



# **TRANSMISSION CORPORATION OF TELANGANA LIMITED**

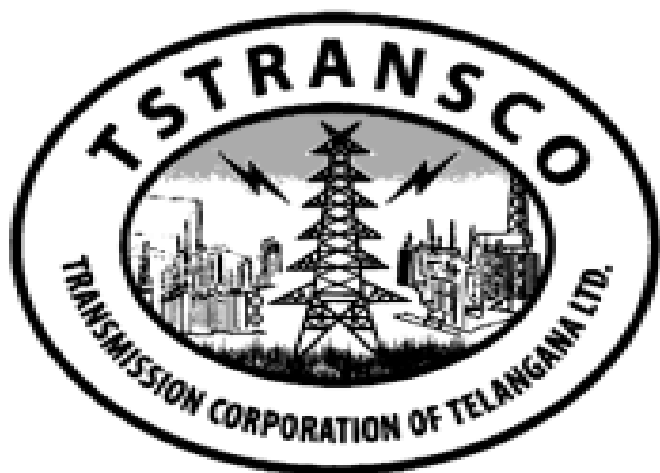
## **ANNUAL STATEMENT OF ACCOUNTS FOR FY 2017-18**

Electricity Saved is Electricity Generated





# **TRANSMISSION CORPORATION OF TELANGANA LIMITED**



## **ANNUAL STATEMENT OF ACCOUNTS FOR FY 2017-18**





# 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, Commercial & HRD)
5)	T. JAGATH REDDY	Director (Transmission)
6)	G. NARSING RAO	Director (Projects)
7)	J. SURYA PRAKASH	Director (Lift Irrigation Schemes)
8)	B. NARSING RAO	Director (Grid Operation)

**Company Secretary** : **Sri. RAVI KUMAR SULUVA**

**Bankers** : **STATE BANK OF INDIA**

### AUDITORS:

**Statutory Auditors** : **M. Anandam &Co.,**  
Chartered Accountants  
7 A, Surya Towers,  
Sardar Patel Road,  
SECUNDERABAD, – 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** : **Eswar & Co.,**  
Chartered Accountants  
Flat No.103, Matha Residency,  
Raghavendra Nagar, Nacharam,  
HYDERABAD – 500 076.

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

**Web site** : [www.tstransco.in](http://www.tstransco.in)

**PAN No.** : AAFCT0166J





**NOTICE** is hereby given that the 4<sup>th</sup> Annual General Meeting (Adjourned) of the Members of the Company will be held on Thursday, the 26th day of September, 2019 at 5.30 p.m. at the Registered Office at Vidyut Soudha, Hyderabad to transact the following business:

1. To receive, consider and adopt the Audited statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2018 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.

Sd/-

Place: Hyderabad

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



## NOTICE

**NOTICE** is hereby given that the 4th Annual General Meeting of the Members of Transmission Corporation of Telangana Limited will be held at 2.00 PM on Friday, the 31st day of August, 2018, at the Registered Office at 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, 2018 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.
2. To fix the remuneration payable to Statutory Auditors appointed by the C&AG of India for any financial year:

“Resolved that pursuant to the provisions of Section 142 and other applicable provisions if any, of the Companies Act, 2013, the Board of Directors of the Company be and is authorized to decide the payment of remuneration and reimbursement of out of pocket expenses to Statutory Auditors appointed by the C&AG of India for any financial year.”

### **SPECIAL BUSINESS:**

3. To consider and if thought fit to pass with or without modification the following resolution as ordinary resolution.

“Resolved that pursuant to the Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 1,20,000/- plus Service Tax plus reimbursement of actual expenses incurred towards travelling and other expenses, if any, to be paid to the Cost auditor appointed for the year 2018-19 under Section 148(3) of the Companies Act, 2013 be and is hereby ratified.”

4. To consider and if thought fit to pass with or without modification the following resolution as special resolution.

“Resolved that in pursuant to the provisions of Sections 196, and other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the reappointment of Sri J Surya Prakash (DIN-07274535) who attained the age of 70 years as Whole-time Director of the Company with effect from 13.11.2017 on such terms and conditions of the orders issued by the Government of Telangana.”

By order of the Board of Directors,

Sd/-

Company Secretary

Date: 31.08.2018

Place: Hyderabad



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





## ANNEXURE TO NOTICE

Explanatory statement pursuant to Section 102 of the Companies Act, 2013.

### *Item No.3*

Rule 14 of the Companies (Audit and Auditors) Rules, 2014 requires ratification of shareholders for the remuneration fixed for the Cost Auditor of the Company appointed under Section 148(3) of the Companies Act, 2013.

Accordingly, necessary resolution for the remuneration of Rs. 1,20,000/- plus Service Tax plus reimbursement of actual expenses incurred towards travelling and other expenses, if any, to be paid to the Cost auditor appointed for the year 2018-19 under Section 148(3) of the Companies Act, 2013 is placed before the Meeting for ratification.

None of the Directors and Key Managerial Personnel of the Company are interested in the resolution. Directors recommended the resolution as proposed in the Notice for Members ratification.

### *Item No.4*

The Government of Telangana in the G.O. Rt. No. 75, Energy (HR. A1)) Department, dated 03.08.2015 issued orders for appointment of Sri. J Surya Prakash as Director for the period of one year. In terms of provisions of the sub-section (3) of Section 161 of the Companies Act, 2013, the Board of Directors of the Company passed a resolution on 19.08.2015 noting the appointment of Sri J. Surya Prakash, as Director of the Company as per orders of Government of Telangana and he has been treating as Director (Lift Irrigation) of the Company in the capacity of Whole-time Director. Further the tenure of the Director has been extended for two more year w.e.f. 03.08.2016 vide orders of Government of Telangana in the G.O. Rt. No. 58, Energy (HR. A1)) Department, dated 30.07.2016.

Sri J. Surya Prakash, has attained the age of 70 years as on 13.11.2017.

Section 196(3) of the Companies Act, 2013 and read with Part 1 of Schedule V to the Companies Act 2013, inter alia, provides that no company shall appoint or continue the employment of any person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution.

Sri J Surya Prakash did his Post graduation in Engineering. He has joined in erstwhile APSEB in the year 1972 and rose to the position of Chief Engineer.

After serving for more than 30 years in various cadres in the APSEB and TSTRANSCO he retired as a Chief Engineer in the year 2005. Post retirement he Carried out Design & Consultancy works for various Lift Irrigation Schemes / Hydel Stations in Andhra Pradesh (United), Madhya Pradesh and Uttarakhand.

As Sir. J Surya Prakash has attained age of 70 years, the Board of Directors recommends the resolution in relation to his appointment as Director in the capacity of Whole-time Director as per the terms and conditions of orders issued by the Government of Telangana, for the approval of the shareholders of the Company as required under section 196(3) of the Companies Act, 2013 and Part 1 of Schedule V to the Companies Act 2013. This statement may be treated as justification of above appointment.

Except Sri J. Surya Prakash, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item. no. 5.



## Directors Report

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

Your Board of Directors have great pleasure to present the Fourth Directors' Report of the Company with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2018.

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

#### **Financial Performance of the Company:**

The summarized financial Performance of the Company for the FY 2017-18 is as detailed below:

(Rs. in Crore)

Particulars	Current Year (FY 2017-18)	Previous Year (FY 2016-17)
<b>INCOME</b>		
Revenue from Transmission & SLDC Charges	1475.39	1443.48
Other Income	38.46	25.23
<b>TOTAL INCOME</b>	<b>1513.85</b>	<b>1468.71</b>
<b>EXPENDITURE</b>		
Employee Benefit Expenses	385.62	246.84
Finance Costs	394.77	347.73
Depreciation and Amortization Expenses	588.45	432.20
Other Debits	114.47	176.01
<b>TOTAL EXPENSES</b>	<b>1483.31</b>	<b>1202.78</b>
<b>PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>30.54</b>	<b>265.93</b>
<b>Exceptional items</b>	<b>317.13</b>	<b>-</b>
<b>PROFIT / (LOSS) BEFORE TAX</b>	<b>347.67</b>	<b>265.93</b>
Current Tax (net of MAT credit entitlement)	34.99	7.88
Deferred Tax	103.22	78.76
<b>PROFIT / (LOSS) for the period</b>	<b>209.45</b>	<b>179.29</b>
<b>Earnings per equity share in Rupees :</b>		
<b>Basic (Rs.)</b>	41890.76	35859.10
<b>Diluted (Rs.)</b>	41890.76	35859.10

**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 Hon'ble TSERC for the balance period of 3rd Multi Year Tariff (MYT) Control period FY 2017-18 and FY 2018-19. During the year, the Company has earned a net profit of Rs.209.45 crores.

**2. Dividend:**

The Board has decided to retain the net profit 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 of dividend to its shareholders.

**3. Transfer to Reserves:**

During the year 2017-18, 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 31-03-2017</i>	<i>Added during the FY 2017-18</i>	<i>Total as on 31-03-2018</i>
<b><i>Sub-stations (Nos.)</i></b>			
<i>400 KV</i>	<i>08</i>	<i>03</i>	<i>11</i>
<i>220 KV</i>	<i>70</i>	<i>04</i>	<i>74</i>
<i>132 KV</i>	<i>207</i>	<i>16</i>	<i>223</i>
<b><i>Total EHT SS in Nos</i></b>	<b><i>285</i></b>	<b><i>23</i></b>	<b><i>308</i></b>
<b><i>EHT Lines (CKM)</i></b>			
<i>400 KV</i>	<i>2497</i>	<i>1355</i>	<i>3852</i>
<i>220 KV</i>	<i>6496</i>	<i>478</i>	<i>6974</i>
<i>132 KV</i>	<i>9716</i>	<i>1025</i>	<i>10741</i>
<b><i>Total EHT Lines (CKM)</i></b>	<b><i>18709</i></b>	<b><i>2858</i></b>	<b><i>21567</i></b>

**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%.
  - Stagging 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 these measures, Telangana has overcome most of the hurdles and there was no load relief from 20.11.2014 onwards in the State to any category of consumers.
- ❖ There is a paradigm shift in the power supply position of the State. Power cuts and power holidays are the history for the state of Telangana now. We are able to supply Quality and Reliable power to all categories of consumers without any power cuts/restrictions within four years.
- ❖ Initially in place of previous practice of 6 hours of power supply to farming sector in Telangana state, 9-Hrs Power Supply had been extended from 01.04.2016 onwards successfully. Further, as per the decision of State Government, Telangana has become the first state to provide **24-hours free power supply to agriculture sector from 01.01.2018 serving 23 lakhs agricultural connections.**
- ❖ In an effort to make State Self-sufficient in power, the Contracted capacity was increased from 7778 MW (As on 02.06.2014) to 15,381 MW (As on 31.03.2018) (i.e. Almost the double).
- ❖ During 2017-18 the per capita consumption of Telangana is 1727 units. This is 50% more than the All India average of 1149 units. Telangana has recorded the highest growth in per capita consumption amongst all the States in our country in 2017-18.
- ❖ EHT Losses of Telangana state has reduced from 3.37% (FY 2016-17) to 3.25% (FY 2017-18).
- ❖ TSTRANSCO having the highest transmission availability in the country at 99.99% (FY 2017-18).
- ❖ The Transmission capacity as on 31.03.2018 is 21567 MVA, as against 14059 MVA at the time of State formation.
- ❖ To meet the increased demand TSTRANSCO has 308 Nos. EHT Sub-Stations and 21597 CKM of EHT line and TSDISCOMs have 2769 Nos 33KV substations and 4.96 Lakhs KM of distribution lines.
- ❖ With the strengthening of Transmission and Distribution and pro-active industrial policies of the Government, there is a steep increase in peak demand. The state grid has met a Peak Demand of 10284 MW on 8.03.2018 and consumption of 227 MU on 23.03.2018 and utilities are fully geared up to meet load upto 11000 MW, wheeling power to 1.39 crore consumers
- ❖ Transmission and Distribution System is made ready to meet the peak demand of 17000 MW. To meet this Rs.16,987 Crores are invested towards strengthening of Transmission and Distribution System.



## **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 2017-2018. M/s. M Anandam & Co., Statutory Auditors, gave their Report on 01.03.2019, which is placed separately.

### **Secretarial Audit:**

Ms. Puli Akshitha, Practicing Company Secretary, Hyderabad, was appointed as Secretarial Auditor for the FY 2017-2018 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 2017-18 (Annexure –I).

### **Cost Audit:**

Mrs. M. Madhavi Latha, Cost Accountant, Hyderabad, was appointed as the Cost Auditor of the Company for the FY 2017-2018. 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, 2017 was filed on 06.12.2018 with the Ministry of Corporate Affairs.

### **Internal Audit:**

M/s. Eswar & Co., Chartered Accountants, Hyderabad, were appointed as Internal Auditors for the period from 01-06-2016 to 31.05.2018.

### **Supplemental audit by the Comptroller & Auditor General of India:**

The annual accounts of the company for the FY 2017-18 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 31<sup>st</sup> March, 2018 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](http://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 2017-2018.



## 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 2017-18:

Sl. No	Name	Designation/Position	From	To
<b>Chairman &amp; Managing Director (CMD)</b>				
1.	Sri D Prabhakar Rao (DIN: 00676316)	CMD (FAC)	25-10-2014	-
<b>Joint Managing Director</b>				
2.	Sri Srinivasa Rao, IRAS (DIN: 00196179)	JMD (Finance, Comml & HRD)	23-06-2015	-
<b>Whole-time Directors</b>				
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	-
<b>Directors (Non-whole time)</b>				
6.	Sri K. Ramakrishna Rao, IAS (DIN: 05148824)	Director (Non-whole time)	16-04-2015	-
7.	Sri. Ajay Misra, IAS (DIN: 02470889)	Director (Non-whole time)	20-12-2016	-
<b>CFO</b>				
9.	Sri G. Srinivas	CFO	18-04-2016	-
<b>Company Secretary</b>				
10.	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 31.03.2018 as follows:





<b>S. No.</b>	<b>Name of the Director</b>	<b>Position</b>
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)

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. However non-whole time Directors are assumed as Independent Directors. The Company has appraised the requirement of Independent Directors and woman Director to the Energy Department, appointing authority.

#### **11. Number of meetings of the Board of Directors:**

During the financial year ended 31st March, 2018, eight Meetings of the Board of Directors were held on the following dates:

30<sup>th</sup> May, 2017, 28<sup>th</sup> July, 2017, 6<sup>th</sup> September, 2017, 11<sup>th</sup> October, 2017, 15<sup>th</sup> December, 2017, 28<sup>th</sup> December, 2017, 2<sup>nd</sup> February, 2018 and 13<sup>th</sup> March, 2018.

#### **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 31-03-2018 –

<b>Sl. No.</b>	<b>Name</b>	<b>Position</b>
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 31.03.2018 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 31<sup>st</sup> March, 2015, TSTRANSCO is required to adhere to the provisions of Section 135 of the Companies Act, 2013 and the Rules framed thereunder. The Corporate Social Responsibility (CSR) Committee was constituted by the Board in its 32<sup>nd</sup> Meeting held on 01.03.2019 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 2017-18 as the Annual Accounts for last three financial years i.e. 2014-15, 2015-16 and 2016-17, were finalized on 28.07.2017, 15.12.2017 and 31.08.2018 and hence the Company was not in the position to ascertain the average net profit of those accounts.

### **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 2017-18 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](http://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 2017-18.

### **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; and
- 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.
- 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 31<sup>st</sup> March, 2018.
- 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;

## 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

Place: Hyderabad.

Date: 26.09.2019

Sd/-

Chairman & Managing Director  
TSTRANSCO





**Form No.MR-3**

**SECRETARIAL AUDIT REPORT**

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

**(FOR THE FINANCIAL YEAR ENDED 31/03/2018)**

To

The Members,  
TRANSMISSION CORPORATION OF TELANGANA LIMITED,  
6-3-572 Vidyut Soudha, Khairtabad,  
Hyderabad-500082,  
Telangana.

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

Based on my verification of **TRANSMISSION CORPORATION OF TELANGANA LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup>March, 2018** 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:

I have examined the books, papers, minute books, forms filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup>March, 2018** 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 there under(**Not Applicable to the Company during the Audit Period**);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under(**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, 2015 **(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 (Share Based Employee Benefits) Regulations, 2015 **(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 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)(Not Applicable to the Company during the Audit Period);**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period);**and
  - (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) The company has complied in general with other Laws, rules and regulations and the below mentioned specific laws to the extent applicable to the Company;
- (a) The Electricity Act, 2003



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

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

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

- a. *The Company has not complied with the provisions of Section 149 of the Companies Act, 2013 pertaining to the appointment of atleast 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 with regard to the composition of the constitution of the Audit Committee.*
- c. *The Company has not complied with the provisions of Section 178 of the Companies Act, 2013 with regard to the constitution of the Nomination and Remuneration Committee.*
- d. *The Company has convened its 3<sup>rd</sup> Annual General meeting on 15.12.2017. However, the said meeting was adjourned Sine Die and the Adjourned 3<sup>rd</sup> Annual General Meeting of the Company was held on 01.03.2019, which is after the due date of AGM.*
- e. *The Company has not complied with the provisions of Section 135 and the rules made thereunder with regard to the compliances relating to the Corporate Social Responsibility.*
- f. *The company has not complied 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 with regard to the establishment of the Vigil Mechanism.*

**I 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. There were no changes in the composition of the Board of Directors that took place during the period under review.
- | Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- | Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.



**I further report that** 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.

**I further report that**

During the audit period, the Company has obtained the approval of the members under Sections 180 (1) (a) and 180 (1) (c) of the Companies Act, 2013 by way of Special Resolution for borrowing upto Rs. 20,000 Crores or the aggregate of paid up capital and free reserves of the Company whichever is higher.

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

**Note:** This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

**Place: Hyderabad**

**Date: 25/04/ 2019**

Sd/-

**Puli Akshitha**

**ACS No: 42053**

**CP No: 15619**



**‘ANNEXURE A’**

To  
The Members,  
TRANSMISSION CORPORATION OF TELANGANA LIMITED,  
6-3-572 Vidyut Soudha, Khairatabad,  
Hyderabad-500082,  
Telangana.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place: Hyderabad**  
**Date: 25/04/2019**

Sd/-  
**Puli Akshitha**  
**ACS No: 42053**  
**CP No: 15619**





**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 2018.**

The preparation of financial statements of Transmission Corporation of Telangana Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act 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 01.03.2019.

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 2018. 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 the related audit report:

**Comments on Profitability**

**Statement of Profit & Loss**

**Revenue from operations (Note 20) – Rs. 1475.39 crore**

1. Telangana State Power Coordination Committee (TSPCC) based on the representation made by M/s Tata Power Trading Company Limited (TPTCL) ordered (February 2018) for reduction in transmission charges of Rs 14.65 crore pertaining to the year 2016-17. The Company adjusted the same against revenue of the year 2017-18. As per Ind AS 8, material prior period errors should be corrected by restating the comparative amounts for the prior periods presented in which the error occurred. Since the decision for reduction in transmission charges was taken prior to finalization of the accounts for the year 2016-17 (31.08.2018), the same should have been adjusted by recasting the financial statements for the year 2016-17. Non-adherence to the same has resulted in understatement of revenue and profit for the year by Rs 14.65 crore. The Comparative figures of revenue and profit for the previous year 2016-17 are overstated to the same extent.

**Profit before tax – Rs.347.67 crore**

2. The above is overstated by Rs. 317.13 crore due to addition of an exceptional item to current year Profit before tax. TSERC adjusted the true-up amount of Rs. 317.13 crore refundable to TSDISCOMs pertaining to the period 2009-14 while fixing the tariffs for the year 2017-18. In response to the Provisional Comment during the year 2016-17 on non-provision of liability of Rs. 317.13 crore refundable to



TSDISCOMs towards true-up for the period 2009-14, the Company stated that, there was no necessity for liability in 2016-17 as the amount refundable would be adjusted in the Revenue for the year 2017-18 and this would be suitably disclosed in the notes to the Accounts. This was concurred by the statutory Auditors of the Company. In contrary to their own stand and assurance given, the Company during the year 2017-18, created liability for Rs. 317.13 crore by adjusting Reorganization Resultant Reserve and reversed the same by adding an exceptional item to profit before tax. Since the surplus was automatically adjusted in the tariff fixed for 2017-18, there was no requirement for creation of liability and reversing the same during the current year. This has resulted in overstatement of Profit for the year by Rs. 317.30 crore and consequent understatement of Reorganization Resultant Reserve to the same extent. The reported net profit of Rs. 209.45 crore would turn into net loss of Rs 107.68 crore.

Despite concurring with Company's response during the previous year, the Statutory Auditor has drawn attention to the adjustments made under Emphasis of Matter in the Independent Auditors report in the Current year's financial statements instead of expressing opinion and bringing out the material impact.

## **Comments of Financial Position**

### **Balance Sheet**

### **Equity and Liabilities**

### **Provisions (Note 16) – Rs 503.94 crore**

### **Pension and Gratuity (Note 16 A) –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 at and the Company continues to provide liability @ 26% which is not correct. This has resulted 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 behalf of the  
Comptroller and Auditor General of India**

**Sd/-**

**Place: Hyderabad  
Date: 26.09.19**

**(Jitendra S. Karape)  
Accountant General (Audit)**


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

Sl. No.	Statutory Auditors comments	Management Replies
	<b>Basis for Qualified Opinion</b>	
a)	The financial statements are prepared based on the assets and liabilities allocated to the Company pursuant to 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 37 of "Notes to Financial Statements").
b)	Provision for gratuity, pension and leave encashment is not being created 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 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").



Sl. No.	Statutory Auditors comments	Management Replies
c)	The balances shown under Advance to suppliers (Note 6 to the financial statements), Trade receivables (Note 9 to the financial statements), Other receivables from APTRANSCO/ DISCOMS (Note 11 (B) to the financial statements), Advance from customers (Note 15 (B) to the financial statements) and liability towards O&M works and Capital works (Note 14 and Note 15 to the financial statements) are subject to confirmation and reconciliation and consequential adjustments, if any. The impact on the accounts is not ascertained. (Note 50 to the financial statements).	The Company is in the process of obtaining the confirmations.  (Note 50 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 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.1474.82 Lakhs (net credit) which are transferred by APTRANSCO on demerger pending review by the company. The impact, if any on the accounts is not ascertained. (Note 44 to the financial statements)	Informative (Note 44 of “Notes to Financial Statements”)
f)	Bank balances include Cash in Transit of Rs.11.29 Lakhs, the details of which are not available. The impact if any, is not ascertained.(Note 10.1 to the 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. 128.38 Lakhs as per Ind AS 109 – Financial Instruments. (Note 5 to the financial statements)	The Company is in the process of identification and rectification of the same. (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 financial statements)	In the absence of required details such as repayment date, the company has not made fair value of other financial liabilities as per Ind AS 109 – Financial



Sl. No.	Statutory Auditors comments	Management Replies
		Instruments. (Note 15 (A) of “Notes to Financial Statements”).
i)	Classification of security deposits from suppliers and security deposit – operating charges into current and non-current portion is not made as per Schedule III to the Companies Act, 2013. (Note 15 to the financial statements)	In the absence of required details, the company has not made classification of security deposits from suppliers, security deposit – operating charges and certain other financial liabilities into current and non-current portion.
j)	The Company has capitalized the borrowing costs attributable to capital work in progress based on the methodology prescribed in Electricity Supply (Annual Accounts) Rules, 1985 which is not in accordance with Ind AS -23 Borrowing Costs. The impact, if any on the accounts is not ascertained.(Note 23.1 to the financial statements)	In the absence of adequate information with regard to interest attributable to the specific project, the Company has not capitalized the borrowing costs attributable to capital work in progress based on the methodology prescribed in Electricity Supply (Annual Accounts) Rules, 1985. However for the FY 2018-19, the company is in the process of obtaining adequate information. (Note 23.1 of “Notes to Financial Statements”).
k)	The Company has capitalized Lift Irrigation assets pertaining to consumer i.e. beyond terminal and metering arrangement) where the Company has no control on the assets. The Company is in the process of identification of the assets capitalized under deposit contribution works. The impact on the accounts is not ascertained. (Note 39 to the financial statements) .	The Company is in the process of identification of Lift Irrigation assets pertaining to consumer (i.e. beyond terminal and metering arrangement) and rectification of the same. (Note 39 of “Notes to Financial Statements”).
l)	The Company has not made provision for bad and doubtful debts for the trade receivables outstanding for more than three years pending final settlement of demerger balances. This is not in accordance with Ind AS 109 – Financial Instruments. The impact, if any on the accounts is not ascertained. (Note 9.1 to the financial statements)	The trade receivables includes an amount of Rs.11375.95 lakh which were to be receivable from TSDISCOMs and allocated to the Company as on 02.06.2014 consequent to demerger. It was informed by FA&CCA/TS PCC that, the said receivables were paid by TSPCC on behalf of TS DISCOMS to APTRANSCO. As such, the said amount was shown as receivable from APTRANSCO. Since, the amount was already collected by APTRANSCO, no provision for bad and doubtful debts was made in the books of accounts. (Note 9.1 of “Notes to Financial Statements”).



Sl. No.	Statutory Auditors comments	Management Replies
m)	Deferred tax asset of Rs.11501.00 Lakh allocated to the Company on demerger towards employee terminal benefits is not recalculated using the present enacted tax rates at the end of the reporting period since the employees bifurcation between the Company and APTRANSCO is pending which is not ascertained in accordance with Ind AS 12- Income Taxes. The impact on the accounts is not ascertained.( Note 45 to the financial statements)	Pending final bifurcation of employees between the Company and AP TRANSCO, the Company has not recalculated the deferred tax asset of Rs.11501.00 lakh allocated to the Company on demerger towards employee terminal benefits using the present enacted tax rates at the end of the reporting period.  (Note 45 of “Notes to Financial Statements”).
n)	The Company has not identified the dues to micro and small enterprises as on balance sheet date as required under schedule III of the Companies Act, 2013. We are unable to comment on the MSMED disclosures made by the Company and impact, if any, on the accounts is not ascertained. ( Note 14 to the Financial statements)	The Company is in the process of identification of dues to Micro and Small enterprises as required under Schedule III of the Companies Act, 2013.
o)	<p><b>The Company is in receipt of the Expert Committee recommendations on the following pending issues between the Company and APTRANSCO ( Note 37(x) to the financial statements).</b></p> <ul style="list-style-type: none"> <li>(i) Investment in GVK Power &amp; Infrastructure Limited and Andhra Pradesh Gas Power Corporation Limited</li> <li>(ii) Treatment for differences between assets and liabilities apportioned to the Company by APTRANSCO on demerger</li> <li>(iii) Vidyut Soudha Building</li> <li>(iv) Corporate Training Institute Building</li> </ul> <p>The Board of Directors of the Company has to take its view on the recommendations made by the Expert Committee.</p>	The recommendations made by the Expert Committee were placed before the Board in its 33 <sup>rd</sup> Board Meeting held on 15 <sup>th</sup> June 2019 and decided to communicate the views of the Company to the Government of Telangana. Accordingly, the views of the Company along with recommendations of the Expert Committee were communicated to the Government of Telangana.





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Sl. No.	Statutory Auditors comments	Management Replies
	<b>Emphasis of Matter :</b>	
	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 financial statements).	Informative.
b)	The Company has recognised an amount of Rs. 6456.08 Lakhs towards Pass-through gains on variations in Transmission Charges and SLDC Charges attributable to the current year. (Note 20.2 to the financial statements).	Informative.
c)	We have relied on the details of contingent liabilities as disclosed by the management in Note 33 to the financial statements.	Informative.
d)	Adjustment of Rs.31713.00 lakh against Reorganization Resultant Reserve by creating the liability for True Up for 2 <sup>nd</sup> Control Period FY 2009-10 to FY 2013-14 and reversing the same liability as the amount is already passed on to the customers during the year by way of reduction in tariff and treating as an exceptional item.	Informative. (Note 26.1 to the financial statements)
e)	The annual financial statements for the financial year 2016-17 are yet to be adopted by the members in the Annual General Meeting	Informative.
	Our opinion is not modified in respect of these matters.  <b>Qualified Opinion:</b> 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 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 31 <sup>st</sup> March, 2018, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.	Informative.

**For and on behalf of the Board of Directors**

Sd/-

**Place: Hyderabad**

**Date: 26.09.2019**

**Chairman and Managing Director**

**TSTRANSO**


**ANNEXURE – III(B)**
**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 atleast 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 with regard to the composition of the constitution of the Audit Committee.	
3	The Company has not complied with the provisions of Section 178 of the Companies Act, 2013 with regard to the constitution of the Nomination and Remuneration Committee.	
4	The Company has convened its 3rd Annual General meeting on 15.12.2017. However, the said meeting was adjourned Sine Die and the Adjourned 3rd Annual General Meeting of the Company was held on 01.03.2019, which is after the due date of AGM.	Noted.
5	The Company has not complied with the provisions of Section 135 and the rules made thereunder with regard to the compliances relating to the Corporate Social Responsibility.	Noted. However the Board has constituted the CSR Committee with three Directors at its meeting held on 01.03.2019 and the CSR Policy yet to be adopted by the Board.
6	The company has not complied 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 with regard to the establishment of the Vigil Mechanism.	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 and Managing Director**

**TSTRANSCO**

**Place: Hyderabad**

**Date: 26.09.2019**


**ANNEXURE – III(C)**
**Management's replies to the comments of the C&AG Auditors:**

S.No.	C&AG Auditors comments	Management's Replies
	<b>Comments on Profitability</b>	
<b>1</b>	<p><b>Statement of Profit &amp; Loss</b></p> <p><b>Revenue from operations (Note 20) – Rs.1475.39 crore</b></p> <p>Telangana State Power Coordination Committee (TSPCC) based on the representation made by M/s Tata Power Trading Company Limited (TPTCL) ordered (February 2018) for reduction in transmission charges of Rs 14.65 crore pertaining to the year 2016-17. The Company adjusted the same against revenue of the year 2017-18. As per Ind AS 8, material prior period errors should be corrected by restating the comparative amounts for the prior periods presented in which the error occurred. Since the decision for reduction in transmission charges was taken prior to finalization of the accounts for the year 2016-17 (31.08.2018), the same should have been adjusted by recasting the financial statements for the year 2016-17. Non-adherence to the same has resulted in understatement of revenue and profit for the year by Rs.14.65 crore. The Comparative figures of revenue and profit for the previous year 2016-17 are overstated to the same extent.</p>	<p>2 Nos. Purchase Orders for purchase of 135 MW RTC Power from M/s. NBEIL Paloncha and 60 to 90 MW RTC power from M/s. NBVL Paloncha respectively were placed through M/s. TATA Power Trading Company Ltd for the period from 27.05.2016 to 25.05.2017 on Firm basis. As per the terms of the Purchase Orders and Regulation 5 of 2005 Transmission charges were levied on M/s.TPTCL (NBEIL-P &amp; NBVL-P) against Purchase Order Quantities for the specified period.</p> <p>Upto Feb,2017 an amount of Rs.1953.19 lakh was overdue from M/s. TPTCL towards Transmission &amp; SLDC Charges. The Company has requested Dy.CCA/TSPCC to recover the said overdue amount from the power purchase bills payable to M/s.TPTCL and remit to TSTRANSO's Account. Accordingly, the Dy.CCA/TSPCC has recovered an amount of Rs.1953.19 lakh and transferred to TSTRANSO's Bank Account.</p> <p>As against the recovery, M/s.TPTCL has requested the Company to withdraw the Transmission charges on the plea that, levy of Open Access charges on Contracted Quantity (including Backed down quantum) is not correct as the actual energy drawl is very less.</p> <p>Keeping in view the off-take of power less than minimum 70%, the request of M/s. TPTCL was reviewed and decided to refund OA charges. The Dy.CCA/TSPCC has informed that, out of Rs.1953.19 lakh, Rs.1464.88 lakh (after rebate of 25% allowed by the Trader) is refunded back to M/s. TATA Power Trading Company Ltd.</p> <p>Since, the decision to refund the open access charges collected was taken during February, 2018, which does not qualify to consider as prior period item, the same was considered for adjustment in FY 2017-18 and accounted accordingly.</p>



S.No.	C&AG Auditors comments	Management's Replies
2	<p><b>Profit before tax - Rs.347.67 crore</b></p> <p>The above is overstated by Rs. 317.13 crore due to addition of an exceptional item to current year Profit before tax. TSERC adjusted the true-up amount of Rs. 317.13 crore refundable to TSDISCOMs pertaining to the period 2009-14 while fixing the tariffs for the year 2017-18. In response to the Provisional Comment during the year 2016-17 on non-provision of liability of Rs. 317.13 crore refundable to TSDISCOMs towards true-up for the period 2009-14, the Company stated that, there was no necessity for liability in 2016-17 as the amount refundable would be adjusted in the Revenue for the year 2017-18 and this would be suitably disclosed in the notes to the Accounts. This was concurred by the statutory Auditors of the Company. In contrary to their own stand and assurance given, the Company during the year 2017-18, created liability for Rs. 317.13 crore by adjusting Reorganization Resultant Reserve and reversed the same by adding an exceptional item to profit before tax. Since the surplus was automatically adjusted in the tariff fixed for 2017-18, there was no requirement for creation of liability and reversing the same during the current year. This has resulted in overstatement of Profit for the year by Rs. 317.30 crore and consequent understatement of Reorganization Resultant Reserve to the same extent. The reported net profit of Rs. 209.45 crore would turn into net loss of Rs. 107.68 crore.</p> <p>Despite concurring with Company's response during the previous year, the Statutory Auditor has drawn attention to the adjustments made under Emphasis of Matter in the Independent Auditors report in the Current year's financial statements instead of expressing opinion and bringing out the material impact.</p>	<p>The Company has been raising Transmission and SLDC charges on TS DISCOMS based on tariff fixed by TS ERC. The TS ERC while fixing tariff for the balance period of 3<sup>rd</sup> control period i.e for the FY 17-18 and 18-19 has adjusted (reduced) an amount of Rs.31713.00 lakh towards True up amount for 2<sup>nd</sup> MYT control period (FY 2009-10 to FY 2013-14). As such, the revenue of the Company for the FY 2017-18 has got reduced to the extent of True up amount. The 2<sup>nd</sup> Control Period (FY 2009-10 to FY 2013-14) pertain to period prior to formation of the Company. The adjustment made by the Hon'ble TSERC was reviewed by the Company during finalization of accounts for FY 2017-18.</p> <p>Since the adjustment pertain to the period prior to formation of the Company, liability (provision) towards adjustment of true up for 2<sup>nd</sup> Control Period (FY 2009-10 to FY 2013-14) for Rs.31713.00 lakh was created by debiting to accumulated surplus account (which was grouped to Reorganization Resultant Reserve Account). Further, the liability so created was cleared by transferring to Statement of Profit and Loss since, the provision is no longer required as the said amount was adjusted by way of reduction in tariff for FY 2017-18. The company has considered this adjustment as an exceptional item and the same was disclosed at Note No.26.1. of Notes to Financial Statements for FY 2017-18.</p>



S.No.	C&AG Auditors comments	Management's Replies
	<b>Comments on Financial Position</b>	
<b>3</b>	<p><b>Balance Sheet</b>  <b>Equity and Liabilities</b>  <b>Provisions (Note 16) – Rs 503.94 crore</b>  <b>Pension and Gratuity (Note 16 A) – Rs. 434.30 crore</b></p> <p>The liability towards Pension &amp; 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 &amp; 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 at and the Company continues to provide liability @ 26% which is not correct. This has resulted 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.</p>	<p>Pending final allocation of employees to the Company consequent to bifurcation, the Company has not taken up actuarial valuation of Pension and Gratuity liability as on balance sheet date.</p> <p>However, the Company is in the process of obtaining the Actuarial Valuation Reports. While obtaining the actuarial valuation report, a <b>split</b> for the liability attributable to the past period i.e, prior to 01.02.1999 and post service will be arrived and accordingly necessary liability will be recognized in the books by making provision to the extent.</p>

**For and on behalf of the Board of Directors**

**Place: Hyderabad**  
**Date: 26.09.2019**

Sd/-  
**Chairman and Managing Director**  
**TSTRANSCO**



## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

(as on the financial year ended on March 31, 2018)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

(i)	CIN	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, Khairtabad, 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	
<b>A. Promoters</b>									
<b>1. Indian</b>									
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
<b>Sub-total (A) (1)</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100.00</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100.00</b>	<b>0</b>
<b>2. Foreign</b>									
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
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100.00</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100.00</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
b) Individuals									
c) Others (specified below)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100.00</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100.00</b>	<b>0</b>

##### (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
	<b>Total</b>	<b>50000</b>	<b>100.00</b>	<b>0.00</b>	<b>50000</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>



(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 Ajay Misra, Non-whole time Director (holding shares on behalf of the Government of Telangana)				
	At the beginning of the year	49400	98.80	49400	98.80
	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
	At the end of the year	49400	98.80	49400	98.80
2.	Sri. D Prabhakar Rao , CMD(FAC) (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

■ Above all are Govt. of Telangana Nominated shareholders.



# 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 Indebtedn ess
<b>Indebtedness at the beginning of the financial year</b>				
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
<b>Total (i+ii+iii)</b>	<b>4549.39</b>	<b>645.80</b>	<b>-</b>	<b>5195.19</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	2365.19	-	-	2365.19
* (Reduction)	(460.35)	(48.64)	-	(509.00)
* Foreign Exchange gain / loss	-	-	-	-
<b>Net Change</b>	<b>1904.84</b>	<b>(48.64)</b>	<b>-</b>	<b>1856.19</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6433.40	590.27	-	7023.67
ii) Interest due but not paid	-	0.23	-	0.23
iii) Interest accrued but not due	36.42	-	-	36.42
<b>Total (i+ii+iii)</b>	<b>6469.82</b>	<b>590.50</b>	<b>-</b>	<b>7060.32</b>



**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	31,90,792	30,87,306	27,02,196
	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				
	<b>Total (A)</b>	0	31,90,792	30,87,306	27,02,196
	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	30,79,036	120,59,330
	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		
	<b>Total (A)</b>	30,79,036	120,59,330
	Ceiling as per the Act		



**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 Ajay Misra	Sri K. Ramakrishna Rao		
<b>1</b>	<b>Independent Directors</b>						
	* Fee for attending Board/Committee meetings						
	* Commission						
	* Others (Refer Note @ below)						
	<b>Total (1)</b>						
<b>2</b>	<b>Other Non- Executive Directors</b>						
	* Fee for attending Board/Committee meetings			4500	2000		6500
	* Commission						
	* Others, please specify						
	<b>Total (2)</b>						
	<b>Total (B) =(1+2)</b>			4500	2000		6500
	<b>Total Managerial Remuneration (A+B)</b>						<b>6500</b>
	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	CFO G Srinivas	Company Secretary Sri. A Srinivas Vijay Kumar	
1	Gross Salary		29,31,818	19,18,823	48,50,641
	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				
	<b>Total (C)</b>		<b>29,31,818</b>	<b>19,18,823</b>	<b>48,50,641</b>





**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)
<b>A.</b>	<b>COMPANY</b>					
	Penalty			<b>NIL</b>		
	Punishment					
	Compounding					
<b>B.</b>	<b>DIRECTORS</b>					
	Penalty			<b>NIL</b>		
	Punishment					
	Compounding					
<b>C.</b>	<b>OTHER OFFICERS IN DEFAULT</b>					
	Penalty			<b>NIL</b>		
	Punishment					
	Compounding					

For and on behalf of the board of directors

**Date: 26.09.2019**  
**Place: Hyderabad**

Sd/-  
**Chairman & Managing Director**  
**TSTRANSCO**



## **INDEPENDENT AUDITORS' REPORT**

To

The Members of Transmission Corporation of Telangana Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Transmission Corporation of Telangana Limited** (the Company), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, 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 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 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 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 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 financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 financial statements.

### **Basis for Qualified Opinion**

- a) The financial statements are prepared based on the assets and liabilities allocated to the Company pursuant to 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) Provision for gratuity, pension and leave encashment is not being created 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 financial statements)
- c) The balances shown under Advance to suppliers (Note 6 to the financial statements), Trade receivables (Note 9 to the financial statements), Other receivables from APTRANSCO/DISCOMS (Note 11 (B) to the financial statements), Advance from customers (Note 15 (B) to the financial statements) and liability towards O&M works and Capital works (Note 14 and Note 15 to the financial statements) are subject to confirmation and reconciliation and consequential adjustments, if any. The impact on the accounts is not ascertained. (Note 50 to the 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 financial statements)
- e) Adjustment entries required if any, have not been passed for the unidentified balances of assets and liabilities of Rs.1474.82 Lakhs (net credit) which are transferred by APTRANSCO on demerger pending review by the Company. The impact, if any on the accounts is not ascertained. (Note 44 to the financial statements)
- f) Bank balances include Cash in Transit of Rs.11.29 Lakhs, the details of which are not available. The impact, if any, on the accounts is not ascertained. (Note 10.1 to the financial statements)
- g) The Company has not calculated fair value of staff loans to the extent of Rs.128.38 Lakh as per Ind AS 109 – Financial Instruments. (Note 5 to the 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 financial statements)
- i) Classification of security deposits from suppliers, retention money from suppliers and security deposit – operating charges into current and non-current portion is not made as per Schedule III to the Companies Act, 2013. (Note 15 to the financial statements)
- j) The Company has capitalized the borrowing costs attributable to capital work-in-progress based on the methodology prescribed in Electricity Supply (Annual Accounts) Rules, 1985 which is not in accordance with Ind AS 23 – Borrowing Costs. The impact, if any on the accounts is not ascertained. (Note 23.1 to the financial statements)
- k) The Company has capitalized Lift Irrigation assets pertaining to deposit contribution works (works pertaining to the consumer i.e., beyond terminal and metering arrangement) where the Company has no control on the assets. The Company is in the process of identification of the assets capitalized under deposit contribution works. The impact on the accounts is not ascertained. (Note 39 to the financial statements)
- l) The Company has not made provision for bad and doubtful debts for the trade receivables outstanding for more than three years pending final settlement of demerger balances. This is not in accordance with Ind AS 109 – Financial Instruments. The impact, if any on the accounts is not ascertained. (Note 9.1 to the financial statements)
- m) Deferred tax asset of Rs.11501.00 Lakh allocated to the Company on demerger towards employee terminal benefits 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 which is not in accordance with Ind AS 12 – Income Taxes. The impact on the accounts is not ascertained. (Note 45 to the financial statements).
- n) The Company has not identified the dues to micro and small enterprises as on balance sheet date as required under Schedule III of the Companies Act, 2013. We are unable to comment on the MSMED Disclosures made by the Company and impact, if any, on the accounts is not ascertained. (Note 14 to the financial statements)
- o) The Company is in receipt of the Expert Committee recommendations on the following pending issues between the Company and APTRANSCO (Note 37 (x) to the financial statements).
- i. Investment in GVK Power & Infrastructure Limited and Andhra Pradesh Gas Power Corporation Limited.
  - ii. Treatment for the differences between assets and liabilities apportioned to the Company, by APTRANSCO on demerger.
  - iii. Vidyut Soudha Building
  - iv. Corporate Training Institute Building

The Board of Directors of the Company has to take its view on the recommendations made by the Expert Committee



### **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 financial statements)
- b) The Company has recognised an amount of Rs. 6456.08 Lakh towards Pass-through gains on variations in Transmission Charges and SLDC Charges attributable to the current year. (Note 20.2 to the financial statements)
- c) We have relied on the details of contingent liabilities as disclosed in Note 33 to the financial statements.
- d) Adjustment of Rs.31713.00 Lakh against Reorganization Resultant Reserve by creating the liability for True up for 2<sup>nd</sup> Control Period FY 2009-10 to 2013-14 and reversing the same liability as the amount is already passed on to the customers during the year by way of reduction in tariff and treating as an exceptional item.
- e) The annual financial statements for the financial year 2016-17 are yet to be adopted by the members in the Annual General Meeting.

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 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 31<sup>st</sup> March, 2018, 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 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 5<sup>th</sup> 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 financial statements. (Note 33 to the 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.

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

Sd/-  
M.V.Ranganath

Partner

Membership No.028031

Place: Hyderabad  
Date: 1<sup>st</sup> March, 2019



### 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 31<sup>st</sup> March, 2018. 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 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 of the Act. In the following cases the Company has granted loans to Companies without obtaining prior approval of the members as required under section 186 of the Act.

S.No.	Non-compliance of Section 186				Remarks, if any
	Particulars	Name of the Company	Amount involved (Rs. in Crores)	Balance as at 31.03.2018 (Rs. in Crores)	
1	Inter-Corporate Deposits	Southern Power Distribution Company of Telangana Limited	881.25	705.50	Proposal submitted for ratification to the members in its ensuing EGM.
2	Inter-Corporate Deposits	Northern Power Distribution Company of Telangana Limited	368.75	294.50	Proposal submitted for ratification to the members in its ensuing EGM.





- 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, goods and service tax, cess and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at 31.03.2018 for a period of more than six months from the date they became payable except the following

<b>Nature of Dues</b>	<b>Amount (Rs. in Lakhs)</b>
Property Tax	68.14
Service Tax	0.81
Tax Deducted at source	21.29
Works Contract Tax	25.43
Labour Cess	4.58
Seignorage cess	3.70

(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, goods and service tax or cess as at 31<sup>st</sup> March, 2018 which have not been deposited on account of dispute pending, are as under:

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs. in Lakhs)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
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	2014-15	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	2015-16	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	2016-17	High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh
The Income tax Act, 1961	Income-tax	1679.07	2014-15	Commissioner of Income Tax Appeals, Hyderabad
The Income tax Act, 1961	Income-tax <sup>#</sup>	3904.99	2015-16	Commissioner of Income Tax Appeals, Hyderabad

# Demand received after 31<sup>st</sup> March, 2018

Attention is drawn to Note 33 to the 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 loans to financial institutions, banks and Government during the year except for an amount of Rs.0.31 Lakh short paid in repayment of government loans. During the year, the Company has defaulted in repayment of its share of Rs.12500.00 Lakh towards Vidyut Bonds issued by APTRANSCO (Note 40 the financial statements)
- 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 except two short terms loans of Rs.100000.00 Lakh availed from Power Finance Corporation Ltd where the loans were taken for emergency procurement/works for the transmission lines in the nature of repair and maintenance but the amount is transferred temporarily to TSDISCOMs as short term loans.
- 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 5<sup>th</sup> 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 financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give 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)

Place: Hyderabad  
Date: 1<sup>st</sup> March, 2019

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



### 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 Financial Statements
<b>I</b>	<b>Direction</b>		
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
<b>II</b>	<b>Sub-directions</b>		
	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: 1<sup>st</sup> March, 2019



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**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 2018 in conjunction with our audit of the 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 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.



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## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, to the best of 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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Hyderabad  
Date: 1<sup>st</sup> March, 2019


**TRANSMISSION CORPORATION OF TELANGANA LIMITED  
BALANCE SHEET AS AT 31st MARCH 2018**
*(Rs. in lakh)*

Particulars	Notes	As at 31 March 2018	As at 31 March 2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3A	760162.59	620376.41
Capital work in progress	3B	375990.16	275974.12
Intangible assets	3C	742.90	810.70
Financial assets			
Investments	4	37330.66	37114.84
Loans	5	96492.33	111792.78
Others	11	29280.00	-
Other non-current assets	6	3360.83	2770.59
<b>Total non-current assets</b>		<b>1303359.47</b>	<b>1048839.44</b>
<b>Current assets</b>			
Inventories	8	14876.62	8537.94
Financial assets			
Trade receivables	9	81169.42	122522.12
Cash and cash equivalents	10	10575.51	6570.32
Loans	5	100471.16	463.64
Others	11	34258.79	9883.09
Current tax assets (net)	7A	-	5809.82
Other current assets	6	1625.96	1162.58
<b>Total current assets</b>		<b>242977.46</b>	<b>154949.51</b>
<b>Total assets</b>		<b>1546336.93</b>	<b>1203788.95</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12A	5.00	5.00
Other equity	12B	86219.36	65273.98
<b>Total equity</b>		<b>86224.36</b>	<b>65278.98</b>
<b>Reorganisation resultant reserve</b>	38	46341.45	78054.45
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13	558526.31	456228.49
Other financial liabilities	15	211430.16	173152.71
Provisions	16	50393.67	50393.67
Deferred consumer contributions towards property, plant and equipment	17	50149.68	41144.02
Deferred tax liabilities (net)	18	29315.38	24648.35
Other non-current liabilities	19	251560.42	175643.41
<b>Total non-current liabilities</b>		<b>1151375.62</b>	<b>921210.65</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	13	100000.00	-
Trade payables	14	9610.34	9680.39
Other financial liabilities	15	137563.78	117147.95
Other current liabilities	19	4190.82	4199.56
Provisions	16	3211.70	2179.98
Deferred consumer contributions towards property, plant and equipment	17	7435.70	6036.99
Current tax liabilities (net)	7B	383.16	-
<b>Total current liabilities</b>		<b>262395.50</b>	<b>139244.87</b>
<b>Total liabilities</b>		<b>1460112.57</b>	<b>1138509.97</b>
<b>Total equity and liabilities</b>		<b>1546336.93</b>	<b>1203788.95</b>

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

for and on behalf of the Board of

**Transmission Corporation of Telangana Limited**
**Sd/-**
**D.Prabhakar Rao**

Chairman &amp; Managing Director

DIN No. 00676316

**Sd/-**
**C.Srinivasa Rao**

Joint Managing Director

(Finance, Comml., &amp; HRD)

DIN No.00196179

**Sd/-**
**G.Srinivas**

FA&amp;CCA (Accounts) &amp; CFO

**Sd/-**
**Ravi Kumar Suluva**

Company Secretary

Place: Hyderabad

Date : 1st March 2019



ANNUAL ACCOUNTS FY 2017-18

**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018**

(Rs. in lakh)

Particulars	Notes	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>REVENUE</b>			
Revenue from operations	20	147538.81	144347.64
Other income	21	3846.13	2523.58
<b>Total Revenue</b>		<b>151384.94</b>	<b>146871.22</b>
<b>EXPENDITURE</b>			
Employee benefit expense	22	38562.00	24683.98
Finance costs	23	39477.47	34773.21
Depreciation and amortisation expense	24	58844.76	43219.64
Other expenses	25	11447.15	17600.84
<b>Total Expenditure</b>		<b>148331.38</b>	<b>120277.67</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>3053.56</b>	<b>26593.55</b>
<b>Exceptional items</b>	26	31713.00	-
<b>Profit/(loss) before tax</b>		<b>34766.56</b>	<b>26593.55</b>
<b>Tax expense</b>	27		
(i) Current tax (net of MAT credit entitlement)		3147.59	787.62
(ii) Earlier year tax		351.16	-
(ii) Deferred tax		10322.43	7876.38
<b>Profit/(loss) for the year</b>		<b>20945.38</b>	<b>17929.55</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>20945.38</b>	<b>17929.55</b>
<b>Earnings per equity share - par value of Rs.10/- per share</b>			
Basic	36	41890.76	35859.10
Diluted	36	41890.76	35859.10

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

for and on behalf of the Board of

**Transmission Corporation of Telangana Limited**

**Sd/-**

**D.Prabhakar Rao**

Chairman & Managing Director

DIN No. 00676316

**Sd/-**

**C.Srinivasa Rao**

Joint Managing Director

(Finance, Comm., & HRD)

DIN No.00196179

**Sd/-**

**G.Srinivas**

FA&CCA (Accounts) & CFO

**Sd/-**

**Ravi Kumar Suluva**

Company Secretary

Place: **Hyderabad**

Date : **1st March 2019**




**TRANSMISSION CORPORATION OF TELANGANA LIMITED**
**STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31st MARCH 2018**
*(Rs. in lakh)*

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Cashflows from operating activities</b>		
<b>Profit before Tax</b>	<b>34766.56</b>	<b>26593.55</b>
<b>Adjustments for</b>		
Depreciation and amortisation expense	58844.76	43219.64
True up for 2nd control period	(31713.00)	-
Income from investments	(986.56)	(1301.99)
Income from investments against contingency reserve	(375.61)	(362.05)
Loss/(Gain) on fair valuation of investments	(215.82)	22.69
Amortisation of staff loans and advances (net of prepaid)	(109.52)	(8.99)
Amortisation of deferred consumer contributions	(7435.70)	(6036.99)
Interest on term loans from banks	2427.94	3280.49
Interest on term loans from financial institutions and others	56250.71	45115.11
Write off of capital work in progress land	1058.26	-
Profit on sale of property plant and equipment	(42.00)	-
Provision towards material cost variance	(238.49)	161.86
<b>Change in operating assets and liabilities</b>		
(Increase)/Decrease in trade receivables	41352.70	(70396.00)
(Increase)/Decrease in inventories	(6100.19)	1852.78
(Increase)/Decrease in other assets	(3847.04)	(4684.73)
(Increase)/Decrease in loans	(84597.56)	(11728.65)
(Increase)/Decrease other financial assets	(10675.51)	2441.59
Increase/(Decrease) in other financial liabilities	12734.02	59921.47
Increase/(Decrease) in other liabilities	76291.43	76573.46
Increase/(Decrease) in trade payables	(70.05)	4387.02
Increase/(Decrease) in provisions	1031.72	633.57
<b>Cash generated from operations</b>	<b>138351.05</b>	<b>169683.83</b>
Income taxes paid	-	(1700.00)
<b>Net cash from operating activities</b>	<b>138351.05</b>	<b>167983.83</b>
<b>Cashflows from investing activities</b>		
Purchase of property, plant and equipment and		
Increase/(Decrease) in capital work in progress	(280760.42)	(260503.23)
Proceeds from sale of property, plant and equipment	-	-
Interest income from investments	740.00	1232.99
<b>Net cash used in investing activities</b>	<b>(280020.42)</b>	<b>(259270.24)</b>
<b>Cashflows from investing activities</b>		
Proceeds from/(repayment of) borrowings	185619.29	135708.79
Deferred grants received	17840.07	11327.44
Interest paid on borrowings	(57784.80)	(53675.51)
<b>Net cash used in financing activities</b>	<b>145674.56</b>	<b>93360.72</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4005.19</b>	<b>2074.31</b>
Cash and cash equivalents at the beginning of the year	6570.32	4496.01
<b>Cash and cash equivalents at the end of the year</b>	<b>10575.51</b>	<b>6570.32</b>
Reconciliation of cash and cash equivalents as per the cashflow statement		
Cash in hand	-	-
<b>Balances with scheduled banks</b>		
- Current accounts	4932.04	5270.32
- Deposit accounts	5643.47	1300.00
<b>Total</b>	<b>10575.51</b>	<b>6570.32</b>

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)

for and on behalf of the Board of

**Transmission Corporation of Telangana Limited**
**Sd/-**
**M.V.Ranganath**

Partner

Membership No.028031

**Sd/-**
**D.Prabhakar Rao**

Chairman &amp; Managing Director

DIN No.00676316

**Sd/-**
**C.Srinivasa Rao**

Joint Managing Director

DIN No.00196179

**Sd/-**
**G.Srinivas**

FA&amp;CCA (Accounts) &amp; CFO

**Sd/-**
**Ravi Kumar Suluva**

Company Secretary

Place: Hyderabad

Date : 1st March 2019



**TRANSMISSION CORPORATION OF TELANGANA LIMITED**  
**STATEMENT OF CHANGES IN EQUITY AS AT 31st MARCH 2018**

(Rs. in lakh)

**A. Equity share capital**

Particulars	Amount
As at 1st April, 2017	5.00
Change in equity share capital during the year	-
As at 31st March 2018	5.00

**B. Other equity**

Particulars	Reserves and Surplus				Total
	Capital Reserve	Contingency Reserve	Restructuring Reserve	Retained Earnings	
As at 1st April 2017	459.59	3729.21	13885.63	47199.55	65273.98
Amount added during the year	-	245.62	-	20945.38	21191.00
Amount deducted during the year	-	-	-	(245.62)	(245.62)
As at 31st March 2018	459.59	3974.83	13885.63	67899.31	86219.36

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 : **1st March 2019**

for and on behalf of the Board of  
**Transmission Corporation of Telangana Limited**

Sd/-  
**D.Prabhakar Rao**  
Chairman & Managing Director  
DIN No.00676316

Sd/-  
**G.Srinivas**  
FA&CCA(Accounts) & CFO

Sd/-  
**C.Srinivasa Rao**  
Joint Managing Director  
(Finance, Comm., & HRD)  
DIN No.00196179

Sd/-  
**Ravi Kumar Suluva**  
Company Secretary

**TRANSMISSION CORPORATION OF TELANGANA LIMITED****Notes to the financial statements for the year ended 31st March 2018****1 Profile of the Company and Significant Accounting policies****1.1. Corporate information**

Transmission Corporation of Telangana Limited (TSTRANSCO) 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.

**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 lakh, (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
<b>1. Investments: #</b>	
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, or 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 the Company's 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 and 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) Subsequent expenditure**

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

### **(iii) Depreciation**

Depreciation is provided on straight line method with the rates notified by the Ministry of Power, 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) Intangible assets and amortization**

Intangible assets acquired separately are measured on initial recognition cost and are amortized on straight line method based on the estimated useful life.



The amortized period and amortization method are reviewed at each financial year end.  
Cost of software is amortized over a period of 7 years.

**(d) Inventories**

Inventories are valued at cost or net realizable value which is lower at weighted average cost.

**(e) Impairment of assets**

**i. Impairment of financial instruments**

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

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

**Measurement of expected credit losses**

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

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

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

***Write-off***

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

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

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

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

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



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

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

## **(f) Employee benefits**

### **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 company contributes towards liabilities as per actuarial valuation to the TS 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 company contributes towards liabilities as per actuarial valuation to the TS 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.

## **(g) 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.

**(iii) Development Charges and Grants towards cost of capital assets:** The Development charges and Grants towards cost of capital assets collected are being amortized over a period of 15 years in the absence of identification particular Property, plant and equipment.

## **(h) Revenue Recognition**

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

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

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

**(ii) Other Income :** a) 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.

b) Fines and penalties levied on suppliers/contractors for delay in executing the works are initially recognized as liability and upon settlement of final bill, the amount is recognized to income.

## **(i) 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.

**(j) 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.

**(o) Standards issued but not yet effective**

The standards issued, but not yet effective up to the date of issuance of the Company's financial statements are disclosed below.

**i) Ind AS 115, Revenue from Contract with Customers:** On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that revenue should be recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Company will adopt the standard on April 1, 2018 and the effect on adoption of Ind AS 115 is expected to be insignificant.

**ii) Ind AS 21, Foreign currency transactions and advance consideration:** On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.



**TRANSMISSION CORPORATION OF TELANGANA LIMITED**  
**Notes to the financial statements (continued)**

**3. Property, Plant and Equipment**

(Rs. in lakh)

Particulars	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 (C)
<b>Gross carrying amount</b>										
Balance at 1st April 2017	5637.48	7355.18	1472.97	261364.67	413223.32	102.57	68.25	2834.64	692159.08	903.66
Additions (net) during the year	(328.51)	4441.56	2411.62	83080.17	108191.78	-	128.74	579.46	198504.82	58.32
Balance at 31st March 2018	5308.97	11796.74	3884.59	344444.84	521515.10	102.57	196.99	3414.10	890663.90	961.98
<b>Accumulated depreciation/amortization</b>										
Balance at 1st April 2017	-	570.22	67.79	36124.89	34555.95	52.77	20.64	390.41	71782.67	92.96
Depreciation for the year	-	373.92	76.50	28783.50	29017.93	19.57	20.63	426.59	58718.64	126.12
Balance at 31st March 2018	-	944.14	144.29	64908.39	63573.88	72.34	41.27	817.00	130501.31	219.08
<b>Net carrying amount</b>										
Balance at 1st April 2017	5308.97	10852.60	3740.30	279536.45	457941.22	30.23	155.72	2597.10	760162.59	742.90
Balance at 1st April 2016	5519.57	7025.08	1229.95	190793.64	306707.76	102.57	60.56	1148.86	512587.99	95.17
Additions (net) during the year	117.91	330.10	243.02	70571.03	106615.56	-	7.69	1685.78	179571.09	808.49
Balance at 31st March 2017	5637.48	7355.18	1472.97	261364.67	413223.32	102.57	68.25	2834.64	692159.08	903.66
<b>Accumulated depreciation/amortization</b>										
Balance at 1st April 2016	-	274.33	27.52	14869.98	13286.89	15.35	10.18	153.67	28637.92	18.08
Depreciation for the year	-	295.89	40.27	21254.91	21269.06	37.42	10.46	236.74	43144.75	74.88
Balance at 31st March 2017	-	570.22	67.79	36124.89	34555.95	52.77	20.64	390.41	71782.67	92.96
<b>Net carrying amount</b>										
Balance at 31st March 2017	5637.48	6784.96	1405.18	225239.78	378767.37	49.80	47.61	2444.23	620376.41	810.70
<b>B. Capital work in progress:</b>										
As at 31st March 2018									375990.16	
As at 31st March 2017									275974.12	

3.1. The Company has capitalised interest of Rs.19712.06 lakh (Rs.13640.08 lakh) towards interest cost upto the date of completion of assets/projects.

3.2. The lands apportioned to the Company as per 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 sub-stations 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 the Company are in process. The value of land received by way of gift subsequent to 01.04.2000 are in the process of ascertainment and to be taken into the books.

3.3 In respect of property, plant and equipment 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 acquired by the Company, the cost acquisition, installation and other expenses to make the assets ready for their intended use have been adopted as the cost of additions/acquisition.

3.4. Registration of title in immovable and movable properties apportioned to the Company is pending as at balance sheet date.

3.5. During the year, the Company has not identified any impaired property, plant and equipment as per Ind AS 36.



## ANNUAL ACCOUNTS FY 2017-18

### TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the financial statements (continued)

(Rs. in lakh)

#### 4. Investments

Particulars	31st March 2018	31st March 2017
<b>Non-Current Investments</b>		
<i>Unquoted debt securities</i>		
<b>Redeemable bonds measured at amortized cost</b>		
<b>Investment in redeemable bonds</b>		
10% APCPDCL Power Bonds - Series 3/2014	17825.00	17825.00
10% APNPDCL Power Bonds - Series 3/2014	6142.00	6142.00
9.95% APCPDCL Power Bonds - Series 1/2014	8336.00	8336.00
Investment against contingency reserve fund	3483.02	3483.02
<i>Quoted equity shares</i>		
<i>Equity shares at FVTPL</i>		
26,38,344 (26,38,344) equity shares of GVK Power & Infrastructure Limited	373.33	157.51
<i>Unquoted equity shares</i>		
<i>Equity shares at FVTPL</i>		
65,68,101 (65,68,101) equity shares of Andhra Pradesh Gas Power Corporation Limited	1171.31	1171.31
<b>Total</b>	<b>37330.66</b>	<b>37114.84</b>
Aggregate amount of quoted investments	351.78	351.78
Aggregate market value of quoted investments	373.33	157.51
Aggregate amount of unquoted investments	36957.33	36957.33

Investment in Andhra Pradesh Gas Power Corporation Limited are not carried at fair value in the absence of proper information.

#### 5. Loans

##### A. Non-Current

Particulars	31st March 2018	31st March 2017
<b>Secured, Considered good</b>		
Loans and advances to Staff	1005.57	885.15
<b>Unsecured, Considered good</b>		
Loans and advances to Staff	531.78	552.65
Inter Corporate Deposits to DISCOMs	94954.98	110354.98
<b>Total</b>	<b>96492.33</b>	<b>111792.78</b>

The company has not made fair value of some of the staff loans/advances amounting to Rs.128.38 lakh (118.05 lakh) which are under reconciliation.

##### B. Current

Particulars	31st March 2018	31st March 2017
<b>Unsecured, Considered good</b>		
Loans and advances to Staff	471.16	463.64
Loans to TSDISCOMs	100000.00	-
<b>Total</b>	<b>100471.16</b>	<b>463.64</b>

#### 6. Other Assets

##### A. Non-Current

Particulars	31st March 2018	31st March 2017
Advance to suppliers towards capital assets	2799.36	2248.46
Deposits with others	266.32	263.39
Prepaid employee cost	295.15	258.74
<b>Total</b>	<b>3360.83</b>	<b>2770.59</b>

##### B. Current

Particulars	31st March 2018	31st March 2017
Other claims and receivables	157.27	157.27
Amount receivable from others	0.32	0.32
Advance for O&M supplies/works	208.61	39.98
Contribution to pension & gratuity	771.57	893.38
Prepaid expenses	5.41	2.62
Prepaid employee cost	63.01	69.01
Income tax paid under protest	419.77	-
<b>Total</b>	<b>1625.96</b>	<b>1162.58</b>


**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

*(Rs. in lakh)*
**7A. Current tax assets (net)**

Particulars	31st March 2018	31st March 2017
Advance income tax/deduction at source (net of provision for income tax)	-	5809.82
<b>Total</b>	<b>-</b>	<b>5809.82</b>

**7B. Current tax liability (net)**

Particulars	31st March 2018	31st March 2017
Provision for income tax (net of Advance income tax/deduction at source)	383.16	-
<b>Total</b>	<b>383.16</b>	<b>-</b>

**8. Inventories**

Particulars	31st March 2018	31st March 2017
Operation and maintenance stores and spares	16064.68	9942.29
Materials stock excess/shortage pending investigation (net)	(27.68)	(5.48)
Provision for obsolete, non-moving and unserviceable inventory	(1160.38)	(1398.87)
<b>Total</b>	<b>14876.62</b>	<b>8537.94</b>

8.1. The above inventories are held for operation and maintenance purposes and hence, not compared with net realisable value.

**9. Trade Receivables**

Particulars	31st March 2018	31st March 2017
Unsecured, considered good	81169.42	122522.12
<b>Total</b>	<b>81169.42</b>	<b>122522.12</b>

9.1. The above include Rs.11375.95 lakh receivable from APTRANSCO. FA&CCA/TSPCC on behalf of TSDISCOMs has informed that the dues payable by TSDISCOMs to APTRANSCO upto 02.06.2014 were already paid to APTRANSCO. Since, these dues were allocated to the Company consequent to demerger, the Company has accounted the same as receivable from APTRANSCO. The Company has not estimated any provision in this regard, pending final settlement of demerger balances.

**10. Cash and cash equivalents**

Particulars	31st March 2018	31st March 2017
Cash in hand	-	-
<b>Bank balances</b>		
Balances in current accounts	4932.04	5270.32
Term deposits - Corporate Liquid Term Deposits	5643.47	1300.00
<b>Total</b>	<b>10575.51</b>	<b>6570.32</b>

10.1. Balances in current accounts include an amount of Rs.11.29 lakh allocated to the Company consequent to demerger of APTRANSCO. The details are not furnished and is pending review.

**11. Financial assets - others**
**A. Non-current**

Particulars	31st March 2018	31st March 2017
Receivable from Govt. of Telangana towards vidyut bonds liability	29280.00	-
<b>Total</b>	<b>29280.00</b>	<b>-</b>

**B. Current**

Particulars	31st March 2018	31st March 2017
Amount receivable from Govt. of Telangana towards bonds liability	14329.07	44.16
Amount receivable from Govt. of Telangana - others	60.01	14.73
Amount receivable from Govt. of India - PSDF Grant	3514.46	-
Receivable from APTRANSCO	10962.19	6244.65
Receivable from APDISCOMs	241.16	203.30
Receivable from TSDISCOMs	2196.05	1386.63
Receivable from TSGENCO	504.40	47.32
Interest accrued and due	1073.83	892.17
Interest accrued but not due	246.54	181.64
Amount recoverable from employees/ex-employees	138.61	136.94
Other receivables	992.47	731.55
<b>Total</b>	<b>34258.79</b>	<b>9883.09</b>



## ANNUAL ACCOUNTS FY 2017-18

### TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the financial statements (continued)

(Rs. in lakh)

#### 12A. Equity share capital

Particulars	31st March 2018	31st March 2017
<b>Authorised Share Capital</b>		
15000,00,000 (15000,00,000) shares of Rs.10/- each	150000.00	150000.00
<b>Issued, Subscribed and paid up share capital</b>		
50,000 (50,000) shares of Rs.10/- each	5.00	5.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>

#### (i) Movement in share capital

Particulars	Number of Shares	Amount
<b>As at 31st March 2017</b>	<b>50,000</b>	<b>5.00</b>
Issue of shares during the year	-	-
<b>As at 31st March 2018</b>	<b>50,000</b>	<b>5.00</b>

#### Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 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.

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

Name of the Shareholder	31st March 2018	31st March 2017
Government of Telangana	50,000 No. of Shares	50,000 No. of Shares
	100%	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

Particulars	31st March 2018	31st March 2017
Capital reserve	459.59	459.59
Contingency reserve	3974.83	3729.21
Restructuring reserve	13885.63	13885.63
Retained earnings	67899.31	47199.55
<b>Total</b>	<b>86219.36</b>	<b>65273.98</b>

#### i) Capital reserve

Particulars	31st March 2018	31st March 2017
Opening balance	459.59	459.59
Add: Additions during the year	-	-
Less : Deductions during the year	-	-
<b>Closing Balance</b>	<b>459.59</b>	<b>459.59</b>

#### ii) Contingency reserve

Particulars	31st March 2018	31st March 2017
Opening Balance	3729.21	3564.88
Add: Additions during the year	245.62	164.33
Less : Deductions during the year	-	-
<b>Closing balance</b>	<b>3974.83</b>	<b>3729.21</b>

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. by APTRANSCO. The funds are not at the disposal of the Company and as such the interest earned is being credited (net of tax) to Contingency Reserve. As per the demerger plan of APTRANSCO, the investments made against Contingency Reserve by APTRANSCO as on 02nd June 2014 were bifurcated between APTRANSCO and the Company. Pending finalisation 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 (net of tax) to Contingency Reserve.

#### iii) Restructuring reserve

Particulars	31st March 2018	31st March 2017
Opening balance	13885.63	13885.63
Add: Additions during the year	-	-
Less : Deductions during the year	-	-
<b>Closing balance</b>	<b>13885.63</b>	<b>13885.63</b>




**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

*(Rs. in lakh)*
**iv) Retained earnings**

Particulars	31st March 2018	31st March 2017
Opening balance	47199.55	29434.36
Add: Profit/(loss) for the year	20945.38	17929.55
Less: Appropriation to contingency reserve	(245.62)	(164.33)
<b>Closing balance</b>	<b>67899.31</b>	<b>47199.55</b>

This reserve represents the cumulative profits of the Company.

**13. Borrowings**
**A. Non-current**

Particulars	31st March 2018	31st March 2017
<b>Term loans</b>		
<b>Secured</b>		
from banks	10190.42	2087.78
from financial institutions	494173.30	395113.59
<b>Unsecured</b>		
from State Government	54162.59	59027.12
<b>Total</b>	<b>558526.31</b>	<b>456228.49</b>

13.1. The long term loans apportioned by APTRANSCO which are availed from various Banks/Financial Institutions 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. As at the date of balance sheet, some of the assets of APTRANSCO continue to be under charge to the Banks/ Financial Institutions against the above loans pending completion of documentation for release/modification of such charges.

**B. Current**

Particulars	31st March 2018	31st March 2017
<b>Term Loans</b>		
<b>Secured</b>		
from financial institutions	100000.00	-
<b>Total</b>	<b>100000.00</b>	<b>-</b>

13.3. The Company has availed a short term loan of Rs.50000.00 lakhs and a flexi line of credit of Rs.50000.00 from M/s.Power Finance Corporation Limited which are secured by trade receivables - TSDISCOMs.



## ANNUAL ACCOUNTS FY 2017-18

### TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the financial statements (continued)

(Rs. in lakh)

#### C. Details of Borrowings

Particulars	Nominal Interest rate	Carrying amount as at 31st March 2018	Carrying amount as at 31st March 2017
<b>Secured Loans from</b>			
Rural Electrification Corporation Limited	8%-13%	311581.14	270740.84
Power Finance Corporation Limited (*)	8%-13%	309160.14	146916.85
National Bank for Agriculture and Rural Development	10.75%	6793.34	7427.52
The Federal Bank Limited	10.75%	-	83.71
Punjab & Sind Bank	10.25%-10.75%	702.17	1250.47
Syndicate Bank	10.00%	682.69	816.92
Karur Vysya Bank Limited	11.00%	-	1513.10
Bank of Baroda	11%-11.15%	2410.39	5643.86
Oriental Bank of Commerce	11.00%	4056.43	4769.50
Allahabad Bank	11.15%	-	604.37
ICICI Bank Limited	11.15%	-	759.36
Karnataka Bank Limited	11.15%	-	675.52
Corporation Bank	11.25%	-	258.48
Union Bank of India	11.15%	-	287.33
UCO Bank	10.95%	3544.83	4378.95
South Indian Bank Limited	11.50%	-	1742.17
Tamilnad Mercantile Bank Limited	10.90%	1930.62	2217.36
Dena Bank	11.00%	2478.22	2770.16
<b>Unsecured Loan from</b>			
State Government	9.50%-10.25%	59027.10	63891.31
<b>Total:</b>		<b>702367.07</b>	<b>516747.78</b>
Current		143840.76	60519.29
Non-current		558526.31	456228.49

#### D. Term Loans - Repayment Details

Particulars	Outstanding as at 31st March 2017	Received during the year	Repaid during the year	Outstanding as at 31st March 2018
<b>Secured Loans from</b>				
Rural Electrification Corporation Limited	270740.84	56352.97	15512.67	311581.14
Power Finance Corporation Limited (*)	146916.85	176146.62	13903.33	309160.14
National Bank for Agriculture and Rural Development	7427.52	-	634.18	6793.34
The Federal Bank Limited	83.71	-	83.71	-
Punjab & Sind Bank	1250.47	-	548.30	702.17
Syndicate Bank	816.92	-	134.23	682.69
Karur Vysya Bank Limited	1513.10	-	1513.10	-
Bank of Baroda	5643.86	-	3233.47	2410.39
Oriental Bank of Commerce	4769.50	-	713.07	4056.43
Allahabad Bank	604.37	-	604.37	-
ICICI Bank Limited	759.36	-	759.36	-
Karnataka Bank Limited	675.52	-	675.52	-
Corporation Bank	258.48	-	258.48	-
Union Bank of India	287.33	-	287.33	-
UCO Bank	4378.95	-	834.12	3544.83
South Indian Bank Limited	1742.17	-	1742.17	-
Tamilnad Mercantile Bank Limited	2217.36	-	286.74	1930.62
Dena Bank	2770.16	18.43	310.37	2478.22
<b>Unsecured Loan from</b>				
State Government	63891.31	-	4864.21	59027.10
<b>Total:</b>	<b>516747.78</b>	<b>232518.02</b>	<b>46898.73</b>	<b>702367.07</b>

(\*) Loan from Power Finance Corporation as at 31st March 2018 includes Rs.100000.00 lakh of short term loan.

#### E. Security Details:

(i) The Secured loans availed from Rural Electrification Corporation Limited and Power Finance Corporation Limited are secured by way of Escrow mechanism and hypothecation of future assets created out of the loan. Certain term loans are guaranteed by the State Government.

(ii) The Secured loans availed from banks are secured by way of an exclusive first charge by way of hypothecation of specified property, plant and equipment of the project created out of the proceeds of term loan.



**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

(Rs. in lakhs)

**F) Loans from Rural Electrification Corporation secured against hypothecation/mortgage on upcoming assets of various Sub-Stations along with connected lines for which Term Loan was sanctioned. Details of Securities are as follows**

Name of the Bank / Financial Institution	Rate of interest as on 31.3.2018	Balance Outstanding as on 31.3.2018	Type (Monthly / Quarterly / Half Yearly / Yearly)	No of remaining installments	Installment Amount	Name of the Project	Security Details
REC Ltd 9474	10.75%	838.81	Monthly	118	6.87	Scheme for providing 220/33KV features at existing Salivaga 220/11KV Lift Irrigation SS in warangal district with 2Nos.220/33 kv 31.5.MVA power transformer.	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. In case Charge on movable and immovable assets of the borrower, first charge/priority shall be created in favour of REC. Wherever reimbursement against land is taken from REC, it is subject to equitable mortgage irrespective of option available in REC guidelines.
REC Ltd 9475	10.75%	715.19	Monthly	118	5.86	Scheme for erection of 2nd circuit stringing on existing 220kv DC/SC line from 220KV DC/SC line from 220KV Ramagundam SS to 220KV mandamari SS.	-do-
REC Ltd 9480	10.03 to 10.75%	2741.50	Monthly	119	22.66	Erection of 220/132 kv SS at MD pally (kattedan)	-do-
REC Ltd 9482	10.03 to 10.75%	1086.70	Monthly	119	8.98	Erection of 132/33 KV SS at Kachapur & Nimmapalli.	-do-
REC Ltd 9483	10.03 to 10.75%	4708.10	Monthly	119	38.91	Erection of 220/132 KV SS at siricilla	-do-
REC Ltd 9485	10.03 to 10.75%	4008.23	Monthly	119	33.12	Erection of 220/132 KV SS at Ayyagaripally.	-do-
REC Ltd 9486	10.03 to 10.75%	2504.84	Monthly	118	20.53	Erection of 132/33 KV SS at Ganeshpally, Duddeda & waitipally.	-do-
REC Ltd 9492	10.03 to 10.75%	3108.77	Monthly	118	25.47	Erection of 2x100MVA, 220/132KV PTR with allied features including breakers at 132/33 KV Kosigi SS along with associated 220KV and 132KV transmission lines	-do-
REC Ltd 9496	10.03 to 10.75%	20645.52	Monthly	118	169.18	Schemes for Augmentation of power Transformer capacities at 11nos.220/132KV SS & 54Nos. Of 132/33 Kv SS in warangal Zone of TSTRANSO.	-do-
REC Ltd 9497	10.75%	25209.32	Monthly	118	206.58	Schemes for Augmentation of power Transformer capacities at 19nos.220/132KV SS & 56Nos. Of 132/33 Kv SS in metro & Rural Zone of TSTRANSO.	-do-
REC Ltd 9518 *	10.75%	34.74	Monthly	120	0.29	Augmentation of 1No.400KV, 6 Nos.220KV & 30 Nos.132KV as in Various circles of Telangana	-do-
REC Ltd 18267	10.03 to 11.15%	92570.06	Monthly	111	833.96	Scheme for erection of 400/220/132 kv Suryapet SS 400KV D/C line Proposed suryapet to Kamavarakota & Shankarpalli SS 132KV D/C in from proposed Suryapet SS to existing Suryapet, Shailgauram & Thungathurthy SS & LILU of 400 KV & 220KV Lines as a part of power Evacuation Scheme from M/S.Hunduja National Power Corporation Ltd 1040MW power plant.	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 /Part-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 charge 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.



# ANNUAL ACCOUNTS FY 2017-18

## TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the financial statements (continued)

(Rs. in Lakhs)

### F) Loans from Rural Electrification Corporation secured against hypothecation/mortgage on upcoming assets of various Sub-Stations along with connected lines for which Term Loan was sanctioned. Details of Securities are as follows

Name of the Bank / Financial Institution	Rate of interest as on 31.3.2018	Balance Outstanding as on 31.3.2018	Type (Monthly / Quarterly / Half Yearly / Yearly)	No of remaining installments	Installment Amount	Name of the Project	Security Details
REC Ltd 9136	10.03 to 11.15%	16154.15	Monthly	119	135.75	400kv Quad DC line from Velloor to Tungabhadra River cross A portion of 400KV Quad DC line from 400KV uravakonda SS to 400 KV Mahaboobnagar 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 Switchgear equipment) Supply of Switch Gear require for 2Nos.Quad 400KV Bays at 400/220KV Velloor SS	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. In case Charge on movable and immovable assets of the borrower, first charge/pari-passu on all movable & immovable assets (both present & future) of the project shall be created in favour of REC. Wherever reimbursement against land is taken from REC, it is subject to equitable mortgage irrespective of option available in REC guidelines.
REC Ltd 13689	11.60 to 12.00%	269.94	Monthly	85	3.19	Procurement & installation of 63 MVAR reactors at 400 KV SS in Hyderabad,Kurnool & Vizag district	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) <b>In case of Hypothecation</b> :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 charge 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 9852 *	10.03 to 10.75%	37815.79	Monthly	120	315.13	Erection of 400/220kv Nirmal substation upgradation of 132/33 kv Renzal & Adilabad SS to 220/132 KV & associated 400kv & 220KV lines under Transmission System improvement in TS.	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. In case Charge on movable and immovable assets of the borrower, first charge/pari-passu on all movable & immovable assets (both present & future) of the project shall be created in favour of REC. Wherever reimbursement against land is taken from REC, it is subject to equitable mortgage irrespective of option available in REC guidelines.
REC Ltd 13244	11.25 to 12.00%	6281.21	Monthly	54	116.32	Establishment of 2Nos 400KV D/C line from Bhocapally(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) <b>In case of Hypothecation</b> :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 charge 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%	3834.38	Monthly	60	63.91	Kothagudem TPS State VI Establishment of 400KV D/C Line from KTPS Stage VI to Khammam 400kv SS	-do-
REC Ltd 14472	10.03 to 11.50%	1301.00	Monthly	107	12.11	Erection of 132/33KVSS Braugupally /Adilabad along with connected 132/33 kv lines	-do-
REC Ltd 14479	10.75 to 11.50%	788.87	Monthly	100	7.89	Erection of 132/33 KV Gessukond SS Warangal along with connected lines	-do-


**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

*(Rs. in lakh)*
**F) Loans from Rural Electrification Corporation secured against hypothecation/mortgage on upcoming assets of various Sub-Stations along with connected lines for which Term Loan was sanctioned. Details of Securities are as follows**

Name of the Bank / Financial Institution	Rate of interest as on 31.3.2018	Balance Outstanding as on 31.3.2018	Type (Monthly / Quarterly / Half Yearly / Yearly)	No of remaining installments	Installment Amount	Name of the Project	Security Details
REC Ltd 14502	10.75 to 11.50%	972.98	Monthly	73	13.36	Erection of 132/33 KV Asifabad SS-Adilabad along with connected lines	-do-
REC Ltd 14855	10.75 to 11.50%	500.65	Monthly	102	4.91	Erection of 132KV Panajiwadi SS/Nizamabad along with connected lines	-do-
REC Ltd 14857	10.75 to 11.50%	226.05	Monthly	100	2.26	Erection of 132KV Boothpur SS/Mahabubnagar along with connected lines	-do-
REC Ltd 14867	10.75 to 11.50%	518.24	Monthly	100	5.18	Erection of 132 KV Gajwel LULO Line/Medak along with connected lines	-do-
REC Ltd 5711	11.25 to 12.00%	3440.62	Monthly	114	30.18	Erection of 220/132KV ss Parigi/Rangareddy	-do-
REC Ltd 5713	10.03 to 12.00%	557.68	Monthly	120	4.65	Erection of 220KV LULO line from Budidampadu-Waddekolhapally/Warangal Bhongiri 2nd circuit to 220kv SS Waddekolhapally along with bays in warangal District	-do-
REC Ltd 5715	11.25 to 12.00%	439.94	Monthly	120	3.67	Shifting of 132KVSS LULO Wadapally (New)/Nalgondabey erection of 132kv SS at wadapally(New) in place of existing Wadepally SS and 132 kv LULO arrangements to 132/33 KVSS Wadapally	-do-
REC Ltd 16012	10.03 to 12.00%	2563.45	Monthly	100	25.59	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 12.00%	229.44	Monthly	100	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 4469	10.75 to 11.50%	1142.50	Monthly	99	11.49	Erection of 132/33 KVSS Keshampet /MBNR along with connected 132/33 kv lines	-do-
REC Ltd 4478	10.75 to 11.50%	624.83	Monthly	95	6.60	Erection of 132/33KVSS/Ghanapur/MBNR along with connected 132/33 kv lines	-do-
REC Ltd 4498	10.03 to 11.50%	1247.77	Monthly	120	10.40	Erection of 132/33KVSS Narmetta/Warangal along with connected 132/33 kv lines	-do-
REC Ltd 4852	10.03 to 11.50%	1208.63	Monthly	110	10.99	Erection of 132/33 KVSS Doulhabad/Medak along with connected lines	-do-
REC Ltd 4856	11.50%	58.00	Monthly	120	0.48	Providing 33KV Features Thirumalaipally/ 132 kv SS/MBNR	-do-
REC Ltd 4859	10.75 to 11.50%	1001.32	Monthly	111	9.02	Erection of 132/33KVSS Mogligadda/MBNR along with connected 132/33 lines	-do-
REC Ltd 4868	10.75 to 11.50%	771.00	Monthly	111	6.92	Erection of 132/33KVSS Kosi/MBNR along with connected 132/33 kv lines	-do-
REC Ltd 7229	10.03 to 11.15%	43422.25	Monthly	104	416.14	Jaipur Transmission Scheme	-do-



# ANNUAL ACCOUNTS FY 2017-18

## TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the financial statements (continued)

(Rs. in Lakhs)  
F) Loans from Rural Electrification Corporation secured against hypothecation/mortgage on upcoming assets of various Sub-Stations along with connected lines for which Term Loan was sanctioned. Details of Securities are as follows

Name of the Bank / Financial Institution	Rate of interest as on 31.3.2018	Balance Outstanding as on 31.3.2018	Type (Monthly / Quarterly / Half Yearly / Yearly)	No of remaining installments	Installment Amount	Name of the Project	Security Details
REC Ltd 10236 *	10.03 to 10.75%	9044.70	Monthly	120	75.37	Construction of 400/220 kV Substation at Dindi Mahabubnagar District to cater load demand & to Provide the uninterrupted power to agriculture Sector 9 Hours Day Supply.	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.
RECLtd 9491 *	10.03%	71.00	Monthly	120	0.59	Erection of 220 Kv SC Line from Shivarampally to Asifnagar Sub station of TSTRANSCO.	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. In case Charge on movable and immovable assets of the borrower, first charge/parti-passu on all movable & immovable assets (both present & future) of the project shall be created in favour of REC. Wherever reimbursement against land is taken from REC, it is subject to equitable mortgage irrespective of option available in REC guidelines.
REC Ltd 09479 *	10.03%	1444.00	Monthly	120	12.03	Erection of 132/33 KV Substation at Kandikuru	-do-
RECLtd 9478 *	10.03%	497.51	Monthly	120	4.15	Erection of 132/33 Kv sub station at Khaitalapur.	-do-
REC Ltd 9488 *	10.03%	518.00	Monthly	120	4.32	Erection of 132/33 KV Substation at Mungala & Saikumar	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 /Parti-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 charge 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 9867 *	10.03%	463.50	Monthly	120	3.86	Erection of 132/33 Kv SS at Chandulapur in Medak District & from Jurala SS to 132 KV Leeza SS.	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 15712 *	10.03%	1040.00	Monthly	120	8.67	Erection of 132/33 Kv SS at Donthupalli in Ranga Reddy District.	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 /Parti-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 charge 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.


**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

*(Rs. in lakh)*
**F) Loans from Rural Electrification Corporation secured against hypothecation/mortgage on upcoming assets of various Sub-Stations along with connected lines for which Term Loan was sanctioned. Details of Securities are as follows**

Name of the Bank / Financial Institution	Rate of interest as on 31.3.2018	Balance Outstanding as on 31.3.2018	Type (Monthly / Quarterly / Half Yearly / Yearly)	No of remaining installments	Installment Amount	Name of the Project	Security Details
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	-do-
REC Ltd 4865 *	10.03%	798.00	Monthly	120	6.65	Erection of 132/33 KV Substation at Dornakal in Warangal district along with connected 132 Kv & 33KV lines	-do-
REC Ltd 4467 *	10.03%	949.00	Monthly	120	7.91	Erection of 132/33 KV SS at NV Puram in Khammam Dist along with Connected 132/33 KV Lines.	-do-
REC Ltd 9481 *	10.03%	1338.00	Monthly	120	11.15	Erection of 132/33KV Sub-Station at Dommarapochampally.	-do-
REC Ltd 9979 *	10.03%	559.00	Monthly	120	4.66	Erection of 132/33Kv Substation at Narayanpet & erection of additional 100MVA PTR at existing 220/132 KV Huzurabad SS along with associated 132 KV Line in Mahabubnagar & Karimnagar districts of Telangana.	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 9487	10.75%	787.50	Monthly	120	6.56	Erection of 220/132/33 KV SS at Toopran	-do-
REC Ltd 10665	10.75%	4772.00	Monthly	120	39.77	Additional loan assistance for erection of 400/220 KV Nirmal SS, 220/132 KV Indravelly SS and Upgradation of 132/33KV Rebazak SS to 220/132KV and associated 400 KV, 220KV & 132 KV lines for Nirmal Power Transmission Project in Telangana State.	-do-
REC Ltd 12809	10.03%	286.87	Monthly	120	2.39	Erection of 132/33 KV SS at Sarangapur along with connected lines in Adilabad District	-do-
REC Ltd 12777	10.03%	2336.00	Monthly	120	19.47	Erection of 220/132/33 KV SS at Pedagogati in Khammam District with connected lines.	-do-
REC Ltd 9472	10.75%	280.81	Monthly	120	2.34	33KV Features at 132/11 KV Gangdhara and Jankampet Lift Irrigation SS	-do-
REC Ltd 4860	10.03%	1217.70	Monthly	120	10.15	Erection of 132/33 KV SS at Nellikuduru in Warangal District along with connected lines.	-do-
REC Ltd 13210	9.50 to 14.50%	284.12	Yearly	1	284.12	Augmentation of ptr capacity under existing EHT ss	Govt.Guarantee Go No31
REC Ltd 13211	11.50 to 14.50%	114.93	Yearly	2	57.46	Erection of 132/33kv SS at Jangon in Warangal dist	Govt.Guarantee Go No31
REC Ltd 13235	11.75 to 13.00%	554.32	Yearly	5	110.86	Erection of 132/33 kv SS at icezanin Mabooob nagar district	Govt.Guarantee Go No31
<b>Total</b>		<b>311581.14</b>					



## TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the financial statements (continued)

G) Loans from Power Finance Corporation are secured against hypothecation/mortgage on upcoming assets of various sub-stations along with associated lines for which term loan was sanctioned. Details of Securities given against are as follows  
(Rs. in lakhs)

Loan Number	Rate of Interest as on 31.3.2018	Balance Outstanding as on 31.3.2018	Type (Monthly / quarterly/Half Yearly/ Yearly)	No of remaining installments	Installment Amount	Name of the Project	Security Details
31403081	12.50 to 13.00%	242.29	Quarterly	10	24.23	Financial Assistance for Augmentation of Transformers capacities at existing 21 Nos.132/33 kvss	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.
31403082	11.50%	1754.76	Quarterly	10	175.48	Augmentation of Transformers capacities existing 5Nos 220/132 kv at Hyderabad & Secunderabad	-do-
31403083	11.50 to 12.25%	13620.04	Quarterly	13	1047.70	Financial Assistance for providing 400kv Ring Main around Twin cities of Hyderabad at Sec-bad and R.R Dist	-do-
31403086	11.50 to 12.50%	23136.13	Quarterly	30	771.20	Financial Assistance for strengthening and modernization of Transmission system in Twin Cities of Hyderabad & Secunderabad	-do-
31403087	11.50 to 12.25%	9583.12	Quarterly	42	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.JBIC sanction of counter part funding of 376.20 crs.	-do-
31403088	11.50 to 12.25%	7721.60	Quarterly	41		Erection of 132/33 kv SS at NIMS in Hyderabad along with connected 132/33 kv lines	-do-
						Erection of 220/132 kv SS at Thimmajipet in MBNR dist along with 220kv LIL/DC Lines	
					183.69	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 22NOS.EHT SS	
31403089	11.50 to 12.25%	3529.90	Quarterly	48		Enhancement of Transformer capacities at 77NOS.EHT SS	-do-
						Erection of 132/33 kv SS at Kamalapur in Kamnagar Dist along with connected lines	
						Erection of 132/33 KV SS at Gudur in Warangal Dist along with connected 132/33 kv lines	
					84.05	Erection of 132/33 SS at Madugula in MNBR 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 Alwalpad in MNBR district along with connected 132/33 kv lines	
						Erection of 2nd 132kv LIL/DC line from existing 132kv Laxetipet-Bellampally 2nd circuit line to 220kv Mandamarr (Bellampally) SS and 2NOS.132KV bays at 220KV Mandamarr (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	
						Augmentation of Power Transformer capacity from 1x31.5+1x10/16 MVA to 1x50+1x31.5 MVA at 132KV SS Maddur, MBNR circle	





**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

(Rs. in lakhs)

G) Loans from Power Finance Corporation are secured against hypothecation/mortgage on upcoming assets of various sub-stations along with associated lines for which term loan was sanctioned. Details of Securities given against are as follows

Loan Number	Rate of Interest as on 31.3.2018	Balance Outstanding as on 31.3.2018	Type (Monthly / quarterly / Half Yearly / Yearly)	No of remaining installments	Installment Amount	Name of the Project	Security Details
31403091	11.50 to 12.25%	6563.09	Quarterly	56	121.54	Erection of 132/33 KV SS at Kamaapur in Karimnagar Dist along with connected 132/33 KV Lines Erection of 220/132KV SS at Huzunsagar in Nalgonda Dist Erection of 132kv 2nd circuit stringing on existing 132kv DC/SC line from 220KV Bheemgal SS to 132KV Sirikonda SS & 2Nos. 132KV bays at 220KV Bheemgal SS and 132 KV Sirikonda SS 400KV Augmentation Scheme-II Augmentation of 315 MVA 400/220KV Power Transformer capacities at Hyderabad (Mamidpally) & Gajwel 400/220KVSS	-do-
37203001	10.66 to 9.95%	57349.99	Monthly	180	0.00	Bhadradri Thermal Power Transmission Schemes (4x270MW units at Mangur)-Construction of 400/220kv (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.
37203002	10.66 to 9.95%	27744.96	Monthly	180	0.00	KTPS VII Stage (1x800MW)Power Transmission Scheme-Construction of 400/220kv Substation at Jangeon ,Warangal Dist and associated Transmission Networks	-do-
37203004	10.66 to 9.95%	31608.96	Monthly	180	0.00	765kv Wardha - Hyderabad Link Transmission scheme - Erection of 400kv SS at Maheswaram and Manikonda with connected Transmission Network	-do-
37203006	10.20%	2071.20	Monthly	180	0.00	Up-gradation of existing 132/33KV Aswaraopet to 220/132 KV SS	-do-
37203008	10.20%	287.82	Monthly	180	0.00	Erection of 132KV DC line for making LIL of one circuit of existing 132 KV DC line from 132KV SS Jakara to 132 KV SS Bichkunda at 132/33 KV SS Banswada	-do-
37203009	10.66 to 9.95%	2202.80	Monthly	180	0.00	400kv Augmentation of 315 MVA Power Transformer capacities at 400kv SS Delpally and Velloor (Mahboobnagar) 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	-do-
37203010	10.20%	270.19	Monthly	180	0.00	2nd Circuit stringing on proposed 132 KV DC/SC line from the under construction 100/220/132 KV SS Suryapet to 132/33 KV Shah Ali Gowararam.	-do-
37203011	10.66 to 9.95%	1532.09	Monthly	173	8.86	2 <sup>nd</sup> Circuit stringing on the existing (i) 220KV RSS to 220kv SS Nirmal DC/SC line and (ii) 220kv RSS to 220kv SS Jajiyal DC/SC line	-do-
37203012	10.66 to 9.95%	504.92	Monthly	173	2.92	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	-do-
37203013	10.20%	300.93		180	0.00	132/33KV Substation at Gandimasanipet of Yellareddy Constituency in Nizambad District	-do-
37203014	10.66 to 9.95%	14562.43	Monthly	180	0.00	Strengthening of 12Nos. overloaded Transmission lines for extending 9Hrs agricultural Supply during day time in 9 Hrs of Telangana State	-do-
37203015	10.20%	2046.28	Monthly	180	0.00	Augmentation of Power Transformers Capacities at various existing Substation and R&M of various schemes.	-do-



# ANNUAL ACCOUNTS FY 2017-18

## TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the financial statements (continued)

(Rs. in lakh)

G) Loans from Power Finance Corporation are secured against hypothecation/mortgage on upcoming assets of various sub-stations along with associated lines for which term loan was sanctioned. Details of Securities given against are as follows

Loan Number	Rate of Interest as on 31.3.2018	Balance Outstanding as on 31.3.2018	Type (Monthly / quarterly/Half Yearly/ Yearly)	No of remaining installments	Installment Amount	Name of the Project	Security Details
37203016	10.15 to 9.90%	2526.63	Monthly	180	0.00	Erection of 132/33 KV SS At Inavole, Regonda, Bachannapet in Warangal (Dist), 220/11 KV LI SS Bheemghampur & 132/11 KV LI SS at Dharmasagar in Warangal (Dist), 220/132/33 KV SS at Borampet in RR District and 132/33 KV SS at Kotagiri in Nizamabad District.	-do-
<b>Total</b>		<b>209160.14</b>					

\*Loan No.37203001,37203002,37203003,37203004,37203006,37203008,37203010,37203013 to 37203016 are in Mortatrium Period


**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

(Rs. in lakhs)

H) Loans from Commercial Banks/Financial Institutions 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 are as follows

Name of the Bank / Financial Institution	Rate of Interest as on 31.3.2018	Balance Outstanding as on 31.3.2018	Type (Monthly / Quarterly / Half Yearly)	No of instalment	Instalment Amount	Name of the project	Security Details
National Bank for Agriculture and Rural Development	10.75%	1873.11	Quarterly	36	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 Eserow Mechanism to the extent of 1.2 times coverage of monthly installment of the term loan
National Bank for Agriculture and Rural Development	10.75%	4920.23	Quarterly	46	106.51	Erection of 132/33 kv SS at Yeldurthy in Medak Yeddumailaram, Nizamsagar Bamswada DC/SC 2 Nos.132 kv Bays & Erection of 2nd circuit on existing 132kv Minpur	A) Exclusive first charge by way of hypothecation on specified fixed assets of the project created out of the term loan B) Default Eserow Mechanism to the extent of 1.2 times coverage of monthly installment of the term loan
Syndicate Bank	10.00%	275.78	Quarterly	20	13.84	Erection of 220/132/33kv SS Raidurg & 220/132/33KVSS Manikonda Borapaila 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%	406.91	Monthly	62	6.57	Erection at 220kv Shadnagar & 132/33 KV SS at Mamidipally, kalva chintal 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
Oriental Bank of Commerce	11.00%	4056.43	Monthly	68	59.42	Enhancement of Power Transformer capacities at 132kv Kondamallepally SS in Nagole, Malkaram SS & Construction of Zonal office Building for CE/TL&SS Metro Zone Hyd. & Erection of 132/33 KV SS at Raikal, Shaligouram SS to Atipamula 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
UCO Bank	10.95%	3544.83	Monthly	51	69.51	Erection of 132/33 kv at Anarachinta, Jacherla Khanpur Thallada, Atipamula Manthani Fab city in ranga reddy Dist etc	Exclusive first charge on the assets created out of the bank finance & promoters margin for the proposed capital expenditure of Rs.700.50Crs.
Dena Bank	11.00%	2478.22	Monthly	96	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 1.1 to 1.2 times



# ANNUAL ACCOUNTS FY 2017-18

## TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the financial statements (continued)

H) Loans from Commercial Banks/Financial Institutions 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 are as follows  
(Rs. in lakh)

Name of the Bank / Financial Institution	Rate of Interest as on 31.3.2018	Balance Outstanding as on 31.3.2018	Type (Monthly / Quarterly / Half Yearly)	No of instalment	Installment Amount	Name of the project	Security Details
Tamilnad Mercantile Bank Ltd	10.90%	1671.23	Monthly	80	20.89	Augmentation of PTR capacity in sangareddy circle & Erection of 132/33 Kv in Palakurthy, Kathlapur, Ramapuram in Nalgona 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 installment of the term loan
Tamilnad Mercantile Bank Ltd	9.75%	259.39	Monthly	3	3.21		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
Bank of Baroda	9.75%	39.36	Monthly	1	39.36	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 instalmentss of the loan B) Exclusive first charge by way of hypothecation on specified fixed assets of the project
Bank of Baroda	9.75%	2371.03	Monthly	3	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 instalmentss of the loan B) Exclusive first charge by way of hypothecation on specified fixed assets of the project
Punjab & Sind Bank	10.70%	188.90	Monthly	3	17.18	Erection of 220/132KV at sadasivapeta along with connected lines	A) Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalmentss of the loan B) Exclusive first charge by way of hypothecation on specified fixed assets of the project
Punjab & Sind Bank	10.20%	513.27	Monthly	3	28.52	Implementation of ERP software & Erection of 132/33 SS at chityala, Peddaganam, Mulkanoor, Karimnagar, Guntipalli along with connected lines	A) Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalmentss of the loan B) Exclusive first charge by way of hypothecation on specified fixed assets of the project
<b>Total</b>	<b>-</b>	<b>22598.69</b>					



**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

(Rs. in lakh)

**I) Maturity profile of secured term loans availed from Rural Electrification Corporation Limited**

Sl. No.	Loan No.	Balance as at 31st March 2018	1 Year	2 to 3 Years	4 to 5 Years	Above 5 Years	Total
1	REC Limited 9474	838.81	13.98	167.76	167.76	489.31	838.81
2	REC Limited 9475	715.19	11.92	143.04	143.04	417.19	715.19
3	REC Limited 9480	2741.50	22.85	548.30	548.30	1622.05	2741.50
4	REC Limited 9482	1086.70	9.06	217.34	217.34	642.96	1086.70
5	REC Limited 9483	4708.10	39.23	941.62	941.62	2783.63	4708.10
6	REC Limited 9485	4008.23	33.40	801.65	801.65	2371.53	4008.23
7	REC Limited 9486	2504.84	41.75	500.97	500.97	1461.15	2504.84
8	REC Limited 9492	3108.77	51.81	621.75	621.75	1813.46	3108.77
9	REC Limited 9496	20645.52	344.09	4129.10	4129.10	12043.23	20645.52
10	REC Limited 9497	25209.32	420.16	5041.86	5041.86	14705.44	25209.32
11	REC Limited 9518	34.74	-	4.63	6.95	23.16	34.74
12	REC Limited 18267	92570.07	10007.57	20015.14	20015.14	42532.22	92570.07
13	REC Limited 9136	16154.15	1628.99	3257.98	3257.98	8009.20	16154.15
14	REC Limited 13689	269.94	38.26	76.52	76.52	78.64	269.94
15	REC Limited 9852	37815.79	-	7563.16	7563.16	22689.47	37815.79
16	REC Limited 13244	6281.21	1395.83	2791.66	2093.72	-	6281.21
17	REC Limited 13351	3834.38	766.88	1533.76	1533.74	-	3834.38
18	REC Limited 14472	1301.00	117.27	290.56	290.56	602.61	1301.00
19	REC Limited 14479	788.87	94.66	189.33	189.33	315.55	788.87
20	REC Limited 14502	972.98	142.13	320.52	320.52	189.81	972.98
21	REC Limited 14855	500.65	58.90	117.80	117.80	206.15	500.65
22	REC Limited 14857	226.05	27.13	54.26	54.26	90.40	226.05
23	REC Limited 14867	518.24	62.19	124.38	124.38	207.29	518.24
24	REC Limited 15711	3440.62	362.17	724.34	724.34	1629.77	3440.62
25	REC Limited 15713	557.68	46.47	111.54	111.54	288.13	557.68
26	REC Limited 15715	439.94	36.66	87.99	87.99	227.30	439.94
27	REC Limited 16012	2563.45	307.11	614.22	614.22	1027.90	2563.45
28	REC Limited 16018	229.44	27.53	55.07	55.07	91.77	229.44
29	REC Limited 4469	1142.50	112.91	275.70	275.70	478.19	1142.50
30	REC Limited 4478	624.83	61.86	158.52	158.52	245.93	624.83
31	REC Limited 4498	1247.77	103.98	249.55	249.55	644.69	1247.77
32	REC Limited 4852	1208.63	107.13	263.71	263.71	574.08	1208.63
33	REC Limited 4856	58.00	4.83	11.60	11.60	29.97	58.00
34	REC Limited 4859	1001.32	89.52	216.46	216.46	478.88	1001.32
35	REC Limited 4868	771.00	67.71	166.08	166.08	371.13	771.00
36	REC Limited 7229	43422.25	4923.17	9987.32	9987.32	18524.44	43422.25
37	REC Limited 10236	9044.70	-	1055.22	1808.94	6180.54	9044.70
38	REC Limited 9491	71.00	-	8.28	14.20	48.52	71.00
39	REC Limited 9479	1444.00	-	168.47	288.80	986.73	1444.00
40	REC Limited 9478	497.51	-	58.04	99.50	339.97	497.51
41	REC Limited 9488	518.00	-	60.43	103.60	353.97	518.00
42	REC Limited 9867	463.50	-	54.08	92.70	316.72	463.50
43	REC Limited 15712	1040.00	-	121.33	208.00	710.67	1040.00
44	REC Limited 4854	681.70	-	79.53	136.34	465.83	681.70
45	REC Limited 4865	798.00	-	93.10	159.60	545.30	798.00
46	REC Limited 4467	949.00	-	110.72	189.80	648.48	949.00
47	REC Limited 9481	1338.00	-	133.80	267.60	936.60	1338.00
48	REC Limited 9979	559.00	-	55.90	111.80	391.30	559.00
49	REC Limited 9487	787.50	-	78.75	157.50	551.25	787.50
50	REC Limited 10665	4772.00	-	477.20	954.40	3340.40	4772.00
51	REC Limited 12809	286.87	-	28.69	57.37	200.81	286.87
52	REC Limited 12777	2336.00	-	-	467.20	1868.80	2336.00
53	REC Limited 9472	280.81	-	-	56.16	224.65	280.81
54	REC Limited 4860	1217.70	-	-	243.54	974.16	1217.70
55	REC Limited 13210	284.12	284.12	-	-	-	284.12
56	REC Limited 13211	114.93	57.46	57.47	-	-	114.93
57	REC Limited 13235	554.32	110.86	221.73	221.73	-	554.32
	Total	311581.14	22031.55	65237.93	67318.33	156993.33	311581.14



**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

(Rs. in lakh)

**J) Maturity profile of secured term loans availed from Power Finance Corporation Limited**

Sl. No.	Loan No.	Balance as at 31st March 2018	1 Year	2 to 3 Years	4 to 5 Years	Above 5 Years	Total
1	31403081	242.29	96.91	145.38	0.00	-	242.29
2	31403082	1754.76	701.90	1052.86	0.00	-	1754.76
3	31403083	13620.04	4190.78	8381.56	1047.70	-	13620.04
4	31403086	23136.13	3084.82	6169.64	6169.64	7712.03	23136.13
5	31403087	9583.12	912.68	1825.36	1825.36	5019.72	9583.12
6	31403088	7721.60	734.74	1469.48	1469.48	4047.90	7721.60
7	31403089	3529.90	336.18	672.36	672.36	1849.00	3529.90
8	31403091	6563.09	486.16	972.32	972.32	4132.29	6563.09
9	37203001	57349.99	-	7646.66	7646.66	42056.67	57349.99
10	37203002	27744.96	-	3699.33	3699.33	20346.30	27744.96
11	37203004	31608.96	-	2107.26	4214.52	25287.18	31608.96
12	37203006	2071.20	-	276.16	276.16	1518.88	2071.20
13	37203008	287.82	-	38.38	38.38	211.06	287.82
14	37203009	2202.80	-	293.71	293.71	1615.38	2202.80
15	37203010	270.19	-	36.03	36.03	198.13	270.19
16	37203011	1532.09	114.76	251.22	251.22	914.89	1532.09
17	37203012	504.92	36.64	74.03	74.03	320.22	504.92
18	37203013	300.93	-	40.12	40.12	220.69	300.93
19	37203014	14562.44	-	1941.66	1941.66	10679.12	14562.44
20	37203015	2046.28	-	272.84	272.84	1500.60	2046.28
21	37203016	2526.63	-	336.88	336.88	1852.87	2526.63
	<b>Total</b>	<b>209160.14</b>	<b>10695.57</b>	<b>37703.24</b>	<b>31278.40</b>	<b>129482.93</b>	<b>209160.14</b>


**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

*(Rs. in lakh)*
**K) Maturity profile of secured term loans availed from Banks and Financial Institutions**

Sl. No.	Name of the Bank	Balance as at 31st March 2018	1 Year	2 to 3 Years	4 to 5 Years	Above 5 Years	Total
1	National Bank for Agriculture and Rural Development Bank	1873.11	208.12	416.25	416.25	832.49	1873.11
2	National Bank for Agriculture and Rural Development Bank	4920.23	426.06	852.12	852.12	2789.93	4920.23
3	Syndicate Bank	275.78	55.35	110.70	109.73	0.00	275.78
4	Syndicate Bank	406.90	78.89	157.78	157.78	12.45	406.90
5	Oriental Bank of Commerce	4056.43	713.07	1426.14	1426.14	491.08	4056.43
6	UCO Bank	3544.83	834.12	1668.24	1042.47	0.00	3544.83
7	Dena Bank	2478.22	310.88	621.76	621.76	923.82	2478.22
8	Tamilnad Mercantile Bank Limited	1671.24	250.69	501.38	501.38	417.79	1671.24
9	Tamilnad Mercantile Bank Limited	259.39	259.39	-	-	-	259.39
10	Bank of Baroda	39.36	39.36	-	-	-	39.36
11	Bank of Baroda	2371.03	2371.03	-	-	-	2371.03
12	Punjab & Sind Bank	188.90	188.90	-	-	-	188.90
13	Punjab & Sind Bank	513.27	513.27	-	-	-	513.27
	<b>Total</b>	<b>22598.69</b>	<b>6249.13</b>	<b>5754.37</b>	<b>5127.63</b>	<b>5467.56</b>	<b>22598.69</b>



## ANNUAL ACCOUNTS FY 2017-18

### TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the financial statements (continued)

(Rs. in lakh)

#### 14. Trade Payables

Particulars	31st March 2018	31st March 2017
Dues to Micro and Small Enterprises (Note)	-	-
Dues to Others	9610.34	9680.39
<b>Total</b>	<b>9610.34</b>	<b>9680.39</b>

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

Particulars	31st March 2018	31st March 2017
(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

##### A. Non-current

Particulars	31st March 2018	31st March 2017
Security deposits from suppliers	1185.79	1141.39
Retention money from suppliers	64639.99	41049.36
Security deposit - Operating charges	1205.21	1724.75
Interest payable to State Government on Lift Irrigation Scheme Funds	75061.78	62868.90
Liability towards pass through gains on variation as per Tariff Order	40057.39	66368.31
Payable to APTRANSCO towards vidyut bonds	29280.00	-
<b>Total</b>	<b>211430.16</b>	<b>173152.71</b>

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 and contract completion date etc.,

##### B. Current

Particulars	31st March 2018	31st March 2017
Current maturities of long term borrowings - Banks	5614.93	25683.45
Current maturities of long term borrowings - Financial Institutions	33361.31	29971.62
Current maturities of long term borrowings - State Government	4864.52	4864.21
Repayment due on State Government loans	0.31	0.32
Interest accrued and due on State Government loans	22.92	687.77
Earnest Money Deposits from suppliers	411.99	393.12
Liability towards capital works	33262.72	13834.83
Employee related liabilities	4722.00	4032.64
Liability for expenses	5853.16	2828.30
Accrued interest liability on borrowings from Banks/FT's	3641.64	2082.93
Liability towards pass through gains on variations as per Tariff Order	32767.00	32768.00
Advance from customers	5.25	0.76
Payable to APTRANSCO towards vidyut bonds	13036.03	-
<b>Total</b>	<b>137563.78</b>	<b>117147.95</b>

#### 16. Provisions

##### A. Non-current

Particulars	31st March 2018	31st March 2017
<b>Provision for employee benefits</b>		
Pension and gratuity	43429.86	43429.86
Gratuity	435.96	435.96
Leave encashment	6527.85	6527.85
<b>Total</b>	<b>50393.67</b>	<b>50393.67</b>




**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

*(Rs. in lakh)*
**B. Current**

Particulars	31st March 2018	31st March 2017
<b>Provision for employee benefits</b>		
Gratuity	34.00	31.01
Leave encashment	3177.70	2148.97
<b>Total</b>	<b>3211.70</b>	<b>2179.98</b>

**17. Deferred consumer contributions towards property, plant and equipment**

Particulars	31st March 2018	31st March 2017
Deferred consumer contributions towards property, plant and equipment	57585.38	47181.01
<b>Total</b>	<b>57585.38</b>	<b>47181.01</b>
Non-current	50149.68	41144.02
Current	7435.70	6036.99

**18. Deferred tax liabilities (Net)**

Particulars	31st March 2018	31st March 2017
<b>Unused tax credit</b>	<b>15192.31</b>	<b>9536.92</b>
<b>a) Deferred Tax asset on account of</b>		
Amortisation of deferred income	20122.63	16328.40
Expenses allowable on payment basis	12366.94	11991.68
Preliminary expenses	17.82	35.30
Provisions	-	65.66
<b>b) Deferred tax liability on account of</b>		
Depreciation and amortisation	76998.04	62606.31
Provisions	17.04	-
<b>Total</b>	<b>29315.38</b>	<b>24648.35</b>

**Movement in deferred tax liabilities (net)**

Particulars	Unused tax credit	Deferred Income amortized	Expenses allowable on payment basis	Others	Depreciation and amortization	Total
<b>As at 1st April, 2017</b>	9536.92	16328.40	11991.68	100.96	(62606.31)	<b>(24648.35)</b>
(Charged)/credited to statement of profit and loss	5655.39	3794.23	375.26	(100.18)	(14391.73)	<b>(4667.03)</b>
<b>As at 31st March, 2018</b>	<b>15192.31</b>	<b>20122.63</b>	<b>12366.94</b>	<b>0.78</b>	<b>(76998.04)</b>	<b>(29315.38)</b>

**19. Other liabilities**
**A. Non-current**

Particulars	31st March 2018	31st March 2017
Deposit contribution works	251252.23	175358.31
Group Insurance Scheme - Insurance and Savings Fund	215.68	193.36
Contribution towards Self Funding Medical Scheme	92.51	91.74
<b>Total</b>	<b>251560.42</b>	<b>175643.41</b>

**B. Current**

Particulars	31st March 2018	31st March 2017
Excess amount from customers	3.60	35.54
Other liabilities and provisions	173.43	131.69
Statutory liabilities	4013.79	4032.33
<b>Total</b>	<b>4190.82</b>	<b>4199.56</b>



## ANNUAL ACCOUNTS FY 2017-18

### TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the financial statements (continued)

(Rs. In lakh)

#### 20. Revenue from operations

Particulars	31st March 2018	31st March 2017
<b>Sale of services</b>		
Transmission charges	133842.88	131234.05
State Load Despatch Centre (SLDC) charges	5044.16	4111.70
<b>Other operating income</b>		
Supervision charges	1065.49	2654.30
SLDC processing fee	96.79	211.65
Contributions towards depreciation on Lift Irrigation Scheme Assets	2242.90	1759.45
Amortisation of consumer contributions towards property, plant and equipments	5192.80	4277.54
Registration fees	35.88	16.97
Operating and maintenance/annual maintenance charges	17.91	81.98
<b>Total</b>	<b>147538.81</b>	<b>144347.64</b>

20.1. During the year, the Company has raised bills towards Transmission and SLDC Charges as per the tariff notified by the Telangana State Electricity Regulatory Commission (TS ERC) for the balance period of 3rd Control Period FY 2017-18 and FY 2018-19. TSERC while fixing tariffs for the year has considered appropriation of Rs.64481.00 lakh towards (i) True up for 2nd Control Period (FY 2009-10 to FY 2013-14) of Rs.31713.00 lakh; and (ii) Mid-Term review for FY 2014-15 and FY 2015-16 of Rs.31730.00 lakh for Transmission Business and Rs.1038.00 lakh for SLDC Business.

20.2. During the year, the Company has recognized an amount of Rs 6456.08 lakh (net) (Rs 33601.31 lakh) towards pass through gains on variations in Transmission and SLDC charges attributable to current year.

20.3. During the year, the Company has reversed regulatory liability amount of Rs 31730.00 lakh in Transmission business and Rs.1038.00 lakh in SLDC business created in earlier years towards adjustment made by the TSERC by way of reduction in tariff for the current year in the Tariff Order for balance period of 3rd control period FY 2017-18 and FY 2018-19.

#### 21. Other Income

Particulars	31st March 2018	31st March 2017
Interest on staff loans and advances	200.02	109.76
Interest on loan to TSDISCOMs	465.75	-
Income from investments in bonds and fixed deposits	986.56	1301.99
Interest on investments under contingency reserve	375.61	362.05
Income from sale of scrap etc.,	678.60	162.71
Delayed payment charges from consumers	127.20	161.99
Gain on fair value changes - investments classified at FVTPL	215.82	-
Material cost variance (net)	238.49	-
Profit on sale of property plant and equipment	42.00	-
Miscellaneous receipts	516.08	425.08
<b>Total</b>	<b>3846.13</b>	<b>2523.58</b>

#### 22. Employee benefits expense

Particulars	31st March 2018	31st March 2017
Salaries, wages and bonus	37163.48	28869.80
Contribution to pension and gratuity fund	4767.85	4712.09
Contribution to gratuity fund	542.53	441.69
Contribution to provident fund and ESI	1976.66	928.34
Staff welfare expenses	483.84	410.92
Less: Employees cost capitalised	(6372.36)	(10678.86)
<b>Total</b>	<b>38562.00</b>	<b>24683.98</b>

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 employees appointed after 01.02.1999 was provided @6.08% on Pay plus D.A towards its share @26%. However, suitable provision will be made based on the actuarial valuation report.

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

22.3. As per IND AS 16, the Company has not capitalised the overheads of O&M units and Head Quarter Charges. However, the Company has capitalised overheads of O&M units and Head Quarter Charges in the earlier years. The impact of change in accounting practice in the current year is increase in employee benefits expense by Rs.5210.66 lakh.


**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

*(Rs. in lakh)*
**23. Finance costs**

Particulars	31st March 2018	31st March 2017
<b>Interest</b>		
On term loans from banks	2427.94	3280.49
On term loans from financial institutions and others	56250.71	45115.11
On short term loans from financial institutions	465.75	-
Other borrowing costs	45.13	17.69
Less: Interest capitalised	(19712.06)	(13640.08)
<b>Total</b>	<b>39477.47</b>	<b>34773.21</b>

23.1. During the year, the Company has capitalized borrowing cost of Rs.19712.06 lakh ( Rs.13640.08 lakh) attributable towards capital work in progress. In the absence of adequate information with regard to the interest cost attributable to the specific project, the Company has capitalised the borrowing cost based on the methodology prescribed in Electricity Supply Annual Accounts Rules, 1985.

**24. Depreciation and amortization expense**

Particulars	31st March 2018	31st March 2017
Depreciation of property, plant and equipment	58718.64	43144.76
Amortization of intangible assets	126.12	74.88
<b>Total</b>	<b>58844.76</b>	<b>43219.64</b>

**25. Other expenses**

Particulars	31st March 2018	31st March 2017
<b>Repairs and Maintenance to:</b>		
Plant and machinery	1945.14	3847.71
Transformers	59.82	62.64
Substation maintenance by private agencies	2982.47	9164.74
Buildings	71.72	81.40
Civil works	262.41	277.93
Lines, cable net works etc.,	394.35	620.82
Vehicles	7.20	26.47
Furniture and fixtures	1.37	2.85
Office equipment	476.74	160.82
Less: Repairs and maintenance expenses capitalised	(56.25)	(91.81)
Rent, rates and taxes	279.42	131.51
Telangana State Electricity Regulatory Commission (TS ERC) license fee	287.83	273.84
Insurance on fixed assets	7.03	6.31
Postage and telephone charges	100.57	92.59
Audit fees	9.97	8.98
Professional, consultancy and legal charges	96.23	112.55
Honourarium	43.51	20.09
Commission	0.47	1.32
Remuneration to internal auditors	22.43	10.63
Travelling and conveyance expenses	313.24	296.02
Vehicle running expenses	87.48	98.47
Vehicle hire charges	1104.55	896.25
Employee/staff recruitment charges	181.26	-
Training and participation fee	4.72	10.04
Fees and subscription	27.38	23.72
Books and periodicals	2.88	2.81
Printing and stationery	53.85	47.35
Advertisement expenses	429.23	203.49
Electricity charges	105.61	104.30
Water charges	34.66	35.75
Entertainment expenses	17.41	15.06
Miscellaneous expenses	212.60	160.64
Outsourced staff wages	476.59	1313.88
Loss on sale of scrap	-	36.18
Material cost variance (net)	-	161.86
Loss on fair value changes - Investments classified at FVTPL	-	22.69
Refund of fines and penalties collected	1000.39	166.17
Writeoff of capital work in progress land	1058.26	-
Administration and General expenses capitalised	(655.39)	(805.22)
<b>Total</b>	<b>11447.15</b>	<b>17600.84</b>

25.1. As per IND AS 16, the Company has not capitalised the overheads of O&M units. However, the Company has capitalised overheads of O&M units in the earlier years. The impact of change in accounting practice in the current year is increase in other expense by Rs.9.77 lakh.



## ANNUAL ACCOUNTS FY 2017-18

### TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the financial statements (continued)

(Rs. in lakh)

#### 25.2. Payment to auditors:

Particulars	31st March 2018	31st March 2017
<b>Statutory auditors</b>		
Statutory Audit	5.90	5.68
Tax Audit	1.48	1.42
Out of pocket expenses	1.18	0.62
<b>Others</b>		
Cost Audit	1.41	1.26
<b>Total</b>	<b>9.97</b>	<b>8.98</b>

#### 26. Exceptional items

Particulars	31st March 2018	31st March 2017
True up for 2nd Control Period FY 2009-10 to FY 2013-14	31713.00	-
<b>Total</b>	<b>31713.00</b>	<b>-</b>

26.1. Hon'ble TSERC while fixing tariff for the balance period of 3rd Control Period FY 2017-18 and FY 2018-19 has made an appropriation of Rs.31713.00 lakh by way of reduction in tariff for the current year towards true up for 2nd Control Period FY 2009-10 to FY 2013-14. Since, this amount pertains to the period prior to formation of the Company, the Company has recognized the said liability by adjusting from the retained earnings (which was grouped to "Reorganisation Resultant Reserve") allocated to the Company on demerger of composite APTRANSCO. As this amount was passed on to the customers during the year by way of reduction in tariff the same was reversed and treated as an Exceptional Item.

#### 27. (a) Tax Expense

Particulars	31st March 2018	31st March 2017
Current tax	8954.78	7073.76
Earlier year tax	199.37	-
MAT credit entitlement	5807.19	6286.14
Reversal of MAT credit entitlement	151.79	-
Deferred tax	10322.43	7876.38
<b>Total</b>	<b>13821.18</b>	<b>8664.00</b>

#### 27. (b) Reconciliation of tax expense and accounting profit multiplied by tax rate

Particulars	31st March 2018	31st March 2017
<b>Profit/(Loss) before tax</b>	<b>34766.56</b>	<b>26593.55</b>
Tax	9154.15	7073.76
Unused tax credit	(5655.40)	(6286.14)
Deferred income amortized	(3794.23)	(1830.93)
Expenses allowed on payment basis	(375.26)	(208.53)
Others	100.18	(38.38)
Depreciation and amortization	14391.74	9954.22
<b>Total</b>	<b>20945.38</b>	<b>17929.55</b>



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

(Rs. in lakh)

28 Financial instruments

A. Financial instruments by category

	31 March 2018		31 March 2017	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
<b>Financial assets</b>				
Investments	373.33	36957.33	157.51	36957.33
Trade receivables	-	81169.42	-	122522.12
Loans	-	196963.49	-	112256.42
Cash and cash equivalents	-	10575.51	-	6570.32
Other financial assets	-	63538.79	-	9883.09
<b>Total financial assets</b>	<b>373.33</b>	<b>389204.54</b>	<b>157.51</b>	<b>288189.28</b>
<b>Financial liabilities</b>				
Borrowings	-	658526.31	-	456228.49
Trade Payables	-	9610.34	-	9680.39
Other financial liabilities	-	348993.94	-	290300.66
<b>Total financial liabilities</b>	<b>-</b>	<b>1017130.59</b>	<b>-</b>	<b>756209.54</b>

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

(i) 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

Financial assets

At 31 March 2018	Level 1	Level 2	Level 3	Total
Investments	373.33	-	-	373.33
<b>Total financial assets</b>	<b>373.33</b>	<b>-</b>	<b>-</b>	<b>373.33</b>

At 31 March 2017	Level 1	Level 2	Level 3	Total
Investments	157.51	-	-	157.51
<b>Total financial asset</b>	<b>157.51</b>	<b>-</b>	<b>-</b>	<b>157.51</b>

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

Financial assets

At 31 March 2018	Level 1	Level 2	Level 3	Total
Investments	-	-	36957.33	36957.33
Trade receivables	-	-	81169.42	81169.42
Loans	-	-	196963.49	196963.49
Cash and cash equivalents	-	-	10575.51	10575.51
Other financial assets	-	-	63538.79	63538.79
<b>Total financial asset</b>	<b>-</b>	<b>-</b>	<b>389204.54</b>	<b>389204.54</b>

Financial liabilities

At 31 March 2018	Level 1	Level 2	Level 3	Total
Borrowings	-	-	658526.31	658526.31
Trade Payables	-	-	9610.34	9610.34
Other financial liabilities	-	-	348993.94	348993.94
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1017130.59</b>	<b>1017130.59</b>

Financial assets

At 31 March 2017	Level 1	Level 2	Level 3	Total
Investments	-	-	36957.33	36957.33
Trade receivables	-	-	122522.12	122522.12
Loans	-	-	112256.42	112256.42
Cash and cash equivalents	-	-	6570.32	6570.32
Other financial assets	-	-	9883.09	9883.09
<b>Total financial asset</b>	<b>-</b>	<b>-</b>	<b>288189.28</b>	<b>288189.28</b>

Financial liabilities

At 31 March 2017	Level 1	Level 2	Level 3	Total
Borrowings	-	-	456228.49	456228.49
Trade Payables	-	-	9680.39	9680.39
Other financial liabilities	-	-	290300.66	290300.66
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>756209.54</b>	<b>756209.54</b>

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,

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



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

(Rs. in lakh)

#### (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.

### 29 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	Ageing analysis, credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings, Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Further quantitative disclosures are included throughout these financial statements.

#### 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, i.e. 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.

### 30 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 2018	31 March 2017
<b>Borrowings</b>		
Non current	558526.31	456228.49
Current	100000.00	-
Current maturities of non current borrowings	43840.76	60519.29
<b>Debt</b>	<b>702367.07</b>	<b>516747.78</b>
<b>Equity</b>		
Equity Share capital	5.00	5.00
Other Equity	86219.36	65273.98
<b>Total Capital</b>	<b>86224.36</b>	<b>65278.98</b>
Gearing ratio in % (Debt/Capital)	<b>814.58</b>	<b>791.60</b>



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

(Rs. in lakh)

**31 Related party transactions**

**a) Key Management Personnel:**

- 1) Sri. D. Prabhakar Rao , Chairman and Managing Director (FAC)
- 2) Sri. C.Srinivas Rao , IRAS , Joint Managing Director
- 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. G.Srinivas, FA&CCA(A/es) & CFO
- 7) Sri. A.Srinivas Vijay Kumar, Company Secretary

**b) Non-Whole Time Directors**

- 1) Sri. Ajay Mista, IAS
- 2) Sri. K.Ramakrishna Rao, IAS

**c) Key management personnel compensation**

<b>Name of Key Management Personnel</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
Sri. C.Srinivas Rao , IRAS , Joint Managing Director	31.91	26.71
Sri. J.Surya Prakash , Director (Lift Irrigation Schemes)	27.02	20.67
Sri. T.Jagath Reddy , Director (Transmission )	30.87	20.67
Sri. G.Narsing Rao , Director (Projects & Grid Operation)	30.79	20.39
Sri G.Srinivas, FA&CCA(A/es) & CFO	29.32	27.98
Smt. G.P.R Hrudaya , Company Secretary (upto 01.10.2016)	-	3.45
Sri. A.Srinivas Vijay Kumar, Company Secretary	19.69	11.35

d) Sitting fees paid to Non-whole time directors : Rs.0.07 lakh (Rs.0.05 lakh)

**32 Operating segments**

a) The Company's Chairman & Managing Director(Chief Operating Decision Maker) examines the Company's performance function 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 - 72113.46 Lakh

Customer 2 - 33588.28 Lakh

**33 Contingent liabilities (to the extent not provided for)**

	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>Up to 01.06.2014:</b>		
(a) Cases for disputed liabilities of Sales Tax/VAT/CST/Entry Tax pending before the honorable High Court (Deposited Rs.2140.22 lakh (Rs.1517.88 lakh))	13885.74	13885.74
(b) Employee State Insurance court case (Deposited Rs.20.00 lakh)	80.00	80.00
(c) Demand towards service tax	395.00	395.00
(d) Demand towards income tax (Deposited 15% of Rs.14567.00 lakh)	14567.00	14567.00
(e) Demand raised by municipal authorities towards disputed municipal taxes	584.00	584.00
(f) Other legal cases (Deposited Rs.347 lakh)	Not quantified	Not quantified
<b>On/after 02.06.2014</b>		
a) Entry Tax (Deposited Rs.959.37 lakh in FY 2018-19)	3837.47	3837.47
b) Income Tax (Deposited Rs.419.77 Lakh in FY 2017-18)	6003.83	2098.84
c) Other legal cases	Not quantified	Not quantified

(i) As per the demerger plan, 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 sub-stations) shall be the liabilities/ commitments of the successor TRANSCO of the respective state in whose territories the property/lines and sub-stations are 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.

(ii) The Company has received notices of assessment under Telangana Tax on Entry of Goods into Local Areas Act, 2001 for the financial years 2014-15, 2015-16 and 2016-17 levying an amount of Rs.383.90 lakh, 2934.26 lakh and 519.31 lakh respectively. The Company has filed an appeal in the Hon'ble High Court for the State of Telangana, duly remitting an amount of Rs.959.37 lakh in FY 2018-19 under protest.

(iii) The Company has received Income Tax Assessment Order Dt.22.12.2017 for FY 2014-15 (AY 2015-16) with a demand of Rs.2098.84 lakh. The Company has filed an appeal before the Hon'ble Commissioner of Income Tax (Appeals) -2, Hyderabad on 18.01.2018, duly remitting an amount of Rs.419.77 lakh on 28.02.2018 under protest. The Commissioner of Income Tax (Appeals)-2 has issued Appellate Order Dt.04.12.2018 for deletion of certain additions made by the Assessing Officer. The Revised Assessment Order by the Assessing Officer is yet to be received.

(iv) The Company has received Income Tax Assessment Order Dt.28.12.2018 for FY 2015-16 (AY 2016-17) with a demand of Rs.3904.99 lakh without giving credit for the TDS Amount of Rs.3581.58 lakh claimed by the Company in its return of income. The Company has requested the Assessing Officer on 01.01.2019 for issue of modification order duly giving credit for the TDS Amount. The modification order is yet to be received. However, the Company has filed an appeal before the Commissioner of Income Tax (Appeals)-2, Hyderabad on 23.01.2019 for the additions made by the Assessing Officer and for not giving credit for TDS amount.

(v) The Company has received a letter from APIRANSCO on 03.03.2018 towards reimbursement of salaries to TS relieved employees for an amount of Rs.2839.91 lakhs (Including Interest of Rs.441.15 lakh upto 01.02.2018) from October 2015 to May 2016. The Company has not accounted the same as the Hon'ble Supreme Court of India has appointed one man committee consisting Hon'ble Mr.Justice D.M.Dharmadhikari, Former Judge, Supreme Court of India vide Order Dt.28.11.2018. The hearings before one man committee are under progress.

(vi) The Company has issued a notice to M/s.Ganapathi Sugars Industries Limited, Medak District for collection bay and line maintenance charges for an amount of Rs.86.63 lakh for the period from 31.12.2002 to 31.03.2018 (including interest of Rs.27.47 lakh). Since, issue is under dispute the Company has not recognized the revenue.

(vii) M/s.ECE Industries has filed a case against the Company claiming differential sales tax amount of Rs.59.99 lakh towards procurement energy meters. The case is pending with City Civil Court, Hyderabad.



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

(Rs. in lakh)

(viii) M/s. Sree Rayalaseema Power Constructions, Hyderabad has filed cases against the Company claiming 112.63 lakh along with interest. The cases are pending with Hon'ble High Court of Telangana.

(ix) Certain cases were filed various petitioners for not paying adequate crop compensation for erection of transmission lines. The amount involved is not quantifiable.

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

### 35 Commitments

#### Capital commitments

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

Particulars	31 March 2018	31 March 2017
Estimated amount of contracts not executed and not provided for (net of advances)	304389.77	557545.92

### 36 Earnings per share (EPS)

#### A. Computation of basic and diluted EPS

Basic earnings per share amounts are calculated by dividing the profit/(loss) 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/(loss) 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 2018 and 31 March 2017.

#### B. Earnings per share

Particulars	31 March 2018	31 March 2017
Basic earnings per share (Rs.)	41890.76	35859.10
Diluted earnings per share (Rs.)	41890.76	35859.10

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

#### C. Profit/(loss) attributable to equity shareholders

Particulars	31 March 2018	31 March 2017
Profit/(loss) for the year, attributable to the equity share holders	20945.38	17929.55

#### D. Weighted average number of equity shares

Particulars	31 March 2018	31 March 2017
Opening balance	0.50	0.50
Effect of shares issued for cash (if any)	-	-
<b>Weighted average number of shares for the year</b>	<b>0.50</b>	<b>0.50</b>

(Nos. in lakh)

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

(i) On 1<sup>st</sup> 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) 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.

(viii) 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.

(ix) The Expert Committee has reviewed the proposal submitted by APTRANSCO and dissent notes thereon submitted by the Company in its meeting held on 13.08.2018. The Expert Committee has submitted its recommendations vide D.O.Lr.No.5614/Expert Committee/2014, Date: 15.11.2018.





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

**(x) Material variations of certain assets and liabilities apportioned as per final 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 it is to be apportioned on population basis. 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 Rs.1523.09 lakh (Note-4). The Expert Committee has recommended that the shares of these two companies purchased by APTRANSCO were in the form of location specific investments and must be apportioned on the basis of location to APTRANSCO. The Board and State Government has to take its view on the recommendations of the Expert Committee.

b) 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 Company has decided to continue the difference between the assets and liabilities (including equity) under "Reorganization Resultant Reserve" only. The Expert Committee has recommended that the difference between the total of the debits and credits shall be adjusted under the head "Reserves and Surplus" in the books of the transferee company. The Board and State Government has to take its view on the recommendations of the Expert Committee.

c) **Vidyut 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 02.06.2014 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 Vidyut Soudha building has to be apportioned on population basis as mandated in Section 53 (1) (b) of the A.P.Reorganisation Act, 2014. The Expert Committee has recommended that the asset of the APTRANSCO at the Head Quarters in Vidyut Soudha building must be apportioned on the population basis. The Board and State Government has to take its view on the recommendations of the Expert Committee.

d) **Corporate Training Institute building** : 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. The Expert Committee has recommended that the Corporate Training Center should be transferred to the Company. The Board and State Government has to take its view on the recommendations of the Expert Committee.

(xi) The demerger plan and the recommendations of the Expert Committee has to be agreed by the respective Board of Directors of the Company and APTRANSCO and are to be approved by both the State Governments. 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.

(xii) Pending approval of demerger plan, all the investments are in the name of APTRANSCO and physical possession of all such documents are with APTRANSCO.

(xiii) The following is the position of Assets and Liabilities apportioned to Telangana State Government pursuant to Andhra Pradesh Reorganisation Act, 2014 as per 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:

(Rs. in lakh)

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 & FY 2017-18	As per the Company as at 31 March 2018
<b>FIXED ASSETS :</b>						
Gross Block of Assets	488338.87	488338.87	0.00	488338.87	-	488338.87
Less: Accumulated Depreciation	217645.77	217641.41	0.00	217641.41	-	217641.41
Net Fixed Assets	270693.10	270697.46	0.00	270697.46	-	270697.46
Capital work-in progress	164692.12	164692.12	0.00	164692.12	-	164692.12
Deferred Cost	15699.78	15699.78	0.00	15699.78	-	15699.78
Intangible Assets	260.03	260.03	0.00	260.03	-	260.03
Investments	34263.00	38897.60	(2442.00)	36455.60	-	36455.60
Total Current Assets	140305.78	153216.37	(3086.73)	150129.64	-	150129.64
Less: Current Liabilities	167163.45	167389.35	0.00	167389.35	-	167389.35
<b>Net Current Assets</b>	<b>(26857.67)</b>	<b>(14172.98)</b>	<b>(3086.73)</b>	<b>(17259.71)</b>	-	<b>(17259.71)</b>
Demerger Adjustment Account	(9657.32)	-	0.00	-	-	-
<b>NET ASSETS:</b>	<b>449093.04</b>	<b>476074.01</b>	<b>(5528.73)</b>	<b>470545.28</b>	-	<b>470545.28</b>
Borrowings for working capital	-	-	-	-	-	-
Payments due on Capital Liabilities	-	-	-	-	-	-
Capital Liabilities	171520.60	171520.60	-	171520.60	-	171520.60
Funds from State Government	-	-	-	-	-	-
- Loans	69591.63	69591.63	-	69591.63	-	69591.63
- Equity	32477.79	-	-	-	-	-
Contributions, Grants and Subsidies towards cost of Capital Assets	67119.37	67119.37	-	67119.37	-	67119.37
Reserve and Reserve Funds	17517.19	17517.19	-	17517.19	-	17517.19
Surplus/(Deficit)	35600.18	-	-	-	-	-
Deferred Tax Liability (Net)	4872.61	4872.61	-	4872.61	-	4872.61
Liability for Pension & Gratuity, Gratuity and Leave Encashment Trusts	50393.67	50393.67	-	50393.67	-	50393.67
Reorganisation Resultant Reserve	-	95058.94	(5528.73)	89530.21	-	89530.21
<b>TOTAL FUNDS:</b>	<b>449093.04</b>	<b>476074.01</b>	<b>(5528.73)</b>	<b>470545.28</b>	-	<b>470545.28</b>



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

(Rs. in lakh)

#### 38 Movement in reorganisation resultant reserve

Particulars	Demerger Adjustments	Adjustments made by the Company	Total
<b>Opening Balance adopted by the Company</b>			
Equity	32477.79	-	32477.79
Accumulated Surplus	62581.14	-	62581.14
<b>Opening Balance as on 2 June 2014</b>	<b>95058.93</b>	<b>-</b>	<b>95058.93</b>
<b>2014-15</b>			
Adjustments made during the year			
Writing off of Deferred Revenue Expenditure	-	(15699.78)	(15699.78)
Depreciation relating to the period prior to incorporation	-	(553.36)	(553.36)
<b>Closing Balance as on 31 March 2015</b>	<b>95058.93</b>	<b>(16253.14)</b>	<b>78805.79</b>
<b>Adjustments made during the year</b>			
Reduction in allocation of Transmission & SLDC Charges Receivables	(3086.73)	-	(3086.73)
Reduction in Bonds issued against Receivables towards Transmission & SLDC Charges	(2442.00)	-	(2442.00)
Depreciation relating to the period prior to incorporation	-	(113.82)	(113.82)
Towards adjustment of certain unidentified balances	-	4891.21	4891.21
<b>Closing Balance as on 31 March 2016</b>	<b>89530.20</b>	<b>(11475.75)</b>	<b>78054.45</b>
Adjustments made during the year	-	-	-
<b>Closing Balance as on 31 March 2017</b>	<b>89530.20</b>	<b>(11475.75)</b>	<b>78054.45</b>
Adjustments made during the year			
Towards accounting for regulatory liability for the 2nd Control Period (FY 2009-10 to FY 2013-14)	-	(31713.00)	(31713.00)
<b>Closing Balance as on 31 March 2018</b>	<b>89530.20</b>	<b>(43188.75)</b>	<b>46341.45</b>

39 As per the salient features of Ind-AS 20, Government grants are not recognized until there is reasonable assurance that the entity will comply with the conditions attached to them. Accordingly, the entire funds received by the Company from Government of Telangana for extension of power supply/connectivity to the various Lift Irrigation Schemes, were not recognised as deferred consumer grants/pending completion of obligation on the part of the Company.

Since the works are at various stages the unutilised funds were kept with DISCOMs as Inter Corporate Deposits (ICDs). During the year, the Company has earned an amount of Rs.12192.88 lakh (Rs.11931.85 lakh) on unutilised Lift Irrigation Scheme funds of Govt. of Telangana. Since, the funds are released by the State Government for specific purpose i.e., towards erection of Lines and Sub-stations for extension of power supply to various Lift Irrigation Schemes taken up by the Govt. of Telangana, the interest earned on such unutilised funds was recognised as liability to State Government and accounted to a separate account i.e., "Interest on GoTS LIS Deposits" Account.

The details of LIS deposits received from State Government and the utilization thereof are as follows :

Particulars	Balance as at 01.04.2017	FY 2017-18	Balance as at 31.03.2018
1) Deposits received from State Govt	211329.33	73047.99	284377.32
2) Interest payable to State Govt. on LIS deposits	62868.90	12192.88	75061.78
3) Total (1+2)	<b>274198.23</b>	<b>85240.87</b>	<b>359439.10</b>
4) Amount of Lift Irrigation Assets put to use transferred to "Consumer contribution towards cost of capital assets"	30073.77	3397.18	33470.95
5) Amount transferred to "Development charges towards cost of capital assets"	14314.45	714.00	15028.45
6) Supervision charges transferred to Statement of Profit and Loss	8126.89	744.00	8870.89
7) Amount paid to DISCOMs	1906.72	3667.94	5574.66
8) Total expenditure (4 to 7)	<b>54421.83</b>	<b>8523.12</b>	<b>62944.95</b>
9) Balance deposits at the end of the year (3-8)	219776.40	76717.75	296494.15
10) Less: Capital works in progress	12977.44	102782.19	115759.63
11) Balance deposits at the end of the year (9-10)	<b>206798.96</b>	<b>(26064.44)</b>	<b>180734.52</b>

Till date, all Lift Irrigation Assets irrespective of bulk load works or deposit contribution works were taken into books of the Company. However, the Company is in the process of identification of assets capitalized under deposit contribution works.

Consequent to demerger of composite APTRANSCO, the Lift Irrigation Funds kept with DISCOMs amounting to Rs.98647.98 lakh were allocated to the Company based on the leftover LIS works. However, the interest receivable is being accounted based on the balances confirmed for Rs.89780.74 lakh by TS DISCOMs. With regard to the balance amount of Rs.8867.24 lakh, the interest receivable is being accounted to APTRANSCO Account.

40 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.97500.00 lakh (Rs. 20000.00 lakh during FY2005-06, Rs.30000.00 lakh during FY2006-07, Rs.12500.00 lakh during FY 2007-08 and Rs.35000.00 lakh 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 Rs. 97500.00 lakh on behalf of Govt. of Andhra Pradesh and the proceeds were paid to APDISCOMs. The Govt. of Andhra Pradesh 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 Rs.95550.00 lakh, the liability apportioned to the State of Telangana is Rs.60550.00 lakh and the balance outstanding as on balance sheet date is Rs.41780.00 lakh (Rs.41780.00 lakh). The Company has recognized the liability as payable to APTRANSCO and receivable from Govt. of Telangana. The details of principal and interest payable are as follows:

Particulars	Principal	Interest
<b>Opening Balance as at 01.04.2017</b>	<b>41780.00</b>	<b>-</b>
Payable during FY 2017-18	12500.00	3659.43
Amount released by Govt. of Telangana	-	1830.45
Amount paid by the Company during FY 2017-18	-	3123.40
<b>Balance outstanding at 31.03.2018</b>	<b>41780.00</b>	<b>536.03</b>



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

(Rs. in lakh)

- 41 The Government of India has sanctioned grant to the Company under Power System Development Fund in FY 2015-16 and Power System Development Fund (Reactors Scheme) during FY 2016-17. As per the sanction, grant will be released for the amount equivalent to 90% of expenditure. The details of grants received and expenditure incurred under the said schemes are as follows:

Name of the Scheme	Amount receivable (unspent) at the beginning of the year	Receivable during the year (towards 90% of expenditure incurred)	Grant received during the year	Amount receivable (unspent) as at the end of the year
Power System Development Fund	(16.89)	1108.34	357.63	<b>733.82</b>
Power System Development Fund - Reactors Scheme	335.56	3865.20	1420.12	<b>2780.64</b>
<b>Total:</b>	<b>318.67</b>	<b>4973.54</b>	<b>1777.75</b>	<b>3514.46</b>

- 42 During the year, no theft of materials (Previous Year : Nil) is reported.

- 43 Expenditure on Corporate Social Responsibility activities:

Particulars	Amount
Gross amount required to be spent by the Company during the year	341.61
Amount spent during the year	-

- 44 Consequent to demerger of APTRANSCO, certain unidentified balances were apportioned to the Company, out of which the balances amounting to Rs.1474.82 lakh 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)
Adjusted to reorganisation resultant reserve	4,891.21
Transferred to current year statement of profit and loss	1,058.25
Unidentified balances pending for review	(1,474.82)

- 45 Deferred tax asset of Rs.11501.00 lakh allocated to the Company towards employee terminal benefits 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.

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

- 47 As per Ind AS 16 on property, plant and equipment, the stores procured for construction activity have been regrouped under Capital work-in-progress.

- 48 As at the balance sheet date, the Company has provided an amount of Rs.1160.38 lakh towards Non-moving, obsolete, unserviceable material lying at various stores. The provision towards obsolete material was provided towards the material which are not useful due to change of process/design or technology. The provision towards non-moving and unserviceable was made based on the physical verification against which there is no movement since long time. Accordingly, provision to the extent was made.

- 49 During the year, the Company has transferred a land of 600 Sq. yards located at Nizamabad to the District Collector, Nizamabad District for Rs.42.00 lakh. In the absence of cost details, nominal value of Re.1/- is considered as cost.

- 50 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.

- 51 The Annual Financial Statements for the Financial Year 2016-17 are yet to be adopted by the members in the Annual General Meeting.

- 52 Previous year figures have been regrouped/recast wherever necessary.

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 : **1st March 2019**

for and on behalf of the Board of  
**Transmission Corporation of Telangana Limited**

**Sd/-**  
**D.Prabhakar Rao**  
Chairman & Managing Director  
DIN No. 00676316

**Sd/-**  
**G.Srinivas**  
FA&CCA (Accounts) & CFO

**Sd/-**  
**C.Srinivasa Rao**  
Joint Managing Director  
Finance, Comm., & HRD  
DIN No.00196179

**Sd/-**  
**Ravi Kumar Suluva**  
Company Secretary



## TRANSMISSION CORPORATION OF TELANGANA LIMITED

### FUNCTION WISE ANALYSIS OF REVENUE AND EXPENDITURE

(Rs. in Lakhs)

S.No.	Note	TRANSMISSION	SLDC	TOTAL
	<b>INCOME</b>			
1	Revenue from Transmission & SLDC Charges	133956.91	5057.34	139014.25
2	Revenue Subsidies and Grants	-	-	-
3	Other Income	10813.43	102.57	10916.00
	<b>TOTAL INCOME</b>	<b>144770.34</b>	<b>5159.91</b>	<b>149930.25</b>
	<b>EXPENDITURE</b>			
4	Repairs and Maintenance	6047.56	153.65	6201.21
5	Employee Costs	40580.17	4354.18	44934.35
6	Administration and General Expenses	3637.99	241.27	3879.26
7	Depreciation and Related Debits (Net)	58444.99	399.77	58844.76
8	Interest and Finance Charges	59179.06	10.47	59189.53
	<b>Sub-Total:</b>	<b>167889.77</b>	<b>5159.34</b>	<b>173049.11</b>
	<b>Less: Expenses Capitalised</b>			
9	Interest and Finance Charges Capitalised	19712.06	-	19712.06
10	Other Expenses Capitalised	7084.00	-	7084.00
	<b>Sub-Total:</b>	<b>26796.06</b>	<b>-</b>	<b>26796.06</b>
11	Other Debits	623.07	0.57	623.64
12	Exceptional items	(31713.00)	-	(31713.00)
	<b>TOTAL EXPENDITURE</b>	<b>110003.78</b>	<b>5159.91</b>	<b>115163.69</b>
	<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>34766.56</b>	<b>-</b>	<b>34766.56</b>



# TRANSMISSION CORPORATION OF TELANGANA LIMITED

## STATEMENT OF TECHNICAL PARTICULARS

Sl. No.	Particulars	Unit	FY 2017-18	FY 2016-17
1	Input from State Generators including wheeling	MU	32450.91	23878.65
2	CGS (Ex-Bus)	MU	27397.07	29403.56
3	System input at 132kv & above including Wheeled Energy (1+2)	MU	59847.98	53282.21
4	Energy Delivered by TRANSCO to DISCOMs including Wheeled Energy	MU	57175.07	50771.68
5	Transmission Losses (including wheeling) (3-4) inclusive of PGCIL Losses	MU	2672.91	2510.53
6	% of Transmission Losses (including wheeling) on respective inputs (5/3*100) inclusive of PGCIL Losses	%	4.47	4.71
6a	% of Transmission Losses (including wheeling) on respective inputs {(5-11/(3-11)*100) exclusive of PGCIL Losses	%	3.25	3.36
7	Net Wheeled Energy at 132kv & Above by third party developers	MU	2.46	15.03
8	Energy Delivered by TRANSCO to DISCOMs excluding Wheeled energy at 132kv & above (4-7)	MU	57172.61	50756.65
9	Drawals at 33kv & 11kv from third party developers	MU	1693.47	935.90
10	Drawals at 33kv & 11kv from GENCO	MU	38.37	34.75
11	External Losses (PGCIL Losses)	MU	754.92	746.94
12	Input to DISCOMs (incl wheeling energy) (8+9+10)	MU	58904.45	51727.30

