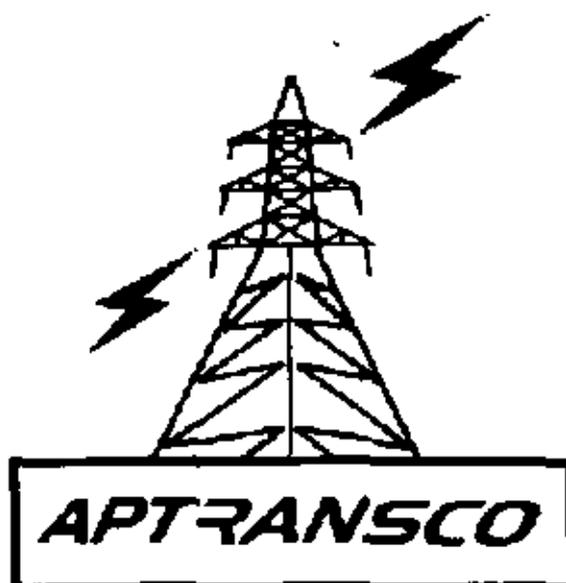


**TRANSMISSION CORPORATION OF
ANDHRA PRADESH LIMITED**



**ANNUAL STATEMENT OF ACCOUNTS
2007 - 08**

Electricity Saved is Electricity Produced

Asst. Company Secretary	Sri A Srinivas Vijay Kumar FCS, FICWA, LLB, MCOM, DPA
Bankers	State Bank of Hyderabad State Bank of India Andhra Bank Bank of Baroda Indian Overseas Bank Central Bank of India Bank of India Federal Bank Bank of Maharashtra Vijaya Bank Development Credit Bank (DCB) ICICI Bank HDFC Allahabad Bank Syndicate Bank State Bank of Saurashtra, and Punjab & Sind Bank
<u>Auditors</u>	
<i>Statutory Auditors</i>	M/s Anjaneyulu & Co., 30, Bhagyalakshmi Nagar, Gandhinagar, Hyderabad – 500 080.
<i>Cost Auditors</i>	M/s Narasimha Murthy & Co., Cost Accountants, 2 nd Floor, Pavani Plaza Himayatnagar Hyderabad – 500 029
<i>Internal Auditors:</i> (Chartered Accountants)	<ol style="list-style-type: none"> 1. Sri V Satyanarayana 2. Sri A Sankar Kumar 3. Sri K Ramgopal 4. Sri K Rama Chandra Rao 5. Sri Sharad Sinha
Registered Office	6-3-572, Vidyut Soudha, Somajiguda Hyderabad – 500 082. Andhra Pradesh
Web site	www.aptransco.gov.in

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present this Report together with the 10th (Tenth) Annual Statement of Accounts of the Company for the period ending 31st March 2008.

Main objectives of the Company:

The main objectives of the Company is to acquire, construct and operate the Extra High Tension (EHT) transmission network i.e. 400kV to 132kV level substations and lines and to improve, strengthen and modernize the existing EHT network. Your company at present is engaged in Transmission and SLDC (State Load Dispatch Centre) of the electrical energy throughout the State of Andhra Pradesh.

Performance of the Company:

Financial highlights:

Your Company has earned a net surplus/profit (after tax/deferred tax provision) of Rs.35.52 crs from its operations during the year. The total turnover during the year stood at Rs.697.54 crs (including other income). During the year the PBDIT stood at Rs.475.79 crs, PBIT at Rs.212.35 crs and PBT at Rs.69.97 crs. The transmission business operations resulted in earning surplus/profit, whereas the SLDC business operations have resulted in a net loss of Rs.1.04 crs.

The Andhra Pradesh Electricity Regulatory Commission (APERC) notified the tariffs for the Transmission business and SLDC business separately, through Multi Year Tariff Orders (MYT) and accordingly billing is being done and revenues realized. The billing is done on the contracted capacities of the Discoms and other third party generators. The increase in revenue is due to increased billing capacity over the previous year by 218.70 MW in respect of Discoms, whereas, the open access generator capacity is billed at 462 MW only against 772.89 MW allowed by APERC through tariff orders.

During the year the operating expenses are pegged almost at the same level of the previous year. However, there is an increase in depreciation by Rs.21 crs over the previous year, which is due to increase in the fixed assets i.e. additions made to fixed assets during 2006-07.

Reduction of Equity Capital in APTRANSCO:

The Government of Andhra Pradesh (GoAP) notified the 3rd Transfer Scheme which inter-alia provide for transfer of equity investment of your Company in four Distribution Companies (Discoms) amounting to Rs.1297.22 crs to GoAP with reduction of equity investment of GoAP in your Company by the same amount i.e Rs.1297.22 crs. In compliance with the provisions of the Companies Act, 1956, necessary petition was filed with the Ministry of Corporate Affairs (MCA), New Delhi requesting for orders to reduce the equity share capital by Rs.1297.22 crs. Being satisfied with the petitions and the replies given during the hearings, the MCA gave its order and the minutes on 25th October 2007 permitting your Company to reduce its paid up equity share capital by Rs.1297.22 crs. The notice of the order of the MCA was e-filed under Form 21 on 12th November 2007. At present the paid up equity share capital of your Company stood at Rs.779.22 crs.

Technical highlights:

During the year a further capacity of 385.23 MW {APGENCO – 249 MW (Thermal –210 MW & Hydel – 39 MW), Non-conventional sources (Private generators) – 27.70 MW and Central Generating Stations – 108.53 MW) has been added to the Grid in the State.

The total energy handled by the Transmission system during the year stood at 61208.68 MU.

The peak demand met on 20-03-2008 stood at 9162 MW, which is highest ever, met so far by the AP Grid with a maximum of 199.04 MU daily consumption was met on that day.

During the year, your company has made an investment of Rs.482 crs and added 9 (nine) Nos. Substations and a further 1005.16 Circuit Kilometers (Ckm) Extra High Tension (EHT) lines as detailed below:

Particulars	Unit	Added in 2007-08	Total as on 31-3-2008
<u>Substations</u>			
400kv	No.	1	8
220kV	No.	8	90
132kV	No.	8	264
<u>Lines</u>			
400kv	Ckm	171.56	2987.56
220kV	Ckm	446.40	12230.70
132kV	Ckm	387.20	14700.52

IT Initiatives:

ERP (Enterprise Resource Programme) is being implemented in your Company for improving the accountability and productivity of the employees and for enhancing transparency in operations.

Human Resource Development, Training and Industrial Relations:

Your Company is striving its best to improve the efficiency of the employees by imparting in-house and external training, giving monthly weightages based on performance, which enables to develop the skills in a competitive environment. The relationship of the management with the employees was very cordial and supportive.

Conservation of Energy; Technology Absorption; and Foreign Exchange Earnings & Outgo:

- A. Conservation of Energy:** Since your Company is not engaged in any of the activities indicated in Schedule-A of the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988, no disclosure is made.
- B. Technology Absorption:** Your Company is engaged in strengthening of the Transmission system so as to improve the reliability and quality of power and to further reduce the transmission losses.
- C. Foreign Exchange Earnings and Outgo:** The Foreign Exchange earnings and the outgo during the FY 2007-08 are NIL.

Board of Directors:

The following were the Directors on the Board of your Company, as nominated and appointed by the GoAP during FY 2007-08 and as on 16-09-2008:

<i>Sl. No</i>	<i>Name</i>	<i>From</i>	<i>To</i>
1.	<i>Chairman & Managing Director</i> Smt. Rachel Chatterjee, IAS Sri Ajeya Kallam, IAS	24-06-2002 28-03-2008	28-03-2008 till date
2.	<i>Joint Managing Director</i> <i>(HRD, Comml., IPC, Reform, RA & IT)</i> Sri Harish Kumar, IAS Sri K Vijayanand, IAS	15-05-2006 31-03-2008	31-03-2008 till date
3.	<i>Joint Managing Director</i> <i>(Vigilance & Security)</i> Sri M Malakondaiah, IPS Sri Umesh Sharraf, IPS	17-10-2003 01-09-2008	01-09-2008 till date
4.	<i>Director (Finance & Revenue)</i> Sri G Ramakrishna Reddy	01-07-2005	till date
5.	<i>Director</i> <i>(Projects, Co-ordination & Grid Operation)</i> Sri K GopalaKrishna	04-09-2006	03-09-2008
6.	<i>Director (Transmission)</i> Sri M Gopal Rao (Transmission)	04-09-2006	03-09-2008
7.	<i>Director (Non-whole time)</i> Sri A K Goyal, IAS Sri Deepak Kumar Panwar, IAS Sri A K Goyal, IAS	24-05-2006 18-08-2007 11-12-2007	18-08-2007 11-12-2007 till date
8.	<i>Director (Non-whole time)</i> Sri I Y R Krishna Rao, IAS Sri N Ramesh Kumar, IAS	23-06-2006 28-06-2008	28-06-2008 till date

Board Meetings held during the year:

Your company had convened a total of five (5) Board Meetings during the F.Y. 2007-08.

Audit Committee:

In compliance with the provisions of Section 292 A of the Companies Act, 1956 (as amended), an Audit Committee was constituted by your Company with Sri Umesh Sharraf, IPS, Joint Managing Director (Vigilance & Security), Sri A K Goyal, IAS, Director (Non-whole time) and Sri N Ramesh Kumar, IAS, Director (Non-whole time).

Cost Accounting Records:

Your company is preparing and maintaining the Cost Accounting Records as required to be maintained vide notification no. GSR 913 (E) dt. 21-12-2001 of the Central Government which made maintenance of Cost Accounting Records by the Electricity Industry mandatory. Further, the Ministry of Company Affairs, Government of India, New Delhi, vide F.No. 52/75/CAB-2005, dt. 16-09-2005, directed that the audit of Cost Accounting Records maintained by APTRANSCO from the financial year ending 31st March 2006 and for every financial year thereafter be conducted by an Auditor with the qualifications prescribed u/s 233 B of the Companies Act, 1956. Accordingly, the cost accounting records for FYs 2005-06 and 2006-07 were prepared, got audited and filed with the Ministry of Corporate Affairs.

Auditors of the Company:**Statutory Auditors:**

M/s Anjaneyulu & Co., Chartered Accountants, Gandhinagar, Hyderabad, were appointed by the Comptroller & Auditor General of India (C & AG) as the Statutory Auditors of the Company for the financial year 2007-08.

The Accountant General, Andhra Pradesh, Hyderabad, has conducted the Supplementary Audit u/s 619 (3)(b) of the Companies Act on behalf of the C & AG of India.

Cost Auditors:

M/s. Narasimha Murthy & Co., Cost Accountants have been appointed as the Cost Auditors, with the consent of the Ministry of Corporate Affairs, of your Company for the FY 2007-08.

Internal Auditors of the Company:

With a view to have a better control over the internal control system in vogue, the following qualified Chartered Accountants were appointed by APTRANSCO to conduct internal audit, submit their report and give suggestions to the management.

1. Sri V Satyanarayana
2. Sri K Ramgopal
3. Sri A Sankar Kumar
4. Sri K Rama Chandra Rao
5. Sri Sharad Sinha

Particulars of Employees:

None of the employees of the company are in receipt of remuneration of not more than Rs.24,00,000/- during the year ended 31st March 2008 or not more than Rs.2,00,000/- per month during any part of the said year as per the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

Directors' responsibility statement:

In accordance with Section 217 (2AA) of the Companies Act, 1956, the Directors of the Company hereby state that:

- i) the Annual Statement of Accounts for the financial year 2007-08 are prepared in accordance with the Electricity (Supply) (Annual Accounts) Rules, 1985 read with section 185(2)(d) of the Electricity Act, 2003 and in consonance with Section 616 (c) of the Companies Act, 1956
- ii) 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 or loss of the company for that period. The rates of depreciation adopted are as per the Gazette notifications issued by the Ministry of Power, Government of India, from time to time.
- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the statutory provisions, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

iv) the directors had prepared the annual accounts on a going concern basis.

Management replies on Auditors' Reports:

The replies of the management on the comments of the Statutory Auditors and the Accountant General, A.P., Hyderabad (O/o C & AG) are enclosed to this Report as Annexure.

Acknowledgements:

The Board of Directors gratefully acknowledges the continued support extended by the Government, Banks, Financial Institutions, Regulatory authorities and other agencies. The Board further wishes to place on record its sincere appreciation for the all round cooperation and contributions made by the employees of the Company.

For and on behalf of the Board of APTRANSCO,

Place: Hyderabad.

Date: -09-2008.

(AJEYA KALLAM)

Chairman & Managing Director

A. Statutory Auditors' Report

To

The Members

Transmission Corporation of Andhra Pradesh Limited

Sl. No.	Statutory Auditors Comments	Company's Replies
1	We have audited the attached Balance Sheet of M/s. Transmission Corporation of Andhra Pradesh Limited as on 31 st March 2008 and the Revenue Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.	Informatory, hence no comments
2	We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.	Informatory, hence no comments
3	The Annual Accounts have been prepared in the format prescribed under the Electricity (Supply)(Annual Accounts) Rules, 1985 (ESAAR 1985) as notified by the Central Government in accordance with the Electricity (Supply) Act, 1948.	The Annual Accounts of the APTRANSCO are prepared as per the Electricity (Supply) (Annual Accounts) Rules, 1985 (ESAAR) and in consonance with Section 211 (1) and 616 (c) of the Companies Act, 1956 . Further, Section 185 (2)(d) of the Electricity Act, 2003, specifies that the ESAAR were not repealed.

4	As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor Report) (Amendment) Order 2004, issued by the Central Government of India in terms of Sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in the Paragraphs 4 and 5 of the said order.	Informatory, hence no comments.
5	As per the clarification issued by the Ministry of Law, Justice & Company Affairs, Department of Company Affairs vide No.2/5/2001-CLV: General Circular No.8/2/2002, dated 22.03.2002 the provisions of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 are not applicable to the Directors of the Company since they were appointed by the Government of Andhra Pradesh.	Factual statement by the Auditors, hence no comments.
6	Further to our comments in the Annexure referred in paragraph 4 above, we report that:	
(i)	We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.	Informatory, hence no comments.
(ii)	In our opinion, proper books of accounts as required by law, have been kept by the company, so far as appears from our examination of those books;	Auditors factual statement, hence no comments.
(iii)	The Balance Sheet and Revenue Account dealt with by this report are in agreement with the books of account;	Auditors factual statement, hence no comments.
(iv)	In our opinion, the Balance Sheet and Revenue Account dealt with this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956, except in respect of the following Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI).	The Annual Accounts of the APTRANSCO are prepared as per the Electricity (Supply) (Annual Accounts) Rules, 1985 (ESAAR) and in consonance with <i>Section 616 (c) of the Companies Act, 1956. Section 211 (1) specifies that in such other form as may be approved by the Central</i>

		<i>Government either generally or in any particular case. As such the companies engaged in Generation or supply of electricity for which a form of balance sheet has been specified in or under the Act governing such class of company. Further, Section 185(2)(d) of the Electricity Act, 2003, specifies that the ESAAR were not repealed.</i>
(a) AS-1 – On disclosure of the significant accounting policies in the preparation and presentation of financial statements		<p>The accounts are prepared in accordance with the ESAAR, 1985 in compliance with Section 616 (c) of the Companies Act, 1956. Accordingly, the disclosures were made in the accounts.</p> <p><i>Further, Section 211(5)(iii) specifies that in case of a company engaged in the generation or supply of electricity, any matters which are not required to be disclosed shall not be treated as not disclosing a true and fair view of the state of affairs of the Company.</i></p>
(b) AS-3 – The Company has prepared Sources and Uses of Funds statement as per ESAAR 1985, instead of Cash Flow Statement		The accounts are prepared as per the formats prescribed in the ESAAR in consonance with <i>Section 211 (1) and Section 616 (c) of the Companies Act, 1956</i> , as such the Sources and Uses of Funds Statement is prepared and annexed to the accounts.
(c) AS-5 – Prior period items should refer to items, which arise out of errors or omissions and not for, changes arising on account of short or excess provision made in previous years.		The policy as per ESAAR, 1985 (being followed consistently) ensures the compliance of AS-5 in addition to changes on account of short or excess provisions and

		fundamental errors in accounts of prior periods. Further, the impact under this is minimum/negligible.
	(d) AS-6 – Depreciation is to be charged on the additions made during the year from the date of capitalization but depreciation is charged on the value of Fixed Assets at the beginning of the year as per ESAAR 1985. The Company has followed the rates notified by Government of India from time to time, instead of following the depreciation rates prescribed in the Schedule-XIV of Companies Act, 1956.	<p>The company is following ESAAR as specified by Section 211 (1) and 616 (c) of the Companies Act, 1956. Section 205 (2) (d) specifies that depreciation shall be provided in respect of each item of depreciable asset for which no rate of depreciation has been laid down by the Companies Act, on such basis as may be approved by the Central Government by any general order published in the official gazette or by any special order in any particular case. As such the rates of depreciation notified by the Government of India through official gazette notifications specific to electricity equipments were followed.</p> <p>Schedule XIV of the Companies Act do not specify the equipment relating to Power Sector and Rates of Depreciation thereon.</p> <p>However, necessary disclosures were already made at para 3 of Revenue Account in Statement-5 Notes to Accounts.</p>
	(e) AS-15 – Leave Salary encashment has been provided on estimated basis instead of actuarial valuation basis.	Provision towards leave salary encashment has been made based on the actual leave available at credit to the each and every employee as on 31-12-07 and further projected up to the end of 31-3-08. As such

		the provision is based on actual earned leave accumulated to end of 31-3-2008. (This provision will be suitably adjusted based on actuarial valuation in FY 2009-10 and the impact will be meager).
	(f) AS-16 – Capitalisation of Borrowing costs has been done as per Electricity (Supply) (Annual Accounts) Rules 1985	The company is following ESAAR as specified by Section 211 (1) and 616 (c) of the Companies Act, 1956 and Section 185 (d) of the Electricity Act, 2003. As per ESAAR the borrowing costs such as Guarantee fee, Stamp duty, Commitment charges, etc. are to be charged to Revenue Account in the year in which they were incurred. However, interest expenses on the funds utilized for capital works is being capitalized as per the procedure prescribed in ESAAR.
(v)	(a) While unbundling the Discoms from APTRANSCO the balances in various accounts of Transmission Corporation of A.P.Ltd., as on 31-03-2000 were not carried forward; instead, the balances as given in the Notification vide G.O.Ms.No.109 Energy (Power-III) Department, Government of A.P. dated 29-09-2001 were adopted.	Factual position, hence no comments.
	(b) The balances outstanding against Sundry Debtors, Advances, Claims Receivable from Government, Sundry Creditors, Loans from A.P.State Govt., and Financial Institutions are subject to confirmation.	All the details were furnished to auditors; however, confirmation letters from some of the creditors/lenders could not be produced to audit before completion of audit.
(vi)	In our opinion and the best of information and according to the explanations given to us, the said accounts together with Notes thereon and attached thereto, give the information required by the Companies Act, 1956 in the manner so required and	Auditors statement and opinion on the accounts, hence no comments.

	<p>subject to:</p> <p>Item No.7 of Notes to Accounts – Revenue Account (Statement-5) wherein the Interest Income of Rs.44.95 crores earned during the year on Deposit of Funds received from Government of Andhra Pradesh towards ‘Lift Irrigation Works’, has not been recognized as Income on account of transfer of the same to deposits – GoAP Lift Irrigation Works, which hither to was recognized as income and consequently the profit is lower to that extent,</p> <p>and further subject to our comments in paragraphs 6 (iv) and (v), the impact of which on accounts is not determinable, give a true and fair view in conformity with the accounting principles generally accepted in India:-</p> <p>a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008.</p> <p>b) In the case of Revenue Account, of the surplus of the Company for the year ended as on that date.</p>	<p>The interest income earned on Deposits received from GoAP for providing transmission network to GoAP’s Lift Irrigation works has been transferred to GoAP’s Account as “Resolved by the Board of APTRANSCO in their meeting held on 28-06-2008”.</p>
	<p>For ANJANEYULU & COMPANY Chartered Accountants</p> <p>Sd/- (V S VENKATESWARLU) PARTNER</p> <p>Place: Hyderabad Date: 28-06-2008</p>	<p>For and on behalf of the Board of APTRANSCO</p> <p>(AJEYA KALLAM) Chairman & Managing Director</p> <p>Place: Hyderabad Date:</p>

**ANNEXURE TO AUDITORS' REPORT
(Referred to our Report of even date)**

Sl. No.	Statutory Auditors Comments	Company's Replies
1.	a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.	Factual statement, hence, no comment.
	b) The Fixed Assets as on 31-03-2007 have been physically verified by the Management and we were informed that no material discrepancies were noticed on such verification.	Factual statement, hence, no comment.
	c) During the year no substantial part of Fixed Assets has been disposed off by the Company.	Factual statement, hence, no comment.
2.	a) As per the information and explanations given to us, physical verification of inventory has been conducted by the Management at reasonable intervals.	The stock/inventory verification is being done periodically covering all the Stores.
	b) The procedures of physical verification followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of the business.	Factual statement, hence, no comment.
	c) The Company is maintaining proper records of inventory and there are no material discrepancies on such verification.	Factual statement, hence, no comment.
3.	Accordingly to the information and explanations given to us, the Company has not granted or taken any loans Secured or Un-secured to/from Companies, firms or other parties covered in the register to be maintained under Section 301 of the Companies Act, 1956	Factual statement, hence, no comment.
4.	In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories, fixed assets and sale of goods/services. During the course of audit, we have not	Factual statement, hence, no comment.

	observed any major weaknesses in internal control.	
5.	<p>According to the information and explanations give to us,</p> <p>a) There are no transactions that need to be entered in the register to be maintained in pursuance of Section 301 of the Companies Act, 1956.</p> <p>b) There are no transactions of Rs.5,00,000/- or more with respect of any party during the financial year that needs to be entered in the register maintained under Section 301 of the Companies Act, 1956.</p>	<p>Factual statement, hence, no comment.</p> <p>Factual statement, hence, no comment.</p>
6.	The Company has not accepted any deposits from the public within the purview of Section 58A and Section 58AA of the Companies Act, 1956 and the rules framed there under.	Factual statement, hence, no comment.
7.	The Company has an Internal Audit system. However, in our opinion the scope needs to be strengthened keeping in view the size and nature of its business.	There are 5 (five) independent Chartered Accountants (assisted by 4 articles) assigned with the job of internal audit in APTRANSCO. Audit is being conducted at every accounting unit covering all the operational and financing activities including functional aspects.
8.	As per the information and explanations given to use, the Company is maintaining cost records as prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.	Factual statement, hence no comments.
9.	a) According to the information and explanations provided by the Company that there is no contribution by the Company beyond the statutory limit towards Provident Fund of employees recruited on or after 01-02-1999. The voluntary contribution of employees towards General Provident Fund is maintained by APTRANSCO	Factual statement, hence no comments.

PF Trust. As per the information and explanations given to us, the provisions of Employees State Insurance Act are not applicable to the Company.

b) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax, Sales Tax, Excise Duty, Cess and Customs Duty and other statutory dues. No undisputed amounts payable were in arrears, as on 31-03-2008 for a period of 6 months or more from the date they become payable.

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

Name of the Statute	Financial year to which the matter pertains	Forum where dispute is pending	Amount (Rs. In lakhs)
Sales Tax	1994-95 to 1996-97	Appellate Tribunal	6584.28
	1997-98	Appellate Tribunal	2304.74
	2005-06	AP High Court - (VAT)	1.95
	2005-06	AP High Court - (CST)	7.50
Entry Tax	2002-03	Appellate Tribunal	1235.09
	2003-04 &	Appellate Tribunal/	171.42
	2004-05	AP High Court	481.71
	2005-06	AP High Court	584.38
	2005-06	AP High Court	295.42
2006-07	AP High Court	702.59	
ESI	2006-07	ESI Corporation	59.95

Factual statement, hence no comments.

Factual statement, hence no comments.

10. The Company does not have accumulated loss as at 31-03-2008 and it has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.

Factual statement, hence no comments.

11.	According to the information and explanations given to us, the Company has not defaulted in repayment of its dues to any banks or financial institutions.	Factual statement, hence no comments.
12.	The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.	Factual statement, hence no comments.
13.	In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to Chit Fund / Nidhi / Mutual Benefit Fund / Societies are not applicable to the Company.	Factual statement, hence no comments.
14.	The Company has not dealt or traded in shares, securities, debentures or other investments during the year.	Factual statement, hence no comments.
15.	According to the information and explanations given to us, the Company has extended Corporate Guarantee during the financial year for availing short term loan by APEPDCL, APSPDCL, APCPDCL and APNPDCL for Rs.800 crores from various Banks, the terms of which are not prejudicial to the interest of the Company.	Factual statement, hence no comments.
16.	According to the information and explanations given to us, the Company availed term loans and utilized the amounts for the purpose for which they have been obtained during the year.	Factual statement, hence no comments.
17.	On the basis of verification of books and overall review of balance sheet and as per the related information made available to us by the management, it is ascertained that the Company has not utilized short term funds for long term investment.	Factual statement, hence no comments.
18.	The Company has not made any preferential allotment of shares to parties, firms and companies covered in the register maintained under Section 301 of the Companies Act, 1956.	Factual statement, hence no comments.

19.	The Company has not issued any debentures during the year.	Factual statement, hence no comments.
20.	The Company has not raised any money by public issue during the year.	Factual statement, hence no comments.
21.	As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.	Factual statement, hence no comments.
	<p>For ANJANEYULU & COMPANY Chartered Accountants</p> <p style="text-align: center;">Sd/- (V S VENKATESWARLU) PARTNER</p> <p>Place: Hyderabad Date: 28-06-2008</p>	<p>For and on behalf of the Board of APTRANSCO</p> <p>(AJEYA KALLAM) Chairman & Managing Director</p> <p>Place: Hyderabad Date: -09-2008</p>

B. COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED, HYDERABAD FOR THE YEAR ENDED 31ST MARCH 2008.

The preparation of financial statement of Transmission Corporation of Andhra Pradesh Limited for the year ended 31st March 2008 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 28th June 2008.

I on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of Transmission Corporation of Andhra Pradesh Limited for the year ended 31st March 2008. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

Qualifications / Reservations	Reply of the Company.
<p>REVENUE ACCOUNT Expenditure Interest and Finance Charges Capitalised (Schedule 13): Rs.25.39 crore</p> <p>The above is understated by an amount of Rs.2.33 crore due to (i) inclusion of advances for suppliers/contractors (Capital) of Rs.10.59 crore in works in progress and (ii) inclusion of short term loans of Rs.435 crore availed on behalf</p>	<p>(i) The advances were given for procurement of equipment required for erection of substations and lines, as such the same were considered for calculation of IDC.</p>

<p>of Distribution Companies (DISCOMS) for power purchase and transferred to DISCOMS on the same day under capital liabilities, for the purpose of calculation of interest and finance charges to be capitalized under Schedule-13. This has also resulted in over statement of interest and finance charges in Revenue account and understatement of profit before tax for the year by Rs.2.33 crore.</p>	<p>(ii) As per the existing policy/procedure the Capital Liabilities (including short term loans) are shown under Schedule 32 and accordingly, the capital liabilities are considered for calculating the IDC every year. As such the Capital liabilities including short term loans were considered and IDC worked out for the year 2007-08 and taken into accounts.</p>
<p>For and on behalf of Comptroller and Auditor General of India</p> <p style="text-align: center;">Sd/- (P J MATHEW) Accountant General (C&RA)</p> <p>Place: Hyderabad Date: 11-09-2008</p>	<p>For and on behalf of the Board of APTRANSCO</p> <p style="text-align: center;">(AJEYA KALLAM) Chairman & Managing Director</p> <p>Place: Hyderabad Date: -09-2008</p>

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

REVENUE ACCOUNT

STATEMENT - 1

(Rs.in lakhs)

Sch. No.	Schedule Note	This Year 2007-08	Previous Year 2006-07
	Units sold (in Millions)		
	INCOME		
1	Revenue from Sale of Power	0.00	0.00
	Revenue from Transmission & SLDC Charges	67241.69	61950.42
4	Revenue Subsidies and grants	0.00	0.00
5	Other Income	2512.15	5226.14
	TOTAL	69753.84	67176.56
	EXPENDITURE		
6	Purchase of Power	0.00	0.00
8	Repairs & Maintenance	9147.42	10611.84
9	Employee Costs	14491.27	13363.55
10	Administration & General Expenses	2392.10	2418.39
11	Depreciation and Related expenses (Net)	26343.97	24242.55
12	Interest and Finance charges	16776.51	16311.93
	Sub-Total	69151.27	66948.26
	Less: Expenses Capitalised		
13	Interest and Finance charges capitalised	2539.00	2871.00
14	a. Expenses capitalised	3865.85	3976.83
	b. Expenses allocated to DISCOMs	161.64	124.08
	Sub-Total	6566.49	6971.91
15	Other Debits	(0.17)	614.93
16	Extra-ordinary items	0.00	0.17
	Sub-Total	(0.17)	615.10
	TOTAL EXPENDITURE	62584.61	60591.45
	PROFIT / (LOSS) BEFORE TAX	7169.23	6585.11
17	Provision for Income tax	865.91	754.66
	Provision for Deferred Tax	2579.93	2263.97
	PROFIT / (LOSS) AFTER TAX	3723.39	3566.49
18	Net Prior Period Credits / (Charges)	(171.62)	(864.33)
	Surplus / (Deficit)	3551.77	2702.15

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

NET REVENUE AND APPROPRIATION ACCOUNT

STATEMENT- 2

(Rs.in lakhs)

Particulars	This Year 2007-08	Previous Year 2006-07
Balance brought forward from last year	23919.09	29285.09
Surplus from Revenue Account	3551.77	2702.15
<u>CREDITS :</u>		
Transfer from General Reserve		
<u>APPROPRIATIONS :</u>		
Contingency Reserve		0.00
Provision for Deferred Tax		8068.15
Contribution to Reserve and Reserve Funds		
Sinking Fund for Repayment of borrowings		
General Reserve		
Balance carried forward	27470.86	23919.09

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

BALANCE SHEET

STATEMENT- 3

(Rs.in lakhs)

Sch. No.	Schedule Note	As at 31st March 2008	As at 31st March 2007
	NET ASSETS :		
19	Net Fixed Assets		
	Gross Block	549535.76	492354.42
	Less: Accumulated Depreciation	225166.50	198555.52
	Net Fixed Assets	324369.26	293798.90
21	Capital Expenditure in progress	43079.20	52055.01
22	Assets not in use	26.38	26.38
23	Deferred Costs	0.00	0.00
24	Intangible Assets	0.00	0.00
25	Investments	13756.57	11063.65
	Net Current Assets		
26	Total Current Assets	207489.29	123786.90
	Less: Total Current Liabilities		
27	Security Deposits from Consumers		
28	Other Current Liabilities	247166.80	159836.68
	Total Current Liabilities	247166.80	159836.68
	Net Current Assets	(39677.51)	(36049.78)
29	Subsidy Receivable from Government	0.00	0.00
	NET ASSETS	341553.90	320894.16
	FINANCED BY:		
30	Borrowings for working capital	0.00	0.00
31	Payments due on Capital Liabilities	0.00	0.00
32	Capital Liabilities	194963.18	186347.07
	Deferred Tax Liabilities	12912.04	10332.12
33	Funds from State Government	2486.21	3794.06
	Equity	77921.76	77921.76
34	Contributions, Grants and Subsidies towards cost of Capital Assets	19772.10	12495.85
35	Reserve and Reserve Funds	6027.75	6084.21
	Surplus	27470.86	23919.09
	TOTAL FUNDS	341553.90	320894.16

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

REVENUE FROM SALE OF POWER

AND

TRANSMISSION & SLDC CHARGES

Schedule 1

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
	Revenue from Sale of Power:			
1	Eastern Power Distribution Company of A.P.Ltd, Visakhapatnam	61.150		
2	Southern Power Distribution Company of A.P.Ltd., Tirupathi	61.160		
3	Central Power Distribution Company of A.P.Ltd., Hyderabad	61.170		
4	Northern Power Distribution Company of A.P.Ltd., Warangal	61.180		
5	Sale of power to NTPC Vidyut Vyapar Nigam	61.603		
6	Sale of power to Power Trading Corpn. Ltd	61.110		
	Sub-Total		0	0
	Transmission & SLDC Charges:			
7	Transmission & SLDC charges- EPDC	61.401 & 61.425	1111363947	1045668823
8	Transmission & SLDC charges-SPDC	61.402 & 61.426	1497426549	1417293619
9	Transmission & SLDC charges- CPDC	61.403 & 61.427	2770058262	2614089115
10	Transmission & SLDC charges- NPDC	61.404 & 61.428	1077420263	1020721038
11	Intra State Open Access Transmission Charges	61.430		2313742
12	Intra State Open Access SLDC Charges	61.440		101019
13	SLDC Annual Fees	61.445	38638673	
14	Transmission &SLDC Charges from RETL	61.663 & 61.801	16462518	
15	Open access charges	61.490	206658312	93026307
16	Open access SLDC charges	61.600	6140113	1828000
	Sub-Total		6724168637	6195041663
	TOTAL		6724168637	6195041663

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

ELEMENT-WISE ANALYSIS OF REVENUE

Schedule 2

(in Rupees)

Sl. No.	Particulars	This Year 2007-08	Previous Year 2006-07
1	Energy charges		0
2	Transmission & SLDC Charges	6724168637	6195041663
	TOTAL	6724168637	6195041663

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

AVERAGE REALISATION FROM SALE OF POWER

Schedule 3

Sl. No.	Particulars	This year 2007-08			Previous year 2006-07		
		Units (in MU)	% of total units sold	Average realisation Paise/kwh	Units (in MU)	% of total units sold	Average realisation Paise/kwh
1	Eastern Power Distribution Company of A.P.Ltd, Visakhapatnam						
2	Southern Power Distribution Company of A.P.Ltd., Tirupathi						
3	Central Power Distribution Company of A.P.Ltd., Hyderabad						
4	Northern Power Distribution Company of A.P.Ltd., Warangal						
TOTAL							

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

REVENUE SUBSIDIES AND GRANTS

Schedule 4

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Revenue Subsidy as per Tariff Order	63.110		
2	Subsidy Receivable from State Govt. for the year	63.115		
3	Grant-in-aid	63.150		
TOTAL				

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

OTHER INCOME

Schedule 5

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Interest on staff loans and advances	62.200 to 62.219	777093	817247
2	Income from Investments	62.220 to 62.239	30588187	277076870
3	Interest on Loans & Advances to Licensees	62.240		
4	Delayed payment charges from consumers	62.250 & 62.251	692692	
5	Interest on Advances to suppliers/contractors	62.260		
6	Interest from Banks (Other than on fixed deposits)	62.270	2621918	13356774
7	Interest on Investments out of Contingency Reserve	62.271	37746278	31455867
8	Income from Trading	62.300	11843108	18850130
9	Incentive on Securitisation Scheme	62.500		
10	Income from staff welfare activities	62.600		
11	Miscellaneous receipts	62.900	126571470	111616703
12	Rebate earned on payment of power purchase bills, etc.	62.940		3296260
13	Rebate - Others	62.941	40272129	66143709
14	Registration Fees	62.919	102000	
15	IRE charges	62.947		
TOTAL			251214875	522613560

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

PURCHASE OF POWER

Schedule 6

(in Rupees)

Sl. No.	Particulars	Account Code	This year 2007-08	Previous year 2006-07
1	Power purchase from IPPs			
TOTAL			0	0

GENERATION OF POWER

Schedule 7

<p>This schedule is not applicable</p>

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

REPAIRS AND MAINTENANCE**Schedule 8**

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
	Repairs and Maintenance to:			
1	Plant and Machinery	74.100	319925026	442613465
2	Transformers	74.101	135420152	172126796
3	Substation maintenance by Pvt.Agencies	74.150	240984849	207334551
4	Buildings	74.200	6400384	9633949
5	Civil Works	74.300	5716456	15524284
6	Hydraulic Works	74.400		
7	Lines, Cable net work etc.	74.500	195291803	191165168
8	Vehicles	74.600	6039161	6912438
9	Furniture and Fixtures	74.700	292921	73746
10	Office equipment	74.800	4671494	15799354
TOTAL			914742246	1061183751

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

EMPLOYEE COSTS

Schedule 9

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Salaries	75.100	862259163	891703720
2	Overtime	75.200		
3	Dearness Allowance	75.300	84699149	28928566
4	Other allowances	75.400	140497143	126690293
5	Exgratia / Incentives	75.500	3317044	
	Sub-Total		1090772499	1047322579
6	Medical expenses Reimbursement	75.611	8213475	6389878
7	Leave Travel Assistance	75.612	542178	361353
8	Earned Leave Encashment	75.617	152016191	88264508
9	Leave salary contributions	75.618	500602	867659
10	Payment under workmen's compensation Act	75.629		
11	Medical reimbursement (Monthly allowance)	75.710	8252498	8176902
12	Other welfare expenses	75.711 to 75.760	5017546	3378012
13	GPF Booster scheme	75.761	46732	123716
14	Contribution to EPF - APTRANSCO share	75.811 & 75.812	7969289	7805241
15	EPF Administration Expenses	75.813	716011	709755
16	Contribution to EDLI	75.814	330171	325994
17	EDLI Administration charges	75.815	8544	9124
18	EPF Inspection & Audit charges	75.850		
19	Contribution towards terminal benefits	75.830	174740918	172620508
	TOTAL		1449126654	1336355229

TRANSMISSION CORPORATION OF A.P LIMITED

ANNUAL ACCOUNTS 2007-08

ADMINISTRATION AND GENERAL EXPENSES

Schedule 10

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Lease Rentals	76.100		
2	Rent	76.101	1505083	1435294
3	Rates and Taxes	76.102	41034204	41535888
4	APERC Licence fees	76.103	12422500	12036000
5	Insurance	76.104 to 76.107	1747831	2014171
6	Telephone & Trunkcalls	76.111	11458374	14019532
7	Postage & Telegrams	76.112	1219581	1353279
8	Legal charges	76.121	4076080	5216248
9	Audit fees	76.122	522500	522500
10	Consultancy charges	76.123	5164431	2669895
11	Technical fees	76.124		
12	Other Professional Charges	76.125	46000	489202
13	Honorarium	76.126	1407415	1191820
14	Remuneration to Internal Auditors	76.128	1847799	2574756
15	Conveyance expenses	76.131	1299121	1380754
16	Travelling expenses	76.132	24953143	28333361
17	Vehicle running exp.(Cars, Jeeps, Etc.)	76.136	14384868	14347885
18	Vehicle License & Regd.Fee	76.138		
19	Vehicle hire charges	76.139	43196827	36584483
20	Training and participation	76.150	154344	262408
21	Fees & subscription	76.151	1922532	798875
22	Books & Periodicals	76.152	298220	429165
23	Printing & Stationery	76.153	3948770	5629197
24	Advertisement	76.155	8321626	17409152
25	Police Guard Charges	76.156	212280	209105
26	Contributions	76.157	3057608	1089519
27	Electricity charges	76.158	8594725	8972965
28	Water charges	76.160	1321891	1346356
29	Entertainment	76.162	1092336	2001120
30	Misc. Expenses	76.190	26893908	20776658
31	Freight	76.210 to 76.220		
32	Other purchase related expenses	76.230 to 76.299	10723208	11289866
33	Fringe Benefit Tax	76.500	6382572	5919614
TOTAL			239209777	241839068

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

DEPRECIATION AND RELATED DEBITS (NET)

Schedule 11
(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Depreciation	77.100	2634397407	2424255449
2	Assets Decommissioning cost	77.500		
3	Small & Low value items written off	77.600		
4	Written down value of assets scrapped	77.710		
5	Write-off of deficits of fixed assets observed upon physical verification	77.720		
6	Loss on sale of fixed assets	77.730		
	Sub-Total		2634397407	2424255449
7	Less: Gain on sale of Assets (Excluding Capital gains transferred to Capital Reserve)	62.400		
	TOTAL		2634397407	2424255449

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

INTEREST AND FINANCE CHARGES

Schedule 12

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Interest on State Government loans	78.100	11769799	8255660
2	Interest on Bonds	78.200	40902124	40813500
3	Interest on Vidyut Bonds	78.201	91661189	207983600
4	Interest on Debentures	78.300		
5	Interest on other Loans/Deferred credits			
a)	Voluntary Loan Contribution (VLC):	78.500	0	20412
b)	L.I.C.	78.501	2765095	3780690
c)	R.E.C.	78.504	530653103	587726189
d)	I.D.B.I.	78.509		1690642
e)	P.F.C.	78.511	806620646	621562546
f)	I.C.I.C.I	78.513	20500938	23337613
g)	Federal Bank	78.522	57534	
h)	Canara Bank	78.523	50709330	57723764
i)	Andhra Bank	78.545	35544414	24767230
j)	Karur Vysya Bank	78.555	115068	
k)	Bank of Baroda	78.556	19468830	3893480
l)	Bank of Maharashtra	78.557	57565341	32619243
m)	Punjab & Sind Bank	78.565	42447	
n)	Allahabad Bank	78.566	318564	
o)	Bank of Rajasthan	78.567	39495	
p)	Union Bank of India	78.570	28493	
	Sub-Total (1 to 5):		1668762410	1614174569
6	Interest on Pension Bonds	78.550		
7	Interest on Borrowings for working capital	78.700		
8	Discount to Consumers for timely payment of power bills	78.820		
9	Interest on General Provident Fund	78.852	0	8596695
10	Other Interest (other sub-accounts)	78.853 to 78.859	3635944	5169140
11	Cost of raising Finance	78.860 to 78.867	4994115	2573263
12	Other charges	78.881 to 78.883	258845	679150
13	Guarantee commission paid to Govt.	78.884		
	TOTAL		1677651314	1631192817

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

INTEREST AND FINANCE CHARGES CAPITALISED

Schedule 13

This schedule shall contain the detailed workings for computing the amount of capitalised interest on funds used during construction stage	
This year 2007-08	Rs. 253900000
Previous Year 2006-07	287100000

WORKING SHEET

(Rs.in Crores)

Sch.No.	Sl.No.	Particulars	
21	1	Work-in-progress	405.40
	2	Less: Unallocated IDC	(3.10)
	3	Assets at Construction Stage	408.50
30	4	Borrowings for Working Capital	0.00
31	5	Payments due on Capital liabilities	0.00
34	6	Contributions & Grants	197.72
35	7	Reserve Funds	60.28
32	8	Capital liabilities	2384.63
33	9	Govt. loans	24.86
	10	Surplus	239.19
	11	Total	2906.68
		Less:	
30	12	Borrowings for Working Capital	0.00
31	13	Payments due on Capital liabilities	0.00
	14	Total Net Assets	2906.68
	15	Balance net Assets (14-3)	2498.18
		OWN FUNDS	
	16	Surplus	239.19
	17	Equity	779.22
	18	Contributions & Grants	197.72
	19	Reserve Funds	60.28
	20	Total own funds	1276.41
	21	Proportion of own funds utilised for ACS (20*(3/14))	179.38
	22	Proportion of own funds utilised for BNA (20*(15/14))	1097.03
	23	Interest bearing ACS (3-21))	229.12
	24	Interest bearing BNA (15-22)	1401.16
	25	Previous year interest bearing ACS	225.75
	26	Average interest bearing ACS ((25+23)/2)	227.43
	27	Previous year interest bearing BNA	896.44
	28	Average interest bearing BNA ((27+24)/2)	1148.80
	29	Interest Charges for 2007-08	153.62
	30	Interest chargeable to CAPEX (29*26/(26+28))	25.39
	31	Interest chargeable to BNA (29-30)	128.23

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

OTHER EXPENSES CAPITALISED

Schedule 14

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	R&M Expenses capitalised	74.900	2374409	3125282
2	Employee costs capitalised	75.900	335216396	345602356
3	Adm & General Expenses capitalised	76.900	48543817	48096447
4	Depreciation capitalised	77.900	450580	859045
	Sub-Total (1 to 4)		386585202	397683130
5	Corporate Expenses allocated to Discoms:			
	Employee costs allocated	75.950		
	Adm & General Expenses allocated	76.950		
	Training Expenses allocated to Discoms	75.975	16164412	12407780
	Sub-Total (item 5)		16164412	12407780
	TOTAL		402749614	410090910

OTHER DEBITS

Schedule 15

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Materials cost variance	79.100		(2742697)
2	Research & Development Expenses	79.200		
3	Cost of Trading/ Manufacturing Activities	79.300		
4	Bad and Doubtful debts written off/ Provided	79.400		
5	Miscellaneous losses and write-offs:	79.500		63200000
	a) Loss on sale of Stores	79.573		
	b) Stock shortages	79.510	621	1035644
	c) Loss of materials by pilferage	79.511	(18000)	
	d) Loss on Exchange rate variation	79.570		
6	Sundry Expenses	79.700		
	TOTAL		(17379)	61492947

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

EXTRAORDINARY ITEMS

Schedule 16

(in Rupees)

Extraordinary items are defined as "those items which arise from events or transactions outside the ordinary activities of the Company and which are both material and expected not to recur frequently or regularly. They do not include items which though exceptional in terms of amount and occurrence (and which may therefore require separate disclosure) arise from the events or transactions within the ordinary activities. Similarly prior period items are not extra-ordinary items merely because they relate to a prior year".

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006 07
1	Extraordinary credits (including subsidies against loss on account of Flood, Fire, Cyclone etc.)	63.200		
2	Extraordinary debits (Losses on account of Flood, Fire, Cyclone etc.)	79.800	0	17413
3	Extraordinary items (NET)		0	17413

PROVISION FOR INCOME TAX

Schedule 17

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006 07
1	Provision for Income Tax	81.100	86590663	75465547
TOTAL			86590663	75465547

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

NET PRIOR PERIOD CREDITS / (CHARGES)

Schedule 18

(in Rupees)

Prior period items are defined as those items which arise
 - from retrospective change in the basis of accounting (it may be noted that retrospective changes in the basis of accounting should be avoided as far as possible)
 - on correction of fundamental error in accounts of prior periods
 - on correction of short or excess provision made in previous years
 Waiver of any liability to revenue expenses of past year (Such as waiver of interest for past years by State Government in view of the Company's weak financial position) would be treated as prior period income.

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Income relating to previous year			
	Receipts-prior period	65.200		
	Interest income-prior period	65.400		
	Excess provision-Depreciation	65.600		
	Excess provision-Interest & Finance charges	65.700		
	Other excess provision	65.800	1002921	4575771
	Other income-prior period	65.900	22110	33177141
	TOTAL		1025031	37752912
2	Prior period expenses/losses			
	Short provision for power	83.100		
	Operating expenses	83.300	530	2332812
	Employees cost	83.500		119727
	Depreciation under provided	83.600	26700720	
	Interest & Other Fin. Charges	83.700		80692887
	Other charges	83.800	(8514567)	41040085
	TOTAL		18186683	124185511
3	Net prior period Credits / (Charges)		(17161652)	(86432599)

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

FIXED ASSETS AND PROVISION FOR DEPRECIATION

Schedule 19

(in Rupees)

ASSET GROUP	Account Code	GROSS BLOCK					PROVISION FOR DEPRECIATION					NET BLOCK	
		At the end of the previous year 2006-07	Additions	Deductions	Reclassification	At the end of the year 2007-08	At the end of the previous year 2006-07	Depreciation for the year	Adjustments on Deductions	Reclassification	At the end of the year 2007-08	At the end of the year 2007-08	At the end of the previous year 2006-07
Land and Land rights	10.100	239776553	7046892	175857	530473	247178061	0	0			0	247178061	239776553
Buildings	10.200	878435594	98856047		10230655	987522296	272572659	26329897		659988	299562544	687959752	605862935
Hydraulic works	10.300	0				0	0	0			0	0	0
Other civil works	10.400	47865090	14806214	0		62671304	0	879755			879755	61791549	47865090
Plant and Machinery	10.500	24934059919	3523716765		(388996)	28457387688	11435786557	1515991772		3469527	12955247856	15502139832	13498273362
Lines and Cable Network	10.600	22923351135	2037603781	0	(10372132)	24950582784	8057017665	1097094519		(3539803)	9150572381	15800010403	14866333470
Vehicles	10.700	25869379	326635	899271		25296743	23598723	392168			23990891	1305852	2270656
Furniture and Fixtures	10.800	12325265	1096180		4990	13426435	5592591	1340405			6932996	6493439	6732674
Office equipment	10.900	173759150	35756941		(4990)	209511101	60984111	18479899			79464010	130047091	112775039
Sub-Total		49235442085	5719209455	1075128	0	54953576412	19855552306	2660508415	0	589712	22516650433	32436925979	29379889779
Capital expenditure resulting in an asset not belonging to Board	11.100												
Spare units/Service units	11.200												
Assets taken over from Licensees pending final valuation	11.500												
TOTAL		49235442085	5719209455	1075128	0	54953576412	19855552306	2660508415	0	589712	22516650433	32436925979	29379889779

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

FUNCTION-WISE BREAK-UP OF FIXED ASSETS

Schedule 20
(in Rupees)

FUNCTION	GROSS BLOCK					PROVISION FOR DEPRECIATION					NET BLOCK	
	At the end of the previous year 2006-07	Additions	Deductions	Reclassification	At the end of the year 2007-08	At the end of the previous year 2006-07	Depreciation for the year	Adjustments on Deductions	Reclassification	At the end of the year 2007-08	At the end of the year 2007-08	At the end of the previous year 2006-07
Transmission	49235442085	5719209455	1075128	0	54953576412	19855552306	2660508415	0	589712	22516650433	32436925979	29379889779

TRANSMISSION CORPORATION OF A.P.LIMITED

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CAPITAL EXPENDITURE IN PROGRESS

Schedule 21

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Capital work-in-progress	14.000	4202036556	5099966956
2	Contracts-in-progress	15.100		
3	Revenue Expenses pending allocation over capital works	15.200		
4	Provision for completed works	15.500		
5	Construction facilities (Less provision for depreciation)	15.600		
	Assets at Construction Stage (1 to 5)		4202036556	5099966956
6	Advances for Suppliers/Contractors (Capital)	25.100 to 25.900	105883022	105534184
TOTAL			4307919578	5205501140

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

Schedule 22
(in Rupees)

ASSETS NOT IN USE

Balance at the beginning of the previous year 2006-07	Additions during the previous year	Deductions during the previous year	Asset Group	Account Code	Balance at the end of the previous year 2006-07	Additions during the year	Deductions during the year	Balance at the end of this year 2007-08
			Written down value of Obsolete, Scrapped Assets					
			Land and rights	16.100				
			Buildings	16.200				
			Hydraulic works	16.300				
			Other civil works	16.400				
2628440			Plant & Machinery	16.500	2628440			2628440
			Lines and Cable net work	16.600				
10000			Vehicles	16.700	10000			10000
			Furniture & Fixtures	16.800				
			Office equipment	16.900				
2638440	0		TOTAL		2638440	0	0	2638440

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

DEFERRED COSTS

Schedule 23

(in Rupees)

Balance at the beginning of the previous year	Costs deferred during the previous year	Costs charges to revenue during the previous year	Particulars	Account Code	Balance at the end of the previous year	Costs deferred during the year	Costs charged to revenue during the year	Balance at the end of this year
N I L								

INTANGIBLE ASSETS

Schedule 24

(in Rupees)

Balance at the beginning of the previous year	Costs incurred during the previous year	Costs charged to revenue during the previous year	Intangible Assets	Account Code	Balance at the end of the previous year	Costs incurred during the year	Costs charged to revenue during the year	Balance at the end of this year
			Payments to acquire right to receive power from other bodies	18.100				
			Expenses for forming and organising the Company	18.200				
			TOTAL					

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

Schedule 25

(in Rupees)

INVESTMENTS

Balance at the beginning of the previous year 2006-07	Further Investments during the previous year	Investments realised during the previous year	Investments	Account Code	Balance at the end of the previous year 2006-07	Further Investments during the year	Investments realised during the year	Balance at the end of the year 2007-08	Details of Investment certificates pledged or given as a security deposit
84400000 281024090			Investments in partnership/ Joint ventures						
			Equity in GVK Power & Infrastructure Ltd.,	20.400	84400000			84400000	
			Share Capital in APGPCL	20.405	281024090			281024090	
365424090	0	0	Sub-Total		365424090	0	0	365424090	
			Investments in Subsidiaries						
0		0	Share Capital in EPDC/Vizag	20.510	0			0	
0		0	Share Capital in SPDC/Tirupathi	20.520	0			0	
0		0	Share Capital in CPDC/Hyderabad	20.530	0			0	
0		0	Share Capital in NPDC/Warangal	20.540	0			0	
0	0	0	Sub-Total		0	0	0	0	
			Investment against funds						
126152820	100000	100000	Government securities	20.610	126152820	0	0	126152820	
0			Employees Pension Trust Fund	20.150	0			0	
			EL ENCASHMENT FUND	20.160		400000000		400000000	
2000000	0	0	Corpus Fund-Pension/PF Trusts	20.175	2000000			2000000	
128152820	100000	100000	Sub-Total		128152820	400000000	0	528152820	
2940000000	160000000	2940000000	Investment other than Fund Investment	20.200	160000000	0	160000000	0	
2940000000	160000000	2940000000	Sub-Total		160000000	0	160000000	0	
			Contingency Reserve Investment	20.600					
27420080	2780499		Central Govt. Securities						
			Govt. of India Bonds		30200579	0		30200579	
4723201	6687308	4723201	Treasury Bills		6687308	78321156	49849458	35159006	
100000000			State Securities -APPFC Bonds		100000000			100000000	
75900000			State Securities -APWHRC Bonds		75900000			75900000	
	114000000		APTRNSCO Vidyut Bonds (Series I/2006)		114000000	0		114000000	
			Fixed Deposits in Scheduled Banks			821000		821000	
	5000000		APTRNSCO Vidyut Bonds (Series II/2006)		5000000	0		5000000	
	121000000		IDBI Omni Bonds		121000000	0		121000000	
208043281	249467807	4723201	Sub-Total		452787887	79142156	49849458	482080585	
3641620191	409567807	2944823201	TOTAL		1106364797	479142156	209849458	1375657495	

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

TOTAL CURRENT ASSETS

Schedule 26

(in Rupees)

Sl. No.	Current Assets	Schedule No.	This Year 2007-08	Previous Year 2006-07
1	Stocks	26 (a)	2112130427	2528235026
2	Receivables against supply of power	26 (b)	6234369700	2953104319
3	Cash and Bank Balances	26 (c)	2508459869	545838796
4	Loans and Advances	26 (d)	325251474	317495207
5	Sundry Receivables	26 (e)	9568717970	6034016109
TOTAL			20748929440	12378689457

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

STOCKS

Schedule 26(a)
(in Rupees)

Sl.No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Stock of materials at construction stores	22.600 to 22.610	2156319020	2515299645
2	Stock of materials at other stores	22.620 & 22.630	(37733)	(37733)
3	Materials at site	22.640 & 22.650		
4	Materials pending inspection	22.660 & 22.670	20551815	77233824
5	Materials in transit	22.680 & 22.690		
6	Other Materials Account	22.700	106078544	105935376
7	Materials stock excess/shortage pending investigation	22.800	(5099219)	(4496086)
8	Provision for recovery / write-off of cost of materials	22.900	(165682000)	(165700000)
TOTAL			2112130427	2528235026

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

RECEIVABLES AGAINST SUPPLY OF POWER

AND

TRANSMISSION & SLDC CHARGES

Schedule 26(b)

(in Rupees)

Sl.No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Sundry Debtors for Sale of Power - EPDC	23.150	0	0
2	Sundry Debtors for Sale of Power - SPDC	23.160	0	0
3	Sundry Debtors for Sale of Power - CPDC	23.170	956854401	977741650
4	Sundry Debtors for Sale of Power - NPDC	23.180	215464421	195405205
	Sub-Total		1172318822	1173146855
5	Sundry Debtors for Transmission & SLDC charges- EPDC	23.131 & 23.141	95720176	198129813
6	Sundry Debtors for Transmission & SLDC charges-SPDC	23.132 & 23.142	132578888	254778569
7	Sundry Debtors for Transmission & SLDC charges- CPDC	23.133 & 23.143	207087738	425338607
8	Sundry Debtors for Transmission & SLDC charges- NPDC	23.134 & 23.144	83532306	167405593
	Sub-Total		518919108	1045652582
9	Sundry Debtors for Intrastate Tr chrgs	23.192	943072	
10	APPCC Pool Account	23.250	4361960274	573518900
11	Provision for unbilled Revenue	23.400	19388447	
12	Sundry Debtors for Inter-State Sale of Power	23.600	68486988	68486988
13	Sundry Debtors for Inter-State Sale of Power - Power Trading Corporation Ltd.	23.610	0	0
14	Sundry Debtors for Inter-State Sale of Power - Karnataka Power Trading Corporation Ltd.	23.630	0	0
15	Sundry Debtors for Inter-State Sale of Power - Tamilnadu Electricity Board	23.640	92298994	92298994
16	Sundry Debtors for Intrastate SLDC chrgs	23.660	53995	0
	Sub-Total		4543131770	734304882
	TOTAL		6234369700	2953104319

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

CASH AND BANK BALANCES

Schedule 26(c)

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Cash on Hand	24.100	0	187
2	Cash Imprests with staff	24.200	6400	0
3	Balances with Banks - Remittances	24.300	7409439	6114061
4	Balances with Banks - Drawing A/c.	24.400	2457662617	531052498
5	Cash in Transit - Remittances	24.500	2730413	2260650
6	Cash in Transit - LOCs	24.600	40651000	6411400
	TOTAL		2508459869	545838796

LOANS AND ADVANCES

Schedule 26(d)

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Advances for O&M supplies/works	26.100 to 26.700	165928757	164448163
2	Loans and Advances to Staff	27.100 & 27.200	134632784	126746422
3	Loans and Advances to Licensees	27.300	0	0
4	Advance Income Tax Deduction at source	27.400	24689933	26225622
5	Loans and Advances - Others	27.800	0	75000
	TOTAL		325251474	317495207

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

SUNDRY RECEIVABLES

Schedule 26(e)

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Sundry Debtors-Trading Account	28.100	42464021	68866743
2	Sundry Debtors-APGENCO	28.101	55229282	47320923
3	Amount receivable from APTRANSCO GPF Trust	28.104	6906669	
4	Pension / Gratuity Fund	28.145	36637034	42679528
5	Interest accrued and due - Govt. Loans	28.201	13573022	16942821
6	Income accrued and due but not received	28.290	105564628	1722669
7	Income accrued but not due	28.300	13678446	87633762
8	Amount recoverable from employees/ Ex-employees	28.400	38560211	38093402
9	Others (Restructuring effects)	28.650	1704895415	1704895415
10	Other claims and Receivables	28.700 & 28.800	131924315	105392343
11	Deposits	28.900	7419255887	3920368868
12	Other claims under Inter unit accounts	30 to 39	29040	99635
	Sub-Total		9568717970	6034016109
13	Provision for Inter Unit Accounts	39.950	0	0
TOTAL			9568717970	6034016109

SECURITY DEPOSITS FROM CUSTOMERS

Schedule 27

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2006-07	Previous Year 2005-06
NIL				

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

OTHER CURRENT LIABILITIES

Schedule 28

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Liability for purchase of power:			
	a. APGENCO	41.000	1151203938	1151203938
	b. Others	41.200	2124542397	2124542397
	c. Nodal Agency	41.250	37345817	37345817
	Sub-Total		3313092152	3313092152
1	Sundry Creditors - EPDCL	41.150	2420917489	2361260656
2	Sundry Creditors - SPDCL	41.160	695188478	703203107
3	Sundry Creditors - STL from various Banks	41.190	4350000000	0
4	Sundry Creditors - UI& Reactive Charges	41.650	14456	14456
5	Liability for capital supplies/works	42.100 to 42.300	1019283051	1718476761
6	Liability for O&M supplies/works	43.100 to 43.300	98572072	90548187
7	Staff related liabilities and provisions	44.100 to 44.400	519872522	449995134
8	Amount payable to APTRANSCO GPF Trust	45.100	0	147675522
9	Deposits and retentions from Suppliers & Contractors	46.100	10750213968	5948414674
10	APPCC Deposits	46.126	31038	0
11	Security Deposits of Op.chrgs- SLDC	46.140	38456280	0
12	APPCC Pool Account	46.250	0	0
13	Electricity Duty & Other levies payable to Govt.	46.300	0	0
14	Liability for expenses	46.400	603352156	596258676
15	Accrued liability amounts relating to borrowings	46.700	231740492	209364668
16	Provision for Income Tax	46.800	393761	153307
17	Other liabilities and provisions	46.900	645984653	416048999
18	Liability for Stale Cheques	46.910	29567061	29161906
19	Contingency Provision	46.975	0	0
TOTAL			24716679629	15983668205

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

SUBSIDY RECEIVABLE FROM GOVERNMENT

Schedule 29

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Capital Subsidy/Grant Receivable	28.610	0	0
2	Revenue Subsidy/Grant Receivable	28.620	0	0
TOTAL			0	0

BORROWINGS FOR WORKING CAPITAL

Schedule 30

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2007-08	Previous Year 2006-07
1	Cash Credit from Banks	50.100	0	0
2	Bank Overdraft	50.200	0	0
TOTAL			0	0

TRANSMISSION CORPORATION OF A.P.LIMITED

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**Schedule 31
(in Rupees)**

PAYMENT DUE ON CAPITAL LIABILITIES

Due at the beginning of the previous year 2006-07	Becoming due during the previous year	Payments made during the previous year	Particulars	Account Code	Due at the end of the previous year 2006-07	Becoming due during the year	Payments made during the year	Due at the end of the year 2007-08
0			Repayment to OU	51.100	0			0
0			APSEB Bonds	51.101	0			0
0	1035072262	1035072262	Loans from REC Ltd.	51.102	0	1094032296	1094032296	0
0			Loan from APCO Bank Ltd.	51.103	0			0
0	550145187	550145187	Loans from P.F.C. Ltd.	51.104	0	818039848	818039848	0
0	0	0	Loans from Consumers and Others (VLC)	51.105	0			0
0	16019995	16019995	Loans from L.I.C. of India	51.106	0	9333333	9333333	0
0	32628035	32627935	Loans from I.D.B.I.	51.107	100	0	0	100
0			Banks under SPA Schemes	51.110	0			0
0	38301996	38301996	Loans from I.C.I.C.I	51.111	0	38301996	38301996	0
0			Loans from S.I.D.B.I.	51.114	0			0
0	25600000	25600000	Loans from Govt. of Andhra Pradesh	51.120	0	176600000	176600000	0
0	0	0	Repayment to Bank of India	51.121	0	2000000000	2000000000	0
0	0	0	Repayment to Federal bank	51.122	0			0
0	99999996	99999996	Repayment to Canara Bank	51.123	0	99999996	99999996	0
0			Repayment to Lakshmi Vilas Bank	51.124	0			0
0			Loan from Vysya Bank	51.144	0			0
0	38734553	38734553	Repayment to Andhra Bank	51.145	0	38660198	38660198	0
0			Repayment to Karur Vysya Bank	51.155	0			0
0	4864298	4864298	Repayment to Bank of Baroda	51.156	0	4550808	4550808	0
0	34987442	34987442	Repayment to Bank of Maharashtra	51.157	0	35002207	35002207	0
0	12359553	12359553	Repayment to Oriental Bank of Commerce	51.158	0	0	0	0
0	1888713317	1888713217	Total Repayments Due		100	4314520682	4314520682	100
			INTEREST ACCRUED AND DUE					
(11598481)	25198481	13600000	-on Capital Liabilities - Govt. Loans	51.201	0	11769799	11769799	0
(11598481)	1913911798	1902313217	TOTAL		100	4326290481	4326290481	100

TRANSMISSION CORPORATION OF A.P.LIMITED

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Schedule 32

(in Rupees)

CAPITAL LIABILITIES

Outstanding at the beginning of the Previous year 2006-07	Amount Received during the Previous year	Repayments due during the Previous year	Particulars	Details of Interest rate, moratorium and rate applicable at the end of the year	Account Code	Outstanding at the end of Previous year 2006-07	Amount received during the year	Repayments due during the year	Outstanding at the end of the year 2007-08
159600000			1 Bonds:						
195300000			a) APSEB Bonds 2008	11.5%	52.110	159600000			159600000
1878300000			b) APSEB Bonds 2009	11.5%	52.110	195300000			195300000
			c) APTRANSCO Vidyut Bonds	10.9% - 11.6%	52.111	1878300000		1377100000	501200000
	2000000000	2000000000	d) APTRANSCO Vidyut Bonds I/2006		52.116	0	0	0	0
	3018000000	3018000000	e) APTRANSCO Vidyut Bonds II/2006		52.117	0	0	0	0
			f) APTRANSCO Vidyut Bonds I/2007	8.60%	52.118	0	1250000000	0	1250000000
2233200000	5018000000	5018000000	Sub-Total (Bonds):			2233200000	1250000000	1377100000	2106100000
			2 Loans:						
32630871	0	32627935	i Loan from IDBI	13.5%	52.401	2936	0	0	2936
53353332	0	16019995	ii Loan from LIC	9%	52.501	37333337	0	9333333	28000004
7008458321	502992800	1035072262	iii Loan from REC Ltd	8.0% - 11.65%	53.301	6476378859	144194000	1094032296	5526540563
52522587	0	0	iv Loan from Consumers - VLC	6%	53.610	52522587			52522587
5977684766	2067387611	572389959	v Loan from PFC Ltd.	8.25% - 12.50%	53.710	7472682418	2198052192	820132352	8850602258
0	0	0	vi Loan from Federal Bank	9.5%	53.722	0	50002000	20667	49981333
858333339	0	99999996	vii Loan from Canara Bank	7.3%	53.723	758333343	0	99999996	658333347
328758726	0	38301996	viii Loan from I.C.I.C.I	7.3%	53.730	290456730	0	38301996	252154734
344163674	147978363	42225420	ix. Loan from Andhra Bank	7.20% - 9.20%	53.745	449916617	19386078	38703134	430599561
			x Loan from Karur Vysya Bank	9.5% - 10.5%	53.755	0	100000000		100000000
40642513	161169458	4870007	xi Loan from Bank of Baroda	7.20% - 10.50%	53.756	196941964	294607675	4571435	486978204
340887100	361038623	34987442	xii Loan from Bank of Maharashtra	7.45% - 9.50%	53.764	666938281	18050759	35012827	649976213
	12362552	12362552	xiii Loan from Oriental Bank of Commerce	9.50%	53.765	0	0	0	0
			xiv Loan from Punjab & Sind Bank	9.5% - 10.5%	53.766	0	37000000	68527	36931473
			xv Loan from Allahabad Bank	10.40%	53.767	0	152672488		152672488
			xvi Loan from Bank of Rajasthan	10.40%	53.768	0	14922782		14922782
			xvii Loan from Union Bank of India	10.40%	53.771	0	100000000		100000000
17270635229	8270929407	6906857564	TOTAL			18634707072	4378887974	3517276563	19496318483

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

FUNDS FROM STATE GOVERNMENT

Schedule 33
(in Rupees)

Outstanding at the beginning of the Previous year 2006-07	Amount Received during the Previous year	Repayments during the Previous year	Particulars	Details of Interest rate, moratorium and rate applicable at the end of the year	Account Code	Outstanding at the end of Previous year 2006-07	Amount received during the year	Repayments during the year	Outstanding at the end of the year 2007-08
213297000	191709000	25600000	1 Loans advanced by Government under section 64 of Electricity (Supply) Act	9.50%	54.200	379406000	45815000	176600000	248621000
213297000	191709000	25600000	Sub-Total			379406000	45815000	176600000	248621000
7792175840	0	0	2 Share capital from State Govt.		54.600	7792175840			7792175840
8005472840	191709000	25600000	TOTAL			8171581840	45815000	176600000	8040796840

Authorised Share Capital	(250,00,00,000 No. of Shares @ Rs.10/-)	Rs.2500,00,00,000
Subscribed and Shares Allotted	(77,92,17,584 No. of Shares @ Rs.10/- fully paid up)	Rs. 779,21,75,840

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

CONTRIBUTIONS, GRANTS AND SUBSIDIES TOWARDS COST OF CAPITAL ASSETS

Schedule 34
(in Rupees)

Balance at the beginning of the previous year 2006-07	Received during the previous year	Sl. No.	Particulars	Account Code	Balance at the end of the previous year 2006-07	Additions during the year	Total at the end of the year 2007-08
704270944	270802844	1	Consumers' Contribution	55.100	975073788	727624833	1702698621
704270944	270802844		Total Consumers' Contribution		975073788	727624833	1702698621
		2	Subsidies towards cost of Capital Assets	55.200			
274511648		3	Grants towards cost of Capital Assets	55.300	274511648	0	274511648
978782592	270802844		TOTAL		1249585436	727624833	1977210269

TRANSMISSION CORPORATION OF A.P.LIMITED

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RESERVE AND RESERVE FUNDS

Schedule 35

(in Rupees)

Balance at the beginning of the Previous year 2006-07	Additions during the previous year	Deductions during the previous year	Particulars	Account Code	Balance at the end of the Previous year 2006-07	Additions during the year	Deductions during the year	Balance at the end of the year 2007-08
3372145	1471739		Foreign Exchange variation Reserve	56.620	4843884	2092504	0	6936388
441178167	0	0	Contingency Reserve as per Schedule VI of Elec. (Supply) Act, 1948	58.220	441178167	0	0	441178167
(1704895415)	1704895415	0	Restructuring Reserve	56.650	0	0	0	0
109844853			Capital Reserve	56.670	109844853	0	0	109844853
0	180348489	180348489	General Provident Fund	57.121 & 57.122	0	144608844	144608844	0
0	231391	231391	Family Benefit Fund	57.151	0	362101	362101	0
	2386800	2386800	GIS	57.152	0	2438087	2438087	0
4422697	4431740	3478963	GIS - Savings Fund	57.153	5375474	3998894	2622790	6751578
2128996	1211209	612487	GIS - Insurance Fund	57.154	2727718	1130437	827895	3030260
325098	181672322	170162590	Pension/ Gratuity Paid (Prior to 1st Transfer Scheme)	57.170	11834830	174933512	173962378	12805964
	366652228	342025095	Pension/ Gratuity Paid (After 1st Transfer Scheme)	57.171	24627133	353696955	354359660	23964428
(2698708)	128833318	118145571	Pension/ Gratuity Paid (After 1st Transfer Scheme)	57.175	7989039	114779100	124504820	(1736681)
(49609663)	217684294	168074631	Pension/Gratuity Fund	57.145	0	176767376	176767376	0
(1195931830)	2789818945	985466017	TOTAL		608421098	974807810	980453951	602774957

TRANSMISSION CORPORATION OF A.P LIMITED
STATEMENT OF ACCOUNTING POLICIES

STATEMENT – 4

STATEMENT ON COMPLIANCE WITH THE PROVISIONS
OF THE ELECTRICITY (SUPPLY) ACT 1948 AND THE
RULES MADE THEREUNDER.

The APTRANSCO has maintained its accounts and compiled its Annual Statement of Accounts in accordance with the related provisions of the Electricity (Supply) Act, 1948 and the rules made thereunder.

1. Valuation of inventories of stocks of construction materials and other stores are valued at **weighted average** cost.

TRANSMISSION CORPORATION OF A.P LIMITED

NOTES TO ACCOUNTS

STATEMENT – 5

REVENUE ACCOUNT

1. All expenses are reflected in Revenue Account under natural head of accounts. Accordingly Repairs & Maintenance, Employee Costs, Depreciation, Administration and General Expenses and Interest & Finance Charges, are disclosed separately.
2. The assets have been insured to the extent required.
3. Depreciation has been provided in the books on the value of assets at the beginning of the year as per the Electricity (Supply) (Annual Accounts) Rules 1985 and as per the Rates notified in the Gazette Notifications issued by the Government of India from time to time.
4. The Actuarial valuation of Terminal Benefits for FY 2007-08 and 2008-09 has been entrusted to M/s.Hewitt Outsourcing Services India Limited, Mumbai and report is yet to be received. However, the Terminal Benefits were provided (based on previous actuarial valuation report) in the Accounts @ 21.46% on pay plus DA of the employees.
5. Income from transmission charges in respect of third party generators wheeling capacity (open access consumers) of 461.89 MW for the FY 2005-06, 2006-07 and 2007-08 amounting to Rs.31.03 crs., Rs.23.61 crs., and Rs.24.73 crs., respectively were not billed and accounted for, since the matter is subjudice.
6. Based on accumulated earned leave at the credit of all the employees and corresponding liability thereon (as computed and furnished by all the accounting units) an amount of Rs.5.81 crores is provided in FY 2007-08, resulting in an accumulated provision of Rs.47.37 crs (previous year Rs.41.56 crs.) to end of FY 2007-08.
7. During the year interest income on deposits received from GoAP (towards providing transmission system to GoAP's Lift Irrigation works) has been transferred to GoAP's Account and accounted for against Deposits under A.H.46.131 – Deposits – GoAP's Lift Irrigation Scheme.

8. There are disputed Liabilities amounting to Rs.124.29 crs., as on 31.3.2008 (Rs.120.79 crores as on 31.3.2007) towards Sales Tax, Entry Tax and others.
9. The interest on Voluntary Loan Contribution (VLC) is being accounted for as and when the claims are received from Consumers.

BALANCE SHEET

1. The foreign currency loans outstanding as on the date of closing of accounts i.e., 31st March 2008 have been restated at the prevailing exchange rate.
2. There are no assets, which attract impairment during the FY 2007-08 in terms of AS-28 issued by ICAI.
3. As per the Third Transfer Scheme notified by Government of Andhra Pradesh, vide G.O.Ms. No.58 Energy (Power-III), dated 07-06-2005; equity is reduced by Rs.1297.22 Crs., in APTRANSCO. The Ministry of Company Affairs had upheld the reduction of equity from Rs.2076.22 crs., to Rs.779.22 crs., and had issued orders vide Order No.40/ 2/ 2005- CL- III, dt:25-10-2007.
4. Deposits received from GoAP / others towards Deposit Contribution / Transmission system works for providing electricity to GoAP's Lift Irrigation Schemes have been kept under A.H. 46.130 – "Deposit Contribution Works". The same will be transferred to "Consumers' Contribution towards Cost of Capital Assets" in the year in which the Lift Irrigation Works are completed and assets are capitalized / put to use.
5. Deferred Tax liability had been provided as per AS-22 amounting to Rs.25.80 crs.
6. Contingency Reserve has not been provided during the year as per the Tariff Order.
7. Technical particulars furnished in Statement – 9 are provisional.
8. The value of contracts placed but not executed and not provided for, as on 31.03.2008 is Rs.527.63 crores.
9. Investments in GVK Industries Ltd. amounting Rs.8.44 Crs (8440000 shares at a face value of Rs.10/- each) had been brought and merged under GVK Power & Infrastructure Limited (GVKPIL) as per the scheme of arrangement and re-allotted

shares in GVKPIL (633000 shares at a face value of Rs.10/- each at a premium of Rs.300/- per share (total issue price of Rs.310/- per share) for Rs.19.623 Crs. The face value of GVKPIL shares has been further divided into Re.1/- each and the total number of shares held by APTRANSCO are 6330000. The total actual realizable value as on 31st March 2008 { @ Rs.40.05 per share (NSE closing rate)} is Rs.25.35 crs.

10. The figures are grouped / re-grouped wherever required.

11. Purchases, issues and Stocks of Materials.

PARTICULARS		Amount (In Rupees)
A	Opening Stock Capital O&M	2515299645 2515299645
B	Purchases (Including Devolutions and Inter Stores Drawls) Capital O&M	4339900780
C	Opening Stock plus Purchases	6855200425
D	Issues for consumption	4698881405
E	Returns outwards, etc	
F	Issued for Inter Stores	
	Total Issues	
	Closing Stock Capital O&M	2156319020 2156319020

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

FUNCTION-WISE ANALYSIS OF REVENUE AND EXPENSES

STATEMENT - 6

(Rs. in lakhs)

Sl. No.	Particulars	TLC units	TL&SS units	Head Office/ Common	Total (Trns)	SLDC	Total (Trns+SLDC)
	<u>REVENUE:</u>						
1	Revenue from Transmission & SLDC			64500.90	64500.90	2740.79	67241.69
2	Revenue subsidies and grants						
3	Other income	1379.63	64.19	1059.37	2503.19	8.96	2512.15
	Total Income	1379.63	64.19	65560.27	67004.09	2749.75	69753.84
	<u>EXPENSES:</u>						
1	Purchase of power						
2	Repairs & Maintenance	215.93	8269.23	144.59	8629.75	517.67	9147.42
3	Employee costs	3009.69	6659.48	3308.35	12977.52	1513.75	14491.27
4	Administration and General charges	508.92	667.34	973.42	2149.68	242.42	2392.10
5	Depreciation and related expenses			25981.41	25981.41	362.56	26343.97
6	Interest and Finance Charges	16.64	11.16	16554.76	16582.56	193.95	16776.51
	Total Expenditure	3751.18	15607.21	46962.53	66320.92	2830.35	69151.27
7	Less: Expenses Capitalised	3865.85			3865.85		3865.85
	Exp. Allocated to Discoms			161.64	161.64		161.64
	Interest Capitalised	2539.00			2539.00		2539.00
8	Add: Expenses reallocated						
	Other debits	0.00			0.00	(0.17)	(0.17)
	Provision for Income Tax			865.91	865.91		865.91
	Provision for Deferred Tax			2579.93	2579.93		2579.93
	Prior Period items	(1.03)	(106.43)	268.49	161.03	10.59	171.62
	Net Expenses	(2654.70)	15500.78	47935.29	63361.30	2840.77	66202.07

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

SOURCES AND USES OF FUNDS

Statement - 7

(Rs.in lakhs)

Sl.No.	Particulars	This year 2007 08	Previous year 2006-07
	FUNDS PROVIDED BY		
1	Profit/(Deficit) after tax (excl. Revenue Subsidies and Grants)	3551.77	2702.15
2	Debit to Revenue Account not requiring Cash outlay	26610.98	24242.55
3	Credits to Revenue Account not involving Cash Receipt (Contingency Reserve)	2579.93	2263.97
4	Receipts of Revenue Subsidies and Grants	0.00	0.00
5	Contributions, Grants and Subsidies towards cost of capital assets(incl. Exchange variation Reserve)	7276.25	2708.03
6	Proceeds from disposal of fixed assets (Capital Reserve)		
7	Funds from Operation	40018.93	31916.71
	Increase/(Decrease) in Working Capital		
8	Stocks	(4161.05)	3974.90
9	Receivable against Supply of Power	32812.65	5771.78
10	Loans and Advances	77.56	(38.44)
11	Sundry Receivables	35347.02	39612.72
12	Subsidy Receivable	0.00	0.00
13	Total current assets:	64076.19	49320.95
14	Security Deposits from Consumers	0.00	0.00
15	Current and accrued liabilities	87330.11	23052.80
16	Net Increase/(Decrease) in working capital	(23253.93)	26268.15
17	Increase/(Decrease) in Cash & Bank balances	19626.21	(3150.06)
18	Increase/(Decrease) in Borrowings for working capital	0.00	(5.17)
19	Funds utilised on working capital	(3627.71)	23123.27
20	Net funds from Operations	43646.64	8793.44
21	Total Capital Expenditure	48205.53	49946.27
22	Shortfall in Capital funds met from external sources	4558.88	41152.84
23	Net Increase/(Decrease) in capital liabilities	7308.26	15301.81
24	Increase/(Decrease) in Payments due on capital liabilities	0.00	0.00
25	Increase/(Decrease) in Reserve & Reserve funds	56.46	(498.48)
26	Increase/(Decrease) in Investments	2692.93	(25352.55)
27	Net capital funds from external sources	4558.88	41152.84
28	Net funds from Operations as % of total capital expenditure	90.54	17.61

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2007-08

STATEMENT OF CAPITAL BASE AND SURPLUS

(Under Section 59 of the Electricity (Supply) Act, 1948)

STATEMENT - 8

(Rs. In lakhs)

This statement is not applicable

STATEMENT OF TECHNICAL PARTICULARS

STATEMENT - 9

Sl. No.	Particulars	Unit	This year 2007-08	Previous year 2006-07
1	Purchase of Power			
	a. APGENCO			
	Hydel	MU	9565.74	9327.78
	Thermal	MU	21285.64	19982.13
	Total (a)	MU	30851.38	29309.91
	b. Other sources (incl.UI)	MU	30357.30	28154.09
	Total Purchases: (a+b)	MU	61208.68	57464.00
2	Total energy handled by APTRANSCO	MU	61208.68	57464.00
3	Less: UI Sales	MU	520.57	500.26
4	Less: Interstate Sales	MU	433.67	212.85
5	PGCIL losses	MU	553.35	510.31
5 (a)	33kV purchases	MU	1214.60	
6	Net Energy handled by APTRANSCO {2-(3+4+5+5(a))} (excl.PGCIL losses)	MU	58486.49	56240.58
7	Energy delivered to Discoms	MU	56124.95	53994.81
8	Transmission losses (6-7) (excl.PGCIL)	MU	2361.54	2245.77
9	Transmission losses {8/[2-5-5(a)]x100} (excl.PGCIL)	%	3.97	3.94
10	Transmission losses {2-(3+4+5(a)+7)} (incl.PGCIL losses)	MU	2914.89	2756.08
11	Transmission losses (10/2x100) (incl.PGCIL)	%	4.76	4.80
12	Total units sold by Discoms	MU	47907.36	44849.51
13	Distribution losses (5(a)+7-12)	MU	9432.19	9145.30
14	Distribution losses (13/2x100)	%	15.41	15.91
15	T&D Losses {2-(3+4+12)} (incl.PGCIL losses)	MU	12347.08	11901.38
16	T&D Losses (15/2*100) (incl.PGCIL losses)	%	20.17	20.71
17	T&D Losses {2-(3+4+9+10)} (excl.PGCIL)	MU	11793.73	11391.07
18	T&D Losses (17/2*100) (excl.PGCIL)	%	19.27	19.82