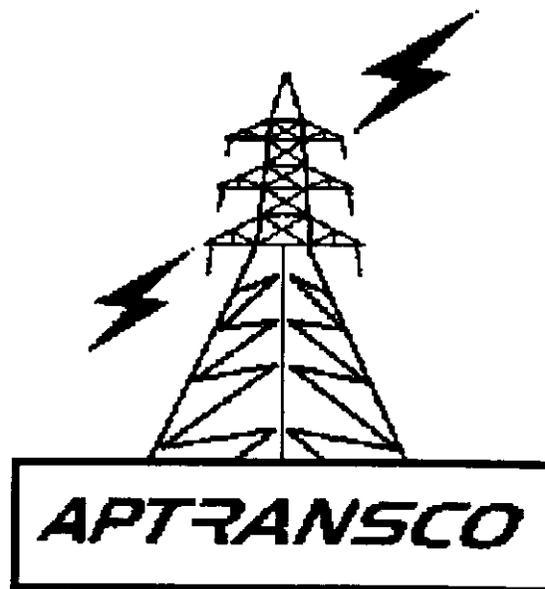


**TRANSMISSION CORPORATION OF
ANDHRA PRADESH LIMITED**



**ANNUAL STATEMENT OF ACCOUNTS
2009 – 2010**

Electricity Saved is Electricity Produced



TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED
(a wholly owned State Government Company)
Vidyut Soudha, Hyderabad – 500 082

Board of Directors		
1.	Sri Ajay Jain, IAS	Chairman & Managing Director
2.	Sri Umesh Sharraf, IPS	Joint Managing Director (Vigilance & Security) and in charge for Comml. IPC & IT Subjects.
3.	Sri K Ranganatham	Additional Joint Managing Director (HRD & Distribution)
4.	Sri G Ramakrishna Reddy	Director (Finance & Revenue)
5.	Sri P Sree Rama Rao	Director (Grid Operation)
6.	Sri Ch Chenna Reddy	Director (Transmission)
7.	Sri B Umakar Rao	Director (Projects)
8.	Sri Sutirtha Bhattacharya, IAS Principal Secretary to Govt., Energy Dept., GoAP.	Director (Non-whole time)
9.	Sri T Satyanarayana Rao, IAS Secretary to Govt., (R&E), Finance Dept., GoAP.	Director (Non-whole time)

Company Secretary

Sri A Srinivas Vijay Kumar
MCOM, FCS, FICWA, LLB, DPA

Bankers

State Bank of Hyderabad
Andhra Bank
Indian Overseas Bank
Canara Bank
Union Bank of India
Central Bank of India
Vijaya Bank
Punjab & Sind Bank
Karnataka Bank
Federal Bank
Development Credit Bank
ICICI Bank and

State Bank of India
Syndicate Bank
Bank of Baroda
Oriental Bank of Commerce
Corporation Bank
Bank of India
Allahabad Bank
Bank of Rajasthan
Bank of Maharashtra
Karur Vysya Bank
Andhra Pradesh State Co-op Bank
HDFC Bank

Auditors***Statutory Auditors***

M/s Narasimha Rao & Associates
"Akshara", 6-3-609/89
Anand Nagar, Khairtabad
Hyderabad – 500 004.

Cost Auditors

M/s Narasimha Murthy & Co.,
Cost Accountants,
2nd Floor, Pavani Plaza
Himayatnagar
Hyderabad – 500 029

Internal Auditors:

(Chartered Accountants)

1. Sri V Satyanarayana
2. Sri Sharad Sinha
3. Sri K Rama Chandra Rao
4. Sri K Ramgopal

Registered & Corporate Office

6-3-572,
Vidyut Soudha, Somajiguda
Hyderabad – 500 082.

Andhra Pradesh

PAN**AABCT0088P****Web site****www.aptransco.gov.in**

DIRECTORS' REPORT

Dear Members,

The Board of Directors hereby present this Report together with the 12th (Twelfth) Annual Statement of Accounts of the Company for the period ending 31st March 2010.

Performance of the Company:

Financial highlights:

Your Company, during the year has earned a net surplus/profit (after tax/deferred tax provision) of Rs.70.19 crs from its operations (Transmission & SLDC Business) on a total turnover of Rs.885.29 crs (including other income). The PBDIT stood at Rs.627.05 crs; PBIT is at Rs.309.55 crs and PBT at Rs.146.81 crs. During the year the SLDC business operations have resulted in earning surplus/profit of Rs.2.33 crs.

The Andhra Pradesh Electricity Regulatory Commission (APERC) notified the tariffs for the Transmission business and SLDC business separately through Multi Year Tariff Order (MYT) and accordingly billing is being done and revenues realized. As allowed by APERC through MYT order, billing is done on the contracted capacities of the DISCOMs and other third party generators. The increase in revenue is due to increase in Transmission Tariff (by Rs.8.88/kw/pm) and SLDC Tariff (by Rs.124.74/MW/pm) as compared to the previous year.

During the year the operating expenses have been more by Rs.57.08 crs than that of the previous year which is mainly on account of increase in - (a) Employees cost by Rs.12.30 crs due to increase in DA/other allowances and release of normal increments; (b) Administration charges by Rs.1.17 crs; (c) Repairs & Maintenance by Rs.6.97 crs; (d) Depreciation by Rs.25.72 crs as new assets have been added / put to use in FY 2007-08 (Rs.472 crs); and

(e) Interest expenses by Rs.10.92 crs due to net increase / drawal of project loans towards capital expenditure.

Technical highlights:

During the year the total energy handled by the Transmission system stood at 74611.87 MU.

The peak demand met on 21-03-2010 stood at 10880 MW, which is the highest ever met so far by the AP Grid. A maximum of daily consumption of 235.81 MU was met on 24-03-2010.

During the year, your company has made an investment of Rs.906.91 crs and added 11 (eleven) Nos. Substations and a further 519.15 Circuit Kilometers (Ckm) Extra High Tension (EHT) lines as detailed below:

Particulars	Unit	Added in 2009-10	Total as on 31-3-2010
<u>Substations</u>			
400kv	No.		9
220kv	No.	3	96
132kv	No.	8	277
<u>Lines</u>			
400kv	Ckm	163.67	3172.37
220kv	Ckm	190.60	12693.18
132kv	Ckm	164.88	15103.45

IT Initiatives:

ERP (Enterprise Resource Programme) has been implemented in your Company in the areas of Operation & Maintenance, Finance & Accounting, Project implementation and Inventory/Stores maintenance for improving the productivity and accountability of the employees and for enhancing transparency in operations. Training is extended to the core and end-users and to the IT-team. The modules of ERP are implemented in Project Management, Material Management, Maintenance Management and Finance Management. ERP is also implemented in Human Resource Management which helps in to track details of employee relating to payroll, attendance, etc.

Human Resource Development, Training and Industrial Relations:

The fifth module of ERP relating to Human Resource Management system is assisting the company in training management, employee development and recruitment. 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: The implementation of the IT initiatives has helped your company to effectively manage its transmission system and reduce transmission losses. Steps are taken to strengthen 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 2009-10 are NIL. However, the foreign currency loans are repaid in Rupee terms to M/s PFC which is discharging the obligations of the Company relating to foreign currency loans.

Board of Directors:

The following were the Directors on the Board of your Company, during the FY 2009-10 and as on 25th September 2010:

Sl. No	Name	From	To
1.	Chairman & Managing Director Sri Sutirtha Bhattacharya, IAS Sri Ajay Jain, IAS	31-10-2008 02-01-2010	02-01-2010 till date
2.	Joint Managing Director (HRD, Comml., IPC & IT) Sri K Vijayanand, IAS Sri Ajay Jain, IAS	31-03-2008 10-07-2009	10-07-2009 02-01-2010
3.	Joint Managing Director (Vigilance & Security) (also in charge for Comml., IPC & IT subjects.) Sri Umesh Sharraf, IPS	01-09-2008	till date
4.	Additional Joint Managing Director (HRD & Distribution) Sri K Ranganatham	05-02-2010	till date
5.	Director (Finance & Revenue) Sri G Ramakrishna Reddy	01-07-2005	till date
6.	Director (Grid operation) Sri P Sree Rama Rao	30-11-2008	till date
7.	Director (Transmission) Sri Ch Chenna Reddy	30-11-2008	till date
8.	Director (Project) Sri B Umakar Rao	30-11-2008	till date
9.	Director (Non-whole time) (Representing Energy Dept.) Sri A K Goyal, IAS Sri A K Goel, IAS Sri Sutirtha Bhattacharya, IAS	19-12-2008 08-07-2009 16-01-2010	08-07-2009 16-01-2010 till date
10.	Director (Non-whole time) (Representing Finance Dept.) Sri N Ramesh Kumar, IAS Sri T Satyanarayana Rao, IAS	28-06-2008 07-08-2009	07-08-2009 till date

Board Meetings held during the year:

Your company had convened a total of four (4) Board Meetings during the F.Y. 2009-10.

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 Sutirtha Bhattacharya, IAS, Director (Non-whole time); and Sri T Satyanarayana Rao, 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, and were audited as directed by the Ministry of Company Affairs, Government of India, New Delhi, in F. No. 52 / 75 / CAB - 2005, dt. 16-09-2005. Accordingly, Cost accounting records for the FY 2008-09 were prepared, audited and filed with the Ministry of Corporate Affairs.

Auditors of the Company:

Statutory Auditors:

M/s Narasimha Rao & Associates, Chartered Accountants, Anandnagar, Hyderabad, were appointed by the Comptroller & Auditor General of India (C & AG) as the Statutory Auditors of the Company for the financial year 2009-10. The Auditors had conducted the statutory audit and furnished the Report on 29-6-2010.

The Accountant General (O/o the C & AG), Andhra Pradesh, Hyderabad, had conducted the Supplementary Audit u/s 619 (3)(b) of the Companies Act on behalf of the Comptroller & Auditor General of India (C&AG) and furnished their Report on 03-09-2010.

Cost Auditors:

With the consent of the Ministry of Corporate Affairs, M/s. Narasimha Murthy & Co., Cost Accountants, were appointed as the Cost Auditors of your Company for the FY 2009-10.

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 during the FY 2009-2010, submit their report and give suggestions to the management.

1. Sri V Satyanarayana
2. Sri K Rama Chandra Rao
3. Sri Sharad Sinha
4. Sri K Ramgopal

Accordingly, the Auditors had conducted audit and furnished their monthly reports.

Particulars of Employees:

None of the employees of the company are in receipt of remuneration as envisaged under 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 2009-10 are prepared in accordance with the Electricity (Supply) (Annual Accounts) Rules, 1985 in consonance with Section 211 (1) and 616 (c) of the Companies Act, 1956 and Section 185 (2)(d) of the Electricity Act, 2003;

- 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, as specified u/s.205(2)(d) of the Companies Act, 1956;
- 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 the C & AG) are enclosed to this Report as Annexure.

Acknowledgements:

The Board of Directors gratefully acknowledge 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 co-operation and contributions made by the employees of the Company.

**For and on behalf of the Board of
Transmission Corporation of A.P. Ltd.,**

Ajay Jain
25/09/2010

**(AJAY JAIN)
Chairman & Managing Director.**

**Place: Hyderabad.
Date: 25-09-2010.**

A. Statutory Auditors' Report

To
The Members
Transmission Corporation of Andhra Pradesh Limited,
Hyderabad

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, Hyderabad as on 31 st March 2010 and the Revenue Account and Cash Flow statement 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.	Auditors responsibility and opinion statement, 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.	Auditors statement on audit procedure and basis followed, hence no comments
3	As required by the Companies (Auditor's Report) Order, 2003, 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.

4	The Annual Accounts have been prepared in the format prescribed under the Electricity (Supply)(Annual Accounts) Rules, 1985 (ESAAR 1985) notified by the Central Government in accordance with the Electricity (Supply) Act, 1948 and in accordance with Section 211(1) and 616(c) of the Companies Act, 1956.	APTRANSCO had prepared its Annual Accounts as per Electricity (Supply) (Annual Accounts) Rules, 1985 (ESAAR) in consonance with <i>Section 616 (c) and 211 (1) of the Companies Act, 1956</i> . Further, Section 185 (2)(d) of the Electricity Act, 2003, specifies that the ESAAR were not repealed.
5	We report that:	
(a)	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.	Auditors factual statement, hence no comments.
(b)	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.
(c)	The Balance Sheet, Revenue Account and Cash Flow statement dealt with by this report are in agreement with the books of account;	Auditors factual statement, hence no comments.
(d)	In our opinion, the Balance Sheet, Revenue Account and Cash Flow statement dealt with this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.	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</i> . <i>Section 211 (1) of the Companies Act, 1956</i> , specifies that "in such other form as may be approved by the Central 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". Section 185(2)(d) of the Electricity Act, 2003, specifies that the ESAAR were not repealed.
(e)	As explained to us, none of the Directors of the Company is prima facie disqualified as on 31 st March 2008 from being appointed as Director under section 274(1)(g) of the Companies Act, 1956.	Auditors factual statement, hence no comments.

(f)	<p>In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with the Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:</p> <p>i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010.</p> <p>ii) In the case of Revenue Account, of the surplus of the Company for the year ended on that date.</p> <p>iii) In the case of Cash Flow Statement of the cash flows for the year ended on that date.</p>	<p>Auditors statement and opinion on the accounts, hence no comments.</p>
	<p>For NARASIMHA RAO & ASSOCIATES Chartered Accountants FRN 2336S</p> <p>Sd/- (J NARASIMHA RAO) PARTNER Membership No.11591</p> <p>Place: Hyderabad Date : 26-06-2010</p>	<p>For and on behalf of the Board of M/s. Transmission Corporation of A.P. Ltd</p> <p><i>Ajay Jain</i> (AJAY JAIN) Chairman & Managing Director</p> <p>Place: Hyderabad Date : 25-09-2010</p>

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

Sl. No	Statutory Auditors Comments	Company's Replies
1.	i) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.	Factual statement, hence, no comment.
	ii) The Fixed Assets have been physically verified by the management during the year as per a programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets.	Factual statement, hence, no comment.
	iii) During the year, the company has not disposed off any substantial part of its Fixed Assets, affecting the going concern status of the Company.	Factual statement, hence, no comment.
2.	i) As per the information and explanations given to us, physical verification of inventory has been conducted by the Management at a reasonable interval.	Stock/inventory verification is being done periodically covering all the Stores.
	ii) The procedure of physical verification followed by the Management was reasonable and adequate in relation to the size of the Company and the nature of the business.	Factual statement, hence, no comment.
	iii) The Company is maintaining proper records of inventory and there are no material discrepancies on such verifications.	Factual statement, hence, no comment.
3.	i) According to the information and explanation given to us, the Company has not granted loans to parties covered in the register required to be maintained under Section 301 of the Companies Act, 1956	Factual statement, hence, no comment.
	ii) According to the information and explanation given to us, the Company has not taken any loans from parties covered in the register required 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 explanation 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 observed any major weaknesses in internal control.	Factual statement, hence, no comment.
5.	i) According to the information and explanations given to us, 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.	Factual statement, hence, no comment.

	<p>ii) As per the information and explanation provided to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year.</p>	Factual statement, hence, no comment.
6.	The Company has not accepted any deposits from the public and hence complying with the provisions of Section 58A and Section 58AA or any other relevant provisions of the Act is not applicable.	Factual statement, hence, no comment.
7.	In our opinion, the Internal Audit system of the company is commensurate with the size and nature of business.	Auditor's factual statement, hence, no comment.
8.	As per the information and explanation given to us, the Company is maintaining cost records as prescribed by the Central Government u/s 209 (1) (d) of the Companies Act, 1956.	Factual statement, hence no comments.
9.	<p>i) According to the information and explanation provided by the Company, that there is contribution by the Company towards Provident Fund of employees recruited on or after 01-02-1999. APTRANSCO PF Trust maintains the voluntary contribution of employees towards General Provident Fund. As per the information and explanation given to us, the provisions of Employees State Insurance Act are not applicable to the Company.</p> <p>ii) According to the information and explanation given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax and other statutory dues. No un-disputed amounts payable were in arrears, as on 31-03-2010 for a period of 6 months or more from the date they become payable.</p>	<p>Factual statement, hence no comments.</p> <p>Factual statement, hence no comments.</p>

iii) According to the information and explanations given to us, the details of dues of Sales Tax, Entry Tax and ESI 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	(Rs. in lakhs)		
			Total amount Disputed	Amount paid as per Court Directio ns	Balance
Interest on APGST	1994-95 to 1996-97	High Court of AP	6584.28		6584.28
	1996-97 & 1997-98		2304.74		2304.74
VAT	2005-06	High Court of AP	3.89	3.17	0.72
CST	2005-06	High Court of AP	15.01	7.50	7.51
Entry Tax	2002-03	Supreme Court of India	1235.09		1235.09
	2003-04		342.83	171.42	171.41
	2004-05		963.43	481.71	481.72
	2005-06		672.27	87.89	584.38
	2005-06		359.02	63.60	295.42
	2006-07	High Court of AP	1405.18	702.59	702.59
ESI	2006-07	ESI Corp.	79.93	19.98	59.95
Total			13965.67	1537.86	12427.81

Factual statement, further the fact was disclosed by way of Note No.18 and 19 in Statement-5 Notes to Accounts.

10	The Company does not have accumulated losses as at 31-03-2010. The Company has not incurred any cash losses during the financial covered by our audit and also in the immediately preceding financial year.	Factual statement, hence no comments.
11	According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institutions or Banks.	Factual statement, hence no comments.
12	The Company has not granted any loans and 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 are not applicable to the Company.	Factual statement, hence no comments.
14	The Company is not dealing or trading in shares, securities, debentures and other investments.	Factual statement, hence no comments.
15	The Company did not give any guarantee for loans taken by others from the Banks or Financial Institutions.	Factual statement, hence no comments.
16	In our opinion, the term loans have been applied for the purpose for which they were obtained.	Factual statement, hence no comments.

17	According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, no short term loans have been used for long term investments.	Factual statement, hence no comments.
18	During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.	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 issues during the year.	Factual statement, hence no comments.
21	During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.	Factual statement, hence no comments.
	<p>For NARASIMHA RAO & ASSOCIATES Chartered Accountants FRN 2336S</p> <p>Sd/- (J NARASIMHA RAO) PARTNER Membership No.11591</p> <p>Place: Hyderabad Date : 26-06-2010</p>	<p>For and on behalf of the Board of M/s.Transmission Corporation of A.P. Ltd</p> <p><i>Ajay</i> (AJAY JAIN) Chairman & Managing Director</p> <p>Place: Hyderabad Date : 25 -09-2010</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 2010.

The preparation of financial statements of Transmission Corporation of Andhra Pradesh Limited for the year ended 31st March 2010 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 26th June 2010.

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 2010. 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 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 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>A. Comments on Profitability Balance Sheet (Statement -3) Capital expenditure in progress (Sch.21) Capital Work in progress - Rs.680.63 Crore</p> <p>1. This includes an amount of Rs.3.02 Crore incurred on (i) "Nagarjuna Sagar (Tallapally) Narkatpally DCSC line works (length of 100 KM) for erection of 220 KV lines (Rs.2.75 Crore) and (ii) cost of 220 KV line from Renigunta to Sullurpeta (Rs.0.27 Crore) which were decided to be abandoned in May 2006 and June 1998 respectively. As such, the expenditure should have been provided for</p> <p>Non-provision has resulted in overstatement of Capital works in progress and understatement of Other Debits in Schedule – 15 of the Revenue Account by Rs.3.02 Crore. Consequently profit after tax is overstated by similar amount.</p>	<p>In respect of abandoned 220 KV Tallapally - Nagarjunasagar DC line, out of 4 Nos. towers erected, the materials of one tower was stolen and later recovered by the Vigilance and APTS/APTRANSCO wing and the matter is in the Dist. Court, Nalgonda. The other 3 towers, one tower has collapsed and materials devoluted to stores. Action is being taken for dismantling of other 2 towers and contract awarded.</p> <p>As per the details of Construction wing, an amount of Rs.1.13 Crore was spent on Sullurupeta – Renigunta Line. Out of which the material worth of Rs.1.00 Crore is</p>

	<p>available at site. The balance Rs.0.13 Crore payment arranged to the contractor against the work done of Rs.0.27 Crore against the face value of Rs.0.33 Crore, leaving a balance of Rs.0.14 Crore bill yet to be paid to the contractor. Hence, profit or loss to the Company does not arise.</p>
<p>B. Comments on Disclosure: Total Current Assets Sundry Receivables (Schedule 26(e)) Other Claims and Receivables:Rs.11.10 Crore.</p> <p>2. This includes an amount of Rs.9.67 Crore which represent very old balances transferred to APTRANSCO through 1st and 2nd Transfer Schemes. These balances are lying under the above account for more than 10 years and for which no details are available with the Management and realisability of the amounts are also not ascertained. Hence, the fact should have been disclosed by the Company by way of a note to Accounts.</p>	<p>These represent very old balances transferred to APTRANSCO through 1st and 2nd Transfer Schemes. At the time of migration of data from manual accounts maintenance system to ERP system, the unidentified balances were kept under APTRANSCO/ FA&CCA unit. Reconciliation of these balances is in progress and necessary adjustments will be made in the accounts for the FY 2010-11.</p>
<p>For and on the behalf of the Comptroller and Auditor General of India</p> <p>Sd/- (SADU ISRAEL) Accountant General (C&RA)</p> <p>Place: Hyderabad Date: 03-09-2010</p>	<p>For and on behalf of the Board of M/s. Transmission Corporation of A.P. Ltd</p> <p> (AJAY JAIN) Chairman & Managing Director</p> <p>Place: Hyderabad Date : 25-09-2010</p>

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

REVENUE ACCOUNT

STATEMENT - 1

(Rs.in lakhs)

Sch. No.	Schedule Note	This Year 2009-10	Previous Year 2008-09
	<u>INCOME</u>		
1	Revenue from Transmission & SLDC Charges	81659.21	74257.17
4	Revenue Subsidies and grants	0.00	0.00
5	Other Income	6869.99	6249.92
	TOTAL	88529.20	80507.09
	<u>EXPENDITURE</u>		
6	Purchase of Power		
8	Repairs & Maintenance	9310.44	8612.73
9	Employee Costs	18388.19	17157.70
10	Administration & General Expenses	2956.29	2839.62
11	Depreciation and Related expenses (Net)	31750.37	29178.09
12	Interest and Finance charges	19530.57	18439.36
	Sub-Total	81935.86	76227.50
	Less: Expenses Capitalised		
13	Interest and Finance charges capitalised	3257.00	2697.00
14	Expenses capitalised	4857.06	4333.02
	Sub-Total	8114.06	7030.02
15	Other Debits	26.68	275.75
16	Extra-ordinary items	0.00	0.00
18	Net Prior Period Charges / (Credits)	0.00	(276.39)
	Sub-Total	26.68	(0.64)
	TOTAL EXPENDITURE	73848.48	69196.83
	PROFIT / (LOSS) BEFORE TAX	14680.73	11310.25
17	Provision for Income tax	2570.65	1290.15
	Surplus / (Deficit) AFTER TAX	12110.08	10020.10
	Provision for Deferred Tax	5091.38	3832.89
	Balance carried over to Appropriation account	7018.69	6187.21

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

NET REVENUE AND APPROPRIATION ACCOUNT

STATEMENT- 2

(Rs.in lakhs)

Particulars	This Year 2009-10	Previous Year 2008-09
Balance brought forward from last year	33658.07	27470.86
Surplus from Revenue Account	7018.69	6187.21
<u>CREDITS :</u>		
Transfer from General Reserve		
<u>APPROPRIATIONS :</u>		
Contingency Reserve		
Provision for Deferred Tax		
Contribution to Reserve and Reserve Funds		
Sinking Fund for Repayment of borrowings		
General Reserve		
Balance carried forward	40676.77	33658.07

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

BALANCE SHEET

STATEMENT- 3

(Rs.in lakhs)

Sch. No.	Schedule Note	As at 31st March 2010	As at 31st March 2009
	<u>NET ASSETS :</u>		
19	Net Fixed Assets		
	Gross Block	654743.36	596749.39
	Less: Accumulated Depreciation	286037.89	254344.59
	Net Fixed Assets	368705.48	342404.80
21	Capital Expenditure in progress	83855.65	51158.92
22	Assets not in use	0.00	0.00
23	Deferred Costs	0.00	0.00
24	Intangible Assets	0.00	0.00
25	Investments	9192.01	10022.47
	Net Current Assets		
26	Total Current Assets	178533.43	249497.60
	Less: Total Current Liabilities		
27	Security Deposits from Consumers		
28	Other Current Liabilities	225771.29	282143.94
	Total Current Liabilities	225771.29	282143.94
	Net Current Assets	(47237.86)	(32646.34)
29	Subsidy Receivable from Government	0.00	0.00
	NET ASSETS	414515.28	370939.84
	<u>FINANCED BY:</u>		
30	Borrowings for working capital	0.00	0.00
31	Payments due on Capital Liabilities	0.00	0.00
32	Capital Liabilities	199680.91	190139.87
	Deferred Tax Liabilities	21836.32	16744.93
33	Funds from State Government	18870.16	2324.39
	Equity	77921.76	77921.76
34	Contributions, Grants and Subsidies towards cost of Capital Assets	48167.63	43542.10
35	Reserve and Reserve Funds	7361.74	6608.71
	Surplus	40676.77	33658.07
	TOTAL FUNDS	414515.28	370939.84

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

REVENUE FROM TRANSMISSION & SLDC BUSINESS

Schedule 1

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
	<u>I. Transmission Charges:</u>			
1	Transmission charges- EPDCL	61.401	1218645000	1152559332
2	Transmission charges- SPDCL	61.402	1720898784	1562253624
3	Transmission charges- CPDCL	61.403	3439733040	2899731948
4	Transmission charges- NPDCL	61.404	1180336536	1139452896
5	Intra State Open Access	61.410	14910480	12139920
6	Transmission charges - IEX/PX	61.413	54391543	54330786
7	Inter State Open Access	61.430	74492174	64036461
8	Inter regional Open Access	61.490 to 493	153405421	224503125
9	Wheeling charges	61.801		4708110
	Sub-Total (I)		7856812978	7113716202
	<u>II. SLDC Charges:</u>			
10	SLDC charges- EPDCL	61.425	37622952	40017648
11	SLDC charges- SPDCL	61.426	53132472	54232104
12	SLDC charges- CPDCL	61.427	106194108	100668132
13	SLDC charges- NPDCL	61.428	36454428	39563832
14	Intra State Open Access Charges - IEX/PX	61.414	2200000	706000
15	Inter State Open Access SLDC Charges	61.440	3773379	3351199
16	SLDC Annual Fees	61.445	54386473	55422512
17	SLDC Charges from Open access generators	61.456 to 459	7542288	7431372
18	Inter Regional Open access charges	61.495 to 498	7802001	10544000
19	Open access SLDC charges	61.600		63645
	Sub-Total (II)		309108101	312000444
	TOTAL (I + II)		8165921079	7425716646

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

ELEMENT-WISE ANALYSIS OF REVENUE

Schedule 2

(in Rupees)

Sl. No.	Particulars	This Year 2009-10	Previous Year 2008-09
1	Transmission Charges	7856812978	7113716202
2	SLDC Charges	309108101	312000444
	TOTAL	8165921079	7425716646

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

AVERAGE REALISATION FROM TRANSMISSION & SLDC CHARGES

Schedule 3

Sl. No.	Particulars	This year 2009-10			Previous year 2008-09		
		Capacity (in MW)	% of total capacity	Average realisation Rs./kW/pm	Capacity (in MW)	% of total capacity	Average realisation Rs./kW/pm
	<u>I. Transmission Charges:</u>						
1	Transmission charges- EPDCL	2125.00	15.51	47.79	2468.43	16.20	38.91
2	Transmission charges- SPDCL	3001.00	21.90	47.79	3345.87	21.96	38.91
3	Transmission charges- CPDCL	5998.00	43.78	47.79	6210.34	40.76	38.91
4	Transmission charges- NPDCL	2058.00	15.02	47.79	2440.36	16.02	38.91
5	Intra State Open Access	26.00	0.19	47.79	26.00	0.17	38.91
6	Transmission charges - IEX/PX	94.84	0.69	47.79	116.36	0.76	38.91
7	Inter State Open Access	129.89	0.95	47.79	137.15	0.90	38.91
8	Inter regional Open Access	267.50	1.95	47.79	480.82	3.16	38.91
9	Wheeling charges				10.08	0.07	38.91
	Total - Transmission (Rs./kW/pm)	13700.24	100.00	47.79	15235.41	100.000	38.91

Sl. No.	Particulars	This year 2009-10			Previous year 2008-09		
		Capacity (in MW)	% of total capacity	Average realisation Rs./MW/pm	Capacity (in MW)	% of total capacity	Average realisation Rs./MW/pm
	<u>II. SLDC Charges:</u>						
1	SLDC charges- EPDCL	2125.00	14.77	1475.41	2469.00	15.60	1350.67
2	SLDC charges- SPDCL	3001.00	20.86	1475.41	3346.00	21.14	1350.67
3	SLDC charges- CPDCL	5998.00	41.69	1475.41	6211.00	39.25	1350.67
4	SLDC charges- NPDCL	2059.00	14.31	1475.41	2441.00	15.43	1350.67
5	Intra State Open Access Charges - IEX/PX	124.26	0.86	1475.41	43.56	0.28	1350.67
6	Inter State Open Access SLDC Charges	213.13	1.48	1475.41	206.76	1.31	1350.67
7	SLDC Charges from Open access generators	426.00	2.96	1475.41	457.00	2.89	1366.71
8	Inter Regional Open access charges	440.67	3.06	1475.41	650.54	4.11	1350.67
	Total - SLDC (Rs./kW/pm)	14387.05	100.00	1790.43	15824.86	100.000	1642.99
9	SLDC Annual Fees	13501.60		4028.15	14971.01		3701.99

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

REVENUE SUBSIDIES AND GRANTS

Schedule 4

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
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 2009-10

OTHER INCOME

Schedule 5

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
1	Interest on staff loans and advances	62.200 to 62.219	981166	1297420
2	Income from Investments	62.220 to 62.239	267060414	338588840
3	Delayed payment charges from consumers	62.250 & 62.251	3539302	12071
4	Interest from Banks	62.270		
5	Interest on Investments out of Contingency Reserve	62.271		41133656
6	Income from Trading	62.300	9728307	17325664
7	Miscellaneous receipts	62.900	354741732	180376745
8	Rebate earned on payment of supplier bills, etc.	62.941	36642805	30252242
9	SLDC Registration Fees	62.919	16000	23000
10	Training Expenses allocated to Discoms	62.950	14289690	15982637
	TOTAL		686999416	624992275

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

PURCHASE OF POWER

Schedule 6

Sl. No.	Particulars	Account Code	This year 2009-10	Previous year 2008-09
This schedule is not applicable				

GENERATION OF POWER

Schedule 7

Sl. No.	Particulars	Account Code	This year 2009-10	Previous year 2008-09
This schedule is not applicable				

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

REPAIRS AND MAINTENANCE**Schedule 8**

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
	Repairs and Maintenance to:			
1	Plant and Machinery	74.100	201935933	280403041
2	Transformers	74.101	98307346	80149029
3	Substation maintenance by Pvt.Agencies	74.150	444657719	342239831
4	Buildings	74.200	15399822	12718578
5	Civil Works	74.300	6997905	8971812
6	Hydraulic Works	74.400		
7	Lines, Cable net work etc.	74.500	150567303	118563651
8	Vehicles	74.600	7644655	7744273
9	Furniture and Fixtures	74.700	20238	66026
10	Office equipment	74.800	5513375	10416289
TOTAL			931044296	861272530

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

EMPLOYEE COSTS

Schedule 9

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
1	Salaries	75.100	892644303	862696444
2	Overtime	75.200		
3	Dearness Allowance	75.300	248400993	146668316
4	Other allowances	75.400	166993862	154875024
5	Exgratia / Incentives	75.500	1567044	2125084
	Sub-Total		1309606202	1166364868
6	Medical expenses Reimbursement	75.611	16236447	4197052
7	Leave Travel Assistance	75.612	326457	1071029
8	Earned Leave Encashment	75.617	169354643	143886939
9	Leave salary contributions	75.618	230779	1045122
10	Medical insurance premium	75.621		2646048
11	Payment under workmen's compensation Act	75.629		
12	Medical Allowance	75.710	8650168	8101835
13	Other welfare expenses	75.711 to 75.760	6735806	5698780
14	GPF Booster scheme	75.761	310000	451510
15	Contribution to EPF - APTRANSCO share	75.811 & 75.812	26137828	17552644
16	EPF Administration Expenses	75.813	2159300	1522645
17	Contribution to EDLI	75.814	1065643	725745
18	EDLI Administration charges	75.815	21554	14803
19	Contribution to APTRANSCO Pension & Gratuity Trust	75.830	287960253	328490738
20	Contribution to APTRANSCO Gratuity Trust (employees recruited on or after 1-2-1999)	75.840	10024399	34000000
	TOTAL		1838819479	1715769758

TRANSMISSION CORPORATION OF A.P LIMITED

ANNUAL ACCOUNTS 2009-10

ADMINISTRATION AND GENERAL EXPENSES

Schedule 10

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
1	Rent	76.101	1863213	1654666
2	Rates and Taxes	76.102	29631132	47028876
3	APERC Licence fees	76.103	13744000	15376000
4	Insurance	76.104 to 76.107	1234259	1691351
5	Telephone & Trunkcalls	76.111	16892890	14849761
6	Postage & Telegrams	76.112	1431932	1526272
7	Legal charges	76.121	1722761	2681802
8	Audit fees	76.122	617562	680332
9	Consultancy charges	76.123	4678983	8233731
10	Technical fees	76.124		
11	Other Professional Charges	76.125	1565204	789895
12	Honorarium	76.126	1384586	1250562
13	Remuneration to Internal Auditors	76.128	2487904	2396146
14	Conveyance expenses	76.131	1135525	1423868
15	Travelling expenses	76.132	30175779	26952279
16	Vehicle running exp.(Cars, Jeeps, Etc.)	76.136	21755942	17748432
17	Vehicle License & Regd.Fee	76.138		
18	Vehicle hire charges	76.139	59311883	53321789
19	Training and participation	76.150	25269	285003
20	Fees & subscription	76.151	1925669	1918775
21	Books & Periodicals	76.152	531779	541607
22	Printing & Stationery	76.153	6493459	5838881
23	Advertisement	76.155	22515456	10008258
24	Contributions	76.157	4292590	1698900
25	Electricity charges	76.158	8847519	9797739
26	Water charges	76.160	1471725	1024231
27	Entertainment	76.162	1962004	1503657
28	Misc. Expenses	76.190	47342187	36372990
29	Vehicle running exp.(Heavy vehicles)	76.240	4138701	4752844
30	Incidental Stores expenses	76.270	6448591	4932494
31	Fringe Benefit Tax	76.500		7681120
TOTAL			295628504	283962261

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

DEPRECIATION AND RELATED DEBITS (NET)

Schedule 11

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
1	Depreciation	77.100	3175036583	2917808727
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		3175036583	2917808727
7	Less: Gain on sale of Assets (Excluding Capital gains transferred to Capital Reserve)	62.400		
TOTAL			3175036583	2917808727

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

INTEREST AND FINANCE CHARGES

Schedule 12

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
1	Interest on State Government loans	78.100	31401150	11996043
2	Interest on Bonds	78.200	5014929	29385624
3	Interest on Vidyut Bonds	78.201	48444231	57879700
4	Interest on other Loans:			
a)	L.I.C.	78.501	1085096	1925096
b)	R.E.C.	78.504	396987587	452994560
c)	P.F.C.	78.511	911803475	948391471
d)	I.C.I.C.I	78.513	10671160	17558719
e)	Federal Bank	78.522	27597845	13220808
f)	Canara Bank	78.523	40769065	43437966
g)	Andhra Bank	78.545	53473713	38890833
h)	Karur Vysya Bank	78.555	22831556	13691016
i)	Bank of Baroda	78.556	171368525	87048642
j)	Bank of Maharashtra	78.557	48519768	54773556
k)	Punjab & Sind Bank	78.565	31858808	5394574
l)	Allahabad Bank	78.566	35828376	25748690
m)	Bank of Rajasthan	78.567	31264737	6735729
n)	Karnataka Bank	78.568	25563850	7205434
o)	Corporation Bank	78.569	5249998	3639040
p)	Union Bank of India	78.570	12971685	11789633
q)	United Bank of India	78.573	19585778	
	Sub-Total (1 to 4):		1932291332	1831707134
5	Interest on Borrowings for working capital	78.700		
6	Other Interest (GIS-Savings Fund, GIS-Insurance Fund, FBF)	78.853 to 78.859	3695062	5402565
7	Cost of raising Finance - Service fee	78.864	2230499	4996494
8	Cost of raising Finance-Commitment charges	78.866	13197883	1611663
9	Other charges	78.881 to 78.883	1642176	218596
10	Guarantee commission paid to Govt.	78.884		
TOTAL			1953056952	1843936452

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

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 2009-10	Rs. 325700000
Previous Year 2008-09	269700000

WORKING SHEET

(Rs.in Crores)

Sch.No.	Sl.No.	Particulars		
21	1	Work-in-progress	648.03	
	2	Less: Unallocated IDC	0.00	
	3	Assets at Construction Stage		648.03
30	4	Borrowings for Working Capital	0.00	
31	5	Payments due on Capital liabilities	0.00	
34	6	Contributions & Grants	481.68	
35	7	Reserve Funds	61.54	
32	8	Capital liabilities	1996.81	
33	9	Govt. loans	188.70	
	10	Surplus	336.58	
	11	Total	3065.30	
		Less:		
30	12	Borrowings for Working Capital	0.00	
31	13	Payments due on Capital liabilities	0.00	
	14	Total Net Assets		3065.30
	15	Balance net Assets (14-3)		2417.28
		OWN FUNDS		
	16	Surplus	336.58	
	17	Equity	779.22	
	18	Contributions & Grants	481.68	
	19	Reserve Funds	61.54	
	20	Total own funds	1659.01	
	21	Proportion of own funds utilised for ACS (20*(3/14))		350.73
	22	Proportion of own funds utilised for BNA (20*(15/14))		1308.29
	23	Interest bearing ACS (3-21))		297.30
	24	Interest bearing BNA (15-22)		1108.99
	25	Previous year interest bearing ACS		229.12
	26	Average interest bearing ACS ((25+23)/2)		263.21
	27	Previous year interest bearing BNA		1401.16
	28	Average interest bearing BNA ((27+24)/2)		1255.08
	29	Interest Charges for 2009-10		187.88
	30	Interest chargeable to CAPEX (29*26/(26+28))		32.57
	31	Interest chargeable to BNA (29-30)		155.31

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

OTHER EXPENSES CAPITALISED

Schedule 14

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
1	R&M Expenses capitalised	74.900	3586733	3559383
2	Employee costs capitalised	75.900	422092259	376219846
3	Adm & General Expenses capitalised	76.900	59640434	52987549
4	Depreciation capitalised	77.900	387020	535503
TOTAL			485706446	433302281

OTHER DEBITS

Schedule 15

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
1	Materials cost variance	79.100		
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		27290640
	a) Loss on sale of Stores	79.573	2627528	
	b) Stock shortages	79.510	7770	284074
	c) Loss of materials by pilferage	79.511		
	d) Loss on Exchange rate variation	79.570		
6	Sundry Expenses	79.700	33100	
TOTAL			2668398	27574714

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

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 2009-10	Previous Year 2008-09
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		
3	Extraordinary items (NET)			

PROVISION FOR INCOME TAX

Schedule 17

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
1	Provision for Income Tax	81.100	257064983	129015464
TOTAL			257064983	129015464

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

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 2009-10	Previous Year 2008-09
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		12178667
	Other income-prior period	65.900		15460107
	TOTAL		0	27638774
2	Prior period expenses/losses			
	Short provision for power	83.100		
	Operating expenses	83.300		
	Employees cost	83.500		
	Depreciation under provided	83.600		
	Interest & Other Fin. Charges	83.700		
	Other charges	83.800		
	TOTAL		0	0
3	Net prior period Credits / (Charges)		0	27638774

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

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 2008-09	Additions	Deductions	Reclassification	At the end of the year 2009-10	At the end of the previous year 2008-09	Depreciation for the year	Adjustments on Deductions	Reclassification	At the end of the year 2009-10	At the end of the year 2009-10	At the end of the previous year 2008-09
Land and Land rights	10.100	253690101	9180699			262870800	0				0	262870800	253690101
Buildings	10.200	1114585266	90195705			1204780971	328187853	31829934			360017787	844763184	786397413
Hydraulic works	10.300	0				0	0				0	0	0
Other civil works	10.400	66320368	34724839			101045207	3808979	3074724			6883703	94161504	62511389
Plant and Machinery	10.500	31625670041	3600458973	6341335		35219787679	14636355933	1886448661	5707201		16517097393	18702690286	16989314108
Lines and Cable Network	10.600	26334132281	2024190297			28358322578	10331176723	1227961661			11559138384	16799184194	16002955558
Vehicles	10.700	25346414	8765935			34112349	24334546	125688			24460234	9652115	1011868
Furniture and Fixtures	10.800	15008251	2702356			17710607	8440208	937417			9377625	8332982	6568043
Office equipment	10.900	240186519	35519537			275706056	102154918	24658499			126813417	148892639	138031601
Total for this year 2009-10		59674939241	5805738341	6341335	0	65474336247	25434459160	3175036584	5707201	0	28603788543	36870547704	34240480081
Total for previous year 2008-09		54953576412	4721362829			59674939241	22516650433	2917808727			25434459160	34240480081	32436925979

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

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 2008-09	Additions	Deductions	Reclassification	At the end of the year 2009-10	At the end of the previous year 2008-09	Depreciation for the year	Adjustments on Deductions	Reclassification	At the end of the year 2009-10	At the end of the year 2009-10	At the end of the previous year 2008-09
Transmission	58199121521	5793900999	6341335	0	63986681185	24124509943	3173944764	5707201	0	27292747506	36693933679	34074611578
SLDC	1475817720	11837342			1487655062	1309949217	1091820			1311041037	176614025	165868503
Total	59674939241	5805738341	6341335	0	65474336247	25434459160	3175036584	5707201	0	28603788543	36870547704	34240480081

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

CAPITAL EXPENDITURE IN PROGRESS

Schedule 21

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
1	Capital work-in-progress	14.000	6806271464	5039752382
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)		6806271464	5039752382
6	Advances for Suppliers/Contractors (Capital)	25.100 to 25.900	1579293644	76139376
TOTAL			8385565108	5115891758

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

Schedule 22
(in Rupees)

ASSETS NOT IN USE

Balance at the beginning of the previous year 2008-09	Additions during the previous year	Deductions during the previous year	Asset Group	Account Code	Balance at the end of the previous year 2008-09	Additions during the year	Deductions during the year	Balance at the end of this year 2009-10
			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		2628440	Plant & Machinery	16.500	0	634134	634134	0
			Lines and Cable net work	16.600				
10000		10000	Vehicles	16.700	0			0
			Furniture & Fixtures	16.800				
			Office equipment	16.900				
2638440	0	2638440	TOTAL		0	634134	634134	0

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

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 2009-10

Schedule 25

(in Rupees)

INVESTMENTS

Balance at the beginning of the previous year 2008-09	Further Investments during the previous year	Investments realised during the previous year	Investments	Account Code	Balance at the end of the previous year 2008-09	Further Investments during the year	Investments realised during the year	Balance at the end of the year 2009-10	Details of Investment certificates pledged or given as a security deposit
			Investments in partnership/ Joint ventures						
84400000			Equity in GVK Power & Infrastructure Ltd.,	20.400	84400000			84400000	
281024090			Share Capital in APGPCL	20.405	281024090			281024090	
365424090	0	0	Sub-Total		365424090	0	0	365424090	
			Investment against funds						
126152820	0	2213700	Government securities	20.610	123939120	0	123939120	0	
400000000	0	400000000	EL ENCASHMENT FUND	20.160	0	0		0	
2000000		2000000	Corpus Fund-Pension/PF Trusts	20.175	0			0	
528152820	0	404213700	Sub-Total		123939120	0	123939120	0	
			Contingency Reserve Investment	20.600					
			Central Govt. Securities						
30200579	0		Govt. of India Bonds		30200579			30200579	
35159006	0	35159006	Treasury Bills		0			0	
100000000			AP Power Finance Corpn. Bonds		100000000			100000000	
75900000			AP Water Resource Development Corpn.Bonds		75900000			75900000	
114000000	0		APTRANSCO Vidyut Bonds I/2006		114000000			114000000	
5000000	0		APTRANSCO Vidyut Bonds II/2006		5000000			5000000	
0	8000000		APTRANSCO Vidyut Bonds I/2008		8000000			8000000	
121000000	0		IDBI Omni Bonds		121000000			121000000	
			Tamilnadu Electricity Board Bonds		0	13000000		13000000	
			Karnataka State Financial Corp. Bonds		0	11000000		11000000	
			Power Finance Corp. Bonds		0	11000000		11000000	
821000	57961768		Fixed Deposits in Scheduled Banks		58782768	64776091	58882768	64676091	
482080585	65961768	35159006	Sub-Total		512883347	99776091	58882768	553776670	
1375657495	65961768	439372706	TOTAL		1002246557	99776091	182821888	919200760	

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

TOTAL CURRENT ASSETS

Schedule 26

(in Rupees)

Sl. No.	Current Assets	Schedule No.	This Year 2009-10	Previous Year 2009-09
1	Stocks	26 (a)	2630656807	2201736587
2	Receivables against supply of power	26 (b)	759467174	489079250
3	Cash and Bank Balances	26 (c)	855589418	869119158
4	Loans and Advances	26 (d)	6740388610	13478747004
5	Sundry Receivables	26 (e)	6867240869	7911078116
TOTAL			17853342878	24949760115

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

STOCKS

Schedule 26(a)

(in Rupees)

Sl.No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
1	Stock of materials at construction stores	22.600 to 22.610	2692165886	2238185437
2	Stock of materials at other stores	22.620 & 22.630	0	0
3	Materials at site	22.640 & 22.650	0	524616
4	Materials pending inspection	22.660 & 22.670	500288	25191355
5	Materials in transit	22.680 & 22.690		
6	Other Materials Account	22.700	105847473	105917376
7	Materials stock excess/shortage pending investigation	22.800	(2174840)	(2400197)
8	Provision for recovery / write-off of cost of materials	22.900	(165682000)	(165682000)
TOTAL			2630656807	2201736587

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

TRANSMISSION & SLDC CHARGES RECEIVABLE

Schedule 26(b)

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
1	Sundry Debtors-Transmission charges-EPDCL	23.131	119739270	69929616
2	Sundry Debtors-Transmission charges-SPDCL	23.132	152788755	94787135
3	Sundry Debtors-Transmission charges-CPDCL	23.133	337974657	175936403
4	Sundry Debtors-Transmission charges-NPDCL	23.134	115975232	69134405
5	Sundry Debtors for Intrastate Tr chrgs - LTOA	23.192	2485080	2171780
6	Sundry Debtors for Intrastate Tr chrgs - Others	23.670	8168631	61495918
	Sub-total (1 to 6)		737131625	473455257
7	Sundry Debtors-SLDC charges-EPDCL	23.141	4684583	2220887
8	Sundry Debtors-SLDC charges-SPDCL	23.142	4811389	3009756
9	Sundry Debtors-SLDC charges-CPDCL	23.143	9296348	5586849
10	Sundry Debtors-SLDC charges-NPDCL	23.144	3056176	2195701
11	Provision for unbilled Revenue	23.400	0	0
12	Sundry Debtors for Intrastate SLDC - LTOA	23.196	76722	35117
13	Sundry Debtors for Intrastate SLDC - Others	23.660	410331	2575683
	Sub-total (7 to 13)		22335549	15623993
	TOTAL		759467174	489079250

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

CASH AND BANK BALANCES

Schedule 26(c)

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
1	Cash on Hand	24.100	0	0
2	Cash Imprests with staff	24.200	0	0
3	Balances with Banks - Remittances	24.300	12800823	3868152
4	Balances with Banks - Drawing A/c.	24.400	809720420	819118272
5	Cash in Transit - Remittances	24.500	32775	290534
6	Cash in Transit - LOCs	24.600	33035400	45842200
	TOTAL		855589418	869119158

LOANS AND ADVANCES

Schedule 26(d)

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
1	Advances for O&M supplies/works	26.100 to 26.700	23655263	164716121
2	Loans and Advances to Staff	27.100 & 27.200	211242839	171732064
3	Loans and Advances to Licensees	27.300	0	0
4	Advance Income Tax Deduction at source	27.400	157327248	156792923
5	Loans and Advances - Discoms pool account	27.800	6348163260	12985505896
	TOTAL		6740388610	13478747004

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

SUNDRY RECEIVABLES

Schedule 26(e)

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
1	Sundry Debtors-Trading Account	28.100	34894153	38169983
2	Sundry Debtors-APGENCO	28.101	63774726	63777008
3	Amount receivable from APTRANSCO GPF Trust	28.104	232434	12598451
4	Pension / Gratuity Fund	28.145	0	0
5	Interest accrued and due - Govt. Loans	28.201	816829	9442979
6	Income accrued and due but not received	28.290	1631521	1568087
7	Income accrued but not due	28.390	100381451	134483363
8	Amount recoverable from employees/ Ex-employees	28.400	40595815	40231395
9	Other claims and Receivables	28.700 & 28.800	111025216	106734612
10	Other Receivables from Discoms	28.801 to 28.804	14289690	
11	Deposits	28.900	6499500100	7503973304
12	Other claims under Inter unit accounts	30 to 39	98934	98934
	TOTAL		6867240869	7911078116

SECURITY DEPOSITS FROM CUSTOMERS

Schedule 27

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
NIL				

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

OTHER CURRENT LIABILITIES

Schedule 28

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
1	Liability for purchase of power	41.000 to 41.250	1584139355	1584139355
2	Sundry payables - Discoms	41.150 to 41.180	1851439179	1915024849
3	Short Term Loans from Banks	41.190	3000000000	8998965149
4	Liability for capital supplies/works	42.100 to 42.300	1043497987	1484682143
5	Liability for O&M supplies/works	43.100 to 43.300	125521394	125767006
6	Staff related liabilities and provisions	44.100 to 44.400	81077078	51501155
7	Provision for EL Encashment	44.150	92100000	
8	Deposits and retentions from Suppliers & Contractors	46.100	13038195769	12356797604
9	Deposits - Discoms pool account	46.126	516510	0
10	Security Deposits of Op.chrgs- SLDC	46.140	51637653	59989418
11	Payable to Discoms pool account	46.275	10464902	
12	Liability for expenses	46.400	624378071	613063836
13	Accrued liability amounts relating to borrowings	46.700	205407659	230774247
14	Provision for Income Tax	46.800	70080671	846845
15	Other liabilities and provisions	46.900	785799076	779373606
16	Liability for Stale Cheques	46.910	12873362	13469224
	TOTAL		22577128666	28214394437

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

SUBSIDY RECEIVABLE FROM GOVERNMENT

Schedule 29

(in Rupees)

Sl. No.	Particulars	Account Code	This Year 2009-10	Previous Year 2008-09
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 2009-10	Previous Year 2008-09
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

ANNUAL ACCOUNTS 2009-10

**Schedule 31
(in Rupees)**

PAYMENT DUE ON CAPITAL LIABILITIES

Due at the beginning of the previous year 2008-09	Becoming due during the previous year	Payments made during the previous year	Particulars	Account Code	Due at the end of the previous year 2008-09	Becoming due during the year	Payments made during the year	Due at the end of the year 2009-10
			<u>Repayment of</u>					
0	159600000	159600000	APSEB Bonds	51.101	0	195300000	195300000	0
			APTRANSCO Vidyut Bonds		0	86500000	86500000	0
0	1118681389	1118681389	Loans from REC Ltd.	51.102	0	889470584	889470584	0
0	1300641232	1300641232	Loans from P.F.C. Ltd.	51.104	0	1310572605	1310572605	0
0	9333333	9333333	Loans from L.I.C. of India	51.106	0	9333333	9333333	0
100	0	100	Loans from I.D.B.I.	51.107	0			0
0	38301996	38301996	Loans from I.C.I.C.I	51.111	0	213852738	213852738	0
0	1497000	1497000	Loans from Govt. of Andhra Pradesh	51.120	0	21435000	21435000	0
0	0	0	Repayment to Bank of India	51.121	0			0
			Repayment to Federal Bank			19040405	19040405	0
0	99999996	99999996	Repayment to Canara Bank	51.123	0	99999996	99999996	0
0	4445	4445	Loan from Punjab & Sind Bank	51.141	0	433541	433541	0
0	38625060	38625060	Repayment to Andhra Bank	51.145	0	49626053	49626053	0
0	4811322	4811322	Repayment to Bank of Baroda	51.156	0	7238678	7238678	0
0	54725146	54725146	Repayment to Bank of Maharashtra	51.157	0	82349412	82349412	0
0	7904	7904	Repayment to Allahabad Bank	51.160	0	2974176	2974176	0
0	69535	69535	Repayment to Bank of Rajasthan	51.161	0	6143925	6143925	0
0	3336	3336	Repayment to Karnataka Bank	51.162	0			0
0	2793	2793	Repayment to Union Bank of India	51.164	0			0
100	2826304487	2826304587	Total Repayments Due		0	2994270446	2994270446	0
			INTEREST ACCRUED AND DUE					
0	11996043	11996043	-on Capital Liabilities - Govt. Loans	51.201	0	31401150	31401150	0
100	2838300530	2838300630	TOTAL		0	3025671596	3025671596	0

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

Schedule 32

(in Rupees)

CAPITAL LIABILITIES

Outstanding at the beginning of the Previous year 2008-09	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 2008-09	Amount received during the year	Repayments due during the year	Outstanding at the end of the year 2009-10
			1 Bonds:						
159600000		159600000	a) APSEB Bonds 2008	11.5%	52.110	0			0
195300000			b) APSEB Bonds 2009	11.5%	52.110	195300000		195300000	0
501200000		0	c) APTRANSCO Vidyut Bonds	11.60%	52.111	501200000		865000000	414700000
1250000000	3500000000	4750000000	d) APTRANSCO Vidyut Bonds I/2007 & 2009	8.60%	52.118	0			0
2106100000	3500000000	4909600000	Sub-Total (Bonds):			6965000000	0	2818000000	4147000000
			2 Loans:						
2936		2936	i. Loan from IDBI	13.5%	52.401	0			0
28000004		9333333	ii. Loan from LIC	9%	52.501	18666671		9333333	9333338
5526540563	141761000	1118681389	iii. Loan from REC Ltd	8.0% - 13.5%	53.301	4549620174	1206124856	889470584	4866274446
52522587			iv. Loan from Consumers - VLC	6%	53.610	52522587			52522587
8850602258	1221479768	1300641232	v. Loan from PFC Ltd.	8.25% - 13.50%	53.710	8771440794	1207565273	1312596151	8666409916
49981333	219938146		vi. Loan from Federal Bank	10.5%	53.722	269919479		19319523	250599956
658333347		99999996	vii. Loan from Canara Bank	7.3% to 9%	53.723	558333351		99999996	458333355
252154734		38301996	viii. Loan from I.C.I.C.I	7.3%	53.730	213852738		213852738	0
430599561	185647932	38625060	ix. Loan from Andhra Bank	7.20% - 9.20%	53.745	577622433	118302052	49735077	646189408
100000000			x. Loan from Syndicate Bank		53.746		18281666	18281666	0
100000000	109576676		xi. Loan from Karur Vysya Bank	9.5% - 10.5%	53.755	209576676	83247530		292824206
486978204	1007472181	4811322	xii. Loan from Bank of Baroda	7.20% - 10.50%	53.756	1489639063	301699993	11220816	1780118240
649976213	10620	54725146	xiii. Loan from Bank of Maharashtra	7.5% - 9.50%	53.764	595261687		82404630	512857057
0			xiv. Loan from Oriental Bank of Commerce	9.50%	53.765	0			0
36931473	152078025	4445	xv. Loan from Punjab & Sind Bank	9.5% - 10.5%	53.766	189005053	257070335	443645	445631743
152672488	154236499	7904	xvi. Loan from Allahabad Bank	10.40%	53.767	306901083	52555473	2984719	356471837
14922782	225471791	69535	xvii. Loan from Bank of Rajasthan	10.40%	53.768	240325038	161042856	6195058	395172836
0	100000000	3336	xviii. Loan from Karnataka Bank Ltd	10.40%	53.769	99996664	295912435	49948	395859151
0	50000000		xix. Loan from Corporation Bank	10.50%	53.770	50000000			50000000
100000000	24806453	2793	xx. Loan from Union Bank of India	10.40%	53.771	124803660		7894	124795766
100000000			xxi. Loan from United Bank of India	10.40%	53.774		250000000	3262	249996738
19696318483	7092479091	7574810423	TOTAL			19013987151	3951802469	2997699040	19968090580

Note:- Loan from PFC includes Rs.1,54,52,096/- being the Rupee equivalent value of foreign currency loans of US \$ 345298.24 (Loan No.31116001 US \$ 137362.22 and Loan No.31116002 US \$ 207936.02) @ Rs.44.75ps/\$ (buying rate) as on 31st March 2010

TRANSMISSION CORPORATION OF A.P.LIMITED

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FUNDS FROM STATE GOVERNMENT

Schedule 33
(in Rupees)

Outstanding at the beginning of the Previous year 2008-09	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 2008-09	Amount received during the year	Repayments during the year	Outstanding at the end of the year 2009-10
248621000	4833151	21015000	1 Loans from Govt. of Andhra Pradesh	9.50%	54.200	232439151	1446849	21435000	212451000
			2 Loans from Govt. of Andhra Pradesh - JICA	9.50%	54.201	0	1674565188		1674565188
248621000	4833151	21015000	Sub-Total			232439151	1676012037	21435000	1887016188
7792175840	0	0	3 Share capital from State Govt.		54.600	7792175840			7792175840
8040796840	4833151	21015000	TOTAL			8024614991	1676012037	21435000	9679192028

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 2009-10

CONTRIBUTIONS, GRANTS AND SUBSIDIES TOWARDS COST OF CAPITAL ASSETS

Schedule 34
(in Rupees)

Balance at the beginning of the previous year 2008-09	Received during the previous year	Sl. No.	Particulars	Account Code	Balance at the end of the previous year 2008-09	Additions during the year	Total at the end of the year 2009-10
1702698621	2376999754	1	Consumers' Contribution	55.100	4079698375	462552728	4542251103
1702698621	2376999754		Total Consumers' Contribution		4079698375	462552728	4542251103
		2	Subsidies towards cost of Capital Assets	55.200			
274511648		3	Grants towards cost of Capital Assets	55.300	274511648	0	274511648
1977210269	2376999754		TOTAL		4354210023	462552728	4816762751

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

RESERVE AND RESERVE FUNDS

Schedule 35

(in Rupees)

Balance at the beginning of the Previous year 2008-09	Additions during the previous year	Deductions during the previous year	Particulars	Account Code	Balance at the end of the Previous year 2008-09	Additions during the year	Deductions during the year	Balance at the end of the year 2009-10
6936388	0	5715167	1 Foreign Exchange variation Reserve	56.620	1221221	2023546		3244767
441178167	0	0	2 Contingency Reserve as per Schedule VI of Elec.(Supply) Act, 1948	58.220	441178167	44519110		485697277
0	0	0	3 Restructuring Reserve	56.650	0			0
109844853	0	0	4 Capital Reserve	56.670	109844853	426105		110270958
6751578	4217356	2642064	5 GIS - Savings Fund	57.153	8326870	4495553	1386940	11435483
3030260	1349351	533067	6 GIS - Insurance Fund	57.154	3846544	1270273	394733	4722084
567741246	5566707	8890298	Sub-total (1 to 6)		564417655	52734587	1781673	615370569
0	68430103	68430103	7 General Provident Fund	57.121 & 57.122	0	60164021	60164021	0
12805964	538913806	537321075	8 Pension/Gratuity Paid - Master Trust (Prior to 1st Transfer Scheme)	57.170	14398695	552974064	551659103	15713656
23964428	365162516	357827549	9 Pension/Gratuity Paid - Master Trust (After 1st Transfer Scheme)	57.171	31299395	358030692	354467896	34862191
(1736681)	137959322	125851733	10 Pension/ Gratuity Paid - APTRANSCO P&G Trust (After 1st Transfer Scheme)	57.175	10370908	125796433	124426650	11740691
0	333721565	293337034	11 Contribution to APTRANSCO Pension & Gratuity Trust	57.145	40384531	293770019	275667701	58486849
35033711	1444187312	1382767494	Sub-total (7 to 11)		96453529	1390735229	1366385371	120803387
602774957	1449754019	1391657792	TOTAL		660871184	1443469816	1368167044	736173956

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

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	Transmission & SLDC charges			78568.13	78568.13	3091.08	81659.21
2	Revenue subsidies and grants						
3	Other income	1908.37	175.79	4761.89	6846.05	23.94	6869.99
	Total Income	1908.37	175.79	83330.02	85414.18	3115.02	88529.20
	<u>EXPENSES:</u>						
1	Purchase of power						
2	Repairs & Maintenance	35.87	8638.71	143.50	8818.08	492.36	9310.44
3	Employee costs	3209.34	8815.81	4433.60	16458.75	1929.44	18388.19
4	Administration and General charges	596.40	1025.04	1061.99	2683.43	272.86	2956.29
5	Depreciation and related expenses	31739.45			31739.45	10.92	31750.37
6	Interest and Finance Charges	19353.97			19353.97	176.60	19530.57
	Total Expenditure	54935.03	18479.56	5639.09	79053.68	2882.18	81935.86
7	Less: Expenses Capitalised	4857.06			4857.06		4857.06
	Interest Capitalised	3257.00			3257.00		3257.00
8	Add: Expenses reallocated						
	Other debits	26.68			26.68	0.00	26.68
	Provision for Income Tax			2570.65	2570.65		2570.65
	Provision for Deferred Tax			5091.38	5091.38		5091.38
	Prior Period items				0.00		0.00
	Net Expenses	46847.65	18479.56	13301.12	78628.33	2882.18	81510.51

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

FUNCTION-WISE BALANCE SHEET

(Rs. in lakhs)

Sch. No.	Schedule Note	As at 31st March 2010			As at 31st March 2009		
		Transmission	SLDC	APTRANSCO	Transmission	SLDC	APTRANSCO
	ASSETS						
19	Gross Block	639866.81	14876.55	654743.36	581991.22	14758.18	596749.39
	Less: Accumulated Depreciation	272927.48	13110.41	286037.89	241245.10	13099.49	254344.59
	Net Fixed Assets	366939.34	1766.14	368705.48	340746.12	1658.69	342404.80
21	Capital Expenditure in progress	83855.65	0.00	83855.65	51158.92	0.00	51158.92
22	Assets not in use	0.00	0.00	0.00	0.00	0.00	0.00
23	Deferred Costs	0.00	0.00	0.00	0.00	0.00	0.00
24	Intangible Assets	0.00	0.00	0.00	0.00	0.00	0.00
25	Investments	9192.01	0.00	9192.01	10022.47	0.00	10022.47
	Current Assets	177407.01	1126.42	178533.43	248307.24	1190.37	249497.60
26(a)	Stock	26306.57	0.00	26306.57	22017.37	0.00	22017.37
26(b)	Receivables	7389.13	205.55	7594.67	4734.55	156.24	4890.79
26(c)	Cash & Bank Balance	7719.26	836.63	8555.89	7745.62	945.58	8691.19
26(d)	Loans and Advances	67392.69	11.20	67403.89	134776.19	11.29	134787.47
26(e)	Other Receivables	68599.37	73.04	68672.41	79033.52	77.27	79110.78
28	Current Liabilities	225170.38	600.90	225771.29	281557.37	586.57	282143.94
	Net Current Assets	(47763.37)	525.51	(47237.86)	(33250.14)	603.79	(32646.34)
29	Subsidy Receivable from GoAP	0.00		0.00	0.00		0.00
	TOTAL ASSETS	412223.62	2291.65	414515.28	368677.36	2262.48	370939.84
	LIABILITIES						
30	Borrowings for working capital	0.00		0.00	0.00		0.00
31	Payments due on Capital Liabilities	0.00		0.00	0.00		0.00
32	Capital Liabilities	197961.54	1719.37	199680.91	188216.84	1923.04	190139.87
	Deferred Tax Liabilities	21836.32		21836.32	16744.92		16744.92
33	Funds from State Government	18870.16		18870.16	2324.39		2324.39
33	Equity	77921.76		77921.76	77921.76		77921.76
34	Contributions, Grants and Subsidies towards cost of Capital Assets	48167.63		48167.63	43542.10		43542.10
35	Reserve and Reserve Funds	7361.74		7361.74	6608.71		6608.71
	Surplus	40104.48	572.28	40676.77	33318.64	339.44	33658.08
	TOTAL LIABILITIES	412223.62	2291.65	414515.28	368677.36	2262.48	370939.84

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

SOURCES AND USES OF FUNDS

Statement - 7

(Rs.in lakhs)

Sl.No.	Particulars	This year 2009 10	Previous year 2008-09
	FUNDS PROVIDED BY		
1	Profit/(Deficit) after tax (excl. Revenue Subsidies and Grants)	12110.08	10020.10
2	Debit to Revenue Account not requiring Cash outlay	31693.29	29178.09
3	Credits to Revenue Account not involving Cash Receipt (Contingency Reserve)	0.00	0.00
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)	4625.53	23770.00
6	Proceeds from disposal of fixed assets (Capital Reserve)		
7	Funds from Operation	48428.90	62968.19
	Increase/(Decrease) in Working Capital		
8	Stocks	4289.20	896.06
9	Receivable against Supply of Power	2703.88	(2110.11)
10	Loans and Advances	(67383.58)	87915.35
11	Sundry Receivables	(10438.37)	472.56
12	Subsidy Receivable	0.00	0.00
13	Total current assets:	(70828.87)	87173.86
14	Security Deposits from Consumers	0.00	0.00
15	Current and accrued liabilities	(56372.66)	63749.29
16	Net Increase/(Decrease) in working capital	(14456.22)	23424.57
17	Increase/(Decrease) in Cash & Bank balances	(135.30)	(16393.41)
18	Increase/(Decrease) in Borrowings for working capital	0.00	0.00
19	Funds utilised on working capital	(14591.51)	7031.16
20	Net funds from Operations	63020.41	55937.03
21	Total Capital Expenditure	90690.70	55266.97
22	Shortfall in Capital funds met from external sources	27670.29	(670.06)
23	Net Increase/(Decrease) in capital liabilities	26086.80	(4985.13)
24	Increase/(Decrease) in Payments due on capital liabilities	0.00	0.00
25	Increase/(Decrease) in Reserve & Reserve funds	753.03	580.96
26	Increase/(Decrease) in Investments	(830.46)	(3734.11)
27	Net capital funds from external sources	27670.29	(670.06)
28	Net funds from Operations as % of total capital expenditure	69.49	101.21

TRANSMISSION CORPORATION OF A.P. LIMITED

ANNUAL ACCOUNTS 2009-10

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH

(Rupees in lakhs)

Particulars	2010	2009
Cash flows from operating activities		
Net profit before Tax and Prior Period Items	14680.73	11586.64
Adjustments for:		
Depreciation	31693.29	29178.09
Interest & finance charges	16273.57	15742.36
Prior Period items	0.00	(276.39)
Interest received on investments	(2670.60)	(3797.22)
Profit on sale of fixed assets (Scrap)	(97.28)	(173.26)
Operation profit before working capital changes	59879.70	52260.22
Adjustments for:		
Sundry debtors	(2703.88)	2110.11
Inventories	(4289.20)	(896.06)
Other current assets	10438.37	(472.56)
Loans and advances	67383.58	(87915.35)
Sundry creditors and liabilities	(56372.66)	63749.29
Net flow before extra ordinary activities	74335.92	28835.66
Income tax paid	2570.65	1290.15
Net Cash from operating activities	71765.27	27545.50
Cash flows from investing activities		
Acquisition of fixed assets	(90690.70)	(55266.97)
Sale of fixed assets (scrap)	97.28	173.26
Interest received on investments	2670.60	3797.22
Investments	(997.76)	(659.62)
Sale of investments	1828.22	4393.73
Net cash from investing activities	(87092.36)	(47562.37)
Cash flows from financing activities		
Proceeds from borrowings	56278.15	70973.12
Repayment of borrowings	(30191.34)	(75958.25)
Consumers contributions/Grants, etc.	4625.53	23770.00
Reserves & Reserve funds	0.00	(57.15)
Employee related funds	753.03	638.11
Interest & Finance charges paid	(16273.57)	(15742.36)
Net cash from financing activities	15191.79	3623.46
Net increase/(decrease) in cashflows	(135.30)	(16393.41)
Cash and cash equivalents at the beginning of the year	8691.19	25084.60
Cash and cash equivalents at the end of the year	8555.89	8691.19
Net increase in cash and bank balance	(135.30)	(16393.41)

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

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 2009-10 (Provl)	Previous year 2008-09
1	Purchase of Power			
	a. APGENCO			
	Hydel	MU	7728.59	7728.59
	Thermal	MU	23290.84	23290.84
	Total (a)	MU	31019.43	31019.43
	b. Other sources (incl.UI)	MU	46096.02	37726.77
	Total Purchases: (a+b)	MU	77115.45	68746.20
2	Total energy handled by APTRANSCO	MU	77115.45	68746.20
3	Less: UI Sales	MU		
4	Less: Interstate Sales	MU		
5	PGCIL losses	MU	701.56	740.19
5 (a)	33kV purchases	MU	2149.61	2002.81
6	Net Energy handled by APTRANSCO {2-(3+4+5+5(a))} (excl.PGCIL losses)	MU	74264.28	66003.20
7	Energy delivered to Discoms	MU	67346.58	62637.10
8	Transmission losses (6-7) (excl.PGCIL)	MU	4066.53	3366.10
9	Transmission losses {8/[2-5-5(a)]x100} (excl.PGCIL)	%	5.27	5.10
10	Transmission losses {2-(3+4+5(a)+7)} (incl.PGCIL losses)	MU	4768.09	4106.29
11	Transmission losses (10/2x100) (incl.PGCIL)	%	6.18	5.97
12	Total units sold by Discoms	MU	59563.84	54884.82
13	Distribution losses (5(a)+7-12)	MU	9932.35	9755.09
14	Distribution losses (13/2x100)	%	12.88	14.19
15	T&D Losses {2-(3+4+12)} (incl.PGCIL losses)	MU	17551.61	13861.38
16	T&D Losses (15/2*100) (incl.PGCIL losses)	%	22.76	20.16
17	T&D Losses {2-(3+4+9+10)} (excl.PGCIL)	MU	16850.05	13121.19
18	T&D Losses (17/2*100) (excl.PGCIL)	%	21.85	19.09

TRANSMISSION CORPORATION OF A.P.LIMITED

ANNUAL ACCOUNTS 2009-10

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 2009-10 (Provl)	Previous year 2008-09
1	Input from State Generators including wheeling	MU	58222.42	48762.83
2	CGS (Ex-Bus)	MU	14813.68	17240.37
3	System input at 132 KV & above including Wheeled Energy (1+2)	MU	73036.10	66003.20
4	Energy delivered by Transco to Discoms including Wheeled Energy	MU	68969.57	62637.10
5	Transmission Losses (incl wheeling) (3-4) inclusive of PGCIL losses	MU	4066.53	3366.10
6	%Transmission Losses (Incl wheeling) on respective Inputs{(5/3*100)} inclusive of PGCIL losses	%	5.57	5.10
7	Net wheeled Energy at 132 KV & above by Third Party Developers	MU	1228.18	996.30
8	Energy delivered by Transco to Discoms Excluding Wheeled Energy at 132 KV & above (4-7)	MU	67741.39	61640.80
9	Drawls at 33 KV & 11 KV from TP developers	MU	1484.19	1276.44
10	Drawls at 33 KV & 11 KV from Genco	MU	81.93	107.13
11	External losses (PGCIL losses)	MU	701.57	740.19
12	Input to Discoms (incl Wheeling Energy) (8+9+10)	%	69307.51	63024.37
13	Discoms sales of Energy (Excl Wheeling)	MU	58980.35	53215.36
14	Net Wheeled Energy at 33 KV & Below by Third party Developers	MU	583.49	619.24
15	Discoms sales of Energy (incl. Wheeling) (13+14)	MU	59563.84	53834.60
16	Distribution losses (incl. Wheeling) (12-15)	MU	9743.67	9189.77
17	% Distribution losses (incl.Wheeling) on respective inputs {(16/12)*100}	%	14.06	14.58
18	T&D Input (Ex-Bus Availability) (3+9+10)	MU	74602.22	67386.77
19	T & D Sales (incl. Wheeling) by Discoms (15+7)	%	60792.02	54830.90
20	T&D Losses (inc. Wheeling) (18-19)	MU	13810.20	12555.87
21	% T&D Losses (incl.wheeling) (20/18*100)	%	18.51	18.63

A. Statutory Auditors' Report

To

The Members

Transmission Corporation of Andhra Pradesh Limited,
Hyderabad

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, Hyderabad as on 31 st March 2010 and the Revenue Account and Cash Flow statement 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.	Auditors responsibility and opinion statement, 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.	Auditors statement on audit procedure and basis followed, hence no comments
3	As required by the Companies (Auditor's Report) Order, 2003, 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.

4	The Annual Accounts have been prepared in the format prescribed under the Electricity (Supply)(Annual Accounts) Rules, 1985 (ESAAR 1985) notified by the Central Government in accordance with the Electricity (Supply) Act, 1948 and in accordance with Section 211(1) and 616(c) of the Companies Act, 1956.	APTRANSCO had prepared its Annual Accounts as per Electricity (Supply) (Annual Accounts) Rules, 1985 (ESAAR) in consonance with Section 616 (c) and 211 (1) of the Companies Act, 1956 . Further, Section 185 (2)(d) of the Electricity Act, 2003, specifies that the ESAAR were not repealed.
5 (a)	We report that: 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.	Auditors factual statement, hence no comments.
(b)	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.
(c)	The Balance Sheet, Revenue Account and Cash Flow statement dealt with by this report are in agreement with the books of account;	Auditors factual statement, hence no comments.
(d)	In our opinion, the Balance Sheet, Revenue Account and Cash Flow statement dealt with this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.	The Annual Accounts of the APTRANSCO are prepared as per the Electricity (Supply) (Annual Accounts) Rules, 1985 (ESAAR) and in consonance with Section 616 (c) of the Companies Act, 1956 . Section 211 (1) of the Companies Act, 1956, specifies that “in such other form as may be approved by the Central 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” . Section 185(2)(d) of the Electricity Act, 2003, specifies that the ESAAR were not repealed.
(e)	As explained to us, none of the Directors of the Company is prima facie disqualified as on 31 st March 2008 from being appointed as Director under section 274(1)(g) of the Companies Act, 1956.	Auditors factual statement, hence no comments.

(f)	<p>In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with the Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:</p> <p>i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010.</p> <p>ii) In the case of Revenue Account, of the surplus of the Company for the year ended on that date.</p> <p>iii) In the case of Cash Flow Statement of the cash flows for the year ended on that date.</p>	<p>Auditors statement and opinion on the accounts, hence no comments.</p>
	<p>For NARASIMHA RAO & ASSOCIATES Chartered Accountants FRN 2336S</p> <p>Sd/- (J NARASIMHA RAO) PARTNER Membership No.11591</p> <p>Place: Hyderabad Date : 26-06-2010</p>	<p>For and on behalf of the Board of M/s.Transmission Corporation of A.P. Ltd</p> <p>Sd/- (AJAY JAIN) Chairman & Managing Director</p> <p>Place: Hyderabad Date : 25-09-2010</p>

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

Sl. No	Statutory Auditors Comments	Company's Replies
1.	i) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.	Factual statement, hence, no comment.
	ii) The Fixed Assets have been physically verified by the management during the year as per a programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets.	Factual statement, hence, no comment.
	iii) During the year, the company has not disposed off any substantial part of its Fixed Assets, affecting the going concern status of the Company.	Factual statement, hence, no comment.
2.	i) As per the information and explanations given to us, physical verification of inventory has been conducted by the Management at a reasonable interval.	Stock/inventory verification is being done periodically covering all the Stores.
	ii) The procedure of physical verification followed by the Management was reasonable and adequate in relation to the size of the Company and the nature of the business.	Factual statement, hence, no comment.
	iii) The Company is maintaining proper records of inventory and there are no material discrepancies on such verifications.	Factual statement, hence, no comment.
3.	i) According to the information and explanation given to us, the Company has not granted loans to parties covered in the register required to be maintained under Section 301 of the Companies Act, 1956	Factual statement, hence, no comment.
	ii) According to the information and explanation given to us, the Company has not taken any loans from parties covered in the register required 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 explanation 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 observed any major weaknesses in internal control.	Factual statement, hence, no comment.
5.	i) According to the information and explanations given to us, 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.	Factual statement, hence, no comment.

	ii) As per the information and explanation provided to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year.	Factual statement, hence, no comment.
6.	The Company has not accepted any deposits from the public and hence complying with the provisions of Section 58A and Section 58AA or any other relevant provisions of the Act is not applicable.	Factual statement, hence, no comment.
7.	In our opinion, the Internal Audit system of the company is commensurate with the size and nature of business.	Auditor's factual statement, hence, no comment.
8.	As per the information and explanation given to us, the Company is maintaining cost records as prescribed by the Central Government u/s 209 (1) (d) of the Companies Act, 1956.	Factual statement, hence no comments.
9.	i) According to the information and explanation provided by the Company, that there is contribution by the Company towards Provident Fund of employees recruited on or after 01-02-1999. APTRANSCO PF Trust maintains the voluntary contribution of employees towards General Provident Fund. As per the information and explanation given to us, the provisions of Employees State Insurance Act are not applicable to the Company. ii) According to the information and explanation given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax and other statutory dues. No un-disputed amounts payable were in arrears, as on 31-03-2010 for a period of 6 months or more from the date they become payable.	Factual statement, hence no comments. Factual statement, hence no comments.

	<p>iii) According to the information and explanations given to us, the details of dues of Sales Tax, Entry Tax and ESI which have not been deposited on account of disputes are given below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Name of the Statute</th> <th rowspan="2">Financial year to which the matter pertains</th> <th rowspan="2">Forum where dispute is pending</th> <th colspan="3">(Rs. in lakhs)</th> </tr> <tr> <th>Total amount Disputed</th> <th>Amount paid as per Court Directio ns</th> <th>Balance</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Interest on APGST</td> <td>1994-95 to 1996-97</td> <td rowspan="2">High Court of AP</td> <td>6584.28</td> <td></td> <td>6584.28</td> </tr> <tr> <td>1996-97 & 1997-98</td> <td>2304.74</td> <td></td> <td>2304.74</td> </tr> <tr> <td>VAT</td> <td>2005-06</td> <td>High Court of AP</td> <td>3.89</td> <td>3.17</td> <td>0.72</td> </tr> <tr> <td>CST</td> <td>2005-06</td> <td>High Court of AP</td> <td>15.01</td> <td>7.50</td> <td>7.51</td> </tr> <tr> <td rowspan="5">Entry Tax</td> <td>2002-03</td> <td rowspan="4">Supreme Court of India</td> <td>1235.09</td> <td></td> <td>1235.09</td> </tr> <tr> <td>2003-04</td> <td>342.83</td> <td>171.42</td> <td>171.41</td> </tr> <tr> <td>2004-05</td> <td>963.43</td> <td>481.71</td> <td>481.72</td> </tr> <tr> <td>2005-06</td> <td>672.27</td> <td>87.89</td> <td>584.38</td> </tr> <tr> <td>2005-06</td> <td>359.02</td> <td>63.60</td> <td>295.42</td> </tr> <tr> <td></td> <td>2006-07</td> <td>High Court of AP</td> <td>1405.18</td> <td>702.59</td> <td>702.59</td> </tr> <tr> <td>ESI</td> <td>2006-07</td> <td>ESI Corp.</td> <td>79.93</td> <td>19.98</td> <td>59.95</td> </tr> <tr> <td colspan="3">Total</td> <td>13965.67</td> <td>1537.86</td> <td>12427.81</td> </tr> </tbody> </table>	Name of the Statute	Financial year to which the matter pertains	Forum where dispute is pending	(Rs. in lakhs)			Total amount Disputed	Amount paid as per Court Directio ns	Balance	Interest on APGST	1994-95 to 1996-97	High Court of AP	6584.28		6584.28	1996-97 & 1997-98	2304.74		2304.74	VAT	2005-06	High Court of AP	3.89	3.17	0.72	CST	2005-06	High Court of AP	15.01	7.50	7.51	Entry Tax	2002-03	Supreme Court of India	1235.09		1235.09	2003-04	342.83	171.42	171.41	2004-05	963.43	481.71	481.72	2005-06	672.27	87.89	584.38	2005-06	359.02	63.60	295.42		2006-07	High Court of AP	1405.18	702.59	702.59	ESI	2006-07	ESI Corp.	79.93	19.98	59.95	Total			13965.67	1537.86	12427.81	Factual statement, further the fact was disclosed by way of Note No.18 and 19 in Statement-5 Notes to Accounts.
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10	The Company does not have accumulated losses as at 31-03-2010. The Company has not incurred any cash losses during the financial covered by our audit and also in the immediately preceding financial year.	Factual statement, hence no comments.																																																																							
11	According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institutions or Banks.	Factual statement, hence no comments.																																																																							
12	The Company has not granted any loans and 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 are not applicable to the Company.	Factual statement, hence no comments.																																																																							
14	The Company is not dealing or trading in shares, securities, debentures and other investments.	Factual statement, hence no comments.																																																																							
15	The Company did not give any guarantee for loans taken by others from the Banks or Financial Institutions.	Factual statement, hence no comments.																																																																							
16	In our opinion, the term loans have been applied for the purpose for which they were obtained.	Factual statement, hence no comments.																																																																							

17	According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, no short term loans have been used for long term investments.	Factual statement, hence no comments.
18	During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.	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 issues during the year.	Factual statement, hence no comments.
21	During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.	Factual statement, hence no comments.
	<p>For NARASIMHA RAO & ASSOCIATES Chartered Accountants FRN 2336S</p> <p style="text-align: center;">Sd/- (J NARASIMHA RAO) PARTNER Membership No.11591</p> <p>Place: Hyderabad Date : 26-06-2010</p>	<p>For and on behalf of the Board of M/s.Transmission Corporation of A.P. Ltd</p> <p style="text-align: center;">Sd/- (AJAY JAIN) Chairman & Managing Director</p> <p>Place: Hyderabad Date : 25 -09-2010</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 2010.

The preparation of financial statements of Transmission Corporation of Andhra Pradesh Limited for the year ended 31st March 2010 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 26th June 2010.

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 2010. 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 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 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>A. Comments on Profitability Balance Sheet (Statement -3) Capital expenditure in progress (Sch.21) Capital Work in progress - Rs.680.63 Crore</p> <p>1. This includes an amount of Rs.3.02 Crore incurred on (i) “Nagarjuna Sagar (Tallapally) Narkatpally DCSC line works (length of 100 KM) for erection of 220 KV lines (Rs.2.75 Crore) and (ii) cost of 220 KV line from Renigunta to Sullurpeta (Rs.0.27 Crore) which were decided to be abandoned in May 2006 and June 1998 respectively. As such, the expenditure should have been provided for</p> <p>Non-provision has resulted in overstatement of Capital works in progress and understatement of Other Debits in Schedule – 15 of the Revenue Account by Rs.3.02 Crore. Consequently profit after tax is overstated by similar amount.</p>	<p>In respect of abandoned 220 KV Tallapally - Nagarjunasagar DC line, out of 4 Nos. towers erected, the materials of one tower was stolen and later recovered by the Vigilance and APTS/APTRANSCO wing and the matter is in the Dist. Court, Nalgonda. The other 3 towers, one tower has collapsed and materials devoluted to stores. Action is being taken for dismantling of other 2 towers and contract awarded.</p> <p>As per the details of Construction wing, an amount of Rs.1.13 Crore was spent on Sullurupeta – Renigunta Line. Out of which the material worth of Rs.1.00 Crore is</p>

	<p>available at site. The balance Rs.0.13 Crore payment arranged to the contractor against the work done of Rs.0.27 Crore against the face value of Rs.0.33 Crore, leaving a balance of Rs.0.14 Crore bill yet to be paid to the contractor. Hence, profit or loss to the Company does not arise.</p>
<p>B. Comments on Disclosure: Total Current Assets Sundry Receivables (Schedule 26(e)) Other Claims and Receivables:Rs.11.10 Crore.</p> <p>2. This includes an amount of Rs.9.67 Crore which represent very old balances transferred to APTRANSCO through 1st and 2nd Transfer Schemes. These balances are lying under the above account for more than 10 years and for which no details are available with the Management and realisability of the amounts are also not ascertained. Hence, the fact should have been disclosed by the Company by way of a note to Accounts.</p>	<p>These represent very old balances transferred to APTRANSCO through 1st and 2nd Transfer Schemes. At the time of migration of data from manual accounts maintenance system to ERP system, the unidentified balances were kept under APTRANSCO/ FA&CCA unit. Reconciliation of these balances is in progress and necessary adjustments will be made in the accounts for the FY 2010-11.</p>
<p>For and on the behalf of the Comptroller and Auditor General of India</p> <p>Sd/- (SADU ISRAEL) Accountant General (C&RA)</p> <p>Place: Hyderabad Date: 03-09-2010</p>	<p>For and on behalf of the Board of M/s. Transmission Corporation of A.P. Ltd</p> <p>Sd/- (AJAY JAIN) Chairman & Managing Director</p> <p>Place: Hyderabad Date : 25-09-2010</p>