is in the process of designing a programme for physical verification of fixed assets having regard to the size of the Company and the nature of its business.
- (c) According to the information and explanations given to us, the land includes land apportioned to the Company pursuant to the Andhra Pradesh Reorganisation Act, 2014 along with lands acquired by the Company. It is informed by the management that the details of title deeds of immovable properties are under compilation. In the absence of details and furnishing of the title deeds, we are unable to comment whether the title deeds of immovable properties are held in the name of the Company or not.
- ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on such verification between the physical stocks and book records were not material.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a) to (c) of the Order is not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans, investments, guarantees and securities made.
- v) According to the information and explanations given to us, the Company has not accepted deposits from public. Accordingly, paragraph 3 (v) of the Order is not applicable.
- vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, value added tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at 31.03.2017 for a period of more than six months from the date they became payable except the following

Nature of Dues	Amount (Rs. in Lakhs)
Property Tax	68.14
Service Tax	3.37
Tax Deducted at source	7.77
Works Contract Tax	1.41
Labour Cess	0.23
Seignorage cess	0.44



(b) According to the information and explanations given to us and records of the Company examined by us, the particulars of income tax, sales tax, valued added tax, wealth tax, service tax, customs duty, excise duty or cess as at 31st March, 2017 which have not been deposited on account of any dispute pending, are as under:

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
APVAT Act, 2005	Entry Tax	4006.95	2002-03 To 2006-07	Supreme Court of India and High Court of Judicature at Hyderabad
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	287.92	2014-2015	High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax [#]	2200.70	2015-2016	High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax [#]	389.49	2016-2017	High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh
The Income tax Act, 1961	Income-tax [#]	1679.07	2014-2015	Commissioner of Income Tax Appeals, Hyderabad

Demands received after 31st March, 2017

Attention is drawn to Note 32 to the Ind AS financial statements regarding disputed statutory liabilities pending as on 01.06.2014 and to be bifurcated between the Company and APTRANSCO.

- viii) The Company has not defaulted in repayment of dues to financial institutions, banks and Government during the year except an amount of Rs.0.32 Lakh short paid in repayment of government loans. This amount is paid during the financial year 2017-18.
- ix) The Company did not raise any money by way of initial public offer or further public offer during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.



- xi) As per Notification No. GSR 463 (E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of the clause 3 (xi) of the Order are not applicable to the Company.
- xii) The Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable.

For M.Anandam& Co.,
Chartered Accountants
(Firm Regn. No. 000125S)

Sd/-

M.V.Ranganath
Partner
Membership No.028031

Place: Hyderabad
Date: 31 August, 2018

**Annexure-B to the Auditor's Report:**

Replies to the directions and Sub-Directions issued by the Comptroller and Audit General of India under Section 143(5) of the Companies Act, 2013.

Sl. No	Particulars	Auditors' Reply	Impact on Ind AS Financial Statements
I	Direction		
1.	Whether the Company has clear title / leased deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title / lease deeds are not available.	According to the information and explanations given to us the land includes land apportioned to the Company pursuant to the Andhra Pradesh Reorganisation Act, 2014 along with lands acquired by the Company. It is informed by the management that the details of title deeds of immovable properties held by the Company are under compilation. In the absence of details and furnishing of the title deeds, we are unable to comment whether the Company has clear title to the land owned and the extent of non-availability of title/ lease deeds.	Nil
2.	Please report whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	As per the information and explanations given to us, the Company has not given any waiver/write off debts/loans/interest etc. during the year.	Nil
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	a) According to information and explanations given to us, there are no cases of inventories lying with the third parties; b) The records of assets received as gift from Government or other authorities if any, apportioned to the Company under AP Re-Organisation Act, 2014 is yet to be handed over.	Nil
II	Sub-directions		
	We were not issued any Sub-directions by the C&AG for the year under report.		

For M.Anandam& Co.,
Chartered Accountants
(Firm Regn. No. 000125S)

Sd/-
M.V.Ranganath
Partner
Membership No.028031

Place: Hyderabad
Date: 31 August, 2018

**Annexure – C to the Independent Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Transmission Corporation of Telangana Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the Ind AS 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 the 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 that, 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M.Anandam& Co.,
Chartered Accountants
(Firm Regn. No. 000125S)

Sd/-

M.V.Ranganath
Partner
Membership No.028031

Place: Hyderabad
Date: 31 August, 2018

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

for the Financial Year ended March 31, 2017

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

To
The Members
Transmission Corporation of Telangana Limited
6-3-572, Vidyut Soudha, Khairtabad,
Hyderabad TG 500082 IN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Transmission Corporation of Telangana 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 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 Company for the financial year ended on 31st March, 2017 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 (**Not applicable to the Company during the audit period**);
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (**Not applicable to the Company during the audit period**);
- iv. 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**);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (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 **(Not applicable to the Company during the audit period);** and
 - (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 Obligations and Disclosure Requirements) Regulations, 2015; **(Not applicable to the company during the audit period)**
- vi. Other specifically applicable laws to the company:
- Electricity Act, 2003

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

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

- a. The Company has not complied with the provisions of Section 149 of the Companies Act, 2013 pertaining to the appointment of at least two Independent Directors and one women director on the board of the company.
- b. The Company has not complied with the provisions of Section 177 of the Companies Act, 2013 pertaining to the Composition of the members of the Audit Committee of the company.
- c. The Company has not complied with the provisions of Section 178 of the Companies Act, 2013 pertaining to the Constitution of the Nomination and Remuneration Committee of the company.
- d. The company hadn't conducted the Annual General Meeting for the F.Y. 2015-16 within 6 months from the closure of the First Financial Year of the Company.
- e. As the financial statements of the company for the F.Y. 2015-16 were not adopted during the year under review and we are unable to comment on the compliance of the provisions of Section 135 of the Companies Act, 2013 pertaining to the Corporate Social Responsibility.



- f. The company had not established the Vigil Mechanism in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014.

We further report that:

- The Board of Directors of the Company is **not** duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Except as stated above the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions at the Board Meetings have been carried out with requisite majority as recorded in the Minutes of the meetings of the Board of Directors.

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 such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

Sd/-

M B Suneel

Practicing Company Secretary

C.P.No:14449

M. No. : 31197

Place : Hyderabad

Date : 12.12.2018

**ANNEXURE-II**

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 TELANGANA LIMITED FOR THE YEAR ENDED 31 MARCH 2017.

The preparation of financial statements of Transmission Corporation of Telangana Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 31.08.2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of Transmission Corporation of Telangana Limited for the year ended 31 March 2017. 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, Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling better understanding of the financial statements and related audit report:

Comments on financial position:**Balance Sheet****Assets****Non-Current Assets****Capital work in progress (Note 3C) – Rs. 2760.07 crore**

1(a) The above includes an amount of Rs. 52.74 crore¹ being Headquarters charges, administration & general overheads and employee cost in respect of Operation & Maintenance (O&M) activities undertaken in O & M units. As per Ind AS 16, only direct costs attributable to bringing the asset has to be included in the cost of the PPE and administration & general overheads have to be excluded. Since headquarter charges, administration & general overheads & employee cost of O&M activities are not arising directly from construction or acquisition of asset, the same should have been charged off as expense which was not done. This has resulted in overstatement of CWIP and understatement of employee expense by Rs. 52.74 crore. Consequently, profit for the year is overstated by Rs. 52.74 crore.

(b) The above includes an amount of Rs.136.40 crore towards capitalization of borrowing cost. Though each scheme is specifically financed by an earmarked loan, the Company has capitalized interest proportionate to actual assets commissioned instead of the actual interest expenditure incurred against the assets which is not in accordance with Ind AS 23. The details of scheme -wise loans and assets capitalized though called for were not furnished. Hence the audit is unable to obtain vouchsafe the correctness of borrowing cost of Rs 136.40 crore capitalized in the books.

**Equity and liabilities****Non-current liabilities – Rs 9211.72 crore****Other Financial Liabilities (Note 15) - Rs. 1731.52 crore**

2. The above is understated by Rs 417.80 crore representing Company's share in bonds issued by the combined APTRANSCO. The Bonds outstanding liability was apportioned to the State of Telangana and an amount of Rs 417.80 crore is liable to be serviced towards the same. The Liability towards the bonds are being discharged by the Company on behalf of Government of Telangana (GoT) pending the receipt of the funds from the same but the same are not being accounted in the Company's books. Non-accounting of the outstanding liability and bonds interest has resulted in understatement of Other Non current Assets (Amounts receivable from GoTs) and Other Financial liabilities (Amounts payable to APTRANSCO) by Rs 417.80 crore.

Provisions (note 16) – Rs 503.94 crore**Pension and Gratuity (note 16A) – Rs 434.30 crore**

3. The liability towards Pension & Gratuity in respect of the employees appointed prior to 01.02.1999 attributable to the period upto the date of First Transfer Scheme i.e., 01.02.1999 rests with Andhra Pradesh Electricity Employees Master Pension & Gratuity Trust and the liability for the service rendered from 01.02.1999 to the Balance Sheet date lies with the Company. As per the Inter Trust Agreement, an actuarial valuation has to be conducted periodically in respect of the employees who have retired post January 31, 1999 to estimate the financial year's actuarial valuation split between past (i.e, prior to January 31, 1999) and future (post January 31, 1999) liabilities, based on prevailing actuarial assumptions. However, no actuarial valuation was conducted (since 2014-15) and the split was not arrived and the Company continues to provide liability @ 26% which is not correct resulting in understatement of Provision towards Employee Benefits and Contribution to pension, gratuity. The details of total liability for the Company's employees and the share in master trust were not available due to which Audit could not ascertain the quantum of short provision.

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

Sd/-

(Rebecca Mathai)

Principal Accountant General (Audit)

Place : Hyderabad

Date : 22.02.2019

¹ Rs.30.60 crore (Headquarters charges calculated @ 1.5 % of CWIP additions during the year) + Rs. 1.37 crore –administration and general overheads of O & M units + Rs. 20.77 crore (employee cost of O & M cost centres)

**ANNEXURE-III (A)****Management's replies to the comments of the Statutory Auditors:**

S.No.	Statutory Auditors comments	Management Replies
	Basis for Qualified Opinion	
	Section 53 of the Andhra Pradesh Re-Organisation Act, 2014 requires apportionment of the assets and liabilities of State Government Undertakings on the basis as specified therein. Accordingly, the assets and liabilities of Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) (State Government Undertaking) as at the commencement of business hours on 2 nd June, 2014, in the manner specified therein, between the States of Andhra Pradesh and Telangana. The manner in which the said apportionment has been assessed by the Company and recognised in the Ind AS financial statements under report is as stated in Note 36 to the Ind AS financial statements.	Informative.
a)	The Ind AS financial statements are prepared based on the assets and liabilities allocated to the Company pursuant to revised draft demerger plan which is subject to finalisation by respective Board of Directors of the Company and APTRANSCO and approval of respective State Governments. The impact on the accounts is not ascertained.	On finalization of demerger plan, necessary adjustments for the variations if any, will be considered in the books of accounts of the Company in the year in which the said plan is approved and notified. (Note 36 of 'Notes to Financial Statements').
b)	Non-provisioning for gratuity, pension and leave encashment on actuarial basis as required under Ind AS 19 on "Employee Benefits". The impact on the accounts is not ascertained. (Note 22.1 and 22.2 to the Ind AS financial statements)	Consequent to bifurcation of State of Andhra Pradesh, the employees working in the Telangana Region are working in the Company on geographical basis whereas the employees working in Head Quarters were allocated between two entities on provisional basis. Pending final allocation of employees, the Company has not taken up the actuarial valuation. However, the contribution towards Pension & Gratuity in respect of employees appointed prior to 01.02.1999 was provided @33.15% and Contribution towards Gratuity in respect of the employees appointed after 01.02.1999 was provided @6.08%. Further, provision equivalent to one month's salary has been provided towards Earned Leave Encashment. (Note 22.1 & 22.2 of 'Notes to Financial Statements').



S.No.	Statutory Auditors comments	Management Replies
c)	The balances shown under Advance to suppliers (Note 6 to the Ind AS financial statements), Trade receivables (Note 9 to the Ind AS financial statements), Other receivables from APTRANSCO/ DISCOMS (Note 6 (B) to the Ind AS financial statements), Advance from customers (Note 19 (B) to the Ind AS financial statements) and liability towards O&M works and Capital works (Note 14 and Note 15 to the Ind AS financial statements) are subject to confirmation and reconciliation and consequential adjustments, if any. The impact on the accounts is not ascertained. (Note 48 of "Notes to Financial Statements").	The Company is in the process of obtaining the confirmations. (Note 48 of "Notes to Financial Statements").
d)	Investment in Andhra Pradesh Gas Power Corporation Limited is measured at cost instead of fair value as required under Ind AS 109 – "Financial Instruments". The impact on the accounts is not ascertained. (Note 4 to the Ind AS financial statements)	The investment in Andhra Pradesh Gas Power Corporation Limited is not carried at fair value as on Balance Sheet date in the absence of proper information and details. (Note 4 of "Notes to Financial Statements").
e)	Adjustment entries required if any, have not been passed for the unidentified balances of assets and liabilities of Rs.416.57 Lakhs (net credit) which are transferred by APTRANSCO on demerger pending review. The impact, if any on the accounts is not ascertained. (Note 40 to the Ind AS financial statements)	Informative (Note 40 of "Notes to Financial Statements")
f)	Cash in Transit included in Bank balances of Rs.11.29 Lakhs, the details of which are not available. (Note 10.1 to the Ind AS financial statements)	An amount of Rs.11.29 lakhs was allocated to the company consequent to the demerger of composite APTRANSCO without furnishing any details. However, the company is in the process of review. (Note 10.1 of "Notes to Financial Statements").
g)	The Company has not calculated fair value of staff loans to the extent of Rs. 208.92 Lakhs as per Ind AS 109 – Financial Instruments. (Note 5 to the Ind AS financial statements)	Noted (Note 5 (A) of "Notes to Financial Statements").
h)	The Company has not calculated fair value of other financial liabilities as per Ind AS 109 – Financial Instruments. (Note 15 to the Ind AS financial statements)	Noted (Note 15 (A) of "Notes to Financial Statements").
i)	Classification of certain other financial liabilities (Note 15 to the Ind AS financial statements) into current and non-current portion is not made as per Schedule III to the Companies Act, 2013.	Noted
j)	Material variations in values of certain assets and liabilities as adopted by the Company and as per the Revised draft demerger plan by APTRANSCO: i) Investment in GVK Power & Infrastructure Limited and	



S.No.	Statutory Auditors comments	Management Replies
	<p>Andhra Pradesh Gas Power Corporation Limited is considered as geographical location wise asset to Andhra Pradesh by APTRANSCO whereas the Company opined that since it is headquarters asset and apportioned on population basis. The Expert Committee opined the apportionment of these investments may be made as per the proposed APIDC Demerger Plan. However, the Company stands with its view of allocation of these investments on population ratio basis. This has an impact of increase in assets by Rs.1523.09 Lakhs (Note 36 (xx) (a) to the Ind AS financial statements)</p> <p>ii) In respect of the differences between assets and liabilities apportioned to the Company, APTRANSCO has shown as demerger adjustment account (receivable from the Company), whereas the Company has taken the said difference including the material variations as stated above to "Reorganization Resultant Reserve". The Expert Committee stated that this issue can be sorted out keeping in view generally accepted accounting principles for balancing of the accounts in a Balance sheet. The Company has decided to continue the difference between the assets and liabilities (including equity) under "Reorganization Resultant Reserve" only. (Note 36 (xx) (f) to the Ind AS financial statements)</p> <p>iii) Vidyut Soudha Building: As per the Expert Committee, the book value and physical division of the headquarters building of APTRANSCO as it appears in the audited balance sheet as on 02.06.2014 has to be apportioned between the organizations on the basis of the population ratio as per the Andhra Pradesh Reorganisation Act. However, the Company is of the view that only the book value of Vidyut Soudha building has to be apportioned on population basis as mandated in Section 53 (1) (b) of the Andhra Pradesh Reorganisation Act, 2014. (Note 36 (xx) (g) to the Ind AS financial statements)</p>	<p>On finalization of demerger plan, necessary adjustments for the variations if any, will be considered in the books of accounts of the Company in the year in which the said plan is approved and notified.</p> <p>(Note No.36 of "Notes to Financial Statements").</p>
	<p>iv) Corporate Training Institute Building: As per the Expert Committee, this facility must be apportioned on the basis of the clarification issued by Government of India, Home Ministry recently on the definition of "Headquarters" in terms of the Andhra Pradesh Reorganisation Act, 2014. However, the Company is of the view that the Corporate Training Institute Building at Hyderabad is an independent unit and is to be allocated to the Company on location basis. (Note 36 (xx) (h) to the Ind AS financial statements)</p>	



S.No.	Statutory Auditors comments	Management Replies
	Emphasis of Matter :	
	We draw attention to the following	
a)	The Long term loans apportioned by APTRANSCO and availed from various Banks & Financial Institutions continue to be in the name of APTRANSCO. Debt service of such loans is met by the Company. Pending modification of charges created with Registrar of Companies, Hyderabad some of the assets allocated to the Company continue to be charged against the borrowings made by APTRANSCO. (Note 13.1 to the Ind AS financial statements).	Informative.
b)	The Company has recognised an amount of Rs. 33007.97 Lakhs towards Pass-through gains on variations in Transmission Charges and SLDC Charges of Rs.593.34 Lakhs attributable to the current year. (Note 20.2 to the Ind AS financial statements).	Informative.
c)	We have relied on the details of contingent liabilities as disclosed by the management in Note 32 to the Ind AS financial statements.	Informative.
	<p>Our opinion is not modified in respect of these matters.</p> <p>Qualified Opinion:</p> <p>In our opinion and to the best of our information and according to the explanations given to us, except for the matters disclosed in the Basis for Qualified Opinion paragraph, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the financial position of the Company as at 31st March, 2017, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.</p>	Informative.

For and on behalf of the Board of Directors

Sd/-

Chairman & Managing Director
TSTRANSCO

Place: Hyderabad.
Date: 01.03.2019



Management's replies to the comments of the C&AG Auditors:

S.No.	C&AG Auditors comments	Management Replies
1(a)	<p>Comments on financial position: Balance Sheet - Assets - Non-Current Assets Capital work in progress (Note 3C) – Rs.2760.07 crore The above includes an amount of Rs. 52.74 crore¹ being Headquarters charges, administration & general overheads and employee cost in respect of Operation & Maintenance (O&M) activities undertaken in O & M units. As per Ind AS 16, only direct costs attributable to bringing the asset has to be included in the cost of the PPE and administration & general overheads have to be excluded. Since headquarter charges, administration & general overheads & employee cost of O&M activities are not arising directly from construction or acquisition of asset, the same should have been charged off as expense which was not done. This has resulted in overstatement of CWIP and understatement of employee expense by Rs. 52.74 crore. Consequently, profit for the year is overstated by Rs. 52.74 crore.</p>	<p>Keeping in view the Ind AS provisions, the Company changed its practice of capitalizing head quarters expenses to Property, Plant and Equipment from FY 2017-18 onwards, as viewed by the audit.</p>
1(b)	<p>The above includes an amount of Rs.136.40 crore towards capitalization of borrowing cost. Though each scheme is specifically financed by an earmarked loan, the Company has capitalized interest proportionate to actual assets commissioned instead of the actual interest expenditure incurred against the assets which is not in accordance with Ind AS 23. The details of scheme -wise loans and assets capitalized though called for were not furnished. Hence the audit is unable to obtain vouchsafe the correctness of borrowing cost of Rs 136.40 crore capitalized in the books.</p>	<p>Since, the Company executes the number of schemes by availing term loans from various Banks/Financial Institutions, identification of interest expenditure incurred on various ongoing projects (project wise) is difficult exercise. As such, the interest expenditure attributable to the Capital Work in Progress (CWIP) has been calculated and provided as per the methodology prescribed in the Electricity (Supply) Annual Accounts Rules, 1985.</p> <p>The same procedure/methodology is being followed consistently from the incorporation of the erstwhile composite APTRANSCO as well as the Company. However, the Company is in the process</p>

¹ Rs.30.60 crore (Headquarters charges calculated @ 1.50% of CWIP additions during the year) + Rs. 1.37 crore –administration and general overheads of O & M units + Rs. 20.77 crore (employee cost of O & M cost centres)



		of identification of work wise interest expenditure and accordingly the Interest During Construction (IDC) will be calculated and accounted in due course.
2	<p>Equity and liabilities</p> <p>Non-current liabilities – Rs 9211.72 crore</p> <p>Other Financial Liabilities (Note 15) - Rs. 1731.52 crore</p> <p>The above is understated by Rs 417.80 crore representing Company's share in bonds issued by the combined APTRANSCO. The Bonds outstanding liability was apportioned to the State of Telangana and an amount of Rs 417.80 crore is liable to be serviced towards the same. The Liability towards the bonds are being discharged by the Company on behalf of Government of Telangana (GoT) pending the receipt of the funds from the same but the same are not being accounted in the Company's books. Non-accounting of the outstanding liability and bonds interest has resulted in understatement of Other Non current Assets (Amounts receivable from GoTs) and Other Financial liabilities (Amounts payable to APTRANSCO) by Rs 417.80 crore</p>	<p>The said bonds liability of Rs.417.80 crore outstanding as at the balance sheet date was guaranteed by the State Government for repayment of principal and interest on the due dates with budgetary support as per the terms and conditions vide G.O.Ms.No.30, Energy (Pr.III), Dt.09.03.2006. Since, the same is receivable from State Government and payable to the bondholders, the company as well as APTRANSCO (in composite State of Andhra Pradesh) have not accounted for in books of accounts. However, the same will be accounted in FY 2017-18 keeping in view the comment by the C&AG. There is no impact on the financials of the Company except for increase in Assets and Liabilities in Balance Sheet.</p>
3	<p>Provisions (note 16) – Rs 503.94 crore</p> <p>Pension and Gratuity (note 16A) – Rs 434.30 crore</p> <p>The liability towards Pension & Gratuity in respect of the employees appointed prior to 01.02.1999 attributable to the period upto the date of First Transfer Scheme i.e., 01.02.1999 rests with Andhra Pradesh Electricity Employees Master Pension & Gratuity Trust and the liability for the service rendered from 01.02.1999 to the Balance Sheet date lies with the Company. As per the Inter Trust Agreement, an actuarial valuation has to be conducted periodically in respect of the employees who have retired post January 31, 1999 to estimate the financial year's actuarial valuation split between past (i.e, prior to January 31, 1999) and future (post January 31, 1999) liabilities, based on prevailing actuarial assumptions. However, no actuarial valuation was conducted (since 2014-15) and the split was not arrived and the Company continues to provide liability</p>	<p>The Company is in the process obtaining the Actuarial Valuation. While obtaining the actuarial valuation report, a split for the liability attributable to the past period i.e, prior to 01.02.1999 and post service will be arrived. Accordingly, necessary liability will be recognized in the books of accounts.</p>



	@ 26% which is not correct resulting in understatement of Provision towards Employee Benefits and Contribution to pension, gratuity. The details of total liability for the Company's employees and the share in master trust were not available due to which Audit could not ascertain the quantum of short provision.	
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For and on behalf of the Board of Directors

Sd/-
Chairman & Managing Director
TSTRANSCO

Place: Hyderabad.
Date: 01.03.2019

**ANNEXURE-III (C)****Management's replies to the comments of the Secretarial Auditor**

S.No	observations of the Secretarial Auditor	Reply to the observations of the Secretarial Auditor
1.	The Company has not complied with the provisions of Section 149 of the Companies Act, 2013 pertaining to the appointment of at least two Independent Directors and one women director on the board of the company.	The Company is a State Government Company, the power to appoint Directors on the Board of the Company vests with the Government of Telangana, Energy Department. The Government was apprised of the requirements of appointment of the requisite Independent Directors including women Director. On appointment of above said required Directors on the Board, the Company will be in the position to comply with the provisions of section 149 and to constitute the committees as per the provisions of Sections 177 and 178 of the Companies Act, 2013.
2	The Company has not complied with the provisions of Section 177 of the Companies Act, 2013 pertaining to the Composition of the members of the Audit Committee of the company.	
3	The Company has not complied with the provisions of Section 178 of the Companies Act, 2013 pertaining to the Constitution of the Nomination and Remuneration Committee of the company.	
4	The company hadn't conducted the Annual General Meeting for the F.Y. 2015-16 within 6 months from the closure of the First Financial Year of the Company.	Noted. AGM has been adjourned for want of audited accounts of the Company and the adjourned meeting was conducted on the 23.05.2018.
5	As the financial statements of the company for the F.Y. 2015-16 were not adopted during the year under review and we are unable to comment on the compliance of the provisions of Section 135 of the Companies Act, 2013 pertaining to the Corporate Social Responsibility.	Noted.
6	The company had not established the Vigil Mechanism in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014.	Noted. However the Vigil Mechanism Policy was adopted by the Board in its Meeting held on 02.11.2018

For and on behalf of the Board of Directors

Sd/-

Chairman & Managing Director
TSTRANS CO

Place: Hyderabad.

Date: 01.03.2019

**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN**

(as on the financial year ended on March 31, 2017)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS**

(i)	CIN	U40102TG2014SGC094248
(ii)	Registration Date	29/05/2014
(iii)	Name of the Company	Transmission Corporation of Telangana Limited
(iv)	Category/Sub-Category of the Company	Company Limited by Shares / State Government Company
(v)	Address of the Registered Office and Contact Details-	
	Address	6-3-572, Vidyut Soudha, Khairatabad, Hyderabad-500 082. TELANGANA
	Contact Details	Phone No: 91-40-23317628 Fax No.- 91-40-23317628
(vi)	Whether Listed Company (Yes/No)	No
(vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any-	-- Not applicable --

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-**

Sl. No.	Name and Description of main products / services	NIC Code of the Product/Service	% to total turnover of the Company
1	Transmission of electric energy	35107	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON MARCH 31, 2015

Sl. No.	Name of the Company	Address of the Registered Office	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
-- NIL --						



IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK-UP AS PERCENTAGE OF TOTALEQUITY)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0.00
b) Central Govt.	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	50000	50000	100.00	0	50000	50000	100.00	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (1)	0	50000	50000	100.00	0	50000	50000	100.00	0
2. Foreign									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	50000	50000	100.00	0	50000	50000	100.00	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corporate									
b) Individuals									
c) Others (specified below)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	0	50000	50000	100.00	0	50000	50000	100.00	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Government of Telangana	50000	100.00	0.00	50000	100.00	0.00	0.00
	Total	50000	100.00	0.00	50000	100.00	0.00	0.00



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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year ended	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	The Government of Telangana				
	At the beginning of the year	50000	100.00	50000	100.00
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)	-NIL-			
	At the end of the year	50000	100.00	50000	100.00

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Increase / Decrease in shareholding		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
-- NIL --							



(v) Shareholding of Directors and Key Managerial Personnel (KMP)

Sl. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Sri Arvind Kumar, Non-whole time Director (holding shares on behalf of the Government of Telangana)				
	At the beginning of the year	49400	98.80	0	0
	Date wise increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc):	(49400) Govt has changed his nomination	(98.80)	0	0
	At the end of the year	0	0	0	0
2.	Sri. D Prabhakar Rao , CMD (holding shares on behalf of the Government of Telangana)				
	At the beginning of the year	100	0.2	100	0.2
	Date wise increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc):	0	0	0	0
	Transfer				
	At the end of the year	100	0.2	100	0.2
3.	Sri. T Jagath Reddy, Director (Transmission) (holding shares on behalf of the Government of Telangana)				
	At the beginning of the year	100	0.2	100	0.2
	Date wise increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc):	0	0	0	0
	Transfer				
	At the end of the year	100	0.2	100	0.2
4.	Sri. G Narsing Rao, Director (Projects & Grid Operation) (holding shares on behalf of the Government of Telangana)				
	At the beginning of the year	100	0.2	100	0.2
	Date wise increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc):	0	0	0	0
	Transfer				
	At the end of the year	100	0.2	100	0.2



ANNUAL ACCOUNTS FY 2016-17

Sri Ajay Misra, Non-whole time Director (holding shares on behalf of the Government of Telangana)				
At the beginning of the year	0	0	0	0
Date wise increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc):	49400 Govt. Nominated as shareholder	98.80	49400 Govt. Nominated as shareholder	98.80
At the end of the year	49400	98.80	49400	98.80

V. INDEBTEDNESS

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

(` in crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3122.83	687.56	-	3810.39
ii) Interest due but not paid	-	35.98	-	35.98
iii) Interest accrued but not due	22.19	-	-	22.19
Total (i+ii+iii)	3145.02	723.54	-	3868.56
Change in Indebtedness during the financial year				
* Addition	1654.72	-	-	1654.72
* (Reduction)	(248.99)	(48.64)	-	(297.63)
* Foreign Exchange gain / loss	-	-	-	-
Net Change	1405.73	(48.64)	-	1357.09
Indebtedness at the end of the financial year				
i) Principal Amount	4528.56	638.92	-	5167.48
ii) Interest due but not paid	-	6.88	-	6.88
iii) Interest accrued but not due	20.83	-	-	20.83
Total (i+ii+iii)	4549.4	645.80	-	5195.19


VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole Time Directors and/or Manager

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Sri D. Prabhakar Rao, CMD	Sri C. Srinivasa Rao, JMD	Sri T. Jagath Reddy, Whole-Time Director	Sri. J Surya Prakash, Director
1	Gross Salary	0	26,71,046	20,67,312	20,67,312
	a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961				
	b) Value of Perquisites under Section 17 (2) of the Income Tax Act, 1961				
	c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	: as % of profit				
	: other, specify				
5	Other, as specified below				
	- Employer Statutory PF Contribution				
	- Employer Statutory Pension Contribution				
	Total (A)	0	26,71,046	20,67,312	20,67,312
	Ceiling as per the Act	Exempt for Government Companies as per MCA Notification dated June 5, 2015			

Sl. No.	Particulars of Remuneration	Sri G. Narsing Rao, Whole -Time Director	Total
1	Gross Salary	20,39,000	88,44,670
	a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961		
	b) Value of Perquisites under Section 17 (2) of the Income Tax Act, 1961		
	c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	: as % of profit		
	: other, specify		
5	Other, as specified below		
	- Employer Statutory PF Contribution		
	- Employer Statutory Pension Contribution		
	Total (A)	20,39,000	88,44,670
	Ceiling as per the Act		



ANNUAL ACCOUNTS FY 2016-17

B. Remuneration to other Directors

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Independent Directors		Government Nominee Director	Government Nominee Director	Government Nominee Director	Total Amount
				Sri Arvind Kumar	Sri Ajay Misra	Sri K. Ramakrishna Rao	
1	Independent Directors						
	* Fee for attending Board/Committee meetings						
	* Commission						
	* Others (Refer Note @ below)						
	Total (1)						
2	Other Non- Executive Directors						
	* Fee for attending Board/Committee meetings			2000	1500	1500	5000
	* Commission						
	* Others, please specify						
	Total (2)						
	Total (B) =(1+2)			2000	1500	1500	5000
	Total Managerial Remuneration (A+B)						5000
	Overall Ceiling as per the Act			Exempt for Government Companies as per MCA Notification dated June 5, 2015			

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		CEO	Company Secretary Smt. G. P. R. Hrudaya	Company Secretary Sri. A Srinivas Vijay Kumar	CFO G Srinivas	
1	Gross Salary		3,45,161	11,35,326	27,98,098	42,87,585
	a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961					
	b) Value of Perquisites under Section 17 (2) of the Income Tax Act, 1961					
	c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	: as % of profit					
	: other, specify					
5	Other, as specified below					
	- Employer Statutory PF Contribution					
	- Employer Statutory Pension Contribution					
	Total (C)		3,45,161	11,35,326	27,98,098	42,87,585

Note: Being a Government Company, the role of CEO is being performed by "CMD, TSTRANSCO" and the role of CFO is being performed by "FA & CCA (Accounts), TSTRANSCO".


VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Sl. No.	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (give details)
A.	COMPANY					
	Penalty			NIL		
	Punishment					
	Compounding					
B.	DIRECTORS					
	Penalty			NIL		
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty			NIL		
	Punishment					
	Compounding					

For and on behalf of the Board of Directors

Sd/-
Chairman & Managing Director
TSTRANSCO

Place: Hyderabad.
Date: 01.03.2019



ANNUAL ACCOUNTS FY 2016-17

Transmission Corporation of Telangana Limited Balance Sheet As at 31 March 2017

In lakhs of INR

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Assets				
Non-current assets				
Property, plant and equipment	3A	6,20,376.41	4,83,950.08	3,17,835.96
Intangible assets	3B	810.70	77.10	95.17
Capital work-in-progress	3C	2,76,007.64	2,10,932.19	2,33,457.56
Financial assets				
Investments	4	37,114.84	37,137.53	38,796.73
Loans	5	1,11,792.78	1,00,043.84	1,00,888.59
Other non-current assets	6	2,839.60	3,409.16	4,006.44
Income Tax Assets (Net)	7	5,809.82	6,849.66	2,629.02
Total non-current assets		10,54,751.79	8,42,399.56	6,97,709.47
Current assets				
Inventories	8	8,504.42	10,552.58	13,796.19
Financial assets				
Trade receivables	9	1,22,522.12	52,126.12	25,886.48
Cash and cash equivalents	10	6,570.32	4,496.01	4,789.98
Loans	5	463.64	474.93	379.90
Other financial assets	11	1,318.83	8,291.56	1,729.10
Other current assets	6	8,911.86	3,555.19	1,514.69
Total current assets		1,48,291.19	79,496.39	48,096.34
Total assets		12,03,042.98	9,21,895.95	7,45,805.81
Equity and liabilities				
Equity				
Equity share capital	12A	5.00	5.00	5.00
Other equity	12B	65,273.98	47,344.46	37,697.37
Total equity		65,278.98	47,349.46	37,702.37
Reorganisation resultant reserve		78,054.45	78,054.45	78,805.79
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	13	4,56,228.49	3,52,108.05	2,72,440.78
Other financial liabilities	15	1,73,152.71	1,44,924.09	90,521.40
Provisions	16	50,393.67	50,393.67	50,393.67
Deferred consumer contributions towards Property, plant and equipment	17	41,144.02	36,388.11	36,030.32
Deferred tax liabilities (net)	18	24,648.35	23,058.10	18,049.95
Other non-current liabilities	19	1,75,604.35	98,936.81	96,545.41
Total non-current liabilities		9,21,171.59	7,05,808.83	5,63,981.53
Current liabilities				
Financial liabilities				
Trade payables	14	9,680.39	5,293.37	1,230.68
Other financial liabilities	15	1,16,432.99	74,008.31	47,674.66
Provisions	16	2,148.97	1,546.40	2,372.26
Deferred consumer contributions towards Property, plant and equipment	17	6,036.99	5,502.41	4,815.68
Other current liabilities	19	4,238.62	4,332.72	9,222.84
Total current liabilities		1,38,537.96	90,683.21	65,316.12
Total liabilities		11,37,764.00	8,74,546.49	7,08,103.44
Total equity and liabilities		12,03,042.98	9,21,895.95	7,45,805.81

See accompanying notes forming part of the financial statements.
In terms of our report attached

For M.Anandam & Co.,
Chartered Accountants
Firm Regn. No.000125S

sd/-
M.V. Ranganath
Partner
Membership no.: 028031

Place: Hyderabad
Date: 31 August 2018

For and on behalf of the Board of
Transmission Corporation of Telangana Limited

sd/-
D.Prabhakar Rao
Chairman & Managing
Director

sd/-
C.Srinivasa Rao
Joint Managing Director
(Finance, Comm., &
HRD)

sd/-
G.Srinivas
Financial Adviser &
Chief Controller of
Accounts (Accounts) & CFO

sd/-
Ravi Kumar Suluva
Company Secretary



Transmission Corporation of Telangana Limited
Statement of Profit and Loss for the year ended 31 March 2017

In lakhs of INR

	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenues			
Revenue from operations	20	1,44,347.64	1,00,800.36
Other income	21	2,523.58	4,065.05
Total income		1,46,871.22	1,04,865.41
Expenses			
Employee benefits expense	22	24,683.98	21,436.45
Finance costs	23	34,773.21	23,496.73
Depreciation and amortization expense	24	43,219.64	28,542.18
Other expenses	25	17,600.84	13,756.50
Total expenses		1,20,277.67	87,231.86
Profit before tax		26,593.55	17,633.55
Tax expense			
(i) Current tax (net of MAT credit entitlement)	26	787.62	631.58
(ii) Deferred tax	26	7,876.38	7,354.90
Profit for the year		17,929.55	9,647.07
Other comprehensive income		-	-
Total comprehensive income for the year		17,929.55	9,647.07
Earnings per equity share - par value of INR 10 per share			
Basic	35	35,859.10	19,294.14
Diluted	35	35,859.10	19,294.14

See accompanying notes forming part of the financial statements.
In terms of our report attached

For M.Anandam & Co.,
Chartered Accountants
Firm Regn. No.000125S

Sd/-
M.V. Ranganath
Partner
Membership no.: 028031

Place: Hyderabad
Date: 31 August 2018

For and on behalf of the Board of
Transmission Corporation of Telangana Limited

Sd/-
D.Prabhakar Rao
Chairman & Managing
Director

Sd/-
C.Srinivasa Rao
Joint Managing Director
(Finance, Comm., &
HRD)

Sd/-
G.Srinivas
Financial Adviser &
Chief Controller of
Accounts (Accounts) & CFO

Sd/-
Ravi Kumar Suluva
Company Secretary



ANNUAL ACCOUNTS FY 2016-17

Transmission Corporation of Telangana Limited Statement of Cash Flows For the year ended 31 March 2017

In lakhs of INR

	For the year ended 31 March 2017	For the year ended 31 March 2016
Cash flow from operating activities		
Profit before tax	26,593.55	17,633.55
<i>Adjustments for</i>		
Depreciation expenses	43,219.64	28,542.18
Fair value of investments	22.69	70.71
Income from investments	(1,301.99)	(1,344.70)
Interest on investments under contingency reserve	(362.05)	(353.18)
Prepaid employee cost on loans and advances to staff	(8.99)	(27.92)
Amortisation of grant income	(6,036.99)	(5,502.41)
Interest on term loans from banks	3,280.49	3,600.25
Interest on term loans from financial institutions and others	45,115.11	31,584.58
Material cost variance	161.86	27.85
Appropriations to other reserves	-	(751.34)
Change in operating assets and liabilities		
Increase in trade receivables	(70,396.00)	(26,239.64)
Decrease in inventories	1,886.31	3,215.74
Increase in other assets	(9,615.93)	(4,544.28)
Decrease/(Increase) in loans	(11,728.65)	777.63
Decrease/(Increase) in other financial assets	7,041.74	(6,884.92)
Increase in other financial liabilities	91,509.82	54,916.16
Increase in other liabilities	76,573.45	(2,498.75)
Increase in trade payables	4,387.02	4,062.69
Increase/(Decrease) in provisions	602.57	(825.85)
Cash generated from operations	2,00,943.65	95,458.35
Income taxes paid	(1,700.00)	(3,636.47)
Net cash from operating activities	1,99,243.65	91,821.88
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,60,536.75)	(1,51,249.85)
Reallocation of allotment of bonds in the process of demerger	-	1,588.49
Interest income from investments	1,267.85	1,703.19
Interest income on investments under contingency reserve	327.19	317.15
Net cash used in investing activities	(2,58,941.71)	(1,47,641.02)
Cash flows from financing activities		
Proceeds from/(Repayment of) borrowings	1,04,120.44	79,667.28
Grants received	11,327.44	6,546.93
Interest paid on borrowings	(53,675.51)	(30,689.04)
Net cash from financing activities	61,772.37	55,525.17
Net increase/(decrease) in cash and cash equivalents	2,074.31	(293.97)
Cash and cash equivalents at the beginning of the year	4,496.01	4,789.98
Cash and cash equivalents at the end of the year	6,570.32	4,496.01
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	5,270.32	3,448.99
- Deposit accounts	1,300.00	1,047.02
Total	6,570.32	4,496.01

See accompanying notes forming part of the financial statements.
In terms of our report attached

For M.Anandam & Co.,
Chartered Accountants
Firm Regn. No.0001255

Sd/-
M.V. Ranganath
Partner
Membership no.: 028031

Place: Hyderabad
Date: 31 August 2018

For and on behalf of the Board of
Transmission Corporation of Telangana Limited

Sd/- Sd/-
D.Prabhakar Rao **C.Srinivasa Rao**
Chairman & Managing Joint Managing Director
Director (Finance, Comm'l., & HRD)

Sd/- Sd/-
G.Srinivas **Ravi Kumar Suluva**
Financial Adviser & Company Secretary
Chief Controller of
Accounts (Accounts) & CFO



Transmission Corporation of Telangana Limited
Statement of Changes in Equity
As at 31 March 2017

In lakhs of INR

A. Equity share capital

Particulars	Amount
As at 1 April 2015	5.00
Changes in equity share capital	-
As at 31 March 2016	5.00
Changes in equity share capital	-
As at 31 March 2017	5.00

B. Other equity

Particulars	Reserves and surplus				Total
	Retained earnings	Contingency reserve	Capital reserve	Restructuring reserve	
Balance as at 1 April 2015	20,090.64	3,261.51	459.59	13,885.63	37,697.37
Profit for the year	9,647.07	-	-	-	9,647.07
Amount added/(deducted) to contingency reserve	(303.37)	303.37	-	-	-
Total comprehensive income for the year	9,343.70	303.37	-	-	9,647.07
Balance at 31 March 2016	29,434.36	3,564.88	459.59	13,885.63	47,344.46
Balance as at 1 April 2016	29,434.36	3,564.88	459.59	13,885.63	47,344.46
Profit for the year	17,929.54	-	-	-	17,929.55
Amount added/(deducted) to contingency reserve	(164.33)	164.33	-	-	-
Total comprehensive income for the year	17,765.21	164.33	-	-	17,929.55
Balance at 31 March 2017	47,199.55	3,729.21	459.59	13,885.63	65,273.98

See accompanying notes forming part of the financial statements.
In terms of our report attached

For M.Anandam & Co.,
Chartered Accountant
Firm Regn. No.0001255

Sd/-
M.V. Ranganath
Partner
Membership no.: 028031

Place: Hyderabad
Date: 31 August 2018

For and on behalf of the Board of
Transmission Corporation of Telangana Limited

Sd/-
D.Prabhakar Rao
Chairman & Managing
Director

Sd/-

C.Srinivasa Rao
Joint Managing Director
(Finance, Comml., & HRD)

Sd/-

G.Srinivas
Financial Adviser &
Chief Controller of
Accounts (Accounts) & CFO

Ravi Kumar Saluja
Company Secretary



Transmission Corporation of Telangana Limited

Notes to the financial statements for the year ended 31 March 2017

1. Profile of the Company and Significant Accounting policies

1.1 Corporate information:

Transmission Corporation of Telangana Limited (TS TRANSCO) was incorporated on 29th May, 2014 under the Companies Act, 2013 by the then Government of Andhra Pradesh with the principal objective of succeeding to the demerged undertaking of the power transmission business in the State of Telangana from the erstwhile Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) pursuant to the provisions of The Andhra Pradesh Reorganisation Act, 2014 and with the objectives as set out in the Objects Clause of the Memorandum of Association of the Company.

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the Act) and other relevant provisions of the Act besides the pronouncements/guidelines of the Institute of Chartered Accountants of India and the provisions of the Electricity (Supply) Act, 2003 and the rules made there under.

The financial statements have been prepared in accordance with the Schedule-III of the Companies Act, 2013 to the extent applicable, except for the directions of the Ministry of Power with regard to the computation of depreciation as stated in the Accounting Policy on Depreciation. The balances of various assets and liabilities are taken over as at 2nd June, 2014 from APTRANSCO as per Section 53 of the Andhra Pradesh Reorganisation Act, 2014 applicable to the Corporations mentioned in the Schedule-IX of the Andhra Pradesh Reorganisation Act, 2014.

These are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has applied Ind AS 101, First-time Adoption of Indian Accounting Standards for the purpose of transitioning to Ind AS. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 47.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, (except the shares data which is given in numbers) unless otherwise stated.

2.3 Basis of measurement

The financial statements have been prepared on historical cost basis except for the following items:

Items	Measurement basis
1. Investments: # Quoted Equity Shares of GVK Power & Infrastructure Limited	Fair value
2. Net defined benefit (asset)/ liability	Present value of defined benefit obligations.

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



2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, and disclosures as on the date of the financial statements and the reported amounts of the revenue and expenses for the years presented. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis, revisions to accounting estimates are recognised in the period in which estimate is revised. If the revisions affect only that period are in the period of the revision and future periods, if the revision affects both the current and future periods.

Critical judgment:

In the process of applying company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

Discount rates used to determine the carrying amounts of the Company's define benefit obligations:

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in Indian currency for estimation of post-employment benefit obligation.

Contingencies and commitments:

In the normal course of business, contingent liabilities may arise from litigations and other claims against the company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, the same have been treated as contingent liabilities. Such liabilities are disclosed in the notes but not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have materially adverse impact on our financial position or profitability.

Allowance for doubtful debts:

The company makes allowance for doubtful debts based on the assessment of the recoverability of the receivables. The identification of the doubtful debts requires use of judgments and estimates. When the expectation is different from the original estimate, such difference will impact the carrying value of the receivables and doubtful debt expenses in the period in which such estimates has been made. The major part of the company's receivables are from rate regulated industries, it does not expect any difficulty in recovery of the same.

Allowance for inventories:

The Management reviews the inventory age listing on periodic basis. The review involves comparison of carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow moving items. The management is satisfied that adequate allowance of obsolete and slow moving inventories has made in the financial statements.

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:



- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (Unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 2.6 (a) - financial instruments.

2.6 Significant accounting policies

(a) Financial instruments

Non-derivative financial instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While loans, borrowings and payables are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets at amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition

Non- derivative financial assets

Financial assets are initially measured at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The company's financial assets include security deposits, cash and cash equivalents, employee and other advances, trade receivables and eligible current and non-current assets.

Non-derivative financial liabilities

Financial liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.



The company has the following financial liabilities: loans and borrowings, trade and other payables including deposits collected from various parties.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(b) Property, plant and equipment

(i) Recognition and measurement

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

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in the statement of profit and loss.

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) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

(iii) Subsequent expenditure

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

(iv) Depreciation

Depreciation is provided on Straight Line Method with the Rates notified by the Government of India through Gazettee Notifications from time to time from the date of asset put to use. The Company is charging depreciation up to 90% of cost of the Property, Plant and Equipment.

**(c) Inventories**

Inventories of stocks of construction materials and other stores are valued at cost or net realizable value which is lower at weighted average cost.

(d) 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

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.

(e) Employee benefits

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 Accounting Standard (AS) 15 (Revised), '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.

- (i) **For employees appointed before 01.02.1999:** The Company provides for Pension and Gratuity, a defined retirement benefit plan in respect of employees appointed before 01.02.1999. The Pension and Gratuity Plan provides a lump-sum payment to the vested employees on retirement, death, incapacitation or termination of employment with an amount based on the respective employee's salary and the tenure of employment with the Company.
- (ii) **For employees appointed on/after 01.02.1999:** The Company provides for gratuity, a defined retirement benefit plan in respect of employees appointed on or after 01.02.1999. The Gratuity Plan provides a lump-sum payment to the vested employees on retirement, death, incapacitation or termination of employment, with an amount based on the respective employee's salary and the tenure of employment with the Company.



- (iii) **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 Trustees of the respective trusts will administer the contributions made to the Trusts towards the above plans and contributions are invested as per the investments specified by the Govt. of India. The Company recognizes the net obligation to the 'Pension & Gratuity Plan', 'Gratuity Plan' and 'Earned Leave Encashment' in the Balance Sheet as an asset or liability respectively in accordance with Ind AS 19.

(f) **Contribution towards Property, Plant and Equipment:**

- (i) **Lift Irrigation Schemes:** Contributions received from the State Government towards execution of Lift Irrigation Schemes are taken to "Consumer's Contribution Account" from "Deposit Contribution Works Account" upon satisfaction of conditions attached to the Contributions. Subsequently, the same is being taken to Statement of Profit and Loss in the proportion of depreciation charged on the assets acquired/constructed out of the amount of deposit contributions.

- (ii) **Other than Lift Irrigation Schemes:** Contributions received from various other agencies are taken to "Consumer's Contribution Account" from "Deposit Contribution Works Account" upon satisfaction of conditions attached to the Contributions. These contributions are amortized over a period of 15 years in the absence of identification of particular Property, Plant & Equipment.

(g) **Revenue recognition**

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

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

(h) **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.

(i) **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.

(j) **Leases**

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.



Income-tax

Income tax comprises current and deferred 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.

(k) 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.

(l) Earnings per share

The basic earnings per share ("EPS") for the year is computed by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares.

(m) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

(n) 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 capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.



Transmission Corporation of Telangana Limited
Notes to the financial statements (continued)

3. Reconciliation of carrying amount- Property, plant and equipment and Intangible assets

In lakhs of INR

	Land	Buildings	Other civil works	Plant and equipment	Lines and cable network	Vehicles	Furniture and fixtures	Office equipment	Total (A)	Intangible assets (Computer software) Total (B)
Deemed cost (gross carrying amount)										
Balance at 1 April 2015	1,787.77	6,950.59	818.20	1,24,741.68	1,82,641.89	66.41	52.12	777.30	3,17,835.96	95.17
Additions, net	3,731.80	74.49	411.75	66,051.96	1,24,065.87	36.16	8.44	371.57	1,94,752.03	-
Balance at 31 March 2016	5,519.57	7,025.08	1,229.95	1,90,793.64	3,06,707.76	102.57	60.56	1,148.86	5,12,587.99	95.17
Balance at 1 April 2016	5,519.57	7,025.08	1,229.95	1,90,793.64	3,06,707.76	102.57	60.56	1,148.86	5,12,587.99	95.17
Additions, net	117.92	330.10	243.02	70,571.03	1,06,615.56	0.00	7.68	1,685.78	1,79,571.09	808.49
Balance at 31 March 2017	5,637.48	7,355.18	1,472.97	2,61,364.67	4,13,323.32	102.57	68.25	2,834.64	6,92,159.09	903.66
Accumulated depreciation										
Depreciation for the year	-	274.33	27.52	14,869.98	13,286.89	15.35	10.18	153.67	28,637.91	18.08
Balance at 31 March 2016	-	274.33	27.52	14,869.98	13,286.89	15.35	10.18	153.67	28,637.91	18.08
Balance at 1 April 2016	-	274.33	27.52	14,869.98	13,286.89	15.35	10.18	153.67	28,637.91	18.08
Depreciation for the year	-	295.90	40.26	21,254.91	21,269.06	37.42	10.46	236.74	43,144.76	74.88
Balance at 31 March 2017	-	570.22	67.79	36,124.89	34,555.95	52.77	20.64	390.42	71,782.68	92.96
Carrying amounts (net)										
At 1 April 2015	1,787.77	6,950.59	818.20	1,24,741.68	1,82,641.89	66.41	52.12	777.30	3,17,835.96	95.17
As 31 March 2016	5,519.57	6,750.75	1,202.42	1,75,923.66	2,93,420.88	87.23	50.38	995.19	4,83,950.08	77.10
As 31 March 2017	5,637.48	6,784.96	1,405.18	2,25,239.78	3,78,767.37	49.80	47.61	2,444.23	6,20,376.41	810.70

Note: Depreciation for the FY 2015-16 includes INR 113.82 lakhs pertaining to earlier years (before 2 June 2014) on account of delay in capitalisation of fixed assets which is adjusted against reorganisation resultant reserve.

Note: The Company has capitalised interest of INR 13,640.08 lakhs for the year (as on 31 March 2016 INR 11,705.18 lakhs, 1 April 2015 INR 9,139.94 lakhs) during construction period upto the date of completion of assets/project.

11.1 The lands apportioned to the Company as per revised demerger plan which are acquired with effect from 01.04.2000 from the State Government/individuals were on payment of cash through Revenue Department and got registered in the name of the Company. The registered documents are available with the territorial administrative offices i.e., Circle Offices concerned. The substations which were erected in the consumers/clients premises are in the possession of the company are vested through Transfer Scheme upto 31st January 1999 and for the subsequent acquisitions of land which are in possession, the execution of documents in the name of company are in process. The value of land in gift subsequent to 01.04.2000 are in process of ascertainment and to be taken into books.

11.2 In respect of fixed assets apportioned to the Company pursuant to A.P. Reorganisation Act, 2014 with effect from 2nd June, 2014, the carrying amounts of such assets in books of APTRANSCO as at the end of office hours on 1st June, 2014 have been adopted as cost of additions. In respect of assets subsequently acquired by the Company, the cost of acquisition, installation and other expenses to make the assets ready for their intended use have been adopted as the cost of additions/acquisition.

11.3 Registration of transfer of title in immovable and movable properties apportioned to the Company is pending as on the Balance sheet date

11.4 There are no assets, which attract impairment during the year in terms of Ind AS 36.

	31 March 2017	31 March 2016	1 April 2015
C. Capital work-in-progress	2,76,007.64	2,10,932.19	2,33,457.56



ANNUAL ACCOUNTS FY 2016-17

Transmission Corporation of Telangana Limited Notes to the financial statements (continued)

In lakhs of INR

4. Investments

	31 March 2017	31 March 2016	1 April 2015
Non-current investments			
Unquoted debt securities			
Government securities measured at amortized cost			
Contingency reserve investments	3,483.02 ✓	3,483.02	3,483.02
Investment other than fund investments			
10% APCPDCL Power Bonds - Series 3/2014	17,825.00	17,825.00	17,825.00
10% APNPDCL Power Bonds - Series 3/2014	6,142.00	6,142.00	5,288.49
9.95% APCPDCL Power Bonds - Series 1/2014	8,336.00	8,336.00	9,210.00
9.95% APNPDCL Power Bonds - Series 1/2014	-	-	1,568.00
Quoted equity shares			
Equity shares at FVTPL			
2,638,344 (31 March 2016: 2,638,344; 1 April 2015: 2,638,344) equity shares of GVK Power & Infrastructure Limited.	157.51	180.20	250.91
Unquoted equity shares			
Equity shares at FVTPL			
65,68,101 (31 March 2016: 65,68,101; 1 April 2015: 65,68,101) equity shares of Andhra Pradesh Gas Power Corporation Limited	1,171.31 ✓	1,171.31	1,171.31
	37,114.84	37,137.53	38,796.73
Aggregate amount of quoted investments	351.78	351.78	351.78
Aggregate market value of quoted investments	157.51	180.20	250.91
Aggregate amount of unquoted investments	36,957.33	36,957.33	38,545.82
Aggregate amount of impairment in value of investments	194.27	171.58	100.87

Investment in Andhra Pradesh Gas Power Corporation Limited not carried at fair value as on each balance sheet date in the absence of proper information and details.

5. Loans

	31 March 2017	31 March 2016	1 April 2015
A. Non-current			
Secured, considered good			
Loans and advances to staff	885.15	822.82	805.58
Unsecured, considered good			
Loans and advances to staff	552.65	573.04	581.52
Inter corporate deposits-DISCOMSs	1,10,354.98	98,647.98	99,501.49
	1,11,792.78	1,00,043.84	1,00,888.59
	31 March 2017	31 March 2016	1 April 2015
B. Current			
Unsecured, considered good			
Loans and advances to staff	463.64	474.93	379.90
	463.64	474.93	379.90

The Company has not made fair value of some of the staff loans/advances amounting to INR 208.92 lakhs as on 31 March 2017 (31 March 2016 INR 207.14 lakhs and 1 April 2015 INR 118.04 lakhs) due to insufficient information.

6. Other assets

	31 March 2017	31 March 2016	1 April 2015
A. Non-current			
Deposit with revenue department as purchase consideration for land	-	104.34	714.34
Prepaid employee cost	327.75	296.41	268.54
Advances to suppliers- capital stores	2,248.46	2,743.34	2,281.97
Deposit with others	263.39	265.07	741.59
	2,839.60	3,409.16	4,006.44
	31 March 2017	31 March 2016	1 April 2015
B. Current			
Other claims and receivables	157.27	158.56	159.54
Other receivables from AP TRANSCO/DISCOMS	7,849.30	2,887.10	1,312.32
Amount receivable from others	0.32	0.50	0.49
Advance for O&M supplies/works	39.98	28.93	38.77
Contribution to pension and gratuity	862.37	476.03	-
Prepaid expenses	2.62	4.07	3.57
	8,911.86	3,555.19	1,514.69



Transmission Corporation of Telangana Limited
Notes to the financial statements (continued)

In lakhs of INR

7. Other tax assets(net)

	31 March 2017	31 March 2016	1 April 2015
Non-current			
Advance income tax/deduction at source (net of provision for income tax)	5,809.82	6,849.66	2,629.02
	5,809.82	6,849.66	2,629.02

8. Inventories

	31 March 2017	31 March 2016	1 April 2015
Operation and maintenance- stores and spares	9,908.77	11,795.07	15,010.39
Materials stock excess/shortage pending investigation (Net)	(5.48)	(5.48)	(5.05)
Provision for recovery- cost of materials	(1,398.87)	(1,237.01)	(1,209.15)
	8,504.42	10,552.58	13,796.19

Amounts recognized in profit or loss

Inventories are carried at lower of cost or net realizable value. Write down of inventories to net realizable value amounted to Nil. (31 March 2016- Nil, 1 April 2015- Nil)

9. Trade receivables

	31 March 2017	31 March 2016	1 April 2015
Trade receivables			
Unsecured, considered good	1,22,522.12	52,126.12	25,886.48
	1,22,522.12	52,126.12	25,886.48

10. Cash and cash equivalents

	31 March 2017	31 March 2016	1 April 2015
Cash in hand	-	-	0.01
Bank balances			
Current balances	5,270.32	3,448.99	4,555.99
Fixed deposits	1,300.00	1,047.02	233.98
Cash and cash equivalents	6,570.32	4,496.01	4,789.98

10.1. Current balances include an amount of INR 11.29 lakhs allocated to the Company consequent to demerger of APTRANSCO. The details are not furnished and is pending review.

11. Other financial assets

	31 March 2017	31 March 2016	1 April 2015
Receivables- others	16.59	-	249.14
Interest accrued and due	892.17	858.03	1,216.51
Interest accrued but not due	181.64	146.78	110.75
Amount recoverable from employees/ex-employees	136.94	137.88	125.87
Amount receivable from State Government	91.49	7,143.33	26.83
Imprest with staff	-	5.54	-
	1,318.83	8,291.56	1,729.10

12A. Share capital

Authorized equity share capital

	Number of shares	Amount
As at 1 April 2015	50,000	5.00
Increase during the year	-	-
As at 31 March 2016	50,000	5.00
Increase during the year	-	-
As at 31 March 2017	50,000	5.00

Issued, subscribed and paid up

	31 March 2017	31 March 2016	1 April 2015
50,000 (31 March 2016: 50,000, 1 April 2015: 50,000)	5.00	5.00	5.00

(i) Movements in equity share capital

As at 1 April 2015	50,000	5.00
Issue of shares during the year	-	-
As at 31 March 2016	50,000	5.00
Issue of shares during the year	-	-
As at 31 March 2017	50,000	5.00

Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each 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 remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



ANNUAL ACCOUNTS FY 2016-17

Transmission Corporation of Telangana Limited Notes to the financial statements (continued)

In lakhs of INR

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

Name of the shareholder	31 March 2016		1 April 2015	
	No. of shares	% holding	No. of shares	% holding
Government of Telangana	50,000	100%	50,000	100%

As per the records of the Company including its register of shareholders and other declarations received from shareholders regarding beneficial interest the above shareholding represents both legal and beneficial interest.

12B. Other equity

	31 March 2017	31 March 2016	1 April 2015
Retained earnings	47,199.55	29,434.36	20,090.64
Contingency reserve	3,729.21	3,564.88	3,261.51
Capital reserve	459.59	459.59	459.59
Restructuring reserve	13,885.63	13,885.63	13,885.63
Total other equity	65,273.98	47,344.46	37,697.37

i) Retained earnings

	31 March 2017	31 March 2016	1 April 2015
Opening balance	29,434.36	20,090.64	20,090.64
Add: Profit for the year	17,929.52	9,647.09	-
Less: Amount transferred to contingency reserve	(164.33)	(303.37)	-
Closing balance	47,199.55	29,434.36	20,090.64

This reserve represents the cumulative profits of the Company

ii) Contingency reserve

	31 March 2017	31 March 2016	1 April 2015
Opening balance	3,564.88	3,261.51	3,261.51
Add: Additions during the year	164.33	303.37	-
Less: Deductions during the year	-	-	-
Closing balance	3,729.21	3,564.88	3,261.51

As directed by State Regulatory Commission through tariff orders from time to time, the funds relating to Contingency Reserve were invested in various Securities/Bonds etc. from time to time by APTRANSCO. The funds are not at the disposal of the Company and as such the interest earned is also being credited (net of tax) to Contingency Reserve Account. As per the revised demerger plan proposed by APTRANSCO, the investments made against Contingency Reserve by APTRANSCO as on 2nd June, 2014 were bifurcated between APTRANSCO and the Company. Pending finalization of demerger plan, the entire investments are in the name of APTRANSCO. However, the interest portion pertaining to investments allocated to the Company has been accounted and transferred to Contingency Reserve Account (net of tax).

iii) Capital reserve

	31 March 2017	31 March 2016	1 April 2015
Opening balance	459.59	459.59	459.59
Add: Additions during the year	-	-	-
Less: Deductions during the year	-	-	-
Closing balance	459.59	459.59	459.59

iv) Restructuring Reserve

	31 March 2017	31 March 2016	1 April 2015
Opening balance	13,885.63	13,885.63	13,885.63
Add: Additions during the year	-	-	-
Less: Deductions during the year	-	-	-
Closing balance	13,885.63	13,885.63	13,885.63

13 Borrowings

	31 March 2017	31 March 2016	1 April 2015
Non-current borrowings			
Term loans			
Secured			
From banks	2,087.78	24,734.49	27,719.13
From financial institutions	3,95,113.59	2,63,482.23	1,78,285.25
Unsecured			
From State Government	59,027.12	63,891.33	66,436.40
	4,56,228.49	3,52,108.05	2,72,440.78

13.1. The long term loans apportioned by APTRANSCO which are availed from various Banks/FIs are continue to be in the name of APTRANSCO. Some of the assets continue to be charged to the Banks/Financial Institutions against Secured Loans sanctioned in the name of APTRANSCO, pending completion of documentation for release/modification of such charge.

13.2. At the date of this balance sheet, some of the assets of APTRANSCO continue to be under charge to the Banks and Financial Institutions against the above loans pending completion of documentation for release/modification such charges.



Transmission Corporation of Telangana Limited
Notes to the financial statements (continued)

In lakhs of INR

A. Details of borrowings

	Nominal interest rate	Carrying amount at 31 March 2017	Carrying amount at 31 March 2016	Carrying amount at 1 April 2015
Secured loan from Rural Electrification Corporation Limited	8%-13%	2,70,740.84	1,90,007.28	95,902.61
Secured loan from National Bank for Agricultural and Rural Development	10.75%	7,427.52	7,742.16	7,950.78
Secured loan from Power Finance Corporation Limited	8%-13%	1,46,916.85	83,133.78	90,727.63
Secured loan from Federal Bank	10.75%	83.71	197.52	267.21
Secured loan from Punjab & Sind Bank	10.25%-10.75%	1,250.47	1,798.90	2,347.22
Secured loan from Syndicate Bank	10.00%	816.92	951.17	1,085.40
Secured loan from Karur Vysya Bank	11.00%	1,513.10	2,026.18	2,539.20
Secured loan from Bank of Baroda	11%-11.15%	5,643.86	8,046.30	10,549.86
Secured loan from Bank of Maharashtra	11.25%	-	-	108.35
Secured loan from Oriental Bank of Commerce	11.00%	4,769.50	3,993.78	2,684.14
Secured loan from Allahabad Bank	11.15%	604.37	800.43	996.45
Secured loan from ICICI	11.15%	759.36	1,027.54	1,334.82
Secured loan from Karnataka Bank Limited	11.15%	675.52	965.05	1,254.56
Secured loan from Corporation Bank	11.25%	258.48	369.29	480.08
Secured loan from Union Bank of India	11.15%	287.33	383.11	478.89
Secured loan from Union Corporation Bank	10.95%	4,378.95	5,213.26	6,047.38
Secured loan from South Indian Bank	11.50%	1,742.17	1,994.09	2,245.98
Secured loan from Tamilnadu Mercantile Bank	10.90%	2,217.36	790.99	511.68
Secured bank loan from Dena Bank	11.00%	2,770.16	2,842.62	1,161.30
State Government loans	9.50%-10.25%	63,891.31	68,755.53	71,300.60
Total borrowings		5,16,747.78	3,81,038.98	2,99,974.14
Current		60,519.29	28,930.93	27,533.36
Non current		4,56,228.49	3,52,108.05	2,72,440.78
		5,16,747.78	3,81,038.98	2,99,974.14

B. Terms and repayment schedule

	Outstanding at the end of 2015-16	Amt received during the Year	Repayments due during the Year	Outstanding at the end of 2016-17
Secured loan from Rural Electrification Corporation Limited	1,90,007.28	84,054.06	3,320.50	2,70,740.84
Secured loan from National Bank for Agricultural and Rural Development	7,742.16	-	314.64	7,427.52
Secured loan from Power Finance Corporation Limited	83,133.78	78,153.61	14,370.54	1,46,916.85
Secured loan from Federal Bank	197.52	-	113.81	83.71
Secured loan from Punjab & Sind Bank	1,798.90	-	548.43	1,250.47
Secured loan from Syndicate Bank	951.17	-	134.25	816.92
Secured loan from Karur Vysya Bank	2,026.18	-	513.08	1,513.10
Secured loan from Bank of Baroda	8,046.30	-	2,402.44	5,643.86
Secured loan from Oriental Bank of Commerce	3,993.78	1,388.93	613.21	4,769.50
Secured loan from Allahabad Bank	800.43	-	196.07	604.36
Secured loan from ICICI	1,027.54	-	268.18	759.36
Secured loan from Karnataka Bank Limited	965.05	-	289.53	675.52
Secured loan from Corporation Bank	369.29	-	110.81	258.48
Secured loan from Union Bank of India	383.11	-	95.78	287.33
Secured loan from Union Corporation Bank	5,213.26	-	834.32	4,378.94
Secured loan from South Indian Bank	1,994.09	-	251.92	1,742.17
Secured loan from Tamilnadu Mercantile Bank	790.99	1,645.70	219.33	2,217.36
Secured loan from Dena Bank	2,842.62	229.56	302.02	2,770.16
State Government loans	68,755.55	-	4,864.22	63,891.33
Total borrowings	3,81,039	1,65,471.86	29,763.08	5,16,747.78

Secured bank loans and assets pledged as security

The loans availed from Rural Electrification Corporation Limited and Power Finance Corporation Limited are secured by way of a default escrow mechanism and hypothecation of future assets created out of the loan.

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.



C. Loan from Commercial Banks/Financial Institutions is secured against hypothecation/mortgage on upcoming assets of various sub stations along with associated lines for which the term loan was sanctioned. Details of securities given against each loan are as tabulated below:

Name of the Bank / Financial Institution	Rate of Interest as on 31.3.2017	Balance Outstanding as on 31.3.2017 (Rs. in Lakhs)	Type (Monthly / Quarterly / Half Yearly)	No. of Installments	Installment Amount (Rs. in Lakhs)	Name of the project	Security Details
NABARD	10.75%	2081.23	Quarterly	40	52.03	Erection of 132/33 kv ss features at 220kv Switching station Dindi Miyapur Bonguloor in Rangareddy Dist.	A) Exclusive first charge by way of hypothecation on specified fixed assets of the project created out of the term loan B) Default Escrow Mechanism to the extent of 1.2 times coverage of monthly installment of the term loan
NABARD	10.75%	5346.29	Quarterly	50	106.51	Erection of 132/33 kv SS at Yeldurti in Medak Yedduralluram, Nizamsagar Banswada DC/SC 2 Nos. 132 kv Bays & Erection of 2nd circuit on existing 132kv Mingur	A) Exclusive first charge by way of hypothecation on specified fixed assets of the project created out of the term loan B) Default Escrow Mechanism to the extent of 1.2 times coverage of monthly installment of the term loan
Federal Bank	10.75%	83.71	Monthly	12	6.97	Erection of 132/33 KV SS at Chennur, Manubolu, Kothapeta with connected lines	A) Hypothecation of fixed assets to be created at specified projects/Schemes B) Exclusive first charge on identified receivables to the extent of 1.2 coverage of monthly installment of term loan
Syndicate Bank	10.00%	331.13	Quarterly	24	13.84	Erection of 220/132/33kv SS Raidurg & 220/132/33KVSS Manikonda, Boripatla, Erragadda Circuit-II along with connected lines & Enhancement of Power Transformer capacities at 220KV Shadnagar SS.	A) Exclusive first charge by way of hypothecation on specified fixed assets of the project created out of the term loan
Syndicate Bank	10.00%	485.79	Monthly	74	6.57	Erection at 220kv Shadnagar & 132/33 KV SS at Mamidipally, kalwa chinnal along with connected lines, etc.,	A) Exclusive first charge by way of hypothecation on specified fixed assets of the project created out of the term loan B) First and exclusive charge on identified receivables to the extent of 1.2 times coverage of monthly installment of term loan
Karur Vysya Bank *	11.00%	649.04	Monthly	24	27.05	Procurement of SS & line material under renovation & modernization for 2009-2010	A) Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalment of the loan B) Exclusive first charge by way of hypothecation on specified fixed assets of the project
Karur Vysya Bank *	11.00%	864.06	Monthly	55	15.70	Erection of 132/33 KVSS at Bikanur, Ganguram, Singur, Disincherla, Midgiri, Reddip et & Peddeshanurampet	A) Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalment of the loan B) Exclusive first charge by way of hypothecation on specified fixed assets of the project
Bank of Baroda	11.15%	0	Monthly	0	54.97	Erection of 132/33 KVSS at Bikanur, Ganguram, Singur, Disincherla, Midgiri, Reddip et & Peddeshanurampet	A) Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalment of the loan B) Exclusive first charge by way of hypothecation on specified fixed assets of the project
Bank of Baroda	11.00%	3553.68	Monthly	36	98.55	Augmentation of 315 MVA, 400/220KV & Power Transformer capacity from 1x100MVA to 2X100MVA at 220/132KV SS	A) Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalment of the loan B) Exclusive first charge by way of hypothecation on specified fixed assets of the project
Bank of Baroda *	11.15%	2090.18	Monthly	41	51.24	Erection of 132/33 kv SS & Enhancement of power transformer capacities in Adilabad	A) Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalment of the loan B) Exclusive first charge by way of hypothecation on specified fixed assets of the project
Oriental Bank of Commerce	11.00%	4769.5	Monthly	80	59.42	Enhancement of Power Transformer capacities at 132kv Kondanallapally SS in Nagole, Malkaram SS & Construction of Zonal office Building for CE/TL & Metro Zone Hyd. & Erection of 132/33 KV SS at Raikot, Shaligouram SS to Akpamula SS., etc	Exclusive first charge on fixed assets of the company to be created out of term loan i.e 200crs However the corporation will further charge unencumbered fixed assets worth Rs.50 crs making over all security coverage 1.25



Punjab & Sind Bank	10.25%	395.01	Monthly	23	17.18	Erection of 220/132KV at sadasi vapeta along with connected lines	A) Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalments of the loan B) Exclusive first charge by way of hypothecation on specified fixed assets of the project
Punjab & Sind Bank	10.75%	855.45	Monthly	30	28.52	Implementation of ERP software & Erection of 132/33 SS at chityala, Peddanna, Mulkanoor, Kurinnagar, Guntupalli along with connected lines	A) Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalments of the loan B) Exclusive first charge by way of hypothecation on specified fixed assets of the project
Allahabad Bank *	11.15%	604.37	Monthly	37	16.34	Providing 132kv & 33 features at existing 220KV at various Substations & Erection of 132/33 kv at Narsannapet along with connected lines	A) Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalments of the loan B) Exclusive first charge by way of hypothecation on specified fixed assets of the project
ICICI Bank *	11.15%	759.36	Monthly	34	22.33	Augmentation of power transformer in existing EHTSS & 315 MVA/400/220KV autotransformer capacity at Mamidipally	A) Providing default Escrow Account The receivables from NPDCL i.e 1.2 of monthly instalment. B) Hypothecation of assets of the project to the extent of 1.33 times of the loan amount.
Karnataka Bank Limited *	11.15%	675.52	Monthly	28	24.13	Augmentation of power transformers in existing EHT Substations	A) Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalments of the loan B) Exclusive first charge by way of hypothecation on specified fixed assets of the project
Corporation Bank *	11.25%	258.48	Monthly	28	9.23	Erection of 132/33 Kv SS & 220/132 SS at Tumkibolarama along with connected lines	A) Exclusive first charge on the specified fixed assets of the project, acquired out of the term loan B) Exclusive first charge on identified receivables to the extent of 1.2 times of the monthly instalment of the term loan
Union Bank of India *	11.15%	287.33	Monthly	36	7.98	Erection of interlinking lines to the proposed 400/220 KVSS at ogalapur	A) Exclusive first charge on the specified fixed assets of the project, acquired out of the term loan B) Exclusive first charge on identified receivables
UCO Bank	10.95%	4378.95	Monthly	63	69.51	Erection of 132/33 kv at Amara chinta, Jaidherla, Khairpur, Thallada, Atipamula, Manthani Fab city in nanga reddi Dist, etc	Exclusive first charge on the assets created out of the bank finance & promoters margin for the proposed capital expenditure of Rs. 700.49 Cro.
South Indian Bank *	11.50%	1742.17	Monthly	83	20.99	Side-upgradation of the existing SCADA/EMS system Procurement of 10Nos & 30Nos GPS instruments & erection of Additional 10/16 MVA PTs at 132 KV SS at Bollaram Jangareddyudam & Augmentation of Power Transformer capacities in various districts of telangana etc.,	A) Exclusive first charge by way of hypothecation on specified fixed assets of the project created out of the term loan B) Default Escrow Mechanism to the extent of 1.2 times coverage of monthly instalment of the term loan
Tamilnadu Mercantile Bank	10.90%	295.44	Monthly	92	3.21	Augmentation of PTR capacity in sangareddy circle & Erection of 132/33 Kv in Palakurthy, Kabilapur, Ramapuram in Nalgonda District, etc	A) Exclusive first charge by way of hypothecation on specified fixed assets of the project created out of the term loan B) Default Escrow Mechanism to the extent of 1.2 times coverage of monthly instalment of the term loan
Tamilnadu Mercantile Bank	10.90%	1921.92	Monthly	92	20.89		A) Exclusive first charge by way of hypothecation on specified fixed assets of the project created out of the term loan B) Default Escrow Mechanism to the extent of 1.2 times coverage of monthly instalment of the term loan
Dena Bank	11.00%	2770.16	Monthly	107	25.91	Erection of 132/33 KV SS at Yrabeli (M) & ERP Maintenance 7 Supply, Erection, Testing & Commissioning of new capacitor banks & Renovation & Modernisation Scheme during 2013-14, etc	Hypothecation of future projects raised out of sanctioned term loans i.e 1.1 to 1.2 times
TOTAL		35198.77			759.07		

* Current maturities for this loans is taken on payment basis



D.Loan from Rural Electrification Corporation is secured against hypothecation/mortgage on upcoming assets of various sub stations along with associated lines for which the term loan was sanctioned. Details of securities given against each loan are as tabulated below:

Name of the Bank / Financial Institution	Rate of Interest as on 31.3.2017	Balance Outstanding as on 31.3.2017 (Rs. in Lakhs)	Type (Monthly / Quarterly / Half Yearly/Yearly)	No of remaining installments	Installment Amount (Rs. in Lakhs)	Name of the Project	Security Details
REC Ltd 13244	11.25 TO 12%	7,677.04	Monthly	0	116.32	Establishment of 2nos 400KV D/C line from Bhopally(Kakatiya) to Warangal & Gajwel 400KV SS for Evacuation of Power from Kakatiya Thermal Power Project.	A) As payment security during the construction stage & during the loan repayment period,APTRANSCO shall make operational a default Escrow arrangement for payment to the satisfaction of REC. B)In case of Hypothecation : First charge /Pan-opassu charge on all movable & immovable assets(both present& future) of the project shall be created in favour of REC. Wherever loan is taken against land from REC ,it is subject to equitable mortgage irrespective of the option available in REC guidelines To make such change meaningful, appropriate provision will be made to the satisfaction of REC. to allow the REC the right to inspect,take possession thereof & sell the same in accordance with the provisions of the securitization Act.
REC Ltd 13351	11.25 TO 12.00%	4,601.26	Monthly	0	63.91	Kothagudem TPS State VLE establishment of 400KV D/C Line from KTPS Stage VI to Khammam 400kv SS	-do-
REC Ltd 13689	11.6 TO 12 %	308.19	Monthly	0	3.19	Procurement & installation of 63 MVAR reactors at 400 KV SS in Hyderabad,Kurnool & Vizag district	-do-
REC Ltd 14472*	10.03 TO 11.5%	1,301.00	Monthly	0	10.84	Erection of 132/33KVSS Brunnipally /Adilabad along with connected 132/33 kv lines	-do-
REC Ltd 14479	10.75 TO 11.50%	885.93	Monthly	0	5.50	Erection of 132/33 KV Geesikond SS Warangal along with connected lines	-do-
REC Ltd 14502	10.75 TO 11.50%	1,089.74	Monthly	0	9.73	Erection of 132/33 KV Asifabad SS-Adilabad along with connected lines	-do-
REC Ltd 14835	10.75 TO 11.50%	559.55	Monthly	0	4.91	Erection of 132KV Panajiawadi SS-Nizamabad along with connected lines	-do-
REC Ltd 14857	10.75 TO 11.5%	253.49	Monthly	0	1.95	Erection of 132KV Boodipar SS-Mahabubnagar along with connected lines	-do-
REC Ltd 14867	10.75 TO 11.50%	580.43	Monthly	0	5.18	Erection of 132 KV Gajwel LILo Line/Medak along with connected lines	-do-
REC Ltd 5711 *	11.25 TO 12%	3,621.70	Monthly	120	28.67	Erection of 220/132KV ss Perijai Rangareddy	-do-
REC Ltd 5713 *	10.03 TO 12%	557.68	Monthly	120	4.65	Erection of 220KV LILo line from Budidampadu-Waddekatapally/Warangal Bhongiri 2nd circuit to 220kv SS Waddekatapally along with bays in warangal District	-do-
REC Ltd 5715 *	11.25 TO 12%	439.94	Monthly	120	3.67	Shifting of 132KVSS LILo Wadepally (New)Nalgonda by erection of 132kv SS at wadepally(New) in place of existing Wadepally SS and 132 kv LILo arrangements to 132/33 KVSS Wadepally	-do-
REC Ltd 16012	10.03 TO 12%	2,871.49	Monthly	0	24.65	Erection of 220/132/33KVSS Nagole/Hyderabad to meet the loan demand of the upcoming Hyderabad Metro Rail	-do-
REC Ltd 16018	11.25 TO 12%	256.97	Monthly	0	2.29	Augmentation of PTR from 2x31.5 MVA to 1x50+31.5 MVA at 220/132/33KVSS at Nirmal in Nizamabad circle and from 2x10/16 MVA to 1x10/16+1x31.5 MVA at 132/33kv ssat Midji,Mahabubnagar circle	-do-
REC Ltd 8267 *	10.03 TO 11.15%	92,807.73	Monthly	120	713.33	Scheme for erection of 400/220/132 kv Suryapet SS 400KV D/C line Proposed suryapet to Kamurapurukota & Shankarpalli SS 132KV D/C in from proposed Suryapet SS to existing Suryapet,Shanigowaram& Thunigathurthy SS & LILo of 400 KV & 220KV Lines as a part of power Evacuation Scheme from M/S Hunduja National Power Corporation Ltd 1040MW power plant.	-do-
REC Ltd 4469 *	10.75 TO 11.5%	1,142.50	Monthly	120	9.52	Erection of 132/33KVSS Keshampet /MBNR along with connected 132/33 kv lines	-do-
REC Ltd 4478 *	10.75 TO 11.5%	624.83	Monthly	120	5.21	Erection of 132/33KVSS/Changpur/MBNR along with connected 132/33 kv lines	-do-
REC Ltd 4498 *	10.03 TO 11.5%	1,247.77	Monthly	120	10.40	Erection of 132/33KVSS Narmeta/Warangal along with connected 132/33 kv lines	-do-



REC Ltd 4852 *	10.03 TO 11.5%	1,208.63	Monthly	120	10.07	Erection of 132/33 KVSS Doublebus/Medak along with connected lines	-do-
REC Ltd 4856 *	11.50%	58.00	Monthly	120	0.48	Providing 33KV Features Thimmaipally/ 132 kv SSMBNR	-do-
REC Ltd 4859 *	10.75 TO 11.5%	1,001.32	Monthly	120	8.34	Erection of 132/33KVSS Mogilipalle/MBNR along with connected 132/33	-do-
REC Ltd 4868 *	10.75 TO 11.5%	771.00	Monthly	120	6.43	Erection of 132/33KVSS Kosi/MBNR along with connected 132/33 kv line	-do-
REC Ltd 7229 *	10.03 TO 11.15%	44,843.10	Monthly	120	335.05	Jajpur Transmission Scheme	-do-
REC Ltd 13210	9.5 to 14.5%	568.74	Yearly	0	284.12	Augmentation of air capacity under existing EHT ss	Govt Guarantee Co No31
REC Ltd 13211	11.5 to 14.5%	172.39	Yearly	0	57.46	Erection of 132/33kv SS at Jangam in Warangal dist	Govt Guarantee Co No31
REC Ltd 13235	11.75 to 13%	665.19	Yearly	0	110.86	Erection of 132/53 kv SS at Iezanun Mahabubnagar district	Govt Guarantee Co No31
REC Ltd 9136 *	10.03 TO 11.15%	15,839.90	Monthly	120	130.87	400kv Quad DC line from velloor to Tungabhadra River cross A portion of	Mortgage/Hypothecation of future assets so created out of loan amount sanctioned for the project subject to the value being 110% of the loan amount so sanctioned. The security by way of creation of charge on the Future Assets only shall be accepted subject to the loan amount being restricted to 90% of the project cost.
						400KV Quad DC line from 400KV urvakonda SS to 400 KV	In case Charge on movable and immovable assets of the borrower, first charge/priori passu on all movable & immovable assets (both present & future) of the project shall be created in favour of REC. Whenever reimbursement against land is taken from REC, it is subject to equitable mortgage irrespective of option available in REC guidelines.
						Mahabubnagar SS& Supply of Moose ACSR Conductor required for 400	
						KV Quad DC line from Velloor to Tungabhadra River crossing & 2Nos.	
						Quad 400KV Bays at 400/200KV Velloor SS(Excluding the cost of	
						Splitgear equipment) Supply of Switch Gear require for 2Nos. Quad 400KV	
						Bays at 400/220KV Velloor SS	
REC Ltd 9474 *	10.75%	838.81	Monthly	120	6.99	Scheme for providing 220/33KV features at existing Salivaga 220/11KV	-do-
						LiB irrigation SS in warangal district with 2Nos.220/33 kv 31.5 MVA power	
						transformer.	
REC Ltd 9475 *	10.75%	715.19	Monthly	120	5.96	Scheme for erection of 2nd circuit strung on existing 220kv DC/SC line	-do-
						from 220KV DC/SC line from 220KV Ramagundam SS to 220KV	
						randam SS.	
REC Ltd 9486 *	10.03 TO 10.75%	1,866.84	Monthly	120	15.56	Erection of 132/33 KV SS at Ganeshpally, Duddada & wairnally.	-do-
REC Ltd 9492 *	10.03 TO 10.75%	3,108.77	Monthly	120	25.91	Erection of 2x100MVA, 220/132KV PTR with allied features including	-do-
						breakers at 132/33 KV Kosi SS along with associated 220KV and 132KV	
						transmission lines.	
REC Ltd 9497 *	10.75%	15,089.61	Monthly	120	125.75	Schemes for Augmentation of power Transformer capacities at	-do-
						19nos. 220/132KV SS & 56Nos. Of 132/33 Kv SS in metro & Rural Zone of	
						TSTRANSO.	
REC Ltd 9496 *	10.03 TO 10.75%	20,645.47	Monthly	120	172.05	Schemes for Augmentation of power Transformer capacities at	-do-
						11nos. 220/132KV SS & 54Nos. Of 132/33 Kv SS in warangal Zone of	
						TSTRANSO.	
REC Ltd 9480 *	10.03 TO 10.75%	2,102.70	Monthly	120	17.52	Erection of 220/132 kv SS at MD pally (Karnadim)	-do-
REC Ltd 9482 *	10.03 TO 10.75%	747.00	Monthly	120	6.23	Erection of 132/33 KV SS at Kachapur & Nimmagalli.	-do-
REC Ltd 9483 *	10.03 TO 10.75%	4,452.50	Monthly	120	37.10	Erection of 220/132 kv SS at sirilla.	-do-
REC Ltd 9485 *	10.03 TO 10.75%	1,530.00	Monthly	120	12.75	Erection of 220/132 KV ss at Ayegampally.	-do-
REC Ltd 9852 *	10.03 TO 10.75%	25,525.79	Monthly	120	212.71	Erection of 400/220kv Normal substation upgradation of 132/33 kv Renzal &	-do-
						Adilabad SS to 220/132 KV & associated 400kv & 220KV lines under	
						Transmission System improvement in TS.	
REC Ltd 9518 *	10.75%	34.74	Monthly	120	0.29	Augmentation of 1No.400KV, 6 Nos.220KV & 30 Nos.132KV as in Various	-do-
						circles of Telangana	
REC Ltd 10236 *	10.03 TO 10.75%	4,277.70	Monthly	120	35.65	Construction of 400/220 kv Substation at Dindi Mahabubnagar District to	1) Mortgage/Hypothecation of future assets only as the loan amount is restricted to 90% of the project cost. The Debt shall be registered with ROC
						cover load demand & to Provide the uninterrupted power to agriculture	2) Default Escrow arrangement towards payment security.
						Sector 9 Hours Day Supply.	
REC Ltd 9491 *	10.03%	71.00	Monthly	120	0.59	Erection of 220 Kv SC Line from Shivrampally to Arifnagar Sub station of	Mortgage/Hypothecation of future assets so created out of loan amount sanctioned for the project subject to the value being 110% of the loan amount so sanctioned. The security by way of creation of charge on the Future Assets only shall be accepted subject to the loan amount being restricted to 90% of the project cost.
						TSTRANSO.	
REC Ltd 9479 *	10.03%	259.00	Monthly	120	2.16	Erection of 132/33 KV Substation at Kandukur	Mortgage/Hypothecation of future assets so created out of loan amount sanctioned for the project subject to the value being 110% of the loan amount so sanctioned. The security by way of creation of charge on the Future Assets only shall be accepted subject to the loan amount being restricted to 90% of the project cost.
REC Ltd 9478 *	10.03%	308.51	Monthly	120	2.57	Erection of 132/33 Kv sub station at Khalilapur.	Mortgage/Hypothecation of future assets so created out of loan amount sanctioned for the project subject to the value being 110% of the loan amount so sanctioned. The security by way of creation of charge on the Future Assets only shall be accepted subject to the loan amount being restricted to 90% of the project cost.



REC Ltd 5712 *	10.03%	293.00	Monthly	120	2.44	Erection of 132/33 Kv SS at Dornihalli in Ranga Reddy District	A) As payment security during the construction stage & during the loan repayment period, APTRANS CO shall make operational a default Escrow arrangement for payment to the satisfaction of REC. B) In case of Hypothecation: First charge /Pari-passu charge on all movable & immovable assets (both present & future) of the project shall be created in favour of REC. Wherever loan is taken against land from REC, it is subject to equitable mortgage irrespective of the option available in REC guidelines. To make such change meaningful, appropriate provision will be made to the satisfaction of REC, to allow the REC the right to inspect, take possession thereof & sell the same in accordance with the provisions of the securitization Act. i) Mortgage/Hypothecation of future assets only as the loan amount is restricted to 90% of the project cost. The Deed shall be registered with ROC. II) Default Escrow arrangement towards payment security.
REC Ltd 9867 *	10.03%	418.50	Monthly	120	3.49	Erection of 132/33 Kv SS at Chandulapur in Medak District & from Jurala SS to 132 KV Leesa SS.	A) As payment security during the construction stage & during the loan repayment period, APTRANS CO shall make operational a default Escrow arrangement for payment to the satisfaction of REC. B) In case of Hypothecation: First charge /Pari-passu charge on all movable & immovable assets (both present & future) of the project shall be created in favour of REC. Wherever loan is taken against land from REC, it is subject to equitable mortgage irrespective of the option available in REC guidelines. To make such change meaningful, appropriate provision will be made to the satisfaction of REC, to allow the REC the right to inspect, take possession thereof & sell the same in accordance with the provisions of the securitization Act.
REC Ltd 4854 *	10.03%	681.70	Monthly	120	5.68	Erection of 132/33 Kv Substation at Munugodu in Nalgonda district Along with connected 132 kv & 33 kv	A) As payment security during the construction stage & during the loan repayment period, APTRANS CO shall make operational a default Escrow arrangement for payment to the satisfaction of REC. B) In case of Hypothecation: First charge /Pari-passu charge on all movable & immovable assets (both present & future) of the project shall be created in favour of REC. Wherever loan is taken against land from REC, it is subject to equitable mortgage irrespective of the option available in REC guidelines. To make such change meaningful, appropriate provision will be made to the satisfaction of REC, to allow the REC the right to inspect, take possession thereof & sell the same in accordance with the provisions of the securitization Act.
REC Ltd 9488 *	10.03%	460.00	Monthly	120	3.83	Erection of 132/33 Kv Substation at Mungala & Salkunoor	A) As payment security during the construction stage & during the loan repayment period, APTRANS CO shall make operational a default Escrow arrangement for payment to the satisfaction of REC. B) In case of Hypothecation: First charge /Pari-passu charge on all movable & immovable assets (both present & future) of the project shall be created in favour of REC. Wherever loan is taken against land from REC, it is subject to equitable mortgage irrespective of the option available in REC guidelines. To make such change meaningful, appropriate provision will be made to the satisfaction of REC, to allow the REC the right to inspect, take possession thereof & sell the same in accordance with the provisions of the securitization Act.
REC Ltd 4863 *	10.03%	798.00	Monthly	120	6.65	Erection of 132/33 Kv Substation at Domakhal in Warangal district along with connected 132 Kv & 33Kv lines	A) As payment security during the construction stage & during the loan repayment period, APTRANS CO shall make operational a default Escrow arrangement for payment to the satisfaction of REC. B) In case of Hypothecation: First charge /Pari-passu charge on all movable & immovable assets (both present & future) of the project shall be created in favour of REC. Wherever loan is taken against land from REC, it is subject to equitable mortgage irrespective of the option available in REC guidelines. To make such change meaningful, appropriate provision will be made to the satisfaction of REC, to allow the REC the right to inspect, take possession thereof & sell the same in accordance with the provisions of the securitization Act.
REC Ltd 4467 *	10.03%	180.00	Monthly	120	1.50	Erection of 132/33 Kv SS at NV Puram in Khanaman Dist along with Connected 132/33 KV Lines.	A) As payment security during the construction stage & during the loan repayment period, APTRANS CO shall make operational a default Escrow arrangement for payment to the satisfaction of REC. B) In case of Hypothecation: First charge /Pari-passu charge on all movable & immovable assets (both present & future) of the project shall be created in favour of REC. Wherever loan is taken against land from REC, it is subject to equitable mortgage irrespective of the option available in REC guidelines. To make such change meaningful, appropriate provision will be made to the satisfaction of REC, to allow the REC the right to inspect, take possession thereof & sell the same in accordance with the provisions of the securitization Act.
REC Ltd 9481 *	10.03%	101.00	Monthly	120	0.84	Erection of 132/33KV Sub-Station at Dommanapochampally.	A) As payment security during the construction stage & during the loan repayment period, APTRANS CO shall make operational a default Escrow arrangement for payment to the satisfaction of REC. B) In case of Hypothecation: First charge /Pari-passu charge on all movable & immovable assets (both present & future) of the project shall be created in favour of REC. Wherever loan is taken against land from REC, it is subject to equitable mortgage irrespective of the option available in REC guidelines. To make such change meaningful, appropriate provision will be made to the satisfaction of REC, to allow the REC the right to inspect, take possession thereof & sell the same in accordance with the provisions of the securitization Act.
REC Ltd 9979 *	10.03%	280.00	Monthly	120	2.33	Erection of 132/33KV Substation at Narayampet & erection of additional 100MVA PTR at existing 220/132 KV Hazarabad SS along with associated 132 KV Line in Mahabubnagar & Karimnagar districts of Telangana.	A) As payment security during the construction stage & during the loan repayment period, APTRANS CO shall make operational a default Escrow arrangement for payment to the satisfaction of REC. B) In case of Hypothecation: First charge /Pari-passu charge on all movable & immovable assets (both present & future) of the project shall be created in favour of REC. Wherever loan is taken against land from REC, it is subject to equitable mortgage irrespective of the option available in REC guidelines. To make such change meaningful, appropriate provision will be made to the satisfaction of REC, to allow the REC the right to inspect, take possession thereof & sell the same in accordance with the provisions of the securitization Act.
Total		270,740.84			2,674.15		

* Are in Monitorium period.



E-Loans from Power Finance Corporation is secured against hypothecation/mortgage on upcoming assets of various sub stations along with associated lines for which the term loan was sanctioned. Details of securities given against each loan are as tabulated below:

Name of the Bank / Financial Institution	Rate of Interest as on 31.3.2017	Balance Outstanding as on 31.3.2017 (Rs. in Lakhs)	Type (Monthly / quarterly / Half yearly / Yearly)	No of remaining installments	Installment Amount (Rs. in Lakhs)	Name of the Project	Security Details
31403063	11.35%	2726.63	quarterly	4	681.66	Modified Dichapally-Gajwel Transmission Scheme	First charge by way of hypothecation in favour of the corporation of all movable assets related to the project (save and except book debts), including movable machinery, machinery spares, tools and accessories, fuel stock, spares and material at project site present & future.
31403079	12.00% to 12.25%	98.14	quarterly	2	49.07	Financial Assistance for Estt of 220/132 kv ss at shadnagar in MBNR Dist 220kv & 132kv lines	-do-
31403082	11.50%	2456.66	quarterly	14	175.48	Augmentation of Transformers capacities existing 5Nos 220/132 kv at Hyderabad & Secunderabad	-do-
31403083	11.50% to 12.25%	16603.39	quarterly	17	976.4	Financial Assistance for providing 400kv Ring Main around Twin cities of Hypothecation at Sec-bad and R.R Dist	-do-
31403086	11.50% to 12.50%	26220.94	quarterly	34	771.2	Financial Assistance for strengthening and modernization of Transmission system in Twin Cities of Hyderabad & Secunderabad	-do-
31403087	11.50 % to 12.25%	10495.8	quarterly	46	228.17	Erection of 220kv & 132kv GIS SS along with connected cable line at various places of Hyderabad Metropolitan Area with F.A from M/s. JBC sanction of counter part funding of 376.20 crs.	-do-
31403088	11.50% to 12.25%	8083.71	quarterly	45	180.92	Erection of 132/33 kv SS at NIMS in Hyderabad along with connected 132/33 kv lines. Erection of 220kv with station at Thimmajpet in MBNR dist along with 220kv LIL/ODC Lines. Erection of 132/33 kv SS at unoor in Adilabad Dist along with connected 132/33 lines. Erection of 132/33 kv GIS SS at narayanaguda (Shanti Theatre). Enhancement of Transformer capacities at 77NOS EHT SS Enhancement of Transformer capacities at 22NOS EHT SS.	-do-
31403089	11.50% to 12.25%	3391.49	quarterly	52	64.67	Erection of 132/33 kv SS at Kamalapur in Kamalapur Dist along with connected lines. Erection of 132/33 KV SS at Gudur in Warangal Dist along with connected 132/33 kv lines. Erection of 132/33 SS at Madugula in MBNR district along with connected 132/33 Lines. Erection of 132/33 kv SS at Rampur in Medak District along with connected 132/33 kv lines. Erection of 132/33 kv SS at Alwalpet in MBNR district along with connected 132/33 kv lines	-do-
31403091	11.50% to 12.25%	6391.64	quarterly	60	88.28	Erection of 2nd 132kv LIL/ODC line from existing 132kv Laxetipet-Bellampally 2nd circuit line to 220kv Mandamari (Bellampally) SS and 2Nos 132KV bays at 220kv Mandamari (Bellampally) SS Erection of 132KV DC/SC line from 132/33 KV Dharmapuri SS to 132/33 KV bays at 132/33kv Laxetipet SS and 132 kv bays at 132/33 KV Dharmapuri SS and 132/33 KV Laxetipet SS Erection of 132/33 KV SS at Kamapur in Kamapur Dist along with connected 132/33 KV Lines Augmentation of Power Transformer capacity from 1x31.5+1x10/16 MVA to 1x50+1x31.5 MVA at 132KV SS Maddur-MBNR circle Erection of 220/132KV SS at Huzunsagar in Nalgonda Dist Erection of 132kv 2nd circuit stringing on existing 132kv DC/SC line from 220KV Rheemgal SS to 132KV Sirkonda SS & 2Nos. 132KV bays at 220KV Bheemgal SS and 132 KV Sirkonda SS 400KV Augmentation Scheme-II Augmentation of 315 MVA 400/220KV Power Transformer capacities at Hyderabad (Mamidipally) & Gajwel 400/220KVSS	-do-
31403071	11.25 to 12.50%	343.5	quarterly	1	343.5	Transmission works involving providing of 220/132kv and 132kv & associated lines augmentation of Transformers capacities at existing 132/33 KVSS Providing Boundary metering and capacity Barries and replaced of circuit.	-do-
31403073	11.35%	37.26	quarterly	4	9.31	Second Loan for counterpart funding for adaptable programme of lending (A.P.L) state-I of world bank loan for supplementary Transmission Scheme	-do-
31403074	11.25 to 12.25%	142.21	quarterly	2	71.1	Financial Assistance for providing alternate supply to 26 Nos. 132/33 kv ss stringing of Second circuit & conducting new DC/SC laying and various locations in A.P	-do-



31403075	11.85%	6.28	quarterly	2	3.14	Providing Independent Breakers in place of Group Control Breakers	-d-
31403078	12.50%	89.59	quarterly	2	44.79	Installation of Addtl 100 MVA Transformers at 10 Nos 220/132kvs and replacement of faulty 1No220/132kvs	-d-
31403081	12.50% 13.00%	339.2	quarterly	14	24.23	Financial Assistance for Augmentation of Transformers capacities at existing 21 Nos.132/33 kvs	-d-
37703001	10.66 to 9.95%	44158.56	monthly	60	0	Bladradri Thermal Power Transmission Schemes (4x270MW units at Manuguru)-Construction of 400/220kv Jularupadu (Bommanapally)Substation and Associated Networks	1)Hypothecation Deed towards charge of project assets with coverage of 1.1 times. 2) Tripartite Escrow Agreement (Cash ratio of 1:1) 3)Material & Equipment Schedule
37703002	10.66 to 9.95%	6673.59	monthly	60	0	KTPS VII Stage (1x800MW)Power Transmission Scheme-Construction of 400/220kv Substation at Jangoon, Warangal Dist and associated Transmission Networks	-d-
37703004	10.66 to 9.95%	8652.69	monthly	60	0	765kv Wardha - Hyderabad Link Transmission scheme - Erection of 400kv SS at Maheswaram and Manikonda with connected Transmission Network	-d-
37703009	10.66 to 9.95%	1781.52	monthly	60	0	400kv Augmentation of 315 MVA Power Transformer capacities at 400kv SS Dichtpally and Velloor (Mahabubnagar) to cater load demand and to provide the uninterrupted power to agriculture Sector 9 hours day supply and extension of power supply to the pump houses under Telangana Drinking Water Grid Project	-d-
37703011	10.66 to 9.95%	1090.54	monthly	60	0	2 nd Circuit stringing on the existing (i) 220KV RSS to 220kv SS Nirmal DC/SC line and (ii) 220kv RSS to 220kv SS Jalilpally DC/SC line	-d-
37703012	10.66 to 9.95%	423.37	monthly	60	0	Erection of 1No. 400/220kv 315 MVA PTR in place of failed 400/132kv 200MVA PTR at NTPC Ramagundam and connected 220kv line & Bay works	-d-
37703014	10.66 to 9.95%	6710.14	monthly	60	0	Strengthening of 12Nos. overloaded Transmission lines for extending 9Hrs agricultural Supply during day time in 9 Hrs of Telangana State	-d-
Total(i)		146916.85			3711.92		

* Loan No.37703001 to 37703014 are in Mortalium Period



Transmission Corporation of Telangana Limited
Notes to the financial statements (continued)

In lakhs of INR

14. Trade payables

	31 March 2017	31 March 2016	1 April 2015
Due to micro enterprises and small enterprises (Refer Note below)	-	-	-
Due to others- Towards O&M Works	9,680.39	5,293.37	1,230.68
	9,680.39	5,293.37	1,230.68

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31 March 2017	31 March 2016	1 April 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

15. Other financial liabilities

	31 March 2017	31 March 2016	1 April 2015
A. Non-current			
Security deposits from suppliers	1,141.39	784.70	624.54
Retention money from suppliers	41,049.36	25,732.75	30,073.61
Security deposit- operating charges	1,724.75	1,934.59	1,388.75
Interest payable on State Government LIS Funds	62,868.90	50,937.05	38,938.50
Liability towards pass through gains on variations as per Tariff Order	66,368.31	65,535.00	19,496.00
	1,73,152.71	1,44,924.09	90,521.40

The Company has not made fair value of security deposits from suppliers, retention money from suppliers and security deposit- operating charges in the absence of required details such as repayment date, contract completion date, etc.

	31 March 2017	31 March 2016	1 April 2015
B. Current			
Current maturities of long term borrowings - Banks	25,683.45	6,665.74	6,373.39
Current maturities of long term borrowings - Financial Institutions	29,971.62	17,400.99	16,295.76
Current maturities of long term borrowings - State Government loans	4,864.21	4,864.21	4,864.21
Repayment due on State Government loans	0.32	2,432.11	849.16
Interest accrued and due on State Government loans	687.77	3,598.30	1,209.63
Earnest money deposits from suppliers	393.12	356.71	231.35
Liability towards capital works	13,834.83	29,411.44	8,087.06
Employee related liabilities	3,317.68	3,268.89	3,908.55
Liability for expenses	2,828.30	802.98	2,972.67
Accrued interest liability on borrowings from banks/FIs	2,082.93	4,452.31	2,345.19
Liability towards pass through gains on variations as per Tariff Order	32,768.00	-	-
Excess amount received from customers	0.76	303.99	299.59
Transient Discom pool account	-	450.64	238.10
	1,16,432.99	74,008.31	47,674.66

16. Provisions

	Non-current		
	31 March 2017	31 March 2016	1 April 2015
A. Provisions for employee benefits			
Pension and Gratuity	43,429.86	43,429.86	43,429.86
Gratuity	435.96	435.96	435.96
Leave encashment	6,527.85	6,527.85	6,527.85
	50,393.67	50,393.67	50,393.67
	Current		
	31 March 2017	31 March 2016	1 April 2015
B. Provisions for employee benefits			
Leave encashment	2,148.97	1,546.40	919.98
Pension & Gratuity	-	-	1,452.28
	2,148.97	1,546.40	2,372.26



Transmission Corporation of Telangana Limited
Notes to the financial statements (continued)

In lakhs of INR

17. Deferred consumer contributions towards Property, plant and equipment

	31 March 2017	31 March 2016	1 April 2015
Government grants			
Contributions towards cost of Property, plant and equipment	47,181.01	41,890.52	40,846.00
	47,181.01	41,890.52	40,846.00
Non-current	41,144.02	36,388.11	36,030.32
Current	6,036.99	5,502.41	4,815.68
	47,181.01	41,890.52	40,846.00

18. Deferred tax liabilities (net)

	31 March 2017	31 March 2016	1 April 2015
a) Deferred tax assets on account of			
Unused tax credit	9,536.92	3,250.77	904.03
Deferred income amortised	16,328.40	14,497.47	13,883.56
Expenses allowable on payment basis	11,991.68	11,783.15	11,565.19
Preliminary expenses	35.30	52.96	69.35
Provisions	65.66	9.64	-
b) Deferred tax liabilities on account of			
Depreciation and amortisation	62,606.31	52,652.09	44,472.08
	24,648.35	23,058.10	18,049.95

Movement in deferred tax liabilities (net)

Particulars	Depreciation and amortisation	Deferred Income amortised	Unused tax credit	Expenses allowable on payment basis	Others	Total
As at 01 April, 2015	(44472.08)	13883.56	904.03	11,565.19	69.35	(18,049.95)
(Charged) / Credited to statement of profit and loss	(8,180.01)	613.91	2,346.74	217.96	(6.75)	(5,008.15)
As at 31st March, 2017	52,652.09	14,497.47	3,250.77	11,783.15	62.60	23,058.10
(Charged) / Credited to statement of profit and loss	(9,954.22)	1,830.93	6,286.15	208.53	38.36	(1,590.25)
As at 31st March, 2018	62,606.31	16,328.40	9,536.92	11,991.68	100.96	24,648.35

19. Other liabilities

	31 March 2017	31 March 2016	1 April 2015
A. Non-current			
Deposit contribution works	1,75,319.25	98,703.36	96,362.74
GIS-Insurance and Savings Fund	193.36	171.13	147.94
Contribution towards Self-Funding Medical Scheme	91.74	62.32	34.73
	1,75,604.35	98,936.81	96,545.41
	31 March 2017	31 March 2016	1 April 2015
B. Current			
Advance from customers	35.54	22.28	-
Payable to AP TRANSCO (Net)	-	-	4,411.78
Other liabilities and provisions	170.75	352.60	872.49
Statutory liabilities	4,032.33	3,957.84	3,938.57
	4,238.62	4,332.72	9,222.84



Transmission Corporation of Telangana Limited
Notes to the financial statements (continued)

In lakhs of INR

20. Revenue from operations

	31 March 2017	31 March 2016
Sale of services		
Transmission charges	1,31,234.05	89,823.12
State load dispatch centre (SLDC) charges	4,111.70	3,038.23
Other operating income		
Supervision Charges	2,654.30	2,253.84
SLDC processing fee	211.65	135.37
Contributions towards depreciation of lift irrigation scheme assets	1,759.45	1,655.96
Amortisation of consumer contribution towards cost of Property, plant and equipment	4,277.54	3,846.46
Registration fees	16.97	1.79
Operations and maintenance/Annual maintenance charges collected	81.98	45.59
	1,44,347.64	1,00,800.36

20.1. The Transmission and State Load Despatch Center Charges are collected as per the tariff notified by the APERC for the 3rd Multi Year Tariff (MYT) Control Period - FY 2014-15 to FY 2018-19 for the power sharing capacity of TS DISCOMS out of the total approved capacity for FY 2016-17 and other open access customers.

20.2. During the year, the Company has recognized an amount of INR 33601.31 lakhs (INR 33007.97 lakhs and INR 593.34 lakhs) (Previous Year : INR 46039.00 lakhs (INR 44772.00 lakhs and INR 1267.00 lakhs)) towards Pass-through gains on variations in Transmission and SLDC charges attributable to the current year.

21. Other income

	31 March 2017	31 March 2016
Interest on staff loans and advances	109.76	99.08
Income from investments	1,301.99	1,344.70
Interest on investments under contingency reserve	362.05	353.18
Income from sale of scrap, etc.,	217.59	248.65
Delayed payment charges from consumers	161.99	12.29
Fines and penalties recovered	-	1,815.34
Miscellaneous receipts	370.20	191.81
	2,523.58	4,065.05

22. Employee benefits expense

	31 March 2017	31 March 2016
Salaries, wages and bonus	30,209.06	24,109.58
Contribution towards pension and gratuity fund	4,712.09	3,965.32
Contribution towards gratuity fund	441.69	298.90
Employees cost capitalised	(10,678.86)	(6,937.35)
	24,683.98	21,436.45

22.1. Consequent to the bifurcation of State of Andhra Pradesh, the employees working in the Telangana Region are working in the Company on geographical basis whereas the employees working in Head Quarters were allocated between two entities on provisional basis. Pending final allocation of employees, the Company has not taken up the actuarial valuation. However, the contribution towards Pension & Gratuity in respect of the employees appointed prior to 01.02.1999 was provided @ 33.15% and Contribution towards Gratuity in respect of the employees appointed after 01.02.1999 was provided @ 6.08%.

22.2. Since, all the employees are entitled for 30 days of earned leave per year, provision equivalent to one month salary has been provided towards Earned Leave Encashment. Pending final allocation of employees, the Company has not taken up the actuarial valuation.

22.3. Expenses Capitalized includes @1.50% of Capital Work in Progress (CWIP) towards Head Quarters Charges.

23. Finance costs

	31 March 2017	31 March 2016
Interest expense		
on term loans from banks	3,280.49	3,600.25
on term loans from financial institutions and others	45,115.11	31,584.58
Other borrowing costs	17.69	17.08
Interest and finance charges capitalised	(13,640.08)	(11,705.18)
	34,773.21	23,496.73



ANNUAL ACCOUNTS FY 2016-17

Transmission Corporation of Telangana Limited
Notes to the financial statements (continued)

In lakhs of INR

24. Depreciation and amortization expense

	31 March 2017	31 March 2016
Depreciation of property, plant and equipment	43,144.76	28,524.10
Amortization of Intangible assets	74.88	18.08
	43,219.64	28,542.18

25. Other expenses

	31 March 2017	31 March 2016
Repairs and Maintenance to:		
Plant and Machinery	3,847.71	3,160.10
Transformers	62.64	271.28
Substation maintenance by private agencies	9,164.74	6,616.32
Buildings	81.40	132.07
Civil Works	277.93	162.05
Lines, Cable net work etc.	620.82	808.86
Vehicles	26.47	25.87
Furniture and Fixtures	2.85	0.09
Office equipment	160.82	72.22
Repairs and maintenance expenses capitalised	(91.81)	(10.82)
Rent, rates and taxes	131.51	216.71
TSERC license fee	273.84	193.74
Insurance on fixed assets	6.31	6.10
Postage and telephone charges	92.59	91.86
Audit fees	8.98	8.12
Professional, consultancy and legal charges	112.55	33.70
Honorarium	20.09	12.34
Commission	1.32	8.25
Remuneration to internal auditors	10.63	15.92
Travelling and conveyance expenses	296.02	229.11
Vehicle running expenses (cars, jeeps, etc)	94.50	100.11
Vehicle hire charges	896.25	723.42
Employees/staff recruitment charges	-	50.38
Training participation fee	10.04	0.20
Fees and subscription	23.72	46.45
Books and periodicals	2.81	1.64
Printing and stationery	47.35	40.51
Advertisement expenses	203.49	128.12
Electricity charges	104.30	85.91
Water charges	35.75	20.50
Entertainment expenses	15.06	14.29
Miscellaneous expenses	151.60	234.55
Outsourced Staff Wages	1,313.88	680.96
Vehicle running expenses (heavy vehicles)	3.96	10.28
Incidental Stores Expenses	9.04	12.43
Loss on sale of scrap	36.18	144.66
Material cost variance	161.86	27.85
Administrative and general overheads capitalised	(805.22)	(690.36)
Decline in value of investments	22.69	70.71
Refund of fines and penalties collected	166.17	-
	17,600.84	13,756.50

(i) Payments to auditors

	31 March 2017	31 March 2016
Statutory auditors		
- Statutory audit	5.68	5.13
- Tax audit	1.42	1.28
- Out of pocket expenses	0.62	0.57
Others		
- Cost audit	1.26	1.14
	8.98	8.12

**Transmission Corporation of Telangana Limited**
Notes to the financial statements (continued)*In lakhs of INR***26. (a) Tax Expense**

	31 March 2017	31 March 2016
(a) Current tax		
Current tax		
Current tax on profits for the year	7,073.76	2,978.32
Mat credit entitlement	6,286.14	2,346.74
(b) Deferred tax		
Deferred tax as per previous GAAP	-	4,250.83
Increase in deferred tax liabilities	7,876.38	3,104.07
	8,664.00	7,986.48

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

	31 March 2017	31 March 2016
Profit before tax	26,593.55	17,633.55
Tax at Indian tax rate of 21.34% (2015-16 - 21.34%)	7,073.76	2,978.32
Unused tax credit	(6,286.14)	(2,346.74)
Deferred income amortised	(1,830.93)	(613.91)
Expenses allowable on payment basis	(208.53)	(217.96)
Others	(38.38)	6.75
Depreciation and amortisation	9,954.22	8,180.02
Profit after tax	17,929.55	9,647.07



ANNUAL ACCOUNTS FY 2016-17

Transmission Corporation of Telangana Limited Notes to the financial statements (continued)

27 Financial Instruments

A. Financial instruments by category

	31 March 2017		31 March 2016		1 April 2015	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost	FVTPL	Amortized Cost
Financial assets						
Investments	157.51	36,957.33	180.20	36,957.33	250.91	38,545.82
Trade receivables	-	1,22,522.12	-	52,126.12	-	25,886.48
Loans	-	1,12,256.42	-	1,00,518.77	-	1,01,268.49
Cash and cash equivalents	-	6,570.32	-	4,496.01	-	4,789.98
Other financial assets	-	1,318.83	-	8,291.56	-	1,729.10
Total financial assets	157.51	2,79,625.02	180.20	2,02,389.79	250.91	1,72,219.87
Financial liabilities						
Borrowings	-	4,56,228.49	-	3,52,108.05	-	2,72,440.78
Other financial liabilities	-	2,89,585.70	-	2,18,932.40	-	1,38,196.06
Total financial liabilities	-	7,45,814.19	-	5,71,040.45	-	4,10,636.84

Note : For the purpose of above abbreviations, FVTPL - fair value through profit and loss; amortised cost - fair value through amortized cost

Note: Investments in GVK Power and Infrastructure Limited have been fair valued through profit and loss account. Other financial assets and liabilities relate to level 3 financial instruments and the carrying value approximates to their fair value

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value through profit and loss statement and (b) measured at amortized cost and for which fair values are disclosed in the financial statements.

Financial assets and liabilities which are measured at fair value-recurring fair value measurements

At 31 March 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Investments	157.51	-	-	157.51
Total financial assets	157.51	-	-	157.51

Financial assets and liabilities which are measured at fair value-recurring fair value measurements

At 31 March 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Investments	180.20	-	-	180.20
Total financial asset	180.20	-	-	180.20

Financial assets and liabilities which are measured at fair value-recurring fair value measurements

At 1 April 2015	Level 1	Level 2	Level 3	Total
Financial assets				
Investments	250.91	-	-	250.91
Total financial asset	250.91	-	-	250.91

Financial assets and liabilities which are measured at amortized cost - for which fair values are disclosed

At 31 March 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Investments	-	-	36,957.33	36,957.33
Trade receivables	-	-	1,22,522.12	1,22,522.12
Cash and cash equivalents	-	-	6,570.32	6,570.32
Loans	-	-	1,12,256.42	1,12,256.42
Other financial assets	-	-	1,318.83	1,318.83
Total financial asset	-	-	2,79,625.02	2,79,625.02
Financial liabilities				
Borrowings	-	-	4,56,228.49	4,56,228.49
Other financial liabilities	-	-	2,89,585.70	2,89,585.70
Total financial liabilities	-	-	7,45,814.19	7,45,814.19

Financial assets and liabilities which are measured at amortized cost - for which fair values are disclosed

At 31 March 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Investments	-	-	36,957.33	36,957.33
Trade receivables	-	-	52,126.12	52,126.12
Cash and cash equivalents	-	-	4,496.01	4,496.01
Loans	-	-	1,00,518.77	1,00,518.77
Other financial assets	-	-	8,291.56	8,291.56
Total financial asset	-	-	2,02,389.79	2,02,389.79
Financial liabilities				
Borrowings	-	-	3,52,108.05	3,52,108.05
Other financial liabilities	-	-	2,18,932.40	2,18,932.40
Total financial liabilities	-	-	5,71,040.45	5,71,040.45

Financial assets and liabilities which are measured at amortized cost - for which fair values are disclosed

At 1 April 2015	Level 1	Level 2	Level 3	Total
Financial assets				
Investments	-	-	38,545.82	38,545.82
Trade receivables	-	-	25,886.48	25,886.48
Cash and cash equivalents	-	-	4,789.98	4,789.98
Loans	-	-	1,01,268.49	1,01,268.49
Other financial assets	-	-	1,729.10	1,729.10
Total financial asset	-	-	1,72,219.87	1,72,219.87
Financial liabilities				
Borrowings	-	-	2,72,440.78	2,72,440.78
Other financial liabilities	-	-	1,38,196.06	1,38,196.06
Total financial liabilities	-	-	4,10,636.84	4,10,636.84



Transmission Corporation of Telangana Limited
Notes to the financial statements (continued)

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: 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 of the resulting fair value estimates are included in level 3, (except in case of equity instruments in GVK Power and Infrastructure Limited) where the fair values have been determined based upon quoted market prices in active market where the equity instruments are actively traded.

28 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 established 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 and loans and advances to Borrowings, Other liabilities	Ageing analysis, credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk		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.

A. 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. The carrying amount of financial assets represent the maximum credit risk exposure.

The Company's trade receivables comprise of dues from government parties, ie Discoms with an operating credit period of 30 days from the date of raising invoice and the management asserts that all the trade receivables are to be considered good and fully recoverable.

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. 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. In addition, the Company maintains the following lines of credit:

iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a. Foreign currency risk

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

b. Interest rate risk

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

29 Capital Management and Gearing Ratio

For the purpose of Company's capital management, capital includes issued Equity capital and all other equity reserves attributable to the equity holders. The Primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

	31 March 2017	31 March 2016	1 April 2015
Borrowings			
Non Current	4,56,228.49	3,52,108.05	2,72,440.78
Current maturities of non current borrowings	60,519.60	31,363.05	28,382.52
Debt	5,16,748.09	3,83,471.10	3,00,823.30
Equity			
Equity Share capital	5.00	5.00	5.00
Other Equity	65,273.98	47,344.46	37,697.37
Total Capital	65,278.98	47,349.46	37,702.37
Gearing ratio in %(Debt/Capital)	791.60	809.87	797.89



ANNUAL ACCOUNTS FY 2016-17

Transmission Corporation of Telangana Limited Notes to the financial statements (continued)

30 Related party transactions

a) Key Management Personnel:

- 1) Sri. D. Prabhakar Rao , Chairman and Managing Director
- 2) Sri. C.Srinivas Rao , IRAS , Joint Managing Director
- 3) Sri. T.Jagath Reddy , Director (Transmission)
- 4) Sri. G.Narsing Rao , Director (HR & Grid Operation)
- 5) Sri. J.Surya Prakash , Director (Projects & Lift Irrigation)
- 6) Sri. G.Srinivas, FA&CCA(A/cs) & CFO
- 7) Smt. G.P.R Hrudaya , Company Secretary upto 01.10.2016
- 8) Sri. A.Srinivas Vijay Kumar, Company Secretary from 01.10.2016

b) Non-Whole Time Directors

- 1) Sri. Arvind Kumar, IAS upto 20.12.2016
- 2) Sri. Ajay Misra, IAS from 20.12.2016
- 3) Sri. K.Ramakrishna Rao, IAS

c) Key management personnel compensation

Name of Key Management Personnel	31 March 2017	31 March 2016
Sri. C.Srinivas Rao , IRAS , Joint Managing Director	26.71	15.06
Sri. J.Surya Prakash , Director (Projects & Lift Irrigation)	20.67	11.84
Sri. T.Jagath Reddy , Director (Transmission)	20.67	23.94
Sri. G.Narsing Rao , Director (HR & Grid Operation)	20.39	23.32
Sri G.Srinivas, FA&CCA(A/cs) & CFO	27.98	27.01
Smt. G.P.R Hrudaya , Company Secretary	3.45	4.61
Sri. A.Srinivas Vijay Kumar, Company Secretary	11.35	-

d) Sitting fees

	31 March 2017	31 March 2016
Sri. Arvind Kumar, IAS	2,000	3,500
Sri. Ajay Misra, IAS	1,500	-
Sri. K.Ramakrishna Rao, IAS	1,500	1,000

(In INR)

31 Operating segments

a) The Company's Chairman & Managing Director(Chief Operating Decision Maker) examine the Company's performance functional wise and have identified two operating segments viz., Transmission of power and State load despatch center. However, the Company has only one reportable segment as per the criteria laid down under Ind AS 108. Hence, segment reporting is not given.

b) Information about the Company function wise

Revenue from External Customers
-Transmission of Power
-State Load Despatch Center

The Company has made external sales to the following customers meeting the criteria of 10% or more of the entity revenue

Customer 1 - 10,65,97.61 Lakhs
Customer 2 - 44,498.30 Lakhs

32 Contingent liabilities (to the extent not provided for)

	31 March 2017	31 March 2016	1 April 2015
Up to 01.06.2014:			
(a) Cases for disputed liabilities of Sales Tax/VAT/CST/Entry Tax pending before the honorable High Court (Deposited INR 1517.88 Lakhs)	15,403.62	15,403.62	15,403.62
(b) Employee State Insurance court case (Deposited INR 20 lakhs)	80.00	80.00	80.00
(c) Demand towards service tax	395.00	395.00	395.00
(d) Department towards income tax (Deposited 15% of INR 145,67 lakhs)	145,67.00	145,67.00	145,67.00
(e) Demand raised by municipal authorities towards disputed municipal taxes	584.00	584.00	584.00
(f) Other legal cases (Deposited INR 347 lakhs)	Not quantified	Not quantified	Not quantified
on/after 02.06.2014			
a) Entry Tax (Deposited INR 959.37 lakhs in FY 2018-19)	3837.47	Nil	Nil
b) Income Tax (Deposited INR 419.77 Lakhs in FY 2017-18)	2098.84	Nil	Nil
c) Other legal cases	Not quantified	Not quantified	Not quantified
	36,965.93	31,029.62	31,029.62

Regarding future refunds and liabilities/commitments if any, arises, in respect of the period prior to the bifurcation i.e., upto 01.06.2014 and not provided in the accounts (to end of 01.06.2014), such refunds and liabilities/commitments (if it relates to any particular territorial property/lines and substations) shall be the liabilities/commitments of the successor TRANSCO of the respective state in whose territories the property/lines and sub-stations is situated. In case of the refunds and liabilities/commitments specified above do not relate to a particular property/lines and sub stations/territory wise/common, and then the same shall be shared between the two State TRANSCOs in the Population Ratio.

The Company has received a letter from APTRANSCO on 03.03.2018 towards reimbursement of salaries to TS relieved employees for an amount of INR 2839.91 lakhs (Including Interest of INR 441.15 lakhs upto 01.02.2018) from October 2015 to May 2016. The Company has not accounted the same as the case is pending before Hon'ble Supreme Court of India.

33 The Company has not paid entry tax of INR 4006.95 lakhs which is disputed liability allocated by APTRANSCO. The case is pending before Supreme Court of India and High Court of Judicature at Hyderabad

34 Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

	31-Mar-17	31 March 2016	1 April 2015
Estimated amount of contracts not executed and not provided for (net of advances)	5,57,545.92	3,17,226.21	3,54,304.40

**Transmission Corporation of Telangana Limited****Notes to the financial statements (continued)****35 Earnings per share (EPS)****A. Computation of basic and diluted EPS**

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

Diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares. The Company does not have any potentially dilutive shares for year ended 31 March 2017, 31 March 2016 and 31 March 2015.

B. Earnings per share

	31 March 2017	31 March 2016
Basic earnings per share	35,859.10	19,294.14
Diluted earnings per share	35,859.10	19,294.14

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 2017	31 March 2016
Profit for the year, attributable to the equity share holders	17,929.55	9,647.07

iii. Weighted average number of equity shares

	31 March 2017	31 March 2016
Opening balance	0.50	0.50
Effect of shares issued for cash (if any)		
Weighted average number of shares for the year	0.50	0.50

36 Assets & Liabilities apportioned under Andhra Pradesh Reorganisation Act, 2014:

(i) On 1st March, 2014, the Andhra Pradesh Reorganization Act, 2014 received the assent of President of India for formation of Telangana State. The new state came into existence with effect from 2nd June, 2014.

As per the Andhra Pradesh Reorganization Act, 2014, the Companies and Corporations specified in the Ninth Schedule constituted for the existing State of Andhra Pradesh shall, on and from the appointed day, continue to function in those areas in respect of which they were functioning immediately before that day.

The assets, rights and liabilities of the companies and corporations referred to in sub-section (1) shall be apportioned between the successor States in the manner provided in Section 53.

(ii) As per Section 53 of the Andhra Pradesh Reorganisation Act, 2014

(a) The assets and liabilities relating to any commercial or industrial undertaking of the existing State of Andhra Pradesh, where such undertaking or part thereof is exclusively located in, or its operations are confined to a local area, shall pass to the State in which that area is included on the appointed day, irrespective of the location of its headquarters: Provided that where the operation of such undertaking becomes inter-state by virtue of the provisions of Part II, the assets and liabilities of –

b) the operational units of the undertaking shall be apportioned between the two successor States on location basis; and

c) the headquarters of such undertaking shall be apportioned between the two successor States on the basis of population ratio.

(iii) Upon apportionment of the assets and liabilities, such assets and liabilities shall be transferred in physical form on mutual agreement or by making payment or adjustment through any other mode as may be agreed to by the successor States.

(iv) Section 65 of Andhra Pradesh Reorganisation Act, 2014 empowers the successor States of Andhra Pradesh and Telangana to mutually agree upon the apportionment of assets and liabilities between themselves in a manner other than that provided in the Act. No such final agreement has been arrived at in so far as may be applicable to the affairs of APTRANSCO and the Company.

(v) Consequent to bifurcation of State of Andhra Pradesh, the Government of Andhra Pradesh has issued orders vide G.O.Ms.No.26 (Energy), Dt.29.05.2014 for creation of separate TRANSCO. Accordingly, a separate entity has been incorporated and got registered with Registrar of Companies with the name of Transmission Corporation of Telangana Limited (the Company).

(vi) With regard to apportionment of assets and liabilities of Transmission Corporation of Andhra Pradesh Limited (hereinafter referred to as APTRANSCO) to the Company as on 02.06.2014, APTRANSCO has submitted its draft demerger plan to the Expert Committee vide Lr.No.CMD/Dir (Fin. & Rev.) / FA&CCA (A/cs)/SAO (BS)/D.No.200/15, Dt.28.05.2015 with a copy to the Company.

(vii) In this regard, the Company has sought certain additional information viz., a copy of audited accounts to the end of 1st June, 2014 along with Auditor's Report, Unit wise/Head Account wise break up details for the assets and liabilities and basis for allocation of assets and liabilities of Head Quarter Units, Funding Agency wise loan drawals/balances outstanding etc., duly communicating certain observations on the proposed demerger plan vide Lr.No.FA&CCA(A/cs)/Dy.CCA/SAO(B&BS)/D.No.116/2015, Dt.04.07.15 with a copy to the Expert Committee.

(viii) Based on the observations made by the Company/discussions held with Expert Committee, APTRANSCO has revised its draft demerger plan and communicated to the Expert Committee vide Lr.No.FA&CCA (Accounts)/SAO(B,BS&C)/D.No.541/2016, Dt.16.12.2016 with a copy to the Company.

(ix) Further, the Company has communicated its views with regard to party wise details for certain assets and liabilities allocated to the Company from the Head Quarter Units of APTRANSCO vide Lr.No.FA&CCA (A/cs)/SAO(B&BS)/D.No.12/2017, Dt.07.02.2017.

(x) Based on the views of the Company/discussions thereon held between two entities, APTRANSCO has agreed to retain certain balances and communicated vide Lr.No.FA&CCA(A/cs)/SAO(B,BS & Costing)/D.No.145/2017, Dt.23.03.2017.

(xi) With respect to certain assets and liabilities, despite discussions held consensus could not be arrived between the Companies, for which the Company has adopted the balances assessed by it after obtaining due approval from its Board and communicated the same to the Secretary, Expert Committee vide Lr.No.FA&CCA(A/cs)/SAO(B&BS)/D.No.51/2017, Dt.12.04.2017 with a copy to the CMD/APTRANSCO.

(xii) In response to the above, APTRANSCO has agreed the views of the Company with respect to few items of assets and liabilities and with respect to other items APTRANSCO has communicated its views to the Secretary, Expert Committee vide Lr.No.FA&CCA (Accounts)/SAO(B,BS & Costing)/D.No.256/2017, Dt.09.06.2017 with a copy to the Company.

(xiii) The views of the Company and APTRANSCO were discussed/reviewed by the Expert Committee during the meetings held on 02.08.2017 & 22.08.2017 and communicated the minutes of the meetings vide Letter No.3685/INF(SRC)/2014, Dt.26.08.2017.

(xiv) During the meeting held on 28.10.2017, the Expert Committee has stated that APTRANSCO may place the minutes of the Expert Committee before the Board and sent their revised proposal to the Expert Committee and to the Company.

(xv) Accordingly, APTRANSCO has proposed the revised demerger plan based on the views of the Company, Expert Committee and communicated vide Lr.No.FA&CCA (Accounts)/SAO (B,BS&C)/D.No.427/2017, Dt.09.11.2017. Based on the said demerger plan, the Company has incorporated certain entries during the year as per the consensus arrived between the entities/views of the Expert Committee acceptable to the Company.

(xvi) Based on the minutes of the Expert Committee/revised proposals thereon proposed by APTRANSCO, the Company has submitted its dissent notes to the Secretary Expert Committee vide letter No FA&CCA(A/cs)/AOBNS/Dispatch No 207/2017 dated 23.12.2017.



ANNUAL ACCOUNTS FY 2016-17

Transmission Corporation of Telangana Limited Notes to the financial statements (continued)

(xvii) Further, APTRANSCO has submitted its final demerger plan to the Secretary, Expert Committee vide letter No FA&CC(Accounts)/SAOB,B/S and Costing/Dispatch No 96/18 dated 20.03.2018 with a copy to the Company.

(xviii) In this regard draft dissent note was placed before the Board of the Company in its 28th Board Meeting held on 23.05.2018. Based on the minutes of the Board, the Company has submitted its dissent notes to the Secretary, Expert Committee on the demerger plan submitted by APTRANSCO.

(xix) The following is the position of Assets and Liabilities apportioned to Telangana State Government pursuant to Andhra Pradesh Reorganisation Act, 2014 as per Revised Draft Demerger Plan proposed by APTRANSCO and that of the same assessed/adopted by the Company as on 2nd June, 2014 in anticipation of and pending formal vesting by the Government of Telangana:

Particulars	As per APTRANSCO Revised draft Demerger Plan	As per Company	Adjustments made by the Company during FY 2015-16	As per the Company as at 31 March 2016	Adjustments made by the Company during FY 2016-17	As per the Company as at 31 March 2017
FIXED ASSETS :						
Gross Block of Assets	4,88,338.87	4,88,338.87	-	4,88,338.87	-	4,88,338.87
Less: Accumulated Depreciation	2,17,645.77	2,17,641.41	-	2,17,641.41	-	2,17,641.41
Net Fixed Assets	2,70,693.10	2,70,697.46	-	2,70,697.46	-	2,70,697.46
Capital work-in progress	1,64,692.12	1,64,692.12	-	1,64,692.12	-	1,64,692.12
Deferred Cost	15,699.78	15,699.78	-	15,699.78	-	15,699.78
Intangible Assets	260.03	260.03	-	260.03	-	260.03
Investments	34,263.00	38,897.60	(2,442.00)	36,455.60	-	36,455.60
Total Current Assets	1,40,305.78	1,53,216.37	(3,086.73)	1,50,129.64	-	1,50,129.64
Less: Current Liabilities	1,67,163.45	1,67,389.35	-	1,67,389.35	-	1,67,389.35
Net Current Assets	(26,857.67)	(14,172.98)	(3,086.73)	(17,259.71)	-	(17,259.71)
Demerger Adjustment Account	(9,657.32)	-	-	-	-	-
NET ASSETS:	4,49,093.04	4,76,074.01	(5,528.73)	4,70,545.28	-	4,70,545.28
Borrowings for working capital	-	-	-	-	-	-
Payments due on Capital Liabilities	-	-	-	-	-	-
Capital Liabilities	1,71,520.60	1,71,520.60	-	1,71,520.60	-	1,71,520.60
Funds from State Government	-	-	-	-	-	-
- Loans	69,591.63	69,591.63	-	69,591.63	-	69,591.63
- Equity	32,477.79	-	-	-	-	-
Contributions, Grants and Subsidies towards cost of Capital Assets	67,119.37	67,119.37	-	67,119.37	-	67,119.37
Reserve and Reserve Funds	17,517.19	17,517.19	-	17,517.19	-	17,517.19
Surplus/(Deficit)	35,600.18	-	-	-	-	-
Deferred Tax Liability (Net)	4,872.61	4,872.61	-	4,872.61	-	4,872.61
Liability for Pension & Gratuity, Gratuity and Leave Encashment Trusts	50,393.67	50,393.67	-	50,393.67	-	50,393.67
Reorganisation Resultant Reserve	-	95,058.94	(5,528.73)	89,530.21	-	89,530.21
TOTAL FUNDS:	4,49,093.04	4,76,074.01	(5,528.73)	4,70,545.28	-	4,70,545.28

The revised demerger plan has to be agreed by the respective Board of Directors of the Company and APTRANSCO and approved by the Government of Andhra Pradesh and Telangana and notified thereafter. Any variation to the Company assessed assets and liabilities will be considered in the books of account of the Company in the year in which the said plan is approved and notified.

(xx) Material variations of certain assets and liabilities apportioned as per revised draft demerger plan and as assessed by the Company.

a) Investment in GVK Power & Infrastructure Limited and Andhra Pradesh Gas Power Corporation Limited is considered as geographical location wise asset to Andhra Pradesh by APTRANSCO. Whereas, the Company opined that since it is Headquarter's asset and is to be apportioned on population basis. The Expert Committee opined that the apportionment of these investments may be made as per proposed APIDC Demerger Plan. However, the Company stands with its view of allocation of these investments on population ratio basis. This has an impact of increase in investment of INR 1,523.09 lakhs (Note-4).

b) In respect of Bonds issued by DISCOMs against LIS funds, APTRANSCO has apportioned based on region of respective DISCOM (i.e., bonds issued by TS DISCOMs to the Company). Whereas, the Company opined that the same has to be apportioned based on the balance of LIS funds of respective State Government. Upon reaching consensus with APTRANSCO, the Company has now agreed with the proposal of APTRANSCO for adjusting the balance amount of INR 853.51 lakhs against Inter Corporate Deposits with DISCOMs.

c) In respect of Bonds issued by DISCOMs against receivables of Transmission and SLDC charges, APTRANSCO has apportioned on Transmission Capacity basis. Whereas, the Company has opined that, the same has to be allocated in power sharing ratio. Based on the views of the Expert Committee, the Company has now agreed for allocation of said bonds on the basis of population ratio. Accordingly, necessary entries for INR 2,442.00 lakhs are made by adjusting against Reorganisation Resultant Reserve.

d) In respect of receivables of Transmission and SLDC charges from DISCOMs, APTRANSCO has apportioned on Transmission capacity basis. Whereas, the Company has opined that, it is to be apportioned on power sharing ratio. Based on the views of the Expert Committee, the Company has now agreed for allocation of said receivables on the basis of population ratio. Accordingly, necessary entries for INR 3,086.73 lakhs are made by adjusting against Reorganisation Resultant Reserve.

e) Inter Corporate Deposits in DISCOMs is apportioned on the basis of balance of LIS funds (including interest) by APTRANSCO. Whereas, the Company opined that it has to be apportioned on the basis of balance of LIS funds only. The proposal of the Company has been agreed by APTRANSCO for allocation ICDs with DISCOMs on the balance LIS Funds only. There is no impact on the accounts.

f) In respect of differences between assets and liabilities apportioned to the Company, APTRANSCO has shown as demerger adjustment account (receivable from the Company). Whereas, the Company has taken the difference between the assets and liabilities (including equity) to "Reorganization Resultant Reserve". The Expert Committee stated that this issue can be sorted out keeping in view generally accepted accounting principles for balancing of the accounts in a balance sheet. The Company has decided to continue the difference between the assets and liabilities (including equity) under "Reorganization Resultant Reserve" only.

g) **Vidut Soudha Building** : As per the Expert Committee, the book value of the Headquarters building of APTRANSCO as it appears in the audited Balance Sheet as on 2/6/2014 has to be apportioned between the two organizations on the basis of the population ratio as per the AP Reorganization Act. The physical division of this asset is also to be done on the basis of the population ratio. However, the Company is of the view that the book value of Vidut Soudha building has to be apportioned on population basis as mandated in Section 53 (1) (b) of the A.P. Reorganisation Act, 2014.

h) **Corporate Training Institute building** : As per the Expert Committee this facility must be done on the basis of the clarification issued by Government of India, Home Ministry recently on the definition of "Headquarters" in terms of the AP Reorganization Act. However, the Company is of the view that the Corporate Training Institute building at Hyderabad is an independent unit and is to be allocated to the Company on location basis.



Transmission Corporation of Telangana Limited
Notes to the financial statements (continued)
i) Movement in reorganisation resultant reserve

Particulars	Demerger Adjustments	Adjustments made by the Company	Total
Opening Balance adopted by the Company			
Equity	32,477.79	-	32,477.79
Accumulated Surplus	62,581.14	-	62,581.14
Opening Balance as on 2 June 2014	95,058.93	-	95,058.93
2014-15			
Adjustments made during the year			
Writing off of Deferred Revenue	-	(15,699.78)	(15,699.78)
Expenditure	-	(553.36)	(553.36)
Depreciation relating to the period prior to incorporation	-	(553.36)	(553.36)
Closing Balance as on 31 March 2015	95,058.93	(16,253.14)	78,805.79
Adjustments made during the year			
Reduction in allocation of Transmission & SLDC Charges Receivables	(3,086.73)	-	(3,086.73)
Reduction in Bonds issued against Receivables towards Transmission & SLDC Charges	(2,442.00)	-	(2,442.00)
Depreciation relating to the period prior to incorporation	-	(113.82)	(113.82)
Towards adjustment of certain unidentified balances	-	4,891.21	4,891.21
Closing Balance as on 31 March 2016	89,530.20	(11,475.75)	78,054.45
Adjustments made during the year			
Closing Balance as on 31 March 2017	89,530.20	(11,475.75)	78,054.45

37 The Company has undertaken Deposit Contribution Works relating to construction of sub-stations and extension of power supply/connectivity to the Lift Irrigation Schemes of the State Government. The details of LIS deposits received from State Government and the utilization thereof are as follows :

Particulars	Balance as at 01.04.2016	FY 2016-17	Balance as at 31.03.2017
1. Deposits received from State Govt	1,45,354.54	65,974.79	2,11,329.33
2. Interest payable to State Govt. on LIS deposits	50,937.05	11,931.85	62,868.90
3. Total (1+2)	1,96,291.59	77,906.64	2,74,198.23
4. Value of Lift Irrigation Assets put to use transferred to "Consumer Contribution towards cost of Capital Assets"	25,212.57	4,861.20	30,073.77
5. Development Charges transferred to "Consumers Contribution towards cost of Capital Assets"	13,900.45	414.00	14,314.45
6. Supervision Charges transferred to P&L A/c	7,165.89	961.00	8,126.89
7. Amount paid to DISCOMs	1,906.72	-	1,906.72
8. Total expenditure (4 to 7)	48,185.63	6,236.20	54,421.83
9. Balance Deposits at the end of the year (3-8)	1,48,105.96	71,670.44	2,19,776.40
10. Less: Capital Works in progress	10,570.30	2,407.14	12,977.44
11. Balance Deposits at the end of the year (9-10)	1,37,535.66	69,263.30	2,06,798.96

38 The Govt. of A.P. had taken decision to waive off the Agriculture dues outstanding as on 31.03.2014 and to compensate the DISCOMs for the said waiver of dues from agriculture consumers. orders were issued vide G.O.Ms.No.30, Dated 09.03.2006 directing APTRANSCO to mobilize funds to the extent of Rs.97,500.00 lakhs (INR 20,000.00 lakhs during FY 2005-06, INR 30,000.00 lakhs during FY 2006-07, INR 12,500.00 lakhs during FY 2007-08 and INR 35,000.00 lakhs during FY 2008-09. The repayment of principal and interest is guaranteed by Govt. of A.P. with budgetary support. Accordingly, APTRANSCO had mobilized the funds amounting to INR 97,500.00 lakhs on behalf of Govt. of A.P. and the proceeds were paid to DISCOMs. The Govt. of A.P. is releasing the required funds to APTRANSCO as per due dates to service these bonds from time to time. As against, the bonds outstanding liability of INR 95,550.00 lakhs, the liability apportioned to the state of Telangana is INR 60,550.00 lakhs and the balance outstanding as on Balance Sheet date is INR 41,780.00 lakhs (Previous Year: INR 51,118.00 lakhs). As these Bonds were floated by APTRANSCO on behalf of Govt. of A.P. the total outstanding liability and bonds interest expense thereon was not shown in the financial statements of the Company.

39 During the year, no theft of materials (31 March 2017: Nil; 31 March 2016: Nil and 1 April 2015: INR 0.62 lakhs) is reported. For the year 01 April 2015 no provision was made in the accounts, since the matter is under investigation.

40 Consequent to demerger of APTRANSCO, certain unidentified balances were apportioned to the Company. out of which the balances amounting to INR 416.57 lakhs (net credit) are under review and necessary adjustments if any, will be made in the books of accounts in subsequent years.

Particulars	Amount
Unidentified balances transferred by AP Transco upon demerger	(5,307.78)
Less: Adjusted to reorganisation resultant reserve	4,891.21
Less: Transferred to land pending review	1,058.25
Unidentified balances pending for review	(1,474.82)

41 Fines and Penalties recovered from contractors/suppliers hitherto accounted on receipt basis as other income are now accounted as liability until it is finalised. The Impact on account of this change in accounting policy is INR 1,318.74 lakhs.

42 Depreciation on additions to PPE hitherto calculated as per ESSAR Rules, 1985 i.e., providing the depreciation following the year of capitalisation, is now provided from the date of asset put to use as per Schedule II of the Companies Act, 2013. The impact on account of this change is INR 4,203.35 lakhs.

43 As per demerger plan, deferred tax asset for an amount of INR 11,501.00 lakhs was allocated to the Company from composite AP Transco towards employee terminal benefits. This amount is not recalculated using the present enacted tax rates at the end of the reporting period since the employee bifurcation between the Company and APTRANSCO is pending.

44 The Company is in the process of compiling the details of title deeds of immovable properties.

45 As per Ind AS 2 on Inventories, Stores and spares which are in the nature of capital spares have been regrouped under Capital work-in-progress from Inventories.



ANNUAL ACCOUNTS FY 2016-17

Transmission Corporation of Telangana Limited Notes to the financial statements (continued)

46 Disclosure of Specified Bank Notes (SBNs)

As per MCA notification G.S.R.308 (E) dated March 30, 2017, the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, are given below

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30th December, 2016	-	-	-

For the purpose of this clause, the term 'Specified bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016

Explanation of transition to Ind AS

47 First time adoption of Ind AS

As stated in Note 2, these are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (transition date). In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed Cost

As per Ind AS 101 an entity may elect to:

measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value

a) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to

- fair value;

- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price

b) use carrying values of property, plant and equipment as on the date of transition to Ind AS (which are measured in accordance with previous GAAP) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to carry the previous GAAP carrying values as deemed cost for all of the items of property, plant and equipment and capital work-in-progress.

A.1.2 Fair valuation of financial assets and liabilities

As per the Ind AS exemption, the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

a) Fair valuation of financial instruments carried at FVTPL and/ or FVOCI.

b) Determination of the discounted value for financial instruments carried at amortised cost.

A.2.2 Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition principles of Ind AS 109 prospectively as reliable information was not available at the time of initially accounting for those transactions.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cashflows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.



ANNUAL ACCOUNTS - 2016-17

B.1 Reconciliation of equity as at 1 April 2015 (transition date)

(INR in lakhs)

	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	3,18,207.20	(371.24)	3,17,835.96
Intangible assets		95.17	-	95.17
Capital work-in-progress	1,6	2,24,622.92	8,834.64	2,33,457.56
Financial assets				
Investments	1,5	38,897.60	(100.87)	38,796.73
Loans	3	1,01,157.14	(268.55)	1,00,888.59
Other non-current assets	3	3,737.89	268.55	4,006.44
Income Tax Assets (Net)		2,629.02	-	2,629.02
Total non-current assets		6,89,346.94	8,362.53	6,97,709.47
Current assets				
Inventories	1,6	22,433.88	(8,637.69)	13,796.19
Financial assets				
Investments		25,886.48	-	25,886.48
Trade receivables		4,789.98	-	4,789.98
Cash and cash equivalents		379.90	-	379.90
Loans		1,410.34	318.76	1,729.10
Other financial assets	1	1,514.69	-	1,514.69
Other current assets				
Total current assets		56,415.27	(8,318.93)	48,096.34
Total assets		7,45,762.21	43.60	7,45,805.81
EQUITY AND LIABILITIES				
Equity				
Equity share capital		5.00	-	5.00
Other equity	1 to 5	21,979.27	15,718.10	37,697.37
Total equity		21,984.27	15,718.10	37,702.37
Reorganisation resultant reserve		78,805.79	-	78,805.79
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings		2,72,440.78	-	2,72,440.78
Other financial liabilities		90,521.40	-	90,521.40
Provisions		50,393.67	-	50,393.67
Deferred consumer contributions towards Property, plant and equipment	2	64,020.59	(27,990.27)	36,030.32
Deferred tax liabilities (net)	4	5,780.94	12,269.01	18,049.95
Other non-current liabilities		96,545.41	-	96,545.41
Total non-current liabilities		5,79,702.79	(15,721.26)	5,63,981.53
Current liabilities				
Financial liabilities				
Trade payables		1,230.68	-	1,230.68
Other financial liabilities	1	47,627.90	46.76	47,674.66
Provisions		2,372.26	-	2,372.26
Deferred consumer contributions towards Property, plant and equipment	2	4,815.68	-	4,815.68
Other current liabilities		9,222.84	-	9,222.84
Total current liabilities		65,269.36	46.76	65,316.12
Total liabilities		7,23,777.94	(15,674.50)	7,08,103.44
Total equity and liabilities		7,45,762.21	43.60	7,45,805.81

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.



ANNUAL ACCOUNTS FY 2016-17

B.2 Reconciliation of equity as at 31 March 2016

(INR in lakhs)

	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	4,83,950.08	-	4,83,950.08
Intangible assets		77.10	-	77.10
Capital work-in-progress	1,6	2,02,514.87	8,417.32	2,10,932.19
Financial assets				
Investments	1,5	37,309.11	(171.58)	37,137.53
Loans	3	1,00,312.32	(268.48)	1,00,043.84
Other non-current assets	3	3,112.76	296.40	3,409.16
Income Tax Assets (Net)		6,849.66	-	6,849.66
Total non-current assets		8,34,125.90	8,273.66	8,42,399.56
Current assets				
Inventories	1,6	18,969.90	(8,417.32)	10,552.58
Financial assets				
Investments		-	-	-
Trade receivables		52,126.12	-	52,126.12
Cash and cash equivalents		4,496.01	-	4,496.01
Loans		474.93	-	474.93
Other financial assets	1	8,291.56	-	8,291.56
Other current assets		3,555.19	-	3,555.19
Total current assets		87,913.71	(8,417.32)	79,496.39
Total assets		9,22,039.61	(143.66)	9,21,895.95
EQUITY AND LIABILITIES				
Equity				
Equity share capital		5.00	-	5.00
Other equity	1 to 5	31,024.47	16,319.99	47,344.46
Total equity		31,029.47	16,319.99	47,349.46
Reorganisation resultant reserve		78,054.45	-	78,054.45
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings		3,52,108.05	-	3,52,108.05
Other financial liabilities		1,44,924.09	-	1,44,924.09
Provisions		50,393.67	-	50,393.67
Deferred consumer contributions towards Property, plant and equipment	2	68,224.84	(31,836.73)	36,388.11
Deferred tax liabilities (net)	4	7,685.02	15,373.08	23,058.10
Other non-current liabilities		98,936.81	-	98,936.81
Total non-current liabilities		7,22,272.48	(16,463.65)	7,05,808.83
Current liabilities				
Financial liabilities				
Trade payables		5,293.37	-	5,293.37
Other financial liabilities	1	74,008.31	-	74,008.31
Provisions		1,546.40	-	1,546.40
Deferred consumer contributions towards Property, plant and equipment	2	5,502.41	-	5,502.41
Other current liabilities		4,332.72	-	4,332.72
Total current liabilities		90,683.21	-	90,683.21
Total liabilities		8,91,010.14	(16,463.65)	8,74,546.49
Total equity and liabilities		9,22,039.61	(143.66)	9,21,895.95

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note



B.3 Reconciliation of total comprehensive income for the year ended 31 March 2016

(INR in lakhs)

	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Revenue from operations		96,953.90	3,846.46	1,00,800.36
Other income	1,2,3	4,515.29	(450.24)	4,065.05
Total income		1,01,469.19	3,396.22	1,04,865.41
Expenses				
Employee benefits expense	3	21,389.75	46.70	21,436.45
Finance costs		23,496.73	-	23,496.73
Depreciation and amortisation expense		28,542.18	-	28,542.18
Other expenses	1,5	14,112.95	(356.45)	13,756.50
Total expenses		87,541.61	(309.75)	87,231.86
Profit before tax		13,927.58	3,705.97	17,633.55
Tax expense				
Current tax (net of MAT credit entitlement)		631.58	-	631.58
Deferred tax	4	4,250.83	3,104.07	7,354.90
Profit / (Loss) for the year		9,045.17	601.90	9,647.07
Other Comprehensive Income		-	-	-
Total comprehensive income for the year		9,045.17	601.90	9,647.07

B.4 Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016

	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	92,248.36	(426.48)	91,821.88
Net cash flow from investing activities	(1,48,067.50)	426.48	(1,47,641.02)
Net cash flow from financing activities	55,525.17	-	55,525.17
Net increase/(decrease) in cash and cash equivalents	(293.97)	-	(293.97)
Cash and cash equivalents as at 1 April 2015	4,789.98	-	4,789.98
Effects of exchange rate changes on cash and cash equivalents	-	-	-
Cash and cash equivalents as at 31 March 2016	4,496.01	-	4,496.01

B.5 Notes to first-time adoption

1 - Prior period items

Under Ind AS, material prior period errors are corrected retrospectively by restating the comparative amounts prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening Balance Sheet.

2 - Consumer contribution towards Property, plant and equipment

The Company has recognised consumer contribution- other than LIS funds as deferred income. These contributions are estimated to be amortised over a period of 15 years since financial year 2007-08 and accordingly INR 27,990.27 lakhs (equivalent to a period of 8 years) is adjusted against opening retained earnings as on the transition date.

3 - Loans and advances to staff

Under Ind AS, advances given to employees at concessional rate of interest have been fair valued using amortised value method.

4 - Income taxes

Under previous GAAP, deferred taxes are computed for timing differences between accounting income and taxable income for the year i.e. using the 'Income Statement Approach'. Under Ind AS, deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. This is referred to as the 'Balance Sheet Approach'. Based on this approach, additional deferred taxes have to be recognized by the Company on all Ind AS adjustments as the same would create temporary differences between the books and tax accounts.

5 - Fair valuation of Investments

Under previous GAAP, investments in the Equity shares of GVK Power & Infrastructure Limited was shown as at cost. Under Ind AS 109, fair valuation of such investments are taken to fair value through Profit and Loss. The total income for the year ended 31 March 2016 has decreased by INR 70.70 lakhs on account of fair valuation.

6 - Inventory

As per Ind AS-2, Inventories- Stores having more than one year life i.e. Project Stores are to be treated as Capital Work in Progress. Accordingly, Capital Work in Progress was increased by Rs.8843.80 lakhs as at 1 April 2015 and Rs.8417.32 lakhs as at 31 March 2016 towards Project Stores.



ANNUAL ACCOUNTS FY 2016-17

B. 6 - Equity reconciliation

Retained earnings as at 1 April 2015 has been adjusted consequent to below Ind AS transition adjustments.

Ind AS Impact	1 April 2015	31 March 2016
Equity as per IGAAP	21,984.27	31,029.47
Prior period adjustments	97.71	-
Deferred tax impact on Ind AS adjustments	(12,269.01)	(15,373.08)
Fair valuation of loans and advances to staff	-	27.92
Fair valuation of Investments	(100.87)	(171.58)
Amortisation of grants	27,990.27	31,836.73
Change in equity	15,718.10	16,319.99
Other equity as per Ind AS	37,702.37	47,349.46

48 The balances shown under advances, trade receivables, trade payables and creditors for capital supplies and others are subject to confirmation/ reconciliation and consequential adjustments, if any.

49 Previous Year figures have been regrouped/recast wherever necessary.

See accompanying notes forming part of the financial statements.
In terms of our report attached

For M.Anandam & Co.,
Chartered Accountants
Firm Regn. No.000125S

Sd/-
M.V. Ranganath
Partner
Membership no.: 028031

Place: Hyderabad
Date: 31 August 2018

For and on behalf of the Board of
Transmission Corporation of Telangana Limited

Sd/- Sd/-
D.Prabhakar Rao C.Srinivasa Rao
Chairman & Joint Managing Director
Managing Director (Finance, Comml., & HRD)

Sd/- Sd/-
G.Srinivas Ravi Kumar Suluva
Financial Adviser Company Secretary
& Chief Controller
of Accounts
(Accounts) & CFO



TRANSMISSION CORPORATION OF TELANGANA LIMITED
FUNCTION WISE ANALYSIS OF REVENUE AND EXPENDITURE

		(Rs. in Lakhs)		
S.No.	Note	TRANSMISSION	SLDC	TOTAL
	INCOME			
1	Revenue from Transmission & SLDC Charges	131351.53	4116.27	135467.80
2	Revenue Subsidies and Grants	-	-	-
3	Other Income	11186.71	216.69	11403.40
	TOTAL INCOME	142538.24	4332.96	146871.20
	EXPENDITURE			
4	Repairs and Maintenance	14100.29	145.10	14245.39
5	Employee Costs	31517.10	3845.74	35362.84
6	Administration and General Expenses	3565.15	299.71	3864.86
7	Depreciation and Related Debits (Net)	43185.51	34.13	43219.64
8	Interest and Finance Charges	48389.54	23.76	48413.30
	Sub-Total:	140757.59	4348.44	145106.03
	Less: Expenses Capitalised			
9	Interest and Finance Charges Capitalised	13640.08	0.00	13640.08
10	Other Expenses Capitalised	11560.41	15.48	11575.89
	Sub-Total:	25200.49	15.48	25215.97
11	Other Debits	387.64		387.64
12	Extra-Ordinary Items	0.00		0.00
	TOTAL EXPENDITURE	115944.74	4332.96	120277.70
	PROFIT/(LOSS) BEFORE TAX	26593.50	0.00	26593.50



TRANSMISSION CORPORATION OF TELANGANA LIMITED

STATEMENT OF TECHNICAL PARTICULARS

Sl. No.	Particulars	Unit	FY 2016-17	FY 2015-16
1	Input from State Generators including wheeling	MU	23878.65	16637.25
2	CGS (Ex-Bus)	MU	29403.56	32503.50
3	System input at 132kv & above including Wheeled Energy (1+2)	MU	53282.21	49140.75
4	Energy Delivered by TRANSCO to DISCOMs including Wheeled Energy	MU	50771.68	46634.49
5	Transmission Losses (including wheeling) (3-4) inclusive of PGCIL Losses	MU	2510.53	2506.26
6	% of Transmission Losses (including wheeling) on respective inputs (5/3*100) inclusive of PGCIL Losses	%	4.71	5.10
6a	% of Transmission Losses (including wheeling) on respective inputs {(5-11)/(3-11)*100} exclusive of PGCIL Losses	%	3.36	3.12
7	Net Wheeled Energy at 132kv & Above by Third Party Consumers	MU	15.03	18.67
8	Energy Delivered by TRANSCO to DISCOMs excluding Wheeled Energy at 132kv & above (4-7)	MU	50756.65	46615.82
9	Drawals at 33kv & 11kv from third party developers	MU	935.90	507.75
10	Drawals at 33kv & 11kv from GENCO	MU	34.75	20.07
11	External Losses (PGCIL Losses)	MU	746.94	1003.94
12	Input to DISCOMs (incl Wheeling Energy) (8+9+10)	MU	51727.30	47143.64
13	DISCOMs Sales of Energy (Excl. Wheeling)	MU	43743.05	40649.68
14	Net Wheeled Energy at 33kv & below by Third Party Consumers	MU	15.33	83.89
15	DISCOMs Sales of Energy (incl. Wheeling) (13+14)	MU	43758.38	40733.57
16	Distribution Losses (incl. wheeling) (12-15)	MU	7968.92	6410.07
17	% of Distribution Losses (incl. Wheeling) on respective inputs {(16/12)*100}	%	15.41	13.60
18	T&D input (Ex-Bus Availability) (3+9+10)	MU	54252.86	49668.57
19	T&D Sales (incl. Wheeling) by DISCOMs (15+7)	MU	43773.41	40752.24
20	T&D Losses (incl. Wheeling) (18-19)	MU	10479.45	8916.33
21	% of T&D Losses (incl. wheeling) (20/18*100)	%	19.32	17.95

