

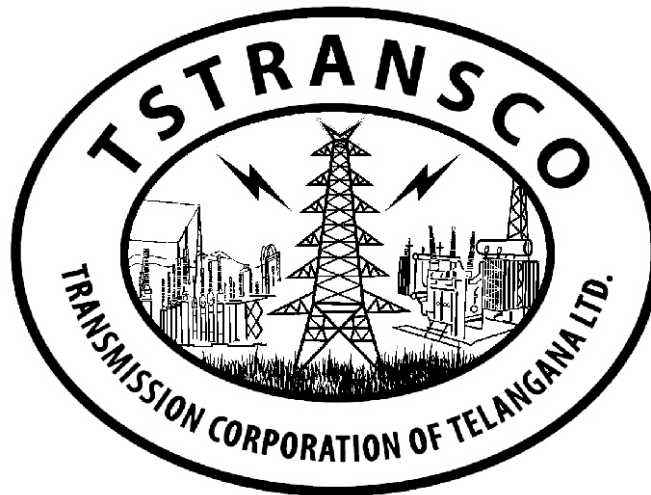


TRANSMISSION CORPORATION OF TELANGANA LIMITED

**ANNUAL STATEMENT OF
ACCOUNTS FOR FY 2018-19**

Electricity Saved Is Electricity Generated

TRANSMISSION CORPORATION OF TELANGANA LIMITED



ANNUAL STATEMENT OF ACCOUNTS FOR FY 2018-19



**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 : **G.S.Madhava Rao & Co.,**
Chartered Accountants
3-5-823, F 5 & 7,
Hyderabad Business Centre,
Hyderguda
HYDERABAD - 500 029

Cost Auditors : **Mrs.M.Madhavi Latha,**
Cost Accountant,
Flat No.528, Land Mark Apartment,
Raja Rajeshwari Nagar,
Behind Saket Towers, ECIL Post,
HYDERABAD – 500 062.

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

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

Web site : www.tstransco.in

PAN No. : AAFCT0166J



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 5th Annual General Meeting of the Members of Transmission Corporation of Telangana Limited will be held on Tuesday, the 10th day of December, 2019, at 5.45 P.M, 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, 2019, the Balance Sheet and Cash flow statement for the financial year ended on that date of the Company together with Reports of the Board of Directors, Auditors and Comments of the Comptroller and Auditor General of India, thereon.

SPECIAL BUSINESS:

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

"Resolved that pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 1,20,000/- plus applicable taxes plus reimbursement of actuals towards travelling, fixed by the Board of Directors for the Cost auditor appointed under Section 148(3) of the Companies Act, 2013 for the year 2019-20 be and is hereby ratified."

By order of the Board of Directors

Sd/-
Company Secretary.

Place: Hyderabad.

Date:10.12.2019



ANNEXURE TO NOTICE

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

Item No.2

The Board of Directors of the Company in its meeting held on 26.09.2019 appointed Smt. M Madhavi Latha, Cost Accountant, Hyderabad, as Cost Auditor to conduct audit of cost records made and maintained by the company for financial year 2019-20 and fixed the remuneration of Rs. 1,20,000/- plus applicable taxes plus reimbursement of actuals towards travelling.

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 applicable taxes plus reimbursement of actuals towards travelling, fixed for the Cost auditor appointed under Section 148(3) of the Companies Act, 2013 for the year 2019-20 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.



ATTENDANCE SLIP

5th Annual General Meeting to be held on Tuesday, the 10th day of December, 2019, at 5.45 P.M, at Vidyut Soudha, Khairatabad, Hyderabad – 500 082.

NAME OF THE ATTENDING MEMBERS:

(IN BLOCK LETTERS)

No. of shares held:

NAME OF PROXY

(IN BLOCK LETTERS TO BE FILLED IN,

IF THE PROXY ATTENDS INSTEAD

OF THE MEMBERS)

I, hereby record my presence at the 5th Annual General Meeting of the Company at held on Tuesday, the 10th day of December, 2019, at 5.45 P.M at the Registered Office at Vidyut Soudha, Khairatabad, Hyderabad – 500 082.

Signature of Member/Proxy:

NOTES:

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

Route Map





NOTICE

NOTICE is hereby given that the 5th Annual General Meeting (Adjourned) of the Members of the Company will be held on Monday, the 1st day of March, 2021 at 3.00 P.M at the Registered Officer at Vidyut Soudha, Hyderabad to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited statement of Profit and Loss for the financial year ended 31st March, 2019 and the Balance Sheet as on that date together with Reports of the Board of Directors and Auditors and Comments of Comptroller and auditor General of India.

By order of the Board of Directors,

Sd/-
Company Secretary

Date: 01.03.2021



ATTENDANCE SLIP

5th ANNUAL GENERAL MEETING (Adjourned) to be held on Monday, the 1st day of March, 2021 at 3.00 P.M at the Registered Office at Vidyut Soudha, Khairatabad, Hyderabad – 500 082.

NAME OF THE ATTENDING MEMBERS:

(IN BLOCK LETTERS)

No. of shares held:

NAME OF PROXY

(IN BLOCK LETTERS TO BE FILLED IN,
IF THE PROXY ATTENDS INSTEAD
OF THE MEMBERS)

I, hereby record my presence at the 5th Annual General Meeting (Adjourned) of the Company at held on Monday, the 1st day of March, 2021 at 3.00 P.M at the Registered Office at Vidyut Soudha, Khairatabad, Hyderabad – 500 082.

Signature of Member/Proxy:

NOTES:

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

Route Map





DIRECTORS' REPORT FOR THE YEAR 2018-19

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

Your Board of Directors have great pleasure to present the Fifth Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended 31st March, 2019.

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

Financial Performance of the Company:

The Company maintained its sound Financial Performance in FY 2018-19. The Financial Performance during FY 2018-19 as compared to the previous year 2017-18 is summarized below:

(Rs. in Crore)		
Particulars	Current Year (FY 2018-19)	Previous Year (FY 2017-18)
INCOME		
Revenue from Transmission & SLDC Charges	2197.37	1475.39
Other Income	125.32	38.46
TOTAL INCOME	2322.69	1513.85
EXPENDITURE		
Employee Benefit Expenses	466.46	385.62
Finance Costs	552.67	394.77
Depreciation and Amortization Expenses	741.36	588.45
Other Debits	213.13	114.47
TOTAL EXPENSES	1973.62	1483.31
PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX	349.07	30.54
Exceptional Items	-	317.13
PROFIT / (LOSS) BEFORE TAX	349.07	347.67
Current Tax (net of MAT credit entitlement)	(28.15)	34.99
Deferred Tax	118.55	103.23
PROFIT / (LOSS) for the period	258.67	209.45



Earnings per equity share in Rupees :		
Basic	51733.51	41890.76
Diluted	51733.51	41890.76

Financial Highlights of the Company:

Though the Company was incorporated on 29.05.2014 but 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.258.67 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 2018-19, 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 31-03-2018</i>	<i>Added during the FY 2018-19</i>	<i>Total as on 31-03-2019</i>
Sub-stations (Nos.)			
400 KV	11	06	17
220 KV	74	07	81
132 KV	223	11	234
Total EHTSS in Nos	308	24	332
EHT Lines (CKM)			
400 KV	3867	811	4678
220 KV	6974	703	7677
132 KV	10741	421	11162
Total EHT Lines (CKM)	21582	1935	23517

Achievements:

- ❖ EHT losses of Telangana state has reduced from 3.25% (FY 2017-18) to 2.85% (FY 2018-19).
- ❖ TSTRANSCO having the highest transmission availability in the country at 99.99% (FY 2018-19).



- ❖ During 2018-19 the per capita consumption of Telangana is 1896 units. This is 60.54% more than the All India average of 1181 units. Telangana has recorded the highest growth in per capita consumption amongst all the States in our country in 2018-19.
- ❖ The Transmission capacity as on 31.03.2019 is 28883 MVA, as against 14973 MVA at the time of State formation.
- ❖ To meet the increased demand TSTRANSCO has 332 Nos. EHT Sub-Stations and 23517 CKM of EHT line and TSDISCOMs have 2961 Nos. 33KV substations and 5.51 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 10818 MW on 11.09.2018 and consumption of 233 MU on 09.10.2018, wheeling power to 1.48 crore consumers.
- ❖ Transmission and Distribution System is made ready to meet the peak demand of 17000 MW. To meet this Rs.24,050 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 Controller and Auditor General of India. M/s. G S Madhava Rao & Co., Chartered Accountants, Hyderabad, were appointed as the Statutory Auditors of the Company for the FY 2018-2019. M/s. G S Madhava Rao & Co., Statutory Auditors, have given their Report on 04.03.2020, which is placed separately.

Secretarial Audit :

M/s. B S Harikrishna & Co., Company Secretaries, Hyderabad, were appointed as Secretarial Auditors for the FY 2018-2019 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 2018-19. The Report forms part of this Annual Report (Annexure –I).

Cost Audit :

Mrs. M. MadhaviLatha, Cost Accountant, Hyderabad, was appointed as the Cost Auditor of the Company for the FY 2018-2019. 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 2017-18 and 2018-19 were filed on 28.06.2019 and 29.08.2020 respectively with the Ministry of Corporate Affairs.

Internal Audit:

M/s. Eswar & Co., Chartered Accountants, Hyderabad, were appointed as Internal Auditors for the period from 01.06.2018 to 31.05.2020.

Supplemental audit by the Comptroller & Auditor General of India:

The annual accounts of the company for the FY 2018-19 were submitted to the Comptroller & Auditor General of India for supplemental audit under section 143 (6) of the Companies Act, 2013. The C&AG's Comments on the accounts for the year ended 31st March, 2019 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:

The extract of Annual Return in terms of Section 134(3) read with 92(3) of the Companies Act, 2013 is placed in Annexure IV.

7. Conservation of energy, technology absorption and foreign exchange earnings and out go:

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.

Foreign exchange earnings and Outgo: 'Nil' during the FY 2018-2019.

8. 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.



9. Directors and Key Managerial Personnel:

Directors and Key Managerial Personnel and changes among them during the FY 2018-19:

Sl. No	Name	Designation/Position	From	To
Chairman & Managing Director (CMD)				
1.	Sri D Prabhakar Rao (DIN: 00676316)	CMD (FAC)	25-10-2014	-
Joint Managing Director				
2.	Sri Srinivasa Rao, IRAS (DIN: 00196179)	JMD (Finance, Comm & HRD)	23-06-2015	-
Whole-time Directors				
3.	Sri T Jagath Reddy (DIN: 07050306)	Director (Transmission)	26-11-2014	-
4.	Sri G Narsing Rao (DIN: 07050313)	Director (Projects)	26-11-2014	-
5.	Sri J Surya Prakash (DIN: 07274535)	Director (Lift Irrigation Schemes)	03-08-2015	-
6.	Sri. B Narsing Rao (DIN:07073324)	Director (Grid Operation)	01-09-2018	-

Directors (Non-whole time)				
7.	Sri K. Ramakrishna Rao, IAS (DIN: 05148824)	Director (Non-whole time)	16-04-2015	-
8.	Sri. Ajay Misra, IAS (DIN: 02470889)	Director (Non-whole time)	20-12-2016	31-07-2020
CFO				
9.	Sri G. Srinivas	CFO	18-04-2016	-
Company Secretary				
10.	Sri A. Vijay kumar Srinivas	Company Secretary	01-10-2016	10-05-2018
11.	Sri Ravi Kumar Suluva	Company Secretary	11-05-2018	-

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 31.03.2019 as follows:



S. No.	Name of the Director	Position
1.	Sri D Prabhakar Rao	CMD (FAC)
2.	Sri Srinivasa Rao, IRAS	JMD (Finance, Comml & HRD)
3.	Sri T Jagath Reddy	Director (Transmission)
4.	Sri G Narsing Rao	Director (Projects)
5.	Sri J Surya Prakash	Director (Lift Irrigation Schemes)
6.	Sri B Narsing Rao	Director (Grid Operation)
7.	Sri. Ajay Misra, IAS	Director (Non-whole time)
8.	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.

10. Number of meetings of the Board of Directors:

The meetings of the Board of Directors are held at the Registered Office of the Company. Meetings are generally scheduled well in advance and the Notice, detailed Board agenda, management reports and other explanatory Board notes are circulated to the Directors. The members of the Board have complete access to all information of the Company. Senior management is also invited to the Board meetings to provide additional input to the items being discussed by the Board.

During the financial year ended 31st March, 2019, six meetings of the Board of Directors were held on the following dates:

11th April, 2018, 23rd May, 2018, 25th June, 2018, 31st August, 2018, 2nd November, 2018 and 1st March, 2019.

11. 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 31-03-2019 –

Sl. No.	Name	Position
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 31.03.2019 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.

12. Corporate Social Responsibility:

Consequent to the finalization of Annual Accounts for the first financial year ending 31st March, 2015, TSTRANSCO is required to adhere to the provisions of Section 135 of the Companies Act, 2013 and the Rules framed thereunder. The Corporate Social Responsibility (CSR) Committee was constituted by the Board in its 32nd 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. Annual report on CSR activities for the FY 2018-19 is disclosed in Annexure-V, which forms part of this report.

13. 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 established for directors and employees to report to the management instances of irregularity, unethical practices and /or misconduct in line with the above policy. The details of such policy were communicated to all offices apart from disclosing in the Company's website www.tstransco.in. During the year 2016-17 no complaints received under the policy.

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

Adhering to the provisions of the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013, an "Internal Complaints Committee", to prevent or deter the commission of acts of sexual harassment of Women Employees in TSTRANSCO, has been constituted.



During the year, the Company has reconstituted the Internal Complaints Committee vide T.O.O (Jt.Secy) Rt.No.413, dt.14.08.2018 with the following members.

- 1.Smt. D.Latha Vinod, CE - Chairman
2. Smt.P.Nageswari, SE - Member
3. Smt. J. Anuradha, Dy.CCA- Member
4. Smt. T.Umalakshmi, DE – Member
5. Smt. A. Ramani, AS - Member

There were no complaints to the Committee during the FY 2018-19.

15. 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.

16. 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.

17. Particulars of Employees

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

18. Directors' Responsibility Statement:

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;



- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. Other Statutory Disclosures

- The Company has not accepted any public deposits covered under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on deposits was outstanding as on 31st March, 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: 01.03.2021

Sd/-

**Chairman & Managing Director
TSTRANSO**



SECRETARIAL AUDIT REPORT
(FOR THE FINANCIAL YEAR ENDED 31/03/2019)

Form No.MR-3

[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]

To
The Members,
TRANSMISSION CORPORATION OF TELANGANA LIMITED,
6-3-572 Vidyut Soudha, Khairatabad,
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 **31st March, 2019** 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 **31st March, 2019** 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)**
- (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:

1. 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 is yet to comply with the provisions of Section 149(4) of the Companies Act, 2013 relating to appointment of Independent Directors on its Board. Consequently company yet to comply with the constitution of committees with independent director as per the provisions of the Companies Act, 2013.*
- (b) *The Company is yet to comply with the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 relating to appointment of Woman Directors on its Board.*
- (c) *The Company has convened its 4th Annual General meeting on 31.08.2018. However, the said meeting was adjourned Sine Die and the Adjourned 4th Annual General Meeting of the Company was held on 26.09.2019, which is after the due date of AGM.*

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors except that of Independent Directors and a women Director on the Board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



- Notice along with agenda and detailed notes on agenda is given to all directors to schedule the Board Meetings as required by law along with agenda and detailed notes on agenda are sent subsequently or placed before the meeting in case of confidential agenda items 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 as per the explanations given to me and the representations made by the Management and relied upon by me generally 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 received a Show cause notice dated 09.05.2017 from the Registrar of Companies, Hyderabad on 23.05.2018, for not submitting the Cost Audit Report for the Financial Year 2014-15 within the time specified under the provisions of the Act. In response to the notices, the Company has filed a compounding application in this regards with the Regional Director, Hyderabad and the same is under consideration.

The Company has re-appointed Sri. J. Surya Prakash as Whole-time Directors by passing special resolution on attainment of age of 70 years w.e.f 13.11.2017 at its 4th Annual general Meeting held on 31.08.2018.

The Company has appointed Sri. B. Narsing Rao as Whole-time Directors by passing special resolution on attainment of age of 72 years at its 2nd Extra-ordinary general Meeting held on 02.11.2018.

At 3rd Extra-ordinary General Meeting of the Company held on 01.03.2019, the members of the Company has ratified the action of transfer of funds of Rs. 2139.00 Crores (Rs.1139.00 Crores in the form of Inter Corporate Deposits (ICDs) and Rs. 1000.00 Crores as loan) to TSDISCOMs (i.e. Rs. 1509.06 Crores to Southern Power Distribution Company of Telangana Limited and Rs. 629.94 Crores to Northern Power Distribution Company of Telangana Limited) and given their consent for to transfer the funds of Rs. 330.00 Crores to TSDISCOMs (i.e. Southern Power Distribution Company of Telangana Limited and Northern Power Distribution Company of Telangana Limited).

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.

Place: Hyderabad
Date: 28.01.2021

Sd/-
B S Harikrishna
ACS No: 32342
CP No: 14823

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.



‘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: 28.01.2021

Sd/-
B S Harikrishna
ACS No: 32342
CP No: 14823



Annexure – II

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF TRANSMISSION CORPORATION OF TELANGANA LIMITED FOR THE YEAR ENDED 31 MARCH 2019.

The preparation of financial statements of Transmission Corporation of Telangana Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 04.03.2020.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Transmission Corporation of Telangana Limited for the year ended 31st March, 2019 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors, 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:

A) Comments on Profitability

Statement of Profit and Loss

Revenue (Note 20) – Rs.2197.37 crore Supervision charges: Rs.122.20 crore

1. The above includes Rs.36.34 crore being excess overhead charges recognized due to incorrect estimation of the overhead charges beyond the approved threshold limit of 10 per cent on the various works related to lift irrigation schemes of Irrigation & Command Area Development (I&CAD) Department. This resulted in overstatement of income (supervision charges) and understatement of other liabilities by Rs.36.34 crore each with consequent overstatement of Profit for the year to same extent.

B. Comments on Financial Position

Balance Sheet

Non-Current Liabilities

Other Financial Liabilities (Note 15): Rs.2169.56 crore

2. The above does not include Rs.76.36 crore due to non-recognition of provision towards pass through gains



payable to customers on variations as per Tariff Order arising out of true up claims filed by the Company with TSERC for the 3rd control period (2014-15 to 2018-19). As a result, Other Financial Liabilities (Non-Current) are understated by Rs.76.36 crore with consequent overstatement of Profit for the year by the same amount.

Provisions (Note 16): Rs.503.94 crore
Provisions for employee benefits

3. As per the actuarial valuation reports for pension, gratuity and leave encashment for the year 2018-19, shortfall in the net defined obligation (liability) as on 31 March 2019 works to be Rs.1943.15 crore. This resulted in understatement of expenditure by Rs.1085.03 crore (Rs.923.20 crore pertains to prior period charge) and actuarial loss under other comprehensive income (OCI) by Rs.858.12 crore for the year. Consequently, Retained earnings of Rs.935.01 crore (Schedule-12B) turns into accumulated loss of Rs.1008.14 crore.

Since actuarial valuation of pension, gratuity and leave encashment liability for the year 2018-19 was already carried out before approval of the accounts, the disclosure under Notes 22.1 & 22.2 to the financial statements was not correct to the extent that actuarial Valuation was not taken up.

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

Sd/-
(SUDHA RAJAN)

Accountant General (Audit)

Place: Hyderabad

Date: 20.01.2021



Annexure – III(A)

Management's replies to the comments of the Statutory Auditors:

Sl. No.	Statutory Auditors comments	Management Replies
	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.	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 others 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 unquoted equity shares of Andhra Pradesh Gas Power Corporation Limited (APGPCL) 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 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 Current Account balance of Rs.11.29 Lakhs, allocated to be the Company consequent to Demerger of APTRANSCO, the details of which are not available. The impact if any on the Accounts 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 made fair value of some of the staff loans/ Advances to the extent of Rs.106.95Lakhs as per Ind AS 109 – Financial Instruments. The impact, if any, on the Accounts is not ascertained. (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”).



Sl. No.	Statutory Auditors comments	Management Replies
h)	The Company has not calculated fair value of other financial liabilities as per Ind AS 109 – Financial Instruments. The impact, if any, on the Accounts is not ascertained.(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 Instruments. (Note 15 (A) of “Notes to 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. Further, the company has not calculated the fair value of these deposits as per Ind AS 109 – Financial Instruments. The impact, if any, on the Accounts is not ascertained (Note 15 to the financial statements)	In the absence of required details, the company has not made classification of security deposits from suppliers, Retention money from suppliers, security deposit – operating charges and certain other financial liabilities into current and non-current portion.
j)	The Company has capitalized Lift Irrigation assets pertaining to deposit contribution works (works 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 deposit contribution works (works pertaining to consumer i.e. beyond terminal and metering arrangement) and rectification of the same. (Note 39 of “Notes to Financial Statements”).
k)	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 in accordance with Ind AS 12- Income Taxes. The impact on the accounts is not ascertained.(Note 18 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”).
l)	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.



Sl. No.	Statutory Auditors comments	Management Replies
m)	<p>The Company has to take its view on the final recommendations of the expert committee on the following pending issues between the Company and APTRANSCO (Note 37(x) to the financial statements).</p> <p>i) Investment in GVK Power & Infrastructure Limited and Andhra Pradesh Gas Power Corporation Limited.</p> <p>ii) Treatment for differences between assets and liabilities apportioned to the Company by APTRANSCO on demerger.</p> <p>iii) VidyutSoudha Building.</p> <p>iv) Corporate Training Institute Building.</p>	<p>The recommendations made by the Expert Committee were placed before the Board in its 33rd Board Meeting held on 15th 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.</p>
n)	<p>Delayed capitalization of lines and cable network during the year to the extent of Rs.22,942.47 lakh and devolution of unutilized material of project to the extent of Rs.2,417.94 lakh resulted in charges in profit & Loss account by way of additional depreciation(Net) to the extent of Rs.1,259.34Lakhs. This has resulted in understatement of net profit to that extent for the year.</p>	<p>Informative.</p>
o)	<p>There are certain unidentified amounts/ balances migrated from IFS accounting software to SAP which needs to be identified and reconciled. The impact, if any, on the accounts is not ascertained.</p>	<p>The Company is in the process of identification of unidentified amounts/ balances migrated from IFS accounting software to SAP.</p>
	Emphasis of Matter :	
	We draw attention to the following matter in the notes to the Financial Statements	
a)	<p>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).</p>	<p>Informative.</p>



Sl. No.	Statutory Auditors comments	Management Replies
	<p>Our opinion is not modified in respect of these matters.</p> <p>Qualified Opinion: In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2019 and its profit and its cash flows for the year ended on that date.</p>	<p>Informative.</p>

For and on behalf of the Board of Directors

Sd/-

Place: Hyderabad

Date: 01.03.2021

Chairman and Managing Director

TSTRANSCO



Annexure – III (B)

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

S.No.	C&AG Auditors comments	Management's Replies
	Comments on Profitability	
1	<p>A.Comments on Profitability Statement of Profit and Loss Revenue (Note 20) – Rs.2197.37 crore Supervision charges: Rs.122.20 crore</p> <p>The above includes Rs.36.34 crore being excess overhead charges recognized due to incorrect estimation of the overhead charges beyond the approved threshold limit of 10 <i>per cent</i> on the various works related to lift irrigation schemes of Irrigation & Command Area Development (I&CAD) Department. This resulted in overstatement of income (supervision charges) and understatement of other liabilities by Rs.36.34 crore each with consequent overstatement of Profit for the year to same extent.</p>	<p>In view of certain modifications/changes while executing the Lift Irrigation Scheme works as per the site conditions, the estimates are being revised. The Company has recognized supervision charges, based on the pre revised estimates pending finalization/receipt of revised estimates. On finalization of revised estimates considering 10% charges (including all) the additional amount of Rs.36.34 crore as viewed by the audit, will be adjusted against future works to be executed during FY2019-20.</p>
2	<p>B.Comments on Financial Position Balance Sheet Non-Current Liabilities Other Financial Liabilities (Note 15): Rs.2169.56 crore</p> <p>The above does not include Rs.76.36 crore due to non-recognition of provision towards pass through gains payable to customers on variations as per Tariff Order arising out of true up claims filed by the Company with TSERC for the 3rd control period (2014-15 to 2018-19). As a result, Other Financial Liabilities (Non-Current) are understated by Rs.76.36 crore with consequent overstatement of Profit for the year by the same amount.</p>	<p>The ARR filings for 4th control period (FY 2019-20 to FY 2023-24) were submitted based on the provisional accounts for FY 2018-19, and due to estimation of tax at normal rates at the time of filing ARR before Hon'ble TSERC instead of MAT rates as per books of accounts, resulted in a difference of Rs.76.36 crore between proposed amount in ARR and liability existing in the books of accounts.</p> <p>On approval/finalization of Tariff Order by the Hon'ble TSERC, the excess/short amount will be adjusted/ accounted in FY2019-20 accordingly.</p>



S.No.	C&AG Auditors comments	Management's Replies
3	<p>Provisions (Note 16): Rs.503.94 crore Provisions for employee benefits</p> <p>As per the actuarial valuation reports for pension, gratuity and leave encashment for the year 2018-19, shortfall in the net defined obligation (liability) as on 31 March 2019 works to be Rs.1943.15 crore. This resulted in understatement of expenditure by Rs.1085.03 crore (Rs.923.20 crore pertains to prior period charge) and actuarial loss under other comprehensive income (OCI) by Rs.858.12 crore for the year. Consequently, Retained earnings of Rs.935.01 crore (Schedule-12B) turns into accumulated loss of Rs.1008.14 crore.</p> <p>Since actuarial valuation of pension, gratuity and leave encashment liability for the year 2018-19 was already carried out before approval of the accounts, the disclosure under Notes 22.1 & 22.2 to the financial statements was not correct to the extent that actuarial Valuation was not taken up.</p>	<p>Pending final allocation of employees between APTRANSCO and TSTRANSO, the Company has obtained the draft actuarial valuation report towards terminal benefits. Since the employees final allocation process is at final stage and to identify the correct liability pertaining to the employees finally allocated to the company, the Actuarial Valuation Report could not be finalized/adopted or disclosed in the books of accounts.</p>

For and on behalf of the Board of Directors

Sd/-

Place: Hyderabad

Chairman and Managing Director

Date: 01.03.2021

TSTRANSO

**Annexure – III (C)****Management's replies to the comments of the Secretarial Auditor**

S.No	observations of the Secretarial Auditor	Reply to the observations of the Secretarial Auditor
a.	The Company is yet to comply with the provisions of Section 149(4) of the Companies Act, 2013 relating to appointment of Independent Directors on its Board. Consequently company yet to comply with the constitution of committees with independent director as per the provisions of the Companies Act, 2013.	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 135, 177 and 178 of the Companies Act, 2013 and Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
b.	The Company is yet to comply with the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 relating to appointment of Woman Directors on its Board.	
c.	The Company has convened its 4th Annual General meeting on 31.08.2018. However, the said meeting was adjourned Sine Die and the Adjourned 4th Annual General Meeting of the Company was held on 26.09.2019, which is after the due date of AGM.	Noted.

For and on behalf of the Board of Directors**Sd/-****Place: Hyderabad****Chairman and Managing Director****Date: 01.03.2021****TSTRANSCO**



Annexure - IV

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

(as on the financial year ended on March 31, 2019)

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

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

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

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



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

(i) Category-wise Shareholding

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

(ii) Shareholding of Promoters

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



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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year ended	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	The Government of Telangana				
	At the beginning of the year	50000	100.00	50000	100.00
	Datewise Increase/Decrease in Promoters Shareholding during the years 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 PrabhakarRao , 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 NarsingRao, 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.



V. INDEBTEDNESS

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

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Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedn ess
Indebtedness at the beginning of the financial year				
i) Principal Amount	6433.4	590.27	-	7023.67
ii) Interest due but not paid	-	0.23	-	0.23
iii) Interest accrued but not due	36.42	-	-	36.42
Total (i+ii+iii)	6469.82	590.5	-	7060.32
Change in Indebtedness during the financial year				
* Addition	2637.34	-	-	2637.34
* (Reduction)	(1390.28)	(48.64)	-	(1438.92)
* Foreign Exchange gain / loss	-	-	-	-
Net Change	1247.06	(48.64)	-	1198.42
Indebtedness at the end of the financial year				
i) Principal Amount	7680.46	541.63	-	8222.09
ii) Interest due but not paid	-	58.40	-	58.40
iii) Interest accrued but not due	44.80	-	-	44.80
Total (i+ii+iii)	7725.26	600.03	-	8325.29



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	31,79,616	30,73,909	28,44,208
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961				
	b) Value of Perquisites under Section 17(2) of the Income Tax Act, 1961				
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	: as % of profit				
	: other, specify				
5	Other, as specified below				
	- Employer Statutory PF Contribution				
	- Employer Statutory Pension Contribution				
	Total (A)	0	31,79,616	30,73,909	28,44,208
	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	Sri B. Narsing Rao, Whole - Time Director	Total
1	Gross Salary	28,67,990	14,01,517	133,67,240
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
	b) Value of Perquisites under Section 17(2) of the Income Tax Act, 1961			
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	: as % of profit			
	: other, specify			
5	Other, as specified below			
	- Employer Statutory PF Contribution			
	- Employer Statutory Pension Contribution			
	Total (A)	28,67,990	14,01,517	133,67,240
	Ceiling as per the Act			

B. Remuneration to other Directors



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		
1	Independent Directors						
	* Fee for attending Board/Committee meetings						
	* Commission						
	* Others (Refer Note @ below)						
	Total (1)						
2	Other Non- Executive Directors						
	* Fee for attending Board/Committee meetings			5000	3000		8000
	* Commission						
	* Others, please specify						
	Total (2)						
	Total (B) =(1+2)			5000	3000		8000
	Total Managerial Remuneration (A+B)						8000
	Overall Ceiling as per the Act			Exempt for Government Companies as per MCN 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	Company Secretary	Company Secretary	
			G Srinivas	Sri. A Srinivas Vijay Kumar	Sri. Ravi Kumar Suluva	
1	Gross Salary		4,054,564	66,129	1,035,813	5,156,506
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961					
	b) Value of Perquisites under Section 17(2) of the Income Tax Act, 1961					
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	: as % of profit					
	: other, specify					
5	Other, as specified below					
	- Employer Statutory PF Contribution					
	- Employer Statutory Pension Contribution					
	Total (C)		4,054,564	66,129	1,035,813	5,156,506



VII. PENALTIES / PUNISHMENT / COMPOUNDING OFFENCES

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

For and on behalf of the board of directors

Date: 01.03.2021
Place: Hyderabad

Sd/-
Chairman and Managing Director
TSTRANSCO



ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy

During the Financial year 2018-19 the Board of Directors of the Company in its 32nd Meeting held on 01.03.2019, constituted a Corporate Social Responsibility (CSR) Committee comprising of three or more directors to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities to be undertaken by the company and formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.

During the year the CSR Policy was under formulation.

2. THE COMPOSITION OF THE CSR COMMITTEE:

Sri C Srinivasa Rao, IRAS, JMD (Finance, Comml., & HRD) - Chairman

Sri G Narsing Rao, Director (Projects) - Member

Sri T Jagath Reddy, Director (Transmission) - Member

3. Average net profit of the company for last three financial years: Rs. 262.28 Crores

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above):

CSR @ 2% average of net profit for the last three years for FY 2018-19: Rs. 5.25 Crores.

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Rs. 5.25 Crores

(b) Amount unspent, if any: Rs. 5.25 Crores

(c) Manner in which the amount spent during the financial year is detailed below: -NIL-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (i) Direct Expenditure on projects or programs. (ii) Over heads	Cumulative expenditure up to the reporting period	Amount Spent" Direct or through implementing agency*
1							



2							
3							
	TOTAL						

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:

No expenditure incurred towards Corporate Social Responsibility during FY 2018-19 as the Annual Accounts for last three financial years i.e. 2015-16, 2016-17 and 2017-18, were finalized on 15.12.2017, 31.08.2018 and 01.03.2019 and hence the Company was not in the position to ascertain the average net profit of those accounts during the financial year.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the company:

The implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/-

Chairman and Managing Director

Sd/-

Chairman CSR Committee



INDEPENDENT AUDITOR'S REPORT

To the Members of Transmission Corporation of Telangana Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Transmission Corporation of Telangana Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and its cash flows for the year ended on that date.

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 others 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 unquoted equity shares of Andhra Pradesh Gas Power Corporation Limited [APGPCL] 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 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 current account balance of Rs.11.29 lakhs, allocated to the Company consequent to demerger of APTRANSCO, 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 made fair value of some of the staff loans/advances to the extent of Rs.106.95 lakhs as per Ind AS 109 – Financial Instruments. The impact, if any, on the accounts is not ascertained. (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. The impact, if any, on the accounts is not ascertained. (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. Further, the Company has not calculated the fair value of these deposits as per Ind AS 109 – Financial Instruments. The impact, if any, on the accounts is not ascertained. (Note 15 to the financial statements).
- j) The company has capitalized Lift Irrigation assets pertaining to deposit contribution works (works 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).
- k) Deferred tax asset of Rs.11501.00 lakhs 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 18 to the financial statements).
- l) The Company has not identified the dues to micro, small and medium enterprises as on balance sheet date as required under Schedule III of the Companies Act, 2013. We are unable to comment on the MSME disclosures made by the Company and impact, if any, on the accounts is not ascertained. (Note 14 to the financial statements).
- m) The Company has to take its view on the final recommendations of Expert Committee 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.
- n) Delayed capitalisation of Lines and Cable Network during the year to the extent of Rs.22,942.47 Lakh and devolution of unutilised material of project to the extent of Rs. 2,417.94 Lakh resulted in charge in profit and loss account by way of additional depreciation (net) to the extent of Rs.1259.34 Lakh. This has resulted in understatement of net profit to that extent for the year.
- o) There are certain unidentified amounts / balances migrated from IFS Accounting Software to SAP which needs to be identified and reconciled. The impact, if any, on the accounts is not ascertained.

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

Emphasis of Matter

We draw attention to the following matter in the notes to the financial statements

- a) The Long term loans apportioned by APTRANSCO and availed from various banks and financial institutions continue to be in the name of APTRANSCO. Debt service of such loans is met by the Company. Pending modification of charge 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).



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements for the year ended 31st March 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditors' approach to address the Key Audit Matters
1.	<p>Assessment of contingent liabilities in respect of certain litigations including direct and indirect taxes, various claims filed by other parties not acknowledged as debt.</p> <p>There is high level of judgement required in estimating the contingent liabilities. The company's assessment of contingent liabilities is supported by the facts of the matter, Company's judgement thereon, past experience and advices from legal and independent tax consultants wherever necessary.</p> <p>We identified the above area as Key Audit Matters in view of associated uncertainty relating to the outcome of these matters.</p> <p>(Refer Note No. 33 of financial statements).</p>	<p>Our audit approach involved;</p> <p>a) Understanding the current status of the litigation for tax assessments.</p> <p>b) Examining recent orders from competent authorities and/ or communication received from various authorities, judicial forums and follow up action thereon.</p> <p>c) Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises Director's report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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

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

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

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 "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 Controller 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 Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d. Except for the effect of 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 7 of the Companies (Accounts) Rules, 2014.
- e. Being a Government Company, pursuant to the Notification No. GSR 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India; the provisions of sub-section (2) of section 164 of the Companies Act, 2013 are not applicable to the Company.
- f. With respect to the adequacy of the internal financial controls with reference to the financial statements of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- 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 G S Madhava Rao & Co
Chartered Accountants
ICAI Firm Registration No. 0019075

Sd/-
S V S Bhaskara Krishna
Partner
Membership No. 209539
UDIN: 20209539AAAAV5199

Place: Hyderabad
Date: 04-Mar-2020

**Annexure-A to the Auditors' Report**

The Annexure referred to in our report to the members of the Company for the year ended on 31st March, 2019. We report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the Company has designed and commenced the process of physical verification of fixed assets during the year.

(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 Company has a regular programme of physical verification of its inventory by which all inventory is verified on a continuous process. According to the information and explanations given to us, the discrepancies noticed on verification between the physical stocks and the book records have been dealt with in the books of account. We have not physically verified the inventories during the course of our audit and relied upon the stock verification reports of management.
- 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 31.03.2019 (Rs. in crores)	
1	Inter-Corporate Deposits	Southern Power Distribution Company of Telangana Limited	585.57	585.57	Proposal submitted for ratification to the members in its ensuing EGM.



2	Inter-Corporate Deposits	Northern Power Distribution Company of Telangana Limited	244.43	244.43	Proposal submitted for ratification to the members in its ensuing EGM
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- 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 the 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. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 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 at 31.03.2019 for a period of more than six months from the date they became payable except the following.

Nature of Dues	Amount (Rs. in lakh)
Property Tax	340.77
Labour Cess	0.39

(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, value added tax, wealth tax, service tax, customs duty, excise duty, goods and service tax or cess as at 31st March, 2019 which have not been deposited on account of dispute pending, are as under:

Name of the Statute	Nature of Dues	Amount (Rs.in Lakhs)	Period to which the amount relates	Forum where dispute is pending
APVAT Act, 2005	Entry tax	4,006.95	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, 2005	Entry tax	287.92	2014-15	High Court of Judicature at Hyderabad for the State of Telangana



Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry tax	2,200.70	2015-16	High Court of Judicature at Hyderabad for the State of Telangana
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
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry tax	4564.26	2017-18	High Court of Judicature at Hyderabad for the State of Telangana
The Income tax Act, 1961	Income Tax	1,679.07	2014-15	Income Tax Appellate Tribunal, Hyderabad.
The Income tax Act, 1961	Income Tax	208.93	2015-16	Income Tax Appellate Tribunal, Hyderabad.
The Income tax Act, 1961	Income Tax	2,790.21	2016-17	Income Tax Appellate Tribunal, Hyderabad.
The Income tax Act, 1961	Income Tax	1,149.86	2017-18	Commissioner of Income Tax Appeals, Hyderabad

- viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans to any financial institutions and banks. However, the Company has defaulted in repayment of Government loans to the tune of Rs. 4,864.52 Lakh by way of short payment during the year. 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 to 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 loan were obtained except a short loan of Rs.83,000 Lakhs availed from Power Finance Corporation Limited where the loans were taken for emergency procurement/works for the transmission lines in the nature of Repairs 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 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of the clause 3 (xi) of the Order is 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 explanation 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 explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable.

For G S Madhava Rao & Co.

Chartered Accountants

ICAI Firm Registration No. 001907S

Sd/-

S V S Bhaskara Krishna

Partner

Membership No.209539

UDIN: 20209539AAAAV5199

Place: Hyderabad

Date: 04-Mar-2020

**Annexure 'B' to the Independent Auditor's Report**

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

Sl. No.	Particulars	Auditors' Reply	Impact on Financial Statements
1	Direction		
a)	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	According to the information and explanations given to us, all the accounting transactions are processed through IT System (SAP). Hence, reporting on the financial implications on accounting transactions outside the IT system is not required to be reported.	Nil
b)	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations given us, there were no instances of restructuring of existing loans or cases of waiver/ write off of debts/ loans/interest etc. by the lender to the Company during the year.	Nil
c)	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	According to the information and explanations given us, the Company has accounted and utilised the funds received from Central and State agencies for specific schemes as per terms and conditions. No deviations were noticed.	Nil
2	Sub-directions We were not issued by Sub-directions by the C&AG for the year under report.		

For G S Madhava Rao & Co.

Chartered Accountants

ICAI Firm Registration No. 001907S

Sd/-

S V S Bhaskara Krishna

Partner

Membership No.209539

UDIN: 20209539AAAAV5199

Place: Hyderabad

Date: 04-Mar-2020

**Annexure 'C' to the Independent Auditor's 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 March 31, 2019 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.



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 authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G S Madhava Rao & Co.
Chartered Accountants
ICAI Firm Registration No. 001907S

Sd/-
S V S Bhaskara Krishna
Partner
Membership No.209539
UDIN: 20209539AAAAV5199

Place: Hyderabad
Date: 04-Mar-2020



TRANSMISSION CORPORATION OF TELANGANA LIMITED
BALANCE SHEET AS AT 31st MARCH 2019

(Rs. in lakh)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-Current Assets			
Property, plant and equipment	3A	1042145.39	760162.59
Capital work in progress	3B	374260.62	375990.16
Intangible assets	3C	723.38	742.90
Financial assets			
Investments	4	37161.27	37330.66
Loans	5	106329.67	96492.33
Others	11	29280.00	29280.00
Other non-current assets	6	3464.36	3360.83
Total non-current assets		1593364.69	1303359.47
Current assets			
Inventories	8	14835.43	14876.62
Financial assets			
Trade receivables	9	45377.39	81169.42
Cash and cash equivalents	10	11092.42	10575.51
Loans	5	83451.98	100471.16
Others	11	42617.36	34258.79
Current tax assets (net)	7A	6404.35	-
Other current assets	6	1022.42	1625.96
Total current assets		204801.35	242977.46
Total assets		1798166.04	1546336.93
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12A	5.00	5.00
Other equity	12B	112086.12	86219.36
Total equity		112091.12	86224.36
Reorganisation resultant reserve	38	46341.45	46341.45
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13	687172.12	558526.31
Other financial liabilities	15	216955.99	211430.16
Provisions	16	50393.67	50393.67
Deferred consumer contributions towards property, plant and equipment	17	181407.29	50149.68
Deferred tax liabilities (net)	18	36232.85	29315.38
Other non-current liabilities	19	237091.51	251560.42
Total non-current liabilities		1409253.43	1151375.62
Current liabilities			
Financial liabilities			
Borrowings	13	83000.00	100000.00
Trade payables			
Due to Micro, Small & Medium Enterprises	14	-	-
Others	14	7226.58	9610.34
Other financial liabilities	15	118219.72	137563.78
Other current liabilities	19	4092.60	4190.82
Provisions	16	4038.94	3211.70
Deferred consumer contributions towards property, plant and equipment	17	13902.20	7435.70
Current tax liabilities (net)	7B	-	383.16
Total current liabilities		230480.04	262395.50
Total liabilities		1686074.92	1460112.57
Total equity and liabilities		1798166.04	1546336.93

See accompanying notes forming part of the financial statements.

In terms of our report attached
for **G.S.Madhava Rao & Co.,**
Chartered Accountants (Firm Regn. No.001907S)

Sd/-
S.V.S.Bhaskara Krishna
Partner
Membership No.209539

Place: Hyderabad
Date : 04th March 2020

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, Comml., & HRD)
DIN No.00196179

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

Sd/-
Ravi Kumar Suluva
Company Secretary


TRANSMISSION CORPORATION OF TELANGANA LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019

(Rs. in lakh)

Particulars	Notes	For the year ended 31st March 2019	For the year ended 31st March 2018
REVENUE			
Revenue from operations	20	219736.52	147538.81
Other income	21	12532.03	3846.13
Total Revenue		232268.55	151384.94
EXPENDITURE			
Employee benefit expense	22	46645.98	38562.00
Finance costs	23	55267.47	39477.47
Depreciation and amortisation expense	24	74135.64	58844.76
Other expenses	25	21312.57	11447.15
Total Expenditure		197361.66	148331.38
Profit/(loss) before exceptional items and tax		34906.89	3053.56
Exceptional items	26	-	31713.00
Profit/(loss) before tax		34906.89	34766.56
Tax expense	27		
(i) Current tax (net of MAT credit entitlement)		333.03	3147.59
(ii) Earlier year tax		(3147.59)	351.16
(ii) Deferred tax		11854.69	10322.43
Profit/(loss) for the year		25866.76	20945.38
Other comprehensive income		-	-
Total comprehensive income for the year		25866.76	20945.38
Earnings per equity share - par value of Rs.10/- per share			
Basic	36	51733.51	41890.76
Diluted	36	51733.51	41890.76

See accompanying notes forming part of the financial statements.

In terms of our report attached
for G.S.Madhava Rao & Co.,
 Chartered Accountants (Firm Regn. No.001907S)

Sd/-
S.V.S.Bhaskara Krishna
 Partner
 Membership No.209539

Place: **Hyderabad**
 Date : **04th March 2020**

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
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31st MARCH 2019

(Rs. in lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Cashflows from operating activities		
Profit before tax	34906.89	34766.56
Adjustments for		
Depreciation and amortisation expense	74135.64	58844.76
True up for 2nd control period	-	(31713.00)
Income from investments	(1056.83)	(986.56)
Income from investments against contingency reserve	(406.12)	(375.61)
Loss/(Gain) on fair valuation of investments	169.38	(215.82)
Amortisation of staff loans and advances (net of prepaid)	(23.91)	(109.52)
Amortisation of deferred consumer contributions	(13902.20)	(7435.70)
Interest on term loans from banks	1275.99	2427.94
Interest on term loans from financial institutions and others	64675.88	56250.71
Write off of capital work in progress land	-	1058.26
Profit on sale of property plant and equipment	(169.19)	(42.00)
Provision towards material cost variance	(21.26)	(238.49)
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	35792.03	41352.70
(Increase)/Decrease in inventories	62.45	(6100.19)
(Increase)/Decrease in other assets	(6343.76)	(3847.04)
(Increase)/Decrease in loans	7205.76	(84597.56)
(Increase)/Decrease other financial assets	(9372.48)	(10675.51)
Increase/(Decrease) in other financial liabilities	(20466.11)	12734.02
Increase/(Decrease) in other liabilities	(14950.29)	76291.43
Increase/(Decrease) in trade payables	(2383.75)	(70.05)
Increase/(Decrease) in provisions	827.25	1031.72
Cash generated from operations	149955.37	138351.05
Income taxes paid	2556.00	-
Net cash from operating activities	147399.37	138351.05
Cashflows from investing activities		
Purchase of property, plant and equipment and		
Increase/(Decrease) in capital work in progress	(366028.61)	(280760.42)
Proceeds from sale of property, plant and equipment	-	-
Interest income from investments	2110.02	740.00
Net cash used in investing activities	(363918.59)	(280020.42)
Cashflows from financing activities		
Proceeds from/(repayment of) borrowings	124706.64	185619.29
Deferred grants received	151626.32	17840.07
Interest paid on borrowings	(59296.83)	(57784.80)
Net cash used in financing activities	217036.13	145674.56
Net increase/(decrease) in cash and cash equivalents	516.91	4005.19
Cash and cash equivalents at the beginning of the year	10575.51	6570.32
Cash and cash equivalents at the end of the year	11092.42	10575.51
Reconciliation of cash and cash equivalents as per the cashflow statement		
Cash in hand	-	-
Balances with scheduled banks		
- Current accounts	6492.54	4932.04
- Deposit accounts	4599.88	5643.47
Total	11092.42	10575.51

See accompanying notes forming part of the financial statements.

In terms of our report attached
for G.S.Madhava Rao & Co.,
Chartered Accountants (Firm Regn. No.001907S)

Sd/-
S.V.S.Bhaskara Krishna
Partner
Membership No.209539

Place: Hyderabad
Date : 04th March 2020

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
DIN No.00196179

Sd/-
Ravi Kumar Suluva
Company Secretary


TRANSMISSION CORPORATION OF TELANGANA LIMITED
STATEMENT OF CHANGES IN EQUITY AS AT 31st MARCH 2019

(Rs. in lakh)

A. Equity share capital

Particulars	Amount
As at 1st April, 2018	5.00
Change in equity share capital during the year	-
As at 31st March 2019	5.00

B. Other equity

Particulars	Reserves and Surplus				Total
	Capital Reserve	Contingency Reserve	Restructuring Reserve	Retained Earnings	
<i>As at 1st April 2018</i>	459.59	3974.83	13885.63	67899.31	86219.36
<i>Amount added during the year</i>	-	264.20	-	25866.76	26130.96
<i>Amount deducted during the year</i>	-	-	-	(264.20)	(264.20)
<i>As at 31st March 2019</i>	459.59	4239.03	13885.63	93501.87	112086.12

See accompanying notes forming part of the financial statements.

In terms of our report attached
for G.S.Madhava Rao & Co.,
Chartered Accountants (Firm Regn. No.001907S)

Sd/-
S.V.S.Bhaskara krishna
Partner
Membership No.209539

Place: **Hyderabad**
Date : **04th March 2020**

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



TRANSMISSION CORPORATION OF TELANGANA LIMITED
Notes to the financial statements for the year ended 31st March 2019

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 on accrual basis 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 accrual basis following historical cost convention except for the following items:

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

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

2.4. Use of estimates and judgements

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



TRANSMISSION CORPORATION OF TELANGANA LIMITED

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

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.



TRANSMISSION CORPORATION OF TELANGANA LIMITED
Notes to the financial statements for the year ended 31st March 2019

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.



TRANSMISSION CORPORATION OF TELANGANA LIMITED
Notes to the financial statements for the year ended 31st March 2019

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 intangible assets are fully 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.



TRANSMISSION CORPORATION OF TELANGANA LIMITED

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

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.



TRANSMISSION CORPORATION OF TELANGANA LIMITED
Notes to the financial statements for the year ended 31st March 2019

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 Ind AS 19 - "Employee Benefits".

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

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

(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.



TRANSMISSION CORPORATION OF TELANGANA LIMITED

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

(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 (including Lift Irrigation Schemes) 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.

The Company has evaluated the applicability of "Ind AS115 - Revenue from Contract with Customers" and there is no impact on the financial statements.

(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.



TRANSMISSION CORPORATION OF TELANGANA LIMITED

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

(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.



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

(Rs. in lakh)

3. Property, Plant and Equipment

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)
Gross carrying amount										
Balance at 1st April 2018	5308.97	11796.74	3884.59	344444.84	521515.10	102.57	196.99	3414.10	890663.90	961.98
Additions (net) during the year	(156.48)	13199.81	11688.84	157220.25	171945.76	35.10	598.88	1243.70	355775.86	153.86
Balance at 31st March 2019	5152.49	24996.55	15573.43	501665.09	693460.86	137.67	795.87	4657.80	1246439.76	1115.84
Accumulated depreciation/ amortization										
Balance at 1st April 2018	-	944.14	144.29	64908.39	63573.88	72.34	41.27	817.00	130501.31	219.08
Depreciation for the year	-	612.52	297.74	38025.13	34215.15	21.80	95.95	524.77	73793.06	173.38
Balance at 31st March 2019	-	1556.66	442.03	102933.52	97789.03	94.14	137.22	1341.77	204294.37	392.46
Net carrying amount	5152.49	23439.89	15131.40	398731.57	595671.83	43.53	658.65	3316.03	1042145.39	723.38
Gross carrying amount										
Balance at 1st April 2017	5637.48	7355.18	1472.97	261364.67	413323.32	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
Accumulated depreciation/ amortization										
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
Net carrying amount	5308.97	10852.60	3740.30	279536.45	457941.22	30.23	155.72	2597.10	760162.59	742.90
B. Capital work in progress:										
As at 31st March 2019										374260.62
As at 31st March 2018										375990.16

3.1. The Company has capitalised interest of Rs.20359.71 lakh (Rs.19712.06 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 effective from 2nd June 2014, the carrying amounts of such assets in the 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 transfer 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.



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

(Rs. in lakh)

4. Investments

Particulars	31st March 2019	31st March 2018
Non-Current Investments		
Unquoted debt securities		
Redeemable bonds measured at amortized cost		
Investment in redeemable bonds		
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
Quoted equity shares		
Equity shares at FVTPL		
26,38,344 (26,38,344) equity shares of GVK Power & Infrastructure Limited	203.94	373.33
Unquoted equity shares		
Equity shares at FVTPL	1171.31	1171.31
65,68,101 (65,68,101) equity shares of Andhra Pradesh Gas Power Corporation Limited		
Total	37161.27	37330.66
Aggregate amount of quoted investments	351.78	351.78
Aggregate market value of quoted investments	203.94	373.33
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 2019	31st March 2018
Secured, Considered good		
Loans and advances to Staff	858.82	1005.57
Unsecured, Considered good		
Loans and advances to Staff	515.86	531.78
Inter Corporate Deposits to DISCOMs	104954.99	94954.98
Total	106329.67	96492.33

The company has not made fair value of some of the staff loans/advances amounting to Rs.106.95 lakh (128.38 lakh) which are under reconciliation.

B. Current

Particulars	31st March 2019	31st March 2018
Unsecured, Considered good		
Loans and advances to Staff	451.98	471.16
Loans to TSDISCOMs	83000.00	100000.00
Total	83451.98	100471.16

6. Other Assets

A. Non-Current

Particulars	31st March 2019	31st March 2018
Advance to suppliers towards capital assets	1926.63	2799.36
Deposits with others	1220.29	266.32
Prepaid employee cost	317.44	295.15
Total	3464.36	3360.83



TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the financial statements (continued)

(Rs. in lakh)

B. Current

Particulars	31st March 2019	31st March 2018
Other claims and receivables	195.17	157.27
Amount receivable from others	0.32	0.32
Advance for O&M supplies/works	37.54	208.61
Contribution to pension & gratuity	323.31	771.57
Prepaid expenses	3.98	5.41
Prepaid employee cost	42.33	63.01
Income tax paid under protest	419.77	419.77
Total	1022.42	1625.96

7A. Current tax assets (net)

Particulars	31st March 2019	31st March 2018
Advance income tax/deduction at source (net of provision for income tax)	6404.35	-
Total	6404.35	-

7B. Current tax liability (net)

Particulars	31st March 2019	31st March 2018
Provision for income tax (net of Advance income tax/deduction at source)	-	383.16
Total	-	383.16

8. Inventories

Particulars	31st March 2019	31st March 2018
Operation and maintenance stores and spares	15985.08	16064.68
Materials stock excess/shortage pending investigation (net)	(10.53)	(27.68)
Provision for obsolete, non-moving and unserviceable inventory	(1139.12)	(1160.38)
Total	14835.43	14876.62

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 2019	31st March 2018
Unsecured, considered good	45377.39	81169.42
Total	45377.39	81169.42

9.1. The above include Rs. 11375.95 lakh receivable from APTRANSCO. FA&CCA/TSPCC on behalf of TSDISCOM has informed that the dues payable by TSDISCOM to APTRANSCO upto 02.06.2014 were already paid to APTRANSCO. Since, these dues were reallocated 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 2019	31st March 2018
Cash in hand	-	-
Bank balances		
Balances in current accounts	6492.54	4932.04
Term deposits - Corporate Liquid Term Deposits	4599.88	5643.47
Total	11092.42	10575.51

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.

**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

(Rs. in lakh)

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

Particulars	31st March 2019	31st March 2018
Receivable from Govt. of Telangana towards vidyut bonds liability	29280.00	29280.00
Total	29280.00	29280.00

B. Current

Particulars	31st March 2019	31st March 2018
Amount receivable from Govt. of Telangana towards vidyut bonds liability	15085.90	14329.07
Amount receivable from Govt. of Telangana - others	65.45	60.01
Amount receivable from Govt. of India - PSDF Grant	4633.86	3514.46
Receivable from APTRANSCO	15478.39	10962.19
Receivable from APDISCOMs	241.16	241.16
Receivable from TSDISCOMs	3861.73	2196.05
Receivable from TSGENCO	806.84	504.40
Interest accrued and due	1.71	1073.83
Interest accrued but not due	265.47	246.54
Amount recoverable from employees/ex-employees	149.59	138.61
Other receivables	2027.26	992.47
Total	42617.36	34258.79

12A. Equity share capital

Particulars	31st March 2019	31st March 2018
Authorised Share Capital		
15000,00,000 (15000,00,000) shares of Rs.10/- each	150000.00	150000.00
Issued, Subscribed and paid up share capital		
50,000 (50,000) shares of Rs.10/- each	5.00	5.00
Total	5.00	5.00

(i) Movement in share capital

Particulars	Number of Shares	Amount
As at 31st March 2018	50,000	5.00
Issue of shares during the year	-	-
As at 31st March 2019	50,000	5.00

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 2019	31st March 2018
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.

**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

(Rs. in lakh)

12B. Other equity

Particulars	31st March 2019	31st March 2018
Capital reserve	459.59	459.59
Contingency reserve	4239.03	3974.83
Restructuring reserve	13885.63	13885.63
Retained earnings	93501.87	67899.31
Total	112086.12	86219.36

i) Capital reserve

Particulars	31st March 2019	31st March 2018
Opening balance	459.59	459.59
Add: Additions during the year	-	-
Less : Deductions during the year	-	-
Closing Balance	459.59	459.59

ii) Contingency reserve

Particulars	31st March 2019	31st March 2018
Opening Balance	3974.83	3729.21
Add: Additions during the year	264.20	245.62
Less : Deductions during the year	-	-
Closing balance	4239.03	3974.83

As directed by the State Electricity 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 2019	31st March 2018
Opening balance	13885.63	13885.63
Add: Additions during the year	-	-
Less : Deductions during the year	-	-
Closing balance	13885.63	13885.63

iv) Retained earnings

Particulars	31st March 2019	31st March 2018
Opening balance	67899.31	47199.55
Add: Profit/(loss) for the year	25866.76	20945.38
Less: Appropriation to contingency reserve	(264.20)	(245.62)
Closing balance	93501.87	67899.31

This reserve represents the cumulative profits of the Company.



TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the financial statements (continued)

(Rs. in lakh)

13. Borrowings

A. Non-current

Particulars	31st March 2019	31st March 2018
Term loans		
Secured		
from banks	7946.47	10190.42
from financial institutions	629926.95	494173.30
Unsecured		
from State Government	49298.70	54162.59
Total	687172.12	558526.31

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 2019	31st March 2018
Term Loans		
Secured		
from financial institutions	83000.00	100000.00
Total	83000.00	100000.00

13.3. The Company has availed a short term loan of Rs.33000.00 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.



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 2019	Carrying amount as at 31st March 2018
Secured Loans from			
Rural Electrification Corporation Limited	8%-13%	361189.81	311581.14
Power Finance Corporation Limited (*)	8%-13%	390507.86	309160.14
National Bank for Agriculture and Rural Development	10.75%	6159.15	6793.34
Punjab & Sind Bank	10.25%-10.75%	-	702.17
Syndicate Bank	10.00%	548.43	682.69
Bank of Baroda	11%-11.15%	-	2410.39
Oriental Bank of Commerce	11.00%	3342.94	4056.43
UCO Bank	10.95%	2710.27	3544.83
Tamilnad Mercantile Bank Limited	10.90%	1420.47	1930.62
Dena Bank	11.00%	2167.35	2478.22
Unsecured Loan from			
State Government	9.50%-10.25%	54162.91	59027.10
Total:		822209.19	702367.07
Current		135037.07	143840.76
Non-current		687172.12	558526.31

D. Term Loans - Repayment Details

Particulars	Outstanding as at 31st March 2018	Received during the year	Repaid during the year	Outstanding as at 31st March 2019
Secured Loans from				
Rural Electrification Corporation Limited	311581.14	71684.08	22075.41	361189.81
Power Finance Corporation Limited (*)	309160.14	192050.12	110702.40	390507.86
National Bank for Agriculture and Rural Development	6793.34	-	634.19	6159.15
Punjab & Sind Bank	702.17	-	702.17	-
Syndicate Bank	682.69	-	134.26	548.43
Bank of Baroda	2410.39	-	2410.39	-
Oriental Bank of Commerce	4056.43	-	713.49	3342.94
UCO Bank	3544.83	-	834.56	2710.27
Tamilnad Mercantile Bank Limited	1930.62	-	510.15	1420.47
Dena Bank	2478.22	-	310.87	2167.35
Unsecured Loan from				
State Government	59027.10	-	4864.19	54162.91
Total:	702367.07	263734.20	143892.08	822209.19

(*) Loan from Power Finance Corporation as at 31st March 2019 includes Rs.83000.00 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 31.3.2019	Balance Outstanding as on 31.3.2019	Type (Monthly / Quarterly / Half Yearly / Yearly)	No of remaining installments	Instalment Amount	Name of the Project	Security Details
REC Ltd 9474	10.03 to 10.75%	824.83	Monthly	118	6.99	Scheme for providing 220/33KV features at existing Sullavagu 220/11KV Lift irrigation SS in warangal district with 2Nos.220/33 kv 31.5MVA 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/prior 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 9475	10.03%	703.27	Monthly	118	5.96	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%	2718.65	Monthly	119	22.85	Erection of 220/132 kv SS at MD pally (kattedan)	-do-
REC Ltd 9482	9.90 to 10.75%	1616.72	Monthly	119	13.59	Erection of 132/33 KV SS at Kachapur & Nimmapalli.	-do-
REC Ltd 9483	10.03 to 10.75%	5049.90	Monthly	119	50.00	Erection of 220/132 KV ss at siricilla.	-do-
REC Ltd 9485	10.03 to 10.75%	4619.58	Monthly	119	38.82	Erection of 220/132 KV ss at Ayyagarpally.	-do-
REC Ltd 9486	10.03 to 10.75%	3309.02	Monthly	118	28.04	Erection of 132/33 KV SS at Ganeshpally, Duddeda & waltipally.	-do-
REC Ltd 9492	10.03 to 10.75%	3489.55	Monthly	118	29.57	Erection of 2x100MVA, 220/132KV PTR with allied features including breakers at 132/33 KV Kosgi SS along with associated 220KV and 132KV transmission lines.	-do-
REC Ltd 9496	10.03 to 10.75%	20301.38	Monthly	118	172.05	Schemes for Augmentation of power Transformer capacities at 11nos.220/132KV SS & 54Nos. Of 132/33 Kv SS in warangal Zone of TSTRANSOCO.	-do-
REC Ltd 9497	10.03 to 10.75%	24789.21	Monthly	118	210.08	Schemes for Augmentation of power Transformer capacities at 19nos.220/132KV SS & 56Nos. Of 132/33 Kv SS in metro & Rural Zone of TSTRANSOCO.	-do-
REC Ltd 9518 *	10.75%	34.74	Monthly	120		Augmentation of 1No.400KV, 6 Nos.220KV & 30 Nos.132KV in various circles of Telangana	-do-
REC Ltd 18267	10.03 to 11.25%	82562.48	Monthly	99	833.96	Scheme for erection of 400/220/132 kv Suryapet SS 400KV D/C line Proposed suryapet to Kamavaramkota & Shaikarpalli SS 132KV D/C in from proposed Suryapet SS to existing Suryapet, Shaikowaram & Thungathurthy SS & 111 O of 400 KV & 220KV lines as a part of power Evacuation Scheme from M/S Hinduja National Power Corporation Ltd 1040MW power plant.	A) As payment security during the construction stage & during the loan repayment period, APTRANSOCO shall make operational a default Escrow arrangement for payment to the satisfaction of REC. B) In case of Hypothecation : First charge / Prior 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 31.3.2019	Balance Outstanding as on 31.3.2019	Type (Monthly / Quarterly / Half Yearly / Yearly)	No of remaining installments	Instalment Amount	Name of the Project	Security Details
REC Ltd 9136	10.03 to 10.40%	14525.16	Monthly	107	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 Mahabubnagar SS& Supply of Moose ACSR Conductor required for 400 KV Quad DC line from Velloor to Tungabhadra River crossing & 2Nos. Quad 400KV Bays at 400/200KV Velloor SS(Excluding the cost of Switchgear equipment) Supply of Switch Gear require for 2Nos Quad 400KV Bays at 400/200KV 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/prior 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	10.03 to 11.25%	231.68	Monthly	73	3.19	Procurement & installation of 63 MVAR reactors at 400 KV SS in Hyderabad	A) As payment security during the construction stage & during the loan repayment period, AP/TRANSCO shall make operational a default Escrow arrangement for payment to the satisfaction of REC. B) In case of Hypothecation -first charge /Prior-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.
REC Ltd 9852 *	10.03 to 10.75%	41865.79	Monthly	120	-	Erection of 400/220kv Nirmal substation upgradation of 132/33 kv Renzai & Adilabad SS to 220/132 KV & associated 400kv & 220KV lines under Transmission System improvement in Telangana.	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/prior 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	10.50 to 11.25%	4885.39	Monthly	42	116.32	Establishment of 2Nos 400KV D/C line from Bhoolpally(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, AP/TRANSCO shall make operational a default Escrow arrangement for payment to the satisfaction of REC. B) In case of Hypothecation -first charge /Prior-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.
REC Ltd 13351	10.03 to 11.25%	3067.50	Monthly	48	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 10.75%	1331.73	Monthly	110	12.11	Erection of 132/33KVSS Burgulpally /Adilabad along with connected 132/33 kv 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 31.3.2019	Balance Outstanding as on 31.3.2019	Type (Monthly / Quarterly / Half Yearly / Yearly)	No of remaining installments	Instalment Amount	Name of the Project	Security Details
REC Ltd 14479	10.03 to 10.75%	694.21	Monthly	88	7.89	Erection of 132/33 KV Gesskond SS Warangal along with connected lines	-do-
REC Ltd 14502	10.00 to 10.75%	1175.25	Monthly	88	13.36	Erection of 132/33 KV Ashikad SS Adilabad along with connected lines	-do-
REC Ltd 14855	10.03 to 10.75%	441.75	Monthly	90	4.91	Erection of 132KV Panajiwadi SS/Nizamabad along with connected lines	-do-
REC Ltd 14857	10.03 to 10.75%	198.93	Monthly	88	2.26	Erection of 132KV Boodhpur SS/Mahabubnagar along with connected lines	-do-
REC Ltd 14867	10.25 to 10.75%	456.05	Monthly	88	5.18	Erection of 132 KV Gujwal LJO Line/Medak along with connected lines	-do-
REC Ltd 5711	10.03 to 11.25%	3227.68	Monthly	102	31.64	Erection of 220/132kv SS Parigi/Rangareddy	-do-
REC Ltd 5713	10.03%	511.21	Monthly	110	4.65	Erection of 220KV LJO line from Budilampadu-Waddekothapally/Warangal Bhongiri 2nd circuit to 220kv SS Waddekothapally along with bays in warangal District	-do-
REC Ltd 5715	10.03 to 11.25%	403.28	Monthly	110	3.67	Shifting of 132KVSS LJO Wadapally (New) Nalgonda by erection of 132kv SS at wadapally(New) in place of existing Wadepally SS and 132 kv LJO arrangements to 132/33 KVSS Wadpally	-do-
REC Ltd 16012	10.03 to 11.25%	2256.34	Monthly	88	25.59	Erection of 220/132/33KVSS Nagole/Hyderabad to meet the loan demand of the upcoming Hyderabad Metro Rail	-do-
REC Ltd 16018	10.03 to 11.25%	201.91	Monthly	88	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 Midiji,Mahboobnagar circle	-do-
REC Ltd 4469	10.03 to 10.75%	1265.59	Monthly	110	11.49	Erection of 132/33KVSS Keshampet /MBNR along with connected 132/33 kv lines	-do-
REC Ltd 4478	10.03 to 10.75%	726.54	Monthly	110	6.60	Erection of 132/33KVSS/Ghanapur/MBNR along with connected 132/33 kv lines	-do-
REC Ltd 4498	10.03%	1143.79	Monthly	110	10.40	Erection of 132/33KVSS Narmetra/Warangal along with connected 132/33 kv lines	-do-
REC Ltd 4852	10.03 to 10.75%	1208.66	Monthly	110	10.99	Erection of 132/33 KVSS Doulthabad/Medak along with connected lines	-do-
REC Ltd 4856	10.03%	53.17	Monthly	110	0.48	Providing 33KV Features Thirumalaipally/ 132 kv SSSMBNR	-do-
REC Ltd 4859	10.03 to 10.75%	992.80	Monthly	110	9.02	Erection of 132/33KVSS Mogligadda/MBNR along with connected 132/33 lines	-do-
REC Ltd 4868	10.03 to 10.75%	761.19	Monthly	110	6.92	Erection of 132/33KVSS Kosgi/MBNR along with connected 132/33 kv lines	-do-
REC Ltd 7229	10.03 to 10.40%	39951.07	Monthly	96	416.14	Jaipur Transmission Scheme	-do-



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 31.3.2019	Balance Outstanding as on 31.3.2019	Type (Monthly / Quarterly / Half Yearly / Yearly)	No of remaining installments	Instalment Amount	Name of the Project	Security Details
REC Ltd 10236 *	10.03 to 10.75%	9182.70	Monthly	120	-	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.
REC Ltd 9491 *	9.90 to 11.00%	1172.21	Monthly	120	-	Erection of 220 Kv SC Line from Shivarempally to Asifnagar Sub station of TSTRANS CO.	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-part 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 9479 *	10.03%	1444.00	Monthly	120	-	Erection of 132/33 KV Substation at Kandakuru	-do-
REC Ltd 9478 *	10.03 to 11.00%	4321.08	Monthly	120	-	Erection of 132/33 Kv sub station at Khatalapur.	-do-
REC Ltd 9488 *	9.90 to 11.00%	2370.60	Monthly	120	-	Erection of 132/33 KV Substation at Mungala & Salkunoor	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-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 to 11.00%	2885.13	Monthly	120	-	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.



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 31.3.2019	Balance Outstanding as on 31.3.2019	Type (Monthly / Quarterly / Half Yearly / Yearly)	No of remaining installments	Instalment Amount	Name of the Project	Security Details
REC Ltd 15712 *	10.03 to 11.00%	1925.93	Monthly	120	-	Erection of 132/33 Kv SS at Donhapalli in Ranga Reddy District.	A) As payment security during the construction stage & during the loan repayment period, TSTRANSO shall make operational a default Escrow arrangement for payment to the satisfaction of REC. B) In case of Hypothecation: First charge / Part-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 4854 *	10.03 to 10.25%	1161.90	Monthly	120	-	Erection of 132/33 Kv Substation at Munugodu in Nalgonda district Along with connected 132 kv & 33 kv	-do-
REC Ltd 4865 *	10.03 to 10.25%	1251.90	Monthly	120	-	Erection of 132/33 KV Substation at Dornakal in Warangal district along with connected 132 Kv & 33Kv lines	-do-
REC Ltd 4467 *	10.03 to 10.25%	1055.21	Monthly	120	-	Erection of 132/33 KV SS at NV Puram in Khammam Dist along with Connected 132/33 KV Lines.	-do-
REC Ltd 9481 *	9.90 to 10.25%	1910.70	Monthly	120	-	Erection of 132/33KV Sub-Station at Dommarapochampally.	-do-
REC Ltd 9979 *	10.03 to 10.25%	1318.50	Monthly	120	-	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 *	10.03 to 11.00%	2716.48	Monthly	120	-	Erection of 220/132/33 KV SS at Tupran	-do-
REC Ltd 10665 *	10.03 to 11.00%	6404.02	Monthly	120	-	Additional loan assistance for erection of 400/220 KV Nirmal SS, 220/132 KV Indravelly SS and Upgradation of 132/33KV Rebaz SS to 220/132KV and associated 400 KV, 220KV & 132 KV lines for Nirmal Power Transmission Project in Telangana State.	-do-
RUC Ltd 12809 *	11.00%	1191.91	Monthly	120	-	Erection of 132/33 KV SS at Sarangapur along with connected lines in Adilabad District	-do-
RUC Ltd 12777 *	9.73 to 11.00%	3890.25	Monthly	120	-	Erection of 132/33 KV SS at Pedagopati in Khammam District with connected lines.	-do-
RUC Ltd 9472 *	10.03 to 11.00%	336.87	Monthly	120	-	33KV Features at 132/11 KV Gangdhara and Jankampet Lift Irrigation SS	-do-
RUC Ltd 4860 *	10.03%	1217.70	Monthly	120	-	Erection of 132/33 KV SS at Nelikuduru in Warangal District along with connected lines.	-do-



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 31.3.2019	Balance Outstanding as on 31.3.2019	Type (Monthly / Quarterly / Half Yearly / Yearly)	No of remaining installments	Instalment Amount	Name of the Project	Security Details
REC Ltd 13211	11.10 to 14.50%	57.46	Yearly	1	57.46	Erection of 132/33kv SS at jungon in Warangal dist	Govt.Guarantee vide G.O.Ms.No.31
REC Ltd 13235	11.75 to 13.00%	443.46	Yearly	4	110.86	Erection of 132/33 kv SS at Ieezanin Mahabub nager district	Govt.Guarantee vide G.O.Ms.No.31
REC Ltd 11560*	10.00 to 11.25%	31792.02	Monthly	120	-	Telangana STIP-1 (2X800MW) Power Evacuation Scheme	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 12787*	10.25 to 11.00%	1734.05	Monthly	120	-	Erection of 220kv DC lines (i) from 400kv Gajwel SS to 220kv Siddipet SS and (ii) from 220/11kv Kondapaka LI SS to 220/11kv Mallaram LI SS	-do-
REC Ltd 12800*	9.90 to 11.00%	2797.20	Monthly	120	-	Erection of 220/33kv GIS SS at Chanchalguda in Hyderabad District	-do-
REC Ltd 13790*	11.00%	1062.90	Monthly	120	-	Erection of 132kv line for LILO of Ghanapur - Imilbun SC line to 220/132/33kv SS Nagole (HMRL)	-do-
REC Ltd 12945*	11.00%	174.42	Monthly	120	-	Erection of 33kv features at Bagepally 132/33kv Lift Irrigation SS in Nizamabad District	-do-
REC Ltd 9473*	11.00%	140.40	Monthly	120	-	Scheme for 2nd Circuit line on 132kv DC/SC line from 220kv Darshid Sub-Station	-do-
REC Ltd 12808*	11.00%	433.66	Monthly	120	-	Providing alternate power supply to 132kv SS Chenur SS and 220kv SS Kataram and Manthani	-do-
REC Ltd 12956*	11.00%	353.75	Monthly	120	-	Erection of 33kv features at Kondapur 132kv Switching Station in Nalgonda District	-do-
REC Ltd 12798*	11.00%	1026.90	Monthly	120	-	Erection of 132/33kv GIS SS at Police Transport Organization (PTO) in Pedaburz in Hyderabad District	-do-
REC Ltd 13959*	9.90 to 11.25%	2430.00	Monthly	120	-	Augmentation of Power Transformers with 500MVA ICTs at 400kv SS Malkaram & Shankarpally	-do-
REC Ltd 9866*	9.90 to 10.25%	490.50	Monthly	120	-	Erection of 132/33kv SS Kondapur	-do-
Total		361189.81					

* Are in Moratorium period.



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 each loan are as follows:

Loan Number	Rate of Interest as on 31.3.2019	Balance Outstanding as on 31.3.2019	Type (Monthly / quarterly/Half Yearly/ Yearly)	No of remaining installments	Instalment Amount	Name of the Project	Security Details
31403081	11.35%	145.37	Quarterly	6	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%	1052.86	Quarterly	6	175.48	Augmentation of Transformers capacities existing 5 Nos 220/132 kv at Hyderabad & Secunderabad	-do-
31403083	9.83%	9429.26	Quarterly	9	1047.70	Financial Assistance for providing 400kv Ring Main around Twin cities of Hyderabad & Secunderabad	-do-
31403086	9.75%	20051.31	Quarterly	26	771.20	Financial Assistance for strengthening and modernization of Transmission system in Twin Cities of Hyderabad & Secunderabad	-do-
31403087	9.75%	8670.45	Quarterly	38	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	9.75%	6980.03	Quarterly	38	183.69	Erection of 132/33 kv SS at NIMS in Hyderabad along with connected 132/33 kv lines Erection of 220kv switching station at Thimmajpet in MBNR dist along with 220kv L.I.O/DC 1 lines Erection of 132/33 kv SS at uttoor 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 Enhancement of Transformer capacities at 77NOS.EHT SS	-do-
31403089	9.75%	3193.72	Quarterly	38	84.05	Erection of 132/33 kv SS at Kamalapur in Karimnagar Dist along with connected lines Erection of 132/33 KV SS at Gudur in Warangal Dist along with connected 132/33 kv lines Erection of 132/33 SS at Madugula in MBNR district along with connected 132/33 Lines Erection of 132/33 kv SS at Rampur in Medak District along with connected 132/33 kv lines Erection of 132/33 kv SS at Alwalpud in MBNR district along with connected 132/33 kv lines	-do-
						Erection of 2nd 132kv L.I.O line from existing 132kv Laxetipet-Bellampally 2nd circuit line to 220kv Mandamari (Bellampally) SS and 2NOS.132KV bays at 220kv Mandamari (Bellampally) SS	



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 each loan are as follows:

Loan Number	Rate of Interest as on 31.3.2019	Balance Outstanding as on 31.3.2019	Type (Monthly / Quarterly / Half Yearly / Yearly)	No of remaining installments	Instalment Amount	Name of the Project	Security Details
31403091	9.75%	6076.94	Quarterly	50	121.54	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 Erection of 132/33 KV SS at Kanapur in Karimnagar Dist along with connected 132/33 KV Lines Erection of 220/132KV SS at Huzamsagar 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 (Mamidipally) & Gajwel 400/220KVSS	-do-
37203001	10.66 to 9.95%	66147.54	Monthly	180	-	Biadadi Thermal Power Transmission Schemes (4x270MW units at Manuguru)-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%	71017.50	Monthly	180	-	KTPS VII Stage (1x800MW)Power Transmission Scheme-Construction of 400/220kv Substation at Jangaon ,Warangal Dist and associated Transmission Networks	-do-
37203003	10.20%	830.35	Monthly	180	-	132/33kv SS at Jamaganpally at Dejjanki Mandal in Karimnagar District	-do-
37203004	10.66 to 9.95%	56723.95	Monthly	180	-	765kv Wardha -Hyderabad Link Transmission scheme - Erection of 400kv SS at Maheswarani and Manikonda with connected Transmission Network	-do-
37203006	10.20%	2949.79	Monthly	180	-	Up-gradation of existing 132/33KV Aswarapet to 220/132 KV SS	-do-
37203007	10.20%	16.58	Monthly	180	-	Stringing of 2nd Circuit from 220/132kv Kanareddy SS to 132kv SS Domakonda and from 132kv SS Domakonda to 132kv SS Bikanur	-do-
37203008	10.20%	353.75	Monthly	180	-	Erection of 132KV DC line for making LIL of one circuit of existing 132 KV DC line from 132KV SS Jakora to 132 KV SS Bichkunda at 132/33 KV SS Bauswada	-do-
37203009	10.66 to 9.95%	3434.70	Monthly	180	-	400kv Augmentation of 315 MVA Power Transformer capacities at 400kv SS Diepally and Veltor (Mahabubnagar) to cater load demand and to provide the uninterrupted power to agriculture Sector 9 hours day supply and extension of power supply to the pump houses under Telangana Drinking Water Grid Project	-do-



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 each loan are as follows:

Loan Number	Rate of Interest as on 31.3.2019	Balance Outstanding as on 31.3.2019	Type (Monthly / quarterly/Half Yearly/ Yearly)	No of remaining installments	Instalment Amount	Name of the Project	Security Details
37203010	10.20%	285.44	Monthly	180	-	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 Gowdaram.	-do-
37203011	10.66 to 9.95%	1698.28	Monthly	162	10.47	2 nd Circuit stringing on the existing (i) 220KV RSS to 220kv SS Nirmal DC/SC line and (ii) 220kv RSS to 220kv SS Jagtial DC/SC line	-do-
37203012	10.66 to 9.95%	496.64	Monthly	161	3.08	Erection of 1No. 400/220kv 315 MVA PTR in place of failed 400/132kv 200MVA PTR at NIPC Ramagundam and connected 220kv line & Bay works	-do-
37203013	10.20%	687.40	Monthly	180	-	132/33KV Sustation at Gandimasanipet of Yellareddy Constituency in Nizamabad District	-do-
37203014	10.66 to 9.95%	15307.17	Monthly	180	-	Strengthening of 12Nos. overloaded Transmission lines for extending 9Hrs agricultural Supply during day time in 9 Hrs of Telangana State	-do-
37203015	10.20%	2971.22	Monthly	180	-	Augmentation of Power Transformers Capacities at various existing Substation and R&M of various schemes.	-do-
37203016	9.90 to 10.39%	6073.26	Monthly	180	-	Erection of 132/33 KV SS At Inavole, Regonda, Bachannapet in Warangal (Dist), 220/11 KV LI SS Bheenghampur & 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-
37203017	9.90 to 10.39%	8119.26	Monthly	180	-	Augmentation of Transformer capacities at various EHT SS for extending 24 Hrs. Agriculture Supply in various districts of Telangana State	-do-
37203018	10.15%	353.63	Monthly	180	-	Erection of 132kv lines for making LILO of (i) 2nd circuit of 132kv SS Warangal Shapur Nagar DC line at 132kv SS Jangam & (ii) 2nd circuit of 132kv SS Warangal Shapur Nagar DC line at 132kv SS Kolanpaka	-do-
37203019	10.39%	14441.47	Monthly	180	-	Construction of 400/220/132kv GIS SS and connected network at Rayadurg, Rangareddy District	-do-
Total		307507.87					

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



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 (Rs. in lakh)

Name of the Bank / Financial Institution	Rate of Interest as on 31.3.2019	Balance Outstanding as on 31.3.2019	Type (Monthly/Quarterly/Half Yearly)	No of instalments	Instalment Amount	Name of the project	Security Details
National Bank for Agriculture and Rural Development	10.75%	1664.98	Quarterly	32	52.03	Erection of 132/33 kv ss features at 220kv Switching station Dindi Miyapur Bonguloor in Rangareddy Dist.	A) Exclusive first charge by way of hypothecation on specified fixed assets of the project created out of the term loan B) Default Escrow Mechanism to the extent of 1.2 times coverage of monthly instalment of the term loan
National Bank for Agriculture and Rural Development	10.75%	4494.17	Quarterly	42	106.51	Erection of 132/33 kv SS at Yeldurthy in Medak Yeddiunallaram, Nizamsagar Banswade DC/SC 2 Nos.132 kv Bays & Erection of 2nd circuit on existing 132kv Mimpur	A) Exclusive first charge by way of hypothecation on specified fixed assets of the project created out of the term loan B) Default Escrow Mechanism to the extent of 1.2 times coverage of monthly instalment of the term loan
Syndicate Bank	9.50%	220.43	Quarterly	16	13.84	Erection of 220/132/33kv SS Raidurg & 220/132/33KVSS Manikonda ,Borapada ,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	9.50%	328.00	Monthly	50	6.57	Erection at 220kv Shadnagar & 132/33 KV SS at Manidipally, kaliwa 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 instalment of term loan
Oriental Bank of Commerce	10.45%	3342.94	Monthly	56	59.42	Enhancement of Power Transformer capacities at 132kv Kondamaillepally 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, Shaligouraram 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%	2710.27	Monthly	39	69.51	Erection of 132/33 kv at Amarachinta, Jadcherla 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.700.50Crts.
Dena Bank	12.75%	2167.34	Monthly	84	25.91	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
Tamilnad Mercantile Bank Ltd	9.75%	1420.47	Monthly	68	20.89	Augmentation of PTR capacity in sangareddy circle & Erection of 132/33 Kv in Palakurthy, Kathlapur,Ranapuram in Nalgona Dist,et,etc	A) Exclusive first charge by way of hypothecation on specified fixed assets of the project created out of the term loan B) Default Escrow Mechanism to the extent of 1.2 times coverage of monthly instalment of the term loan
Total		16348.60					



TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the financial statements (continued)

(Rs. in lakh)

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

Sl. No.	Loan No.	Balance as at 31st March 2019	1 Year	2 to 3 Years	4 to 5 Years	Above 5 Years	Total
1	REC Limited 9474	824.83	83.88	167.76	167.76	405.43	824.83
2	REC Limited 9475	703.27	71.52	143.04	143.04	345.68	703.27
3	REC Limited 9480	2718.65	274.15	548.30	548.30	1347.90	2718.65
4	REC Limited 9482	1616.72	454.67	1091.21	70.84	0.00	1616.72
5	REC Limited 9483	5949.90	599.99	1199.98	1199.98	2949.95	5949.90
6	REC Limited 9485	4619.58	465.84	931.68	931.68	2290.38	4619.58
7	REC Limited 9486	3309.02	336.51	673.02	673.02	1626.47	3309.02
8	REC Limited 9492	3489.55	354.87	709.74	709.74	1715.20	3489.55
9	REC Limited 9496	20301.38	2064.55	4129.10	4129.10	9978.63	20301.38
10	REC Limited 9497	24789.21	2520.94	5041.87	5041.87	12184.53	24789.21
11	REC Limited 9518	34.74	2.03	6.95	6.95	18.81	34.74
12	REC Limited 18267	82562.48	10007.57	20015.15	20015.15	32524.61	82562.48
13	REC Limited 9136	14525.16	1628.99	3257.98	3257.98	6380.21	14525.16
14	REC Limited 13689	231.68	38.26	76.51	76.51	40.40	231.68
15	REC Limited 9852	41865.79	4574.81	9220.22	9220.22	18850.54	41865.79
16	REC Limited 13244	4885.39	1395.83	2791.65	697.91	-	4885.39
17	REC Limited 13351	3067.50	766.88	1533.75	766.87	-	3067.50
18	REC Limited 14472	1331.73	145.28	290.56	290.56	605.33	1331.73
19	REC Limited 14479	694.21	94.66	189.33	189.33	220.89	694.21
20	REC Limited 14502	1175.25	160.26	320.52	320.52	373.95	1175.25
21	REC Limited 14855	441.75	58.90	117.80	117.80	147.25	441.75
22	REC Limited 14857	198.93	27.13	54.25	54.25	63.30	198.93
23	REC Limited 14867	456.05	62.19	124.38	124.38	145.10	456.05
24	REC Limited 15711	3227.68	379.73	759.45	759.45	1329.05	3227.68
25	REC Limited 15713	511.21	55.77	111.54	111.54	232.36	511.21
26	REC Limited 15715	403.28	43.99	87.99	87.99	183.31	403.28
27	REC Limited 16012	2256.34	307.11	614.21	614.21	720.81	2256.34
28	REC Limited 16018	201.91	27.53	55.07	55.07	64.24	201.91
29	REC Limited 4469	1265.59	137.85	275.70	275.70	576.34	1265.59
30	REC Limited 4478	726.54	79.26	158.52	158.52	330.24	726.54
31	REC Limited 4498	1143.79	124.78	249.55	249.55	519.91	1143.79
32	REC Limited 4852	1208.66	131.85	263.71	263.71	549.39	1208.66
33	REC Limited 4856	53.17	5.80	11.60	11.60	24.17	53.17
34	REC Limited 4859	992.80	108.23	216.46	216.46	451.65	992.80
35	REC Limited 4868	761.19	83.04	166.08	166.08	345.99	761.19
36	REC Limited 7229	39951.07	4993.66	9987.32	9987.32	14982.77	39951.07
37	REC Limited 10236	9182.70	459.14	1836.54	1836.54	5050.48	9182.70
38	REC Limited 9491	1172.21	19.54	234.44	234.44	683.79	1172.21
39	REC Limited 9479	1444.00	24.07	288.80	288.80	842.33	1444.00
40	REC Limited 9478	4321.08	72.02	864.22	864.22	2520.62	4321.08
41	REC Limited 9488	2370.60	39.51	474.12	474.12	1382.85	2370.60
42	REC Limited 9867	2885.13	48.09	577.03	577.03	1682.98	2885.13
43	REC Limited 15712	1925.93	32.10	385.19	385.19	1123.45	1925.93
44	REC Limited 4854	1161.90	19.37	232.38	232.38	677.77	1161.90
45	REC Limited 4865	1251.90	20.87	250.38	250.38	730.27	1251.90
46	REC Limited 4467	1055.21	17.59	211.04	211.04	615.54	1055.21
47	REC Limited 9481	1910.70	-	382.14	382.14	1146.42	1910.70
48	REC Limited 9979	1318.50	-	263.70	263.70	791.10	1318.50
49	REC Limited 9487	2716.48	-	520.66	543.30	1652.52	2716.48
50	REC Limited 10665	6404.02	-	1227.44	1280.80	3895.78	6404.02
51	REC Limited 12809	1191.91	-	129.12	238.38	824.41	1191.91
52	REC Limited 12777	3890.25	-	389.03	778.05	2723.17	3890.25
53	REC Limited 9472	336.87	-	36.49	67.37	233.01	336.87
54	REC Limited 4860	1217.70	-	131.92	243.54	842.24	1217.70
55	REC Limited 13211	57.47	57.47	-	-	-	57.47
56	REC Limited 13235	443.46	110.86	221.73	110.87	-	443.46
57	REC Limited 11560	31792.00	-	2649.33	6358.40	22784.27	31792.00
58	REC Limited 9866	490.50	-	36.79	98.10	355.61	490.50
59	REC Limited 12787	1734.05	-	101.15	346.81	1286.09	1734.05
60	REC Limited 13959	2430.00	-	101.25	486.00	1842.75	2430.00
61	REC Limited 12800	2797.20	-	93.24	559.44	2144.52	2797.20
62	REC Limited 13790	1062.90	-	17.72	212.58	832.60	1062.90
63	REC Limited 12945	174.42	-	1.45	34.88	138.09	174.42
64	REC Limited 9473	140.40	-	1.17	28.08	111.15	140.40
65	REC Limited 12808	433.66	-	3.61	86.73	343.32	433.66
66	REC Limited 12956	353.75	-	2.95	70.75	280.05	353.75
67	REC Limited 12798	1026.90	-	8.56	205.38	812.96	1026.90
	Total	361189.80	33588.94	77265.54	79460.40	170874.93	361189.80



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 2019	1 Year	2 to 3 Years	4 to 5 Years	Above 5 Years	Total
1	31403081	145.37	96.91	48.46	-	-	145.37
2	31403082	1052.86	701.90	350.96	-	-	1052.86
3	31403083	9429.26	4190.78	5238.48	-	-	9429.26
4	31403086	20051.31	3084.82	6169.63	6169.63	4627.23	20051.31
5	31403087	8670.45	912.68	1825.36	1825.36	4107.05	8670.45
6	31403088	6980.03	734.74	1469.48	1469.48	3306.33	6980.03
7	31403089	3193.72	336.18	672.36	672.36	1512.82	3193.72
8	31403091	6076.94	486.16	972.31	972.31	3646.16	6076.94
9	37203001	66147.54	-	8819.67	8819.67	48508.20	66147.54
10	37203002	71017.50	-	9469.00	9469.00	52079.50	71017.50
11	37203003	830.35	-	110.71	110.71	608.93	830.35
12	37203004	56723.95	-	7563.19	7563.19	41597.57	56723.95
13	37203006	2949.79	-	393.31	393.31	2163.17	2949.79
14	37203007	16.58	-	2.21	2.21	12.16	16.58
15	37203008	353.75	-	47.17	47.17	259.41	353.75
16	37203009	3434.70	-	457.96	457.96	2518.78	3434.70
17	37203010	285.44	-	38.06	38.06	209.32	285.44
18	37203011	1698.28	125.61	251.22	251.22	1070.22	1698.28
19	37203012	496.64	37.02	74.03	74.03	311.56	496.64
20	37203013	687.40	-	91.65	91.65	504.10	687.40
21	37203014	15307.17	-	2040.96	2040.97	11225.25	15307.18
22	37203015	2971.22	-	396.16	396.16	2178.90	2971.22
23	37203016	6073.26	-	809.77	809.77	4453.72	6073.26
24	37203017	8119.26	-	1082.57	1082.57	5954.12	8119.26
25	37203018	353.63	-	47.15	47.15	259.33	353.63
26	37203019	14441.46	-	1925.53	1925.53	10590.41	14441.47
	Total	307507.86	10706.80	50367.36	44729.46	201704.24	307507.86

K) Maturity profile of secured term loans availed from Banks and Financial Institutions

Sl. No.	Name of the Bank	Balance as at 31st March 2019	1 Year	2 to 3 Years	4 to 5 Years	Above 5 Years	Total
1	National Bank for Agriculture and Rural Development Bank	1664.98	208.12	416.25	416.25	624.36	1664.98
2	National Bank for Agriculture and Rural Development Bank	4494.17	426.06	852.12	852.12	2363.87	4494.17
3	Syndicate Bank	220.43	55.35	110.70	54.38	-	220.43
4	Syndicate Bank	328.00	78.89	157.78	91.33	-	328.00
5	Oriental Bank of Commerce	3342.94	713.07	1426.14	1203.73	-	3342.94
6	UCO Bank	2710.27	834.12	1668.23	207.92	-	2710.27
7	Dena Bank	2167.35	310.88	621.76	621.76	612.94	2167.34
8	Tamilnad Mercantile Bank Limited	1420.47	250.69	501.37	501.37	167.04	1420.47
	Total	16348.61	2877.18	5754.35	3948.86	3768.21	16348.60



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

(Rs. in lakh)

14. Trade Payables

Particulars	31st March 2019	31st March 2018
Dues to Micro and Small Enterprises (Note)	-	-
Dues to Others	7226.58	9610.34
Total	7226.58	9610.34

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

Particulars	31st March 2019	31st March 2018
(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 2019	31st March 2018
Security deposits from suppliers	1384.54	1185.79
Retention money from suppliers	72329.80	64639.99
Security deposit - Operating charges	987.11	1205.21
Interest payable to State Government on Lift Irrigation Scheme Funds	85864.18	75061.78
Liability towards pass through gains on variation as per Tariff Order	27110.36	40057.39
Payable to APTRANSCO towards vidyut bonds	29280.00	29280.00
Total	216955.99	211430.16

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 2019	31st March 2018
Current maturities of long term borrowings - Banks	2242.98	5614.93
Current maturities of long term borrowings - Financial Institutions	44929.87	33361.31
Current maturities of long term borrowings - State Government	4864.21	4864.52
Repayment due on State Government loans	4864.52	0.31
Interest accrued and due on State Government loans	5839.85	22.92
Earnest Money Deposits from suppliers	421.43	411.99
Liability towards capital works	20730.78	33262.72
Employee related liabilities	6486.35	4722.00
Liability for expenses	10726.60	5853.16
Accrued interest liability on borrowings from Banks/Fl's	4479.74	3641.64
Liability towards pass through gains on variations as per Tariff Order	-	32767.00
Advance from customers	8.51	5.25
Deposit from customers	124.88	-
Payable to APTRANSCO towards vidyut bonds	12500.00	13036.03
Total	118219.72	137563.78

16. Provisions

A. Non-current

Particulars	31st March 2019	31st March 2018
Provision for employee benefits		
Pension and gratuity	43429.86	43429.86
Gratuity	435.96	435.96
Leave encashment	6527.85	6527.85
Total	50393.67	50393.67



TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the financial statements (continued)

(Rs. in lakh)

B. Current

Particulars	31st March 2019	31st March 2018
Provision for employee benefits		
Gratuity	28.19	34.00
Leave encashment	4010.75	3177.70
Total	4038.94	3211.70

17. Deferred consumer contributions towards property, plant and equipment

Particulars	31st March 2019	31st March 2018
Deferred consumer contributions towards property, plant and equipment	195309.49	57585.38
Total	195309.49	57585.38
Non-current	181407.29	50149.68
Current	13902.20	7435.70

18. Deferred tax liabilities (Net)

Particulars	31st March 2019	31st March 2018
Unused tax credit	20129.53	15192.31
a) Deferred Tax asset on account of		
Amortisation of deferred income	68248.95	20122.63
Expenses allowable on payment basis	12768.55	12366.94
Preliminary expenses	-	17.82
Provisions	(24.47)	-
b) Deferred tax liability on account of		
Depreciation and amortisation	137355.41	76998.04
Provisions	-	17.04
Total	36232.85	29315.38

Movement in deferred tax liabilities (net)

Particulars	Unused tax credit	Deferred Income amortized	Expenses allowable on payment basis	Others	Depreciation and amortization	Total
As at 1st April, 2018	15192.31	20122.63	12366.94	0.78	(76998.04)	(29315.38)
(Charged)/credited to statement of profit and loss	4937.22	48126.32	401.61	(25.25)	(60357.37)	(6917.47)
As at 31st March, 2019	20129.53	68248.95	12768.55	(24.47)	(137355.41)	(36232.85)

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

Particulars	31st March 2019	31st March 2018
Deposit contribution works	236518.59	251252.23
Group Insurance Scheme - Insurance and Savings Fund	243.06	215.68
Contribution towards Self Funding Medical Scheme	329.86	92.51
Total	237091.51	251560.42

B. Current

Particulars	31st March 2019	31st March 2018
Excess amount from customers	-	3.60
Other liabilities and provisions	142.32	173.43
Statutory liabilities	3950.28	4013.79
Total	4092.60	4190.82

**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

(Rs. in lakh)

20. Revenue from operations

Particulars	31st March 2019	31st March 2018
Sale of services		
Transmission charges	186482.99	133842.88
State Load Despatch Centre (SLDC) charges	6718.08	5044.16
Other operating income		
Supervision charges	12220.06	1065.49
SLDC processing fee	85.87	96.79
Contributions towards depreciation on Lift Irrigation Scheme Assets	7262.15	2242.90
Amortisation of consumer contributions towards property, plant and equipments	6640.05	5192.80
Registration fees	7.74	35.88
Operating and maintenance/annual maintenance charges	319.58	17.91
Total	219736.52	147538.81

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.31730.00 lakh for Transmission Business and Rs.1037.00 lakh for SLDC Business towards Mid-Term review for FY 2014-15 and FY 2015-16.

20.2. During the year, the Company has reversed regulatory liability amount of Rs 31730.00 lakh in Transmission business and Rs.1037.00 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.

20.3. During the year, the Company has recognised an amount of Rs.10982.98 lakh in Transmission Business and Rs.1964.05 lakh in SLDC Business towards pass through (claim on customer) on variations in Tariff Order, attributable to Current Year.

21. Other Income

Particulars	31st March 2019	31st March 2018
Interest on staff loans and advances	136.30	200.02
Interest on loan to TSDISCOMs	9649.71	465.75
Income from investments in bonds and fixed deposits	1056.83	986.56
Interest on investments under contingency reserve	406.12	375.61
Income from sale of scrap etc.,	422.05	678.60
Delayed payment charges from consumers	5.41	127.20
Gain on fair value changes - investments classified at FVTPL	-	215.82
Material cost variance (net)	21.26	238.49
Profit on sale of property plant and equipment	169.19	42.00
Miscellaneous receipts	665.16	516.08
Total	12532.03	3846.13

22. Employee benefits expense

Particulars	31st March 2019	31st March 2018
Salaries, wages and bonus	46486.47	37163.48
Contribution to pension and gratuity fund	7506.88	4767.85
Contribution to gratuity fund	786.42	542.53
Contribution to provident fund and ESI	1782.99	1976.66
Staff welfare expenses	487.46	483.84
Less: Employees cost capitalised	(10404.24)	(6372.36)
Total	46645.98	38562.00

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%. A 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 made 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. During FY 2017-18, the Company has accounted the remuneration paid to Artisans under "Employee benefits expense. However, in the Current Year the same is grouped under "Other Expenses".

**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

(Rs. in lakh)

23. Finance costs

Particulars	31st March 2019	31st March 2018
Interest		
On term loans from banks	1275.99	2427.94
On term loans from financial institutions and others	64675.88	56250.71
On short term loans from financial institutions	9649.71	465.75
Other borrowing costs	25.60	45.13
Less: Interest capitalised	(20359.71)	(19712.06)
Total	55267.47	39477.47

23.1. During the year, the Company has capitalized borrowing cost of Rs.20359.71 lakh (Rs.19712.06 lakh) attributable towards capital work in progress.

23.2. However, in the earlier years the company has calculated/capitalised the borrowing cost based on the methodology prescribed in Electricity (Supply) Annual Accounts Rules, 1985.

24. Depreciation and amortization expense

Particulars	31st March 2019	31st March 2018
Depreciation of property, plant and equipment	73962.26	58718.64
Amortization of intangible assets	173.38	126.12
Total	74135.64	58844.76

25. Other expenses

Particulars	31st March 2019	31st March 2018
Repairs and Maintenance to:		
Plant and machinery	2397.52	1945.14
Transformers	22.22	59.82
Remuneration to Artisans/Substation maintenance by private agencies	11407.67	2982.47
Buildings	171.79	71.72
Civil works	217.12	262.41
Lines, cable net works etc.,	650.70	394.35
Vehicles	7.87	7.20
Furniture and fixtures	5.14	1.37
Office equipment	240.49	476.74
Less: Repairs and maintenance expenses capitalised	(61.40)	(56.25)
Rent, rates and taxes	108.41	279.42
Telangana State Electricity Regulatory Commission (TS ERC) license fee	321.45	287.83
Insurance on fixed assets	9.65	7.03
Postage and telephone charges	101.97	100.57
Audit fees	10.68	9.97
Professional, consultancy and legal charges	210.33	96.23
Honourarium	65.03	43.51
Commission	10.06	18.36
Remuneration to internal auditors	16.25	22.43
Travelling and conveyance expenses	356.23	313.24
Vehicle running expenses	86.18	87.48
Vehicle hire charges	1309.45	1104.55
Employee/staff recruitment charges	87.94	181.26
Training and participation fee	10.79	4.72
Fees and subscription	43.94	27.38
Books and periodicals	6.38	2.88
Printing and stationery	112.50	53.85
Advertisement expenses	522.16	429.23
Electricity charges	99.01	105.61
Water charges	37.25	34.66
Entertainment expenses	27.82	17.41
Miscellaneous expenses	160.76	194.71
Remuneration to Artisans/Outsourced staff wages	2062.73	476.59
Loss on fair value changes - Investments classified at FVTPL	169.38	-
Refund of fines and penalties collected	831.33	1000.39
Writeoff of capital work in progress land	-	1058.26
Administration and General expenses capitalised	(524.23)	(655.39)
Total	21312.57	11447.15

**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Notes to the financial statements (continued)

(Rs. in lakh)

25.1. Payment to auditors:

Particulars	31st March 2019	31st March 2018
Statutory auditors		
Statutory Audit	5.90	5.90
Tax Audit	1.48	1.48
Out of pocket expenses	1.19	1.18
Secretarial Audit	0.70	-
Others		
Cost Audit	1.41	1.41
Total	10.68	9.97

26. Exceptional items

Particulars	31st March 2019	31st March 2018
True up for 2nd Control Period FY 2009-10 to FY 2013-14	-	31713.00
Total	-	31713.00

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 FY2013-14. 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 2019	31st March 2018
Current tax	8890.72	8954.78
Earlier year tax	(6768.06)	199.37
MAT credit entitlement	8557.69	5807.19
Reversal of MAT credit entitlement	3620.47	151.79
Deferred tax	11854.69	10322.43
Total	9040.13	13821.18

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

Particulars	31st March 2019	31st March 2018
Profit/(Loss) before tax	34906.89	34766.56
Tax	2122.66	9154.15
Unused tax credit	(4937.22)	(5655.40)
Deferred income amortized	(48126.32)	(3794.23)
Expenses allowed on payment basis	(401.61)	(375.26)
Others	25.25	100.18
Depreciation and amortization	60357.37	14391.74
Total	25866.76	20945.38



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

(Rs. in lakh)

28 Financial instruments

A. Financial instruments by category

	31 March 2019		31 March 2018	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
Financial assets				
Investments	203.94	36957.33	373.33	36957.33
Trade receivables	-	45377.39	-	81169.42
Loans	-	189781.65	-	196963.49
Cash and cash equivalents	-	11092.42	-	10575.51
Other financial assets	-	71897.36	-	63538.79
Total financial assets	203.94	355106.15	373.33	389204.54
Financial liabilities				
Borrowings	-	770172.12	-	658526.31
Trade Payables	-	7226.58	-	9610.34
Other financial liabilities	-	335175.72	-	348993.94
Total financial liabilities	-	112574.42	-	1017130.59

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 2019	Level 1	Level 2	Level 3	Total
Investments	203.94	-	-	203.94
Total financial assets	203.94	-	-	203.94
Financial liabilities				
At 31 March 2018	Level 1	Level 2	Level 3	Total
Investments	373.33	-	-	373.33
Total financial asset	373.33	-	-	373.33

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

Financial assets				
At 31 March 2019	Level 1	Level 2	Level 3	Total
Investments	-	-	36957.33	36957.33
Trade receivables	-	-	45377.39	45377.39
Loans	-	-	189781.65	189781.65
Cash and cash equivalents	-	-	11092.42	11092.42
Other financial assets	-	-	71897.36	71897.36
Total financial asset	-	-	355106.15	355106.15
Financial liabilities				
At 31 March 2019	Level 1	Level 2	Level 3	Total
Borrowings	-	-	770172.12	770172.12
Trade Payables	-	-	7226.58	7226.58
Other financial liabilities	-	-	335175.72	335175.72
Total financial liabilities	-	-	112574.42	112574.42
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
Total financial asset	-	-	389204.54	389204.54
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
Total financial liabilities	-	-	1017130.59	1017130.59

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

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

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

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

(ii) Valuation technique used to determine fair value

The Company has not adopted any fair value technique to measure its financial assets and financial liabilities. All of the resulting fair value estimates are included in level 3, (except in case of equity instruments in GVK Power and Infrastructure Limited) where the fair values have been determined based upon quoted prices in the market.



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

(Rs. in lakh)

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 staff	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 2019	31 March 2018
Borrowings		
Non current	687172.12	558526.31
Current	83000.00	100000.00
Current maturities of non current borrowings	52037.07	43840.76
Debt	822209.19	702367.07
Equity		
Equity Share capital	5.00	5.00
Other Equity	112086.12	86219.36
Total Capital	112091.12	86224.36
Gearing ratio in % (Debt/Capital)	733.52	814.58



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)
- 5) Sri. J.Surya Prakash , Director (Lift Irrigation Schemes)
- 6) Sri. B.Narsing Rao, Director (Grid Operation) (from 01.09.2018)
- 7) Sri. G.Srinivas, FA&CCA(A/c) & CFO
- 8) Sri. A.Srinivas Vijay Kumar, Company Secretary (upto 10.05.2018)
- 9) Sri. Ravi Kumar Suluva, Company Secretary (from 11.05.2018)

b) Non-Whole Time Directors

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

c) Key management personnel compensation

Name of Key Management Personnel	31 March 2019	31 March 2018
Sri. C.Srinivas Rao , IRAS , Joint Managing Director	31.80	31.91
Sri. J.Surya Prakash , Director (Lift Irrigation Schemes)	28.44	27.02
Sri. T.Jagath Reddy , Director (Transmission)	30.74	30.87
Sri. G.Narsing Rao , Director (Projects)	28.68	30.79
Sri. B.Narsing Rao , Director (Grid Operation)	14.02	-
Sri. G.Srinivas, FA&CCA(A/c) & CFO	40.55	29.32
Sri. A.Srinivas Vijay Kumar, Company Secretary	0.66	19.69
Sri. Ravi Kumar Suluva, Company Secretary	10.36	-

d) Sitting fees paid to Non-whole time directors : Rs.0.08 lakh (Rs.0.07 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's revenue

Customer 1 - 98307.02 Lakh

Customer 2 - 45949.57 Lakh

33 Contingent liabilities (to the extent not provided for)

	31 March 2019	31 March 2018
Up to 01.06.2014:		
(a) Cases for disputed liabilities of Sales Tax/VAT/CST/Entry Tax pending before the honorable High Court (Deposited Rs.2076.65 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.347.00 lakh)	Not quantified	Not quantified
On/after 02.06.2014		
a) Entry Tax (Deposited Rs.959.37 lakh in FY 2018-19 & Rs.1521.42 lakh in FY2019-20)	9923.15	3837.47
b) Income Tax (Deposited Rs.419.77 Lakh in FY 2017-18 & Rs.986.00 lakhs in FY 2019-20)	7233.84	6003.83
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 to 2017-18 (upto June 2017) levying an amount of Rs.9923.15 lakh. The Company has filed an appeal before the Hon'ble High Court for the State of Telangana. As per the directions of the Hon'ble High Court for the state of Telangana, the Company has deposited an amount of Rs.2480.79 lakhs in FY 2018-19 (Rs.959.37 lakhs) & FY2019-20 (Rs.1521.42 lakhs) towards 25% of the disputed demand amount


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

(Rs. in lakh)

(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 against the additions made by the Assessing Officer. The Company has remitted an amount of Rs.419.77 lakh on 28.02.2018 towards 20% of demand 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 Company has requested the Assessing Officer for issue of consequential order as per the Appellate Order issued by the Hon'ble Commissioner of Income Tax (Appeals)-2, Hyderabad. However, the Assessing Officer has filed an appeal before Hon'ble Income Tax Appellate Tribunal (ITAT), Hyderabad (Bench-2) on the Appellate Order issued by the Commissioner of Income Tax (Appeals)-2, Hyderabad. The case is pending with Hon'ble ITAT, Hyderabad.

(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 for issue of modification order duly giving credit for the TDS Amount. Further, the Company has filed an appeal before the Commissioner of Income Tax (Appeals)-2, Hyderabad on 23.01.2019 against the additions made by the Assessing Officer and for not giving credit for TDS amount. The Assessing Officer has issued Rectification Order with a revised demand of Rs.208.93 lakh. The Commissioner of Income Tax (Appeals)-2, Hyderabad has issued Appellate Order Dt.30.04.2019 for deletion of additions made by the Assessing Officer. The Company has requested the Assessing Officer for issue of consequential order as per the Appellate Order issued by the Hon'ble Commissioner of Income Tax (Appeals)-2, Hyderabad. However, the Assessing Officer has filed an appeal before Hon'ble Income Tax Appellate Tribunal (ITAT), Hyderabad (Bench-2) on the Appellate Order issued by the Commissioner of Income Tax (Appeals)-2, Hyderabad. The case is pending with Hon'ble ITAT, Hyderabad.

(v) The Company has received Income Tax Assessment Order Dt.07.11.2019 for FY 2016-17 (AY 2017-18) with a demand of Rs.3488.21 lakh. The Company has filed an appeal before the Commissioner of Income Tax (Appeals)-2, Hyderabad on 25.11.2019 against the additions made by the Assessing Officer and for not giving entire credit for the TDS amount. The Company has remitted an amount of Rs.698.00 lakh on 28.11.2019 towards 20% of demand amount under protest. The Commissioner of Income Tax (Appeals)-2 has issued Appellate Order Dt.27.12.2019 for deletion of additions made by the Assessing Officer. The Company has requested the Assessing Officer for issue of consequential order as per the Appellate Order issued by the Hon'ble Commissioner of Income Tax (Appeals)-2, Hyderabad. However, the Assessing Officer has filed an appeal before Hon'ble Income Tax Appellate Tribunal (ITAT), Hyderabad (Bench-2) on the Appellate Order issued by the Commissioner of Income Tax (Appeals)-2, Hyderabad.

(vi) The Company has received Income Tax Assessment Order Dt.31.01.2020 for FY 2017-18 (AY 2018-19) with a demand of Rs.1437.86 lakh. The Company has filed an appeal before the Commissioner of Income Tax (Appeals)-2, Hyderabad on 22.02.2020 against the additions made by the Assessing Officer. The Company has remitted an amount of Rs.288.00 lakh on 14.02.2020 towards 20% of demand amount under protest. The appeal filed by the Company is pending with Commissioner of Income Tax (Appeals)-2, Hyderabad.

(vii) The Company has received a letter from APTRANSCO 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.

(viii) The Company has issued a notice to M/s.Ganapathi Sugars Industries Limited, Medak District for collection of 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.

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

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

(xi) Certain cases were filed by 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 2019	31 March 2018
Estimated amount of contracts not executed and not provided for (net of advances)	306512.61	304389.77

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 shareholders 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 2019 and 31 March 2018.

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

B. Profit/(loss) attributable to equity shareholders

Particulars	31 March 2019	31 March 2018
Profit/(loss) for the year, attributable to the equity share holders	25866.76	20945.38

C. Weighted average number of equity shares

(Nos. in lakh)

Particulars	31 March 2019	31 March 2018
Opening balance	0.50	0.50
Effect of shares issued for cash (if any)	-	-
Weighted average number of shares for the year	0.50	0.50

D. Earnings per share

Particulars	31 March 2019	31 March 2018
Basic earnings per share (Rs.)	51733.51	41890.76
Diluted earnings per share (Rs.)	51733.51	41890.76



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

(Rs. in lakh)

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

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

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

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

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

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

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

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

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

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

(v) Consequent to bifurcation of State of Andhra Pradesh, the Government of Andhra Pradesh has issued orders vide G.O.Ms.No.26 (Energy), Dt.29.05.2014 for creation of separate TRANSCO for the State of Telangana. 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 (RSvD No 200/15 Dt 28.05.2015 with a conv 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/D.No.96/18 dated 20.03.2018 with a conv 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.

(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". Pending finalisation of demerger plan, the Company has continued the difference between the assets and liabilities (including equity) under "Reorganization Resultant Reserve". On finalisation, necessary entries will be incorporated accordingly. 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.

(xi) The demerger plan and the recommendations of the Expert Committee have 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.

ANNUAL ACCOUNTS FY 2018-19



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

(Rs. in lakh)

(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 APTRANS CO and that of the same assessed/adopted by the Company as on 2nd June, 2014 in anticipation of and pending formal vesting by the Government of Telangana:

Particulars	As per APTRANS CO 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 to FY 2018-19	As per the Company as at 31 March 2019
FIXED ASSETS :						
Gross Block of Assets	488338.87	488338.87	-	488338.87	-	488338.87
Less: Accumulated Depreciation	217645.77	217641.41	-	217641.41	-	217641.41
Net Fixed Assets	270693.10	270697.46	-	270697.46	-	270697.46
Capital work-in progress	164692.12	164692.12	-	164692.12	-	164692.12
Deferred Cost	15699.78	15699.78	-	15699.78	-	15699.78
Intangible Assets	260.03	260.03	-	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	-	167389.35	-	167389.35
Net Current Assets	(26857.67)	(14172.98)	(3086.73)	(17259.71)	-	(17259.71)
Demerger Adjustment Account	(9657.32)	-	0.00	-	-	-
NET ASSETS:	449093.04	476074.01	(5528.73)	470545.28	-	470545.28
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
TOTAL FUNDS:	449093.04	476074.01	(5528.73)	470545.28	-	470545.28

38 Movement in reorganisation resultant reserve

Particulars	Demerger Adjustments	Adjustments made by the Company	Total
Opening Balance adopted by the Company			
Equity	32477.79	-	32477.79
Accumulated Surplus	62581.14	-	62581.14
Opening Balance as on 2 June 2014	95058.93	-	95058.93
2014-15			
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)
Closing Balance as on 31 March 2015	95058.93	(16253.14)	78805.79
Adjustments made during the year			
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
Closing Balance as on 31 March 2016	89530.20	(11475.75)	78054.45
Adjustments made during the year	-	-	-
Closing Balance as on 31 March 2017	89530.20	(11475.75)	78054.45
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)
Closing Balance as on 31 March 2018	89530.20	(43188.75)	46341.45
Adjustments made during the year	-	-	-
Closing Balance as on 31 March 2019	89530.20	(43188.75)	46341.45



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

(Rs. in lakh)

- 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.10802.39 lakh (Rs.12192.88 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 01.04.2018	FY 2018-19	Balance as at 31.03.2019
1) Deposits received from State Govt	284377.32	123694.32	408071.64
2) Interest payable to State Govt. on LIS deposits	75061.78	10802.39	85864.17
3) Total (1+2)	359439.10	134496.71	493935.81
4) Amount of Lift Irrigation Assets put to use transferred to "Consumer contribution towards cost of capital assets"	33470.95	121967.03	155437.98
5) Amount transferred to "Development charges towards cost of capital assets"	15028.45	17507.00	32535.45
6) Supervision charges transferred to Statement of Profit and Loss	8870.89	11835.00	20705.89
7) Amount paid to DISCOMs	5574.66	536.40	6111.06
8) Total expenditure (4 to 7)	62944.95	151845.43	214790.38
9) Balance deposits at the end of the year (3-8)	296494.15	(17348.72)	279145.43
10) Less: Capital works in progress	115759.63	(15994.00)	99765.63
11) Balance deposits at the end of the year (9-10)	180734.52	(1354.72)	179379.80

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.95363.12 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.86816.79 lakh by TS DISCOMs. With regard to the balance amount of Rs.8546.33 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 31.03.2004. 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
Opening Balance as at 01.04.2018	(*) 41780.00	536.03
Payable during FY 2018-19	-	2585.90
Amount released by Govt. of Telangana	-	536.03
Amount paid by the Company during FY 2018-19	-	3121.93
Balance outstanding at 31.03.2019	(*) 41780.00	-

(*) includes an amount of Rs.12500.00 lakhs payable during FY 2017-18 which was not paid till balance sheet date due to non receipt of funds from Govt. of Telangana

- 41 The Government of India has sanctioned grant to the Company under Power System Development Fund (PSDF) towards execution of certain specified schemes. As per the sanction, grant will be released 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	733.82	1441.40	273.50	1901.72
Power System Development Fund - Reactors Scheme	2780.64	787.06	2297.20	1270.50
Power System Development Fund - HTLS Scheme	-	3235.53	1773.90	1461.63
Power System Development Fund - OPGW Scheme	-	-	798.20	(798.20)
Total:	3514.46	5463.99	5142.80	3835.65



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

(Rs. in lakh)

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

43 Expenditure on Corporate Social Responsibility activities:

Particulars	Amount
Gross amount required to be spent by the Company during the year	524.55
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.

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 grouped under Capital work-in-progress.

48 During the year, certain prior period items are accounted. As these items are not material, no retrospective correction was done by restating the earlier years as per Ind AS 8.

49 As at balance sheet date, the Company has provided an amount of Rs.1139.12 lakh (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.

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 Previous year figures have been regrouped/recast wherever necessary.

In terms of our report attached
for G.S.Madhava Rao & Co.,
 Chartered Accountants (Firm Regn. No.0019075)

Sd/-
S.V.S.Bhaskara Krishna
 Partner
 Membership No.209539

Place: Hyderabad
 Date : 4th March 2020

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., & HRLD)
 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
	INCOME			
1	Revenue from Transmission & SLDC Charges	186482.99	6718.07	193201.06
2	Revenue Subsidies and Grants	-	-	-
3	Other Income	38117.97	96.93	38214.90
	TOTAL INCOME	224600.96	6815.00	231415.96
	EXPENDITURE			
4	Repairs and Maintenance	14905.14	215.37	15120.51
5	Employee Costs	51180.87	5869.34	57050.21
6	Administration and General Expenses	5287.12	472.79	5759.91
7	Depreciation and Related Debits (Net)	73878.90	256.74	74135.64
8	Interest and Finance Charges	75626.42	0.76	75627.18
	Sub-Total:	220878.45	6815.00	227693.45
	Less: Expenses Capitalised			
9	Interest and Finance Charges Capitalised	20359.71	-	20359.71
10	Other Expenses Capitalised	10989.86	-	10989.86
	Sub-Total:	31349.57	-	31349.57
11	Other Debits	165.19		165.19
12	Exceptional items	-	-	-
	TOTAL EXPENDITURE	189694.07	6815.00	196509.07
	PROFIT/(LOSS) BEFORE TAX	34906.89	-	34906.89



TRANSMISSION CORPORATION OF TELANGANA LIMITED

STATEMENT OF TECHNICAL PARTICULARS

Sl. No.	Particulars	Unit	FY 2018-19	FY 2017-18
1	Input from State Generators including wheeling	MU	36088.42	32450.91
2	CGS (Ex-Bus)	MU	29953.79	27397.07
3	System input at 132kv & above including Wheeled Energy (1+2)	MU	66042.21	59847.98
4	Energy Delivered by TRANSCO to DISCOMs including Wheeled Energy	MU	63369.89	57175.07
5	Transmission Losses (including wheeling) (3-4) inclusive of PGCIL Losses	MU	2672.32	2672.91
6	% of Transmission Losses (including wheeling) on respective inputs (5/3*100) inclusive of PGCIL Losses	%	4.05	4.47
6a	% of Transmission Losses (including wheeling) on respective inputs {(5-11)/(3-11)*100} exclusive of PGCIL Losses	%	2.85	3.25
7	Net Wheeled Energy at 132kv & Above by third party developers	MU	7.37	2.46
8	Energy Delivered by TRANSCO to DISCOMs excluding Wheeled energy at 132kv & above (4-7)	MU	63362.52	57172.61
9	Drawals at 33kv & 11kv from third party developers	MU	2220.01	1693.47
10	Drawals at 33kv & 11kv from GENCO	MU	2.02	38.37
11	External Losses (PGCIL Losses)	MU	810.09	754.92
12	Input to DISCOMs (incl wheeling energy) (8+9+10)	MU	65584.55	58904.45

