

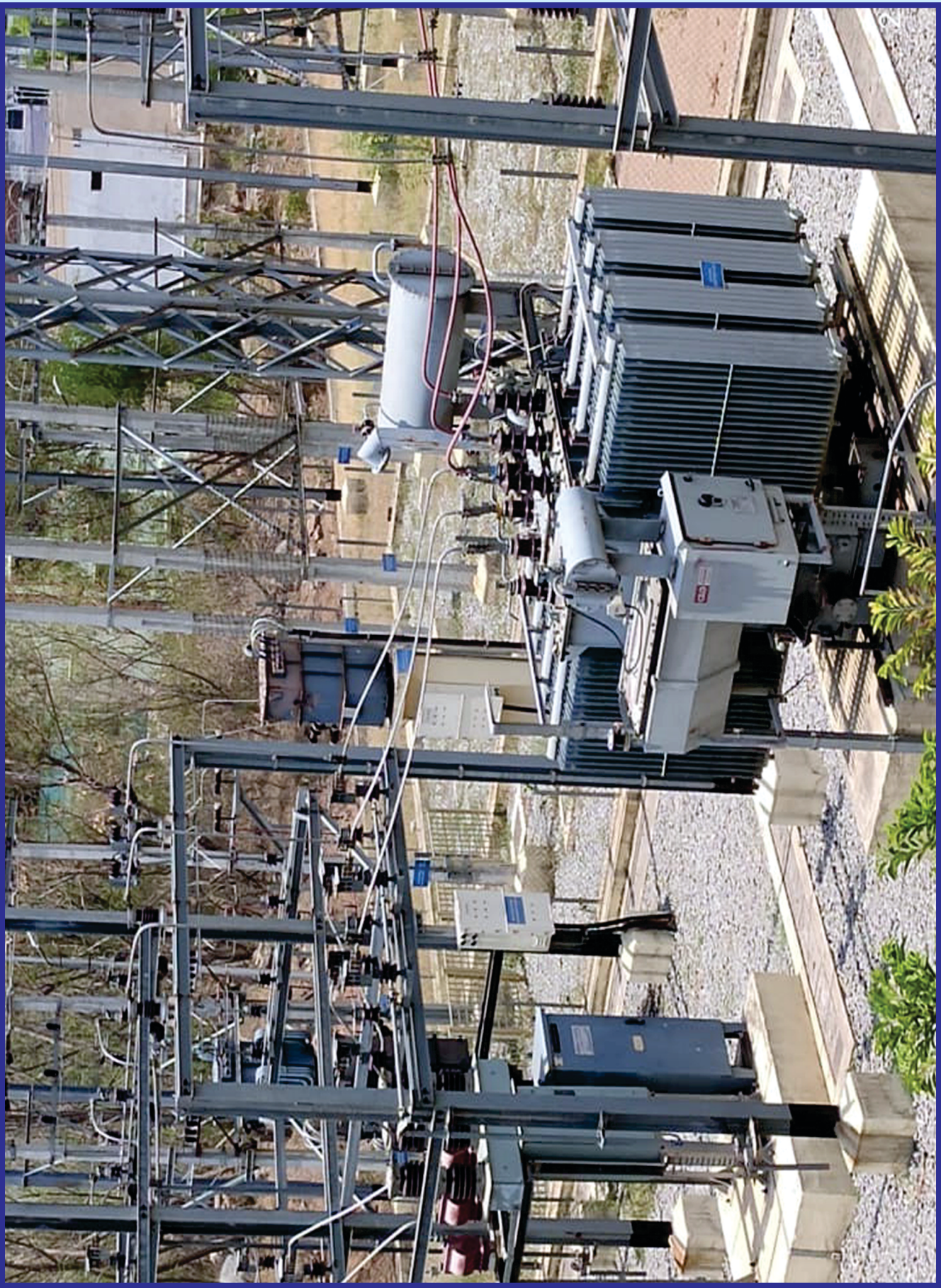


SOUTHERN POWER

DISTRIBUTION COMPANY OF TELANGANA LIMITED

24th ANNUAL REPORT
2023-24





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Save Energy

NOTICES

Save Energy





SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

(A Govt. of Telangana Undertaking)

Corporate office: 6-1-50, Mint Compound, Hyderabad 500063, Telangana State, India

CIN U40109TG2000SGC034116, Website: www.tgsouthernpower.org

NOTICE OF THE ANNUAL GENERAL MEETING

To
The Members of the Company
Southern Power Distribution Company of Telangana Limited

NOTICE IS HEREBY GIVEN THAT THE 24th ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT ON TUESDAY, 31st DAY OF DECEMBER, 2024 STARTS AT 04..00 PM AT THE REGISTERED OFFICE OF THE COMPANY AT 6-1-50, MINT COMPOUND, HYDERABAD TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet, Profit & Loss Account and Cash flow Statement as at 31st March, 2024 along with Statutory Auditors Report, Secretarial Audit Report, Director's Report and along with the comments of the Comptroller and Auditor General of India thereon.
2. To take note on appointment of M/s. V.N.Purohit & Co (CA0159), Chartered Accountants, as Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India for the Financial Year 2024- 25 and authorize the Board of directors to fix the remuneration of Statutory Auditors

The Office of the Comptroller and Auditor General of India vide No. No./CA.V/COY/TELANGANA, CENPOW(1)/680, DT: 21.09.2024 appointed M/s. V.N.Purohit & Co (CA0159), Chartered Accountants as Statutory Auditors of the Company for the financial year 2024-25.

Draft resolution

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT the appointment of M/s. V.N.Purohit & Co (CA0159), Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2024-25 by the Office of the Comptroller and Auditor General of India vide their letter No./CA.V/COY/TELANGANA, CENPOW(1)/680, DT: 21.09.2024 be noted.”

“FURTHER RESOLVED THAT the pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies act, 2013, the Board of Directors of the Company be and are hereby authorized to fix the remuneration payable to Statutory Auditors M/s. V.N.Purohit & Co (CA0159), Chartered Accountants and to provide for reimbursement of their actual out-of-pocket expenses for the Financial Year 2024-25 if any.”

SPECIAL BUSINESS:

3. RATIFICATION OF THE REMUNERATION OF THE COST AUDITOR FOR THE F.Y. 2024-25

The Board considered the recommendation of Audit Committee in regard to the appointment of M/s. B.V.S. & Co., Cost Accountants, Hyderabad, as Cost Auditor for the F.Y.2024-25 and it was decided to pay the remuneration of Rs.60,000 (all inclusive).”

Draft resolution:

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of Rs.60,000 (all inclusive) payable to M/s. B.V.S. & Co., who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year 2024-25.”

4. ANY OTHER BUSINESS WITH THE PERMISSION OF THE CHAIRMAN

**BY THE ORDER OF THE BOARD OF DIRECTORS OF
SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED**

**Date: 31.12.2024
Place: Hyderabad**

**Sd/-
ANIL KUMAR VORUGANTI
COMPANY SECRETARY**

NOTE:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
2. Proxy form (MGT-11) is enclosed. Instrument appointing proxy shall be deposited at the registered office of the company by not less than 48 hours before the commencement of the meeting.
3. Pursuant to section 139 of the Companies Act, 2013 the Auditors of the Company are appointed by the Comptroller and Auditor General of India (C&AG). In terms of Sub-Section (1) of the Section 142 of the Companies Act, 2013 remuneration of Auditors has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in Annual General Meeting may determine.
4. The Comments of the Comptroller and Auditor General of India (C&AG) on the Annual Accounts for the F.Y 2023-24 will be placed at the Annual General Meeting of the Company.

STATEMENT OF MATERIAL FACTS OF SPECIAL BUSINESSES REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013:

RATIFICATION OF THE REMUNERATION OF THE COST AUDITOR FOR THE F.Y. 2024-25

The Board considered the recommendation of Audit Committee in regard to the appointment of M/s. B.V.S. & Co., Cost Accountants, Hyderabad, as Cost Auditor for the F.Y.2024-25 and it was decided to pay the remuneration of Rs.60,000 (all inclusive).

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 the remuneration of the Cost auditors to be ratified by the shareholders at the annual general meeting of the company.

The Directors recommend for ratification of Item No.3 of the notice.

**BY THE ORDER OF THE BOARD OF DIRECTORS OF
SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED**

Sd/-

ANIL KUMAR VORUGANTI
COMPANY SECRETARY

Date: 31.12.2024
Place: Hyderabad

Route Map



BOARD OF DIRECTORS

Save Energy



BOARD OF DIRECTORS

SRI MUSHARRAF ALI FARUQUI, IAS

Chairman & Managing Director/TGSPDCL

NON-WHOLE TIME DIRECTORS

SRI S.A.M. RIZVI, IAS

Principal Secretary to Government,
Energy Department,
Director (Non-Whole Time)/TGSPDCL

SRI C. SRINIVASA RAO

IRAS (Retd.), Director/Non-Whole Time/
TGSPDCL/JMD/TGTRANSCO

SRI P. SHYAM SUNDER

Director/Non-Whole Time/TGSPDCL
Assistant Secretary to Government,
Finance Department

COMPANY SECRETARY

STATUTORY AUDITORS

BANKERS

FINANCIAL INSTITUTIONS

SRI. V. ANIL KUMAR

M/S. V.N. PUROHIT & CO, CHARTERED ACCOUNTANTS

STATE BANK OF INDIA

RURAL ELECTRIFICATION CORPORATION LIMITED

POWER FINANCE CORPORATION LIMITED (PFC)

PTC INDIA FINANCIAL SERVICES LTD.

INDIAN RENEWABLE ENERGY DEVELOPEMENT AGENCY LTD.

REGISTERED OFFICE:

6-1-50, MINT COMPOUND, HYDERABAD 500063,

TELANGANA STATE, INDIA.

WWW.TGSOUTHERNPOWER.ORG

CIN - U40109TG2000SGC034116

CMD'S LETTER TO STAKE HOLDERS

Save Energy





CHAIRMAN & MANAGING DIRECTOR

Letter to Stakeholders

“

Dear Stakeholders,

I am glad to present the 24th (twenty fourth) Annual Report of Southern Power Distribution Company of Telangana Limited, Hyderabad for the Financial Year 2023-24.

”

About TGSPDCL:

- ❖ TGSPDCL is the largest DISCOM in Telangana state serving 113 Lakh consumers including 14.4 Lakh agricultural consumers.
- ❖ The state has successfully met a Peak Demand of 15,623 MW where as TGSPDCL clocked a maximum demand of 9,862 MW and handled 61,256 MUs of energy purchased in FY 2023-24 to cater to the demand of the consumers.
- ❖ The per-capita electricity consumption of state is 2,126 units (in 2021-22) which is 69.40% more than the all India per capita electricity consumption of 1255 units.
- ❖ TGSPDCL is one of the best performers in the country in several operational parameters such as having low Distribution losses and high collection efficiency i.e., Distribution losses maintaining it below 10%.

Providing 24 Hrs Free Power supply to Agl. sector:

- ❖ We have been supplying 24*7 free power to agricultural consumers since 1st January 2018. The success of this motivated us to take on the mammoth task of 24*7 free power to agricultural consumers. Due to our tireless efforts, we have successfully completed 6 years of this endeavor on 1st January 2024.
- ❖ TGSPDCL has pro-actively undertaken network strengthening activities to deliver on this task. We have taken various measures to strengthen the power distribution system.
- ❖ As a part of works undertaken for the Development of infrastructure, TGSPDCL have spent an amount of **Rs.15,148.79 Crs** in the last 10 years after Telangana formation.

Major infrastructure developments till 31st March 2024 in TGSPDCL:

- ❖ There are **1,748 No.s** of 33/11 KV substations, **16,759 km** of 33 kV lines, **1,17,768 Km** of 11 kV (UG+OH) lines, **3,309 No.s** of PTRs, **5,58,932 No.s** of DTRs, **14,40,481 No.s** of AGL services as on 31st March 2024.

Flagship Programs Implemented in TGSPDCL:

SC /ST Sub Plan:

- ❖ Under SC sub plan, the Govt. of Telangana is reimbursing against the electricity consumption who are consuming (i.e 78,517 consumers) up-to 50 units per month till August'18. Later the benefit has been extended to **3,23,537** consumers as on 31st March'2024 who are consuming electricity up to 101 units per month with an amount of **Rs. 284.16** crores.
- ❖ Under ST sub plan, the Govt. of Telangana is reimbursing against the electricity consumption who are consuming (i.e 26,769 consumers) up-to 50 units per month till August'18. Later the benefit has been extended to **1,45,297** consumers as on 31st March'2024 who are consuming electricity up to 101 units per month with an amount of **Rs. 103.79** crores.

Rural Feeder Monitoring Scheme:

- ❖ Main objective of the scheme is to have an access to real time rural feeder-wise information on key parameters of power supply hours, Energy, Voltage, Current, power Outages etc.,.
- ❖ Rural feeder monitoring projects are awarded covering 2,989 11kV & 33kV feeders in TGSPDCL, out of which a total of 2,733 no.s modems for 11KV Rural feeders were commissioned.

Ujwal DISCOM Assurance Yojana (UDAY):

- ❖ MOU was entered between Ministry of Power, Central Government, Government of Telangana State and TS DISCOMs on 4th January, 2017. According to the MOU the total debts taken over under UDAY Scheme was Rs. 8,923 Crore (being 75% of total outstanding loans as on 30th September, 2015 of TGSPDCL (5550 Cr) and TSNPDCL (3373 Cr) put together).
- ❖ The Government of Telangana taken over the Loans for an amount of Rs. 5,550 Crore of TGSPDCL under UDAY Scheme.

Gruha Jyothi Scheme:

- ❖ Government of Telangana is extending free electricity supply under '*Gruha Jyothi Scheme*' up to **200 units per month** for eligible domestic household's w.e.f 01.03.2024. In TGSPDCL total number of zero bills issued under this scheme as 31st March 2024 are **13,25,684** with a total expenditure incurred of **₹ 40.33 Crores**.

Operations Improvement:

- ❖ TGSPDCL is one of the best performing DISCOM in the country in terms of operational efficiency and has continued its improvement in Key Performance Indicator's.
- ❖ The Peak (Maximum) Demand met by TGSPDCL in 2023-24 was 9,862 MW as compared to 9,360 MW in the previous year with an increase of 5.36%.
- ❖ Revenue Demand has increased from 31,573.71 Crs in FY 2022-23 to 34,348.6 Crs in F.Y.2023-24.
- ❖ Total existing LT consumers were increased from 1,08,85,941 in F.Y.2022-23 to 1,13,57,879 in F.Y.2023-24.
- ❖ Total existing HT consumers were increased from 11,510 in F.Y.2022-23 to 12,452 in F.Y.2023-24.
- ❖ Total 54,273 no's of Agl. Connections were released during F.Y.2023-24.
- ❖ Duration of interruptions i.e. SAIDI has been reduced from 788.05 in F.Y.2022-23 to 772.28 in F.Y.2023-24.
- ❖ Percentage of complaints resolved within the SOP timelines is 85% in F.Y.2023-24.
- ❖ Percentage of new services released within the SOP stipulated timeline is 90% in F.Y.2023-24.

Promotion of Solar Energy:

- ❖ TGSPDCL has taken proactive measures in harnessing the solar potential in the state including the notification of forward looking solar policy in June 2015. This has created a stable and a conducive environment for expedited addition of solar capacities in the state.
- ❖ Telangana has a total installed RE Capacity of 6552 MW by the end of March 2024, spanning across Solar, Wind, Mini - Hydel etc.
- ❖ We have been actively encouraging solar rooftop addition through a transparent and user-friendly application process enabled by online tracking and monitoring of applications. This has helped the DISCOM achieve 353.55 MW of solar rooftop capacity by end of March 2024.
- ❖ I am happy to note that in a short span, TGSPDCL has been able to show substantial progress in adding solar capacities. This is one of the highest in the country.

Renewable Purchase Obligation (RPO):

- ❖ TGSPDCL has consistently surpassed the RPO targets set by the TGERC, as shown below:

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
RPO Target (in %)	7.00%	8.00%	8.50%	9.25%
RPO Achieved (in %)	10.11%	9.63%	14.76%	15.65%

Key Initiatives in Operations:

IRDA port meters:

- ❖ Telangana State DISCOMs have also installed IRDA Meters, the DISCOMs have realized substantial benefits upon installing IRDA port meters due improvement in the billing efficiency. This has greatly reduced cases of reading suppression.

- ❖ TGSPDCL has installed IRDA Meters for **86,62,837** consumers as on 31st March'2024 which is **82.64%** of the total metered consumers.

Prepaid Meters:

- ❖ Telangana Discoms has Prepayment mechanism using special type of energy meter which can be installed with a prepayment or pay as you go tariff. As on 31st March'2024, **15,300** No's of Prepaid meters were installed across Government offices in which **10,313** services were declared as **Go-live from 01.07.2019** and are running successfully.

SCADA/DMS Project:

- ❖ SCADA was implemented in TGSPDCL in Hyderabad city with the aim to monitor and control every network element in the sub transmission network remotely.
- ❖ Under SCADA control all **228 Nos.** of 33/11KV Sub-Stations, under DMS (Distribution Management System) operation of all the **156 Nos.** 11KV feeders were commissioned in core city of Hyderabad and Communication System under SCADA DMS project has been successfully completed and declared Go-live.

New Technologies in TSSPDCL:

Digitization of consumer services:

- ❖ TGSPDCL adopted digitization of consumer service transactions. New service connection applications, load addition, commercial complaints received in 18 No.s ICSCs/73 No.s CSCs will be verified in the portals like CSC, SAS by the authorities in a paperless mode. Communication with consumers will be done through email/SMS to reduce manual intervention.

Leveraged the use of SASA mobile app for field work management:

The mobile App 'SASA'(Section Automation System App) is developed for providing section-wise reports pertaining to various IT Applications such as EBS, CSC, MATS, MMS , Net Metering on both Android and iOS platforms. This App provides the facility to monitor the section-wise FOC complaints registered, resolved and pending.

E-Payment:

TGSPDCL has promoted **digital payment** of bills through various payment channels. Online payment can be done by the consumers through web-portal and mobile application.

At present, about **90.42%** of Revenue collection is obtained through online mode from the consumers in entire jurisdiction of TGSPDCL.

New facility of bill payment option to the consumer at any ERO Counter in TGSPDCL:

TGSPDCL has provided a new facility of bill payment option to the consumers at any ERO Counter against their Unique Service Connection Number (USC Nos.) for improved convenience to the consumers. Presently, the Company has 71 Nos. EROs, which are integrated together. Now, the consumers have the facility to pay the Electricity Bills at any nearby ERO Counters, without delay.

Ease of doing business (TG-iPASS):

For entrepreneurs setting up new industries, Telangana Discoms have tied up with TG-iPASS, which acts as a single window cell for providing all necessary clearances in a time bound & transparent manner with no hassles. This has ensured that the state becomes a preferred destination for investors and helped in the economic growth of the state.

As a key intervention in the release of new service connection, the Forms required have been limited to two documents and new connection services are released within 15 days.

Auto Generation of Estimate:

To provide speedy processing of industrial applications (LT and 11KV) registered in TG-iPASS, Auto creation of estimates and generation of tentative demand notice has been implemented in TGSPDCL. As per the new procedure, after the technical feasibility is issued by the Concerned Circle, a message with web link will be sent to the consumer for filling the length of the line required (in meters from the nearest feeder/substation). As per the information filled by the consumer in web link, an estimate will be created and approved automatically.

URJA Mitra app:

On this application, the consumer can get relevant information and updates on the scheduled outages in the DISCOM area in advance.

Ease in HT Consumer billing:

HT CC Bills are also being sent to the HT Consumers through e-mails, apart from sending by post. The CC bills are also posted at TGSPDCL website which can be downloaded by the HT Consumers and the bill details are informed through short messages. Virtual bank accounts have been opened in the name each and every HT Consumer and the account number and IFSC code details are displayed on individual HT CC Bill to facilitate the consumer to pay directly in the bank account.

Implementation of E-office:

E-office procedure was successfully implemented in TGSPDCL and all the files are being routed through E-office only at corporate office level. This has increased better accountability with the ultimate aim towards better governance and timely compliance to all consumer processes. In near future TGSPDCL is aiming towards implementation of E-office at section level also.

Implementation of ERP S/4 HANA:

For improving operational efficiency of DISCOM, TGSPDCL has successfully upgraded its existing SAP ECC 6.0 ERP system to the latest SAP S/4 HANA system, and the system was Go-Live from 8th March 2021.

CGRF Portal:

The Online CGRF Portal was developed and made live on 28-03-2022, to facilitate the consumers to lodge grievances to CGRF through online web-portal, without physical approach and thereby providing better services to consumers.

Quality Control Application:

This application enables complete tracking & monitoring of Inspection of all electrical works, Sub-stations, SPMs, etc, and entry of inspection details of Quality control & Quality Assurance to clear the defects and improve the company performance.

HT CSC Application:

HT CSC software is developed and made go-live on 06.05.2022. This Application enables tracking the status and release of HT service registrations.

Online Payment of MATS Case Amounts:

Provision is given to the consumers for online payment of MATS Case amounts through the TGSPDCL web-portal.

Medical Credit Card Management System:

The Medical Credit Card Management System is an application designed for online issue of credit card to the employees and their dependants, in the Company and also enables the Hospitals to apply the Credit Card directly.

This system enables online issue of Credit card for medical purposes to the employees of the Discom, thus facilitating them for faster receipt of credit card and helps in avoiding the effort of coming to the department in person.

Further, the details of the employees and their dependants are available in this application, along with their medical history which enables faster processing of the credit card and avoids repetitive entry of employee details.

Online Legal Case Management System:

It is an application designed for online tracking of the Legal cases in the department. The entire history of the legal case is recorded in this application, right from the date of filing of case till the final disposal of the case. The status of any legal case can be viewed in this application. Various reports pertaining to all the details of the legal cases are available in this application.

Property Returns Portal:

This portal enables Employees for online submission of their Annual Property Returns.

Employee Portal:

The complete employee information such as pay particulars, pay slips, GPF details, leave account, medical information, eligible medical balance against the respective schemes etc. can be viewed online, by the individual employees in this portal.

Meter Billing App Using Android Mobile:

Meter Billing App is developed to enable the meter reader to generate bill using Android Mobile phone with IR dongle and blue tooth printer. This enables instant updation of billing data in the billing server and thereby facilitates the consumer to make the payments immediately after issuing the bill.

Outage Management System (OMS) Portal:

TGSPDCL has introduced and launched OMS portal where all 11KV & 33KV feeder wise interruption reports can be downloaded including duration of each outage, type of outages, SAIDI, SAIFI, CAIDI, MAIFI, etc. along with the graphs and detailed reports of these parameters. This provision will be helpful for tracking the feeder wise interruption details and for minimizing the interruptions through continuous monitoring by the management on daily basis.

- ❖ Development of app for utilization by Education Department in view of free supply to Govt. educational institutions.
- ❖ TGAIMS (Feeder survey) App for systematic survey of entire Distribution network.
- ❖ Feeder outage management system app to relay live status of feeders to the concerned engineers and field staff & alert the concerned in case of outage in any feeder.
- ❖ 24*7 monitoring & redressal of online consumer complaints by Integrated Command Control centre.
- ❖ Digitization of all files.

TGSPDCL has been adopting technology and has designed the consumer process in a manner which provides the consumer a lot of convenience and highest levels of transparency. Going forward, I would like to assure you that TGSPDCL would be taking all the necessary initiatives to make it one of the most customer centric DISCOM across India.

Awards/Recognition for TGSPDCL Initiatives during F.Y. 2023-24:

The various awards and recognitions received by the TGSPDCL at multiple forums are a testament to the continued excellence and effort that is being shown by each and every employee in the organization. In the last nine years, TGSPDCL has been conferred with the following awards.

Rated ‘A’ Grade by Ministry of Power for F.Y. 2022-23:

The Ministry of Power has given a rating of “A” to TGSPDCL on Consumer Service Rating of DISCOMs 2022-23 which was formally unveiled by the Hon’ble Power Minister, Shri R.K. Singh, which make TGSPDCL one of the top DISCOM in the Country, recognizing the consistent & sustainable improvements that the DISCOM has shown in operational Reliability, Connection & Other services, Metering, Billing & Collections and Fault rectification & Grievance Redressal parameters during FY 22-23.

ICC – 11th Innovation with Impact Award 2023:

TGSPDCL has won two awards in “ICC - 11th edition of Innovation with Impact Awards 2023 for discoms at New Delhi at the 17th edition of India Energy Summit 2023” for the categories like

1. 1st in Category – QoS and Customer Empowerment
2. 2nd in Category – Technology Adoption
3. 2nd in Category – Innovation with Impact (General States)

To conclude, I congratulate all the employees for their efforts towards achieving the goals of the company, improved sales performance, in accomplishing the Directives of Regulatory authority, other statutory authorities and initiated steps for institutional strengthening.

Further, I sincerely acknowledge the invaluable support and co-operation of the Spl. Chief Secretary, Energy Department, Government of Telangana, Chairman & Managing Director, TGTRANSCO & TGGENCO, Chairman & Managing Director of TGNPDCL, Secretary of TGERC, the other officials of the Govt. of Telangana, the Office of the Comptroller & Auditor General of India, the Bankers and the Financial Institutions and look forward to their continued support in the future.

Thank You,

Sd/-
Musharaff Ali Faruqui, I.A.S.
 Chairman and Managing Director/TGSPDCL

DIRECTOR'S REPORT

Save Energy



DIRECTOR'S REPORT

To
The Members
Southern Power Distribution Company of Telangana Limited.

The Directors are pleased to present the Twenty Fourth Annual Report on the business and operations of your company together with the Audited Statements of Accounts for the year ended on 31st March, 2024.

1. Financial Results:

The financial results of the Company for the year ended 31st March 2024 the Company could earn an aggregate income of **Rs. 40,669.26 Crores**. The financial performance of the Company is as follows:

S.No	Particulars	2023-24 (in Crore)	2022-23 (in Crore)
1.	Revenue from Operations	40,331.90	33,957.03
2.	Other Income	367.36	297.67
	Total Income	40,699.26	34,254.70
3.	Power Purchase Cost	37,890.10	35,510.71
4.	Employee Benefit expense	3,166.15	3,081.10
5.	Operation and Other Expenses	394.01	348.71
6.	Interest and Finance Charges	3,308.15	2,500.58
7.	Depreciation	842.13	801.90
	Total Expenses	45,600.54	42,244.72
8.	Exceptional items	137.92	1.72
9	Profit/(Loss) Before Tax	(5,039.20)	(7,988.30)
10.	Provision for Income Tax	-	-
11.	Deferred Tax	129.67	(157.46)
	Net Profit/(Loss)	(4,909.53)	(8,147.48)

2. Uday Scheme

Ujwal Discom Assurance Yojana (UDAY), a Scheme for the Financial Turnaround of the Power Distribution Companies (DISCOMs), was announced / approved vide Ministry of Power, Government of India, Office Memorandum No. 06/02/2015-NEF/FRP, Dated 20th November, 2015, with an objective to improve the operational and financial efficiency of the State DISCOMs.

As per the Scheme the State shall take over 75% of DISCOM debts as on 30th September 2015 including DISCOM bonds which were committed to be taken over by the State as part of Financial Restructuring Plan 2012 (FRP 2012).

MOU was entered between Ministry of Power, Central Government, Government of Telangana State and TS DISCOMs on 4th January 2017. According to the MOU the total debts taken over under UDAY Scheme was Rs. 5550.21Crores (being 75% of total outstanding loans as on 30th September 2015 of TGSPDCL).

The Govt. of Telangana taken over the Loans for an amount of Rs. 5,550.21 Crores of TGSPDCL under UDAY Scheme. out of which an amount of Rs.5,550.21crores were released.

The Government of Telangana has issued the GO No. 15,Dt.18.06.2022. towards the takeover of Losses of 2017-18 to 2020-21 as per the clauses under the UDAY scheme for an amount of Rs.8925.00 Crore for TS Discoms, out of which TGSPDCL share is of Rs.6228.00 Crore (i.e. Rs.392.00 Crore towards 10% loss of 2017-18, Rs.1242.00 Crore towards 25% loss of 2018-19, Rs.2470.00 Crore towards 50% loss of 2019-20 and Rs.2124 Crore towards 50% loss of 2020-21). The same is recognised during FY 2021-22 under Revenue from Operations as the funds received from GoTS in the FY 2022-23 before closure of Financials for 2021-22.

During the FY 2022-23,the Government of Telangana has issued the G.O.No.33, Dt.24.12.2022 towards takeover of loss of 2021-22 as per the clauses under the Uday Scheme for an amount of Rs.415 Crore for TS Discoms, out of which TGSPDCL share is of RS.313 Crore (i.e 50% loss of 2020-21).The same is received and recognised in 2022-23.

During the FY 2023-24,the Government of Telangana has issued the G.O.No.10, Dt.28.07.2023 and G.O.11, Dt.07.08.2023, towards takeover of loss of 2022-23 as per the clauses under the Uday Scheme for an amount of Rs.5571 Crore for TG Discoms, out of which TGSPDCL share is of RS.4073 Crore (i.e 50% loss of 2022-23).The same is received and recognised in 2023-24.

3. State of Company's Affairs – Section 134(3)(I) of Companies Act, 2013

Introduction

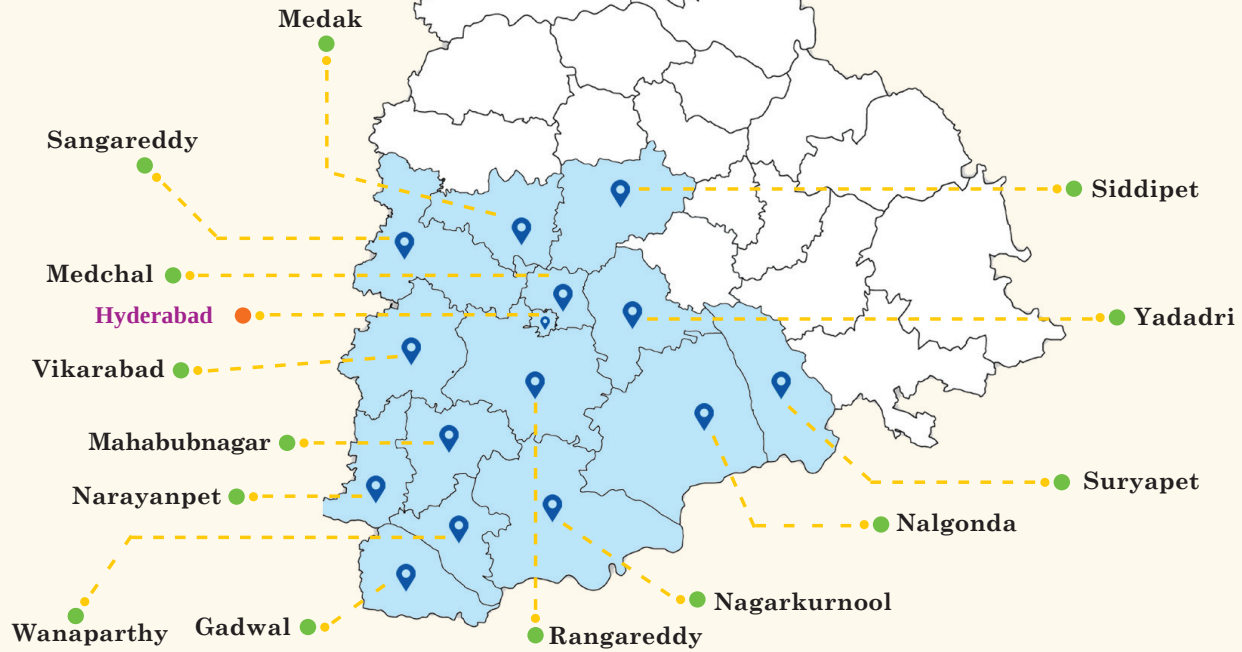
In exercise of the powers conferred under section 3 of the Telangana Districts (Formation) Act, 1974, the Governor of Telangana, in the interests of better administration and development of the area concerned, after taking into consideration of the objections and suggestions received from various people and public representatives, formed new Districts by altering the boundaries of existing Districts as specified in Section 3 of the Central Act No. 6 of 2014.

With a vision to fulfill the expectations of the Telangana Government, Southern Power Distribution Company of Telangana Limited which came into being on 2nd June 2014, with an objective of providing Electricity to the people at an affordable prices. TGSPDCL has its headquarters at Hyderabad and encompasses an area of 15 districts viz., Mahabubnagar, Nalgonda, Yadadri Bhuvanagiri, Suryapet, Siddipet, Medchal, Wanaparthy, Nagarkurnool, Jogulamba Gadwal, Narayanpet, Sangareddy, Medak, Hyderabad, Vikarabad and Rangareddy catering to the power requirements of 11.10 million consumers.

The philosophy of TGSPDCL is to enhance its performance and emerge stronger by the day to offer its customers the best and value for money.

TELANGANA STATE

TGSPDCL DISTRICTS



Operational Performance

Significant achievements during F.Y. 2023-24 are given below

- ❖ The Company achieved metered sales of 37709.20 MU in FY 2023-24 as against 34760.32 recorded during FY 2022-23. The metered sales percentage to energy input was at 64.67% in FY 2023-24 as compared to 67.83% DURING 2022-23.
- ❖ Energy input was at 58311.64 MU in during 2023-24 as against 5124.69 MU in the Previous Year (2022-23).
- ❖ The peak period demand met in F.Y.2023-24 is 9862 MW as against the P.F.Y 9360 MW.
- ❖ The Company has supplied 15615.51 MU Energy to the Agriculture Sector as against 12127.22 MU previous year. The energy supplied to agricultural sector constitutes 26.78% of total energy input in FY 2023-24. Assessment of agricultural energy is being done by ISI methodology approved by Electricity Regulatory Commission (ERC) from FY 2013-14.
- ❖ The maximum consumption on a day in FY 2023-24 was 202.45 MU as against 188.60 MU in the previous financial year.

Reduction of Energy Losses:

During the FY 2023-24, a number of measures were adopted that contributed to the ongoing efforts to reduce energy losses. The initiatives include:

- ❖ Energy Audit of 104 Towns and 162 Mandal Head Quarters. FY 2023-24

- ❖ Impact of above measures is apparent. The Energy Losses during the FY 2023-24 is 8.55% as against 8.50% in previous FY 2022-23.
- ❖ Arrested theft of power by regular Detection of Pilferage of Energy (DPE) wings by conducting inspections and special intensive inspections with the DPE & Operation Wings of all circles, during the FY 2023-24, in both HT & LT connections Total 173595 no. of cases were booked for various type of irregularities namely theft, Unauthorized Development Charges and back billing cases.

Projects Data

During FY 2023-24 the following works have been completed to strengthen the distribution system and the infrastructure of the Company is as follows:

S.No.	Particulars	Total as on 31.03.2023	Achievement in F.Y. 2023-24	Total as on 31.03.2024
1	No. of 33 / 11 KV Substations	1721	27	1748
2	Lines (in Km)			
	33KV	16629.11	130.03	16759.14
	11KV	114604.95	3164.24	117769.19
	Low Tension	243123.92	4671.69	247795.61
3	High Voltage Distribution System (HVDS) for (DTRs)	32669	0	32669
	High Voltage Distribution System (HVDS) for Agriculture Pump Sets	95219	0	95219

4. Telangana Solar Power Policy 2015:

In the last decade, due to increasing thrust of Governments across the world towards fuel conservation and clean energy, solar power capacity has increased by over 45 times and stands at about 184 GW in 2014. In India, capacity additions in solar power have been even more remarkable. The total solar capacity in Telangana has grown to nearly 5558.68 as on 30.06.2023.

This policy of GoTG on solar has provisions which aims at creating an enabling environment for prospective solar power developers to harness substantial quantum of solar power in the best possible manner. This in turn is expected to meet the objective of GoTG to provide competitive, reliable power supply to its consumers and also to ensure a sustainable fuel mix in the long run.

Some of the key benefits of the Policy are as mentioned below:

- ❖ Single window clearance
- ❖ Deemed conversion to Non-agricultural land status
- ❖ Exemption from Land Ceiling Act
- ❖ Transmission and Distribution charges for wheeling of power
- ❖ Power scheduling and Energy Banking

- ❖ Electricity Duty(ED)
- ❖ Cross subsidy Surcharge(CSS)
- ❖ Grid Connectivity and Evacuation facility
- ❖ Payment of Development Charges and Layout fee
- ❖ Refund of VAT
- ❖ Refund of Stamp Duty
- ❖ PCB clearances
- ❖ Provisions under the Factories Act
- ❖ Solar Rooftop Projects‘

This policy shall come into operation with effect from the date of issue and shall remain applicable for a period of 5 years. All Solar Projects that are commissioned during the operative period shall be eligible for the incentives declared under this policy, for a period of ten (10) years from the date of commissioning.

Abstract of Installed Capacities

S.No.	Type of Power/Generating Station		Total Installed Capacity in MW	Telangana Share in MW	TGSPDCL allocation in MW
1	TG GENCO	Thermal	4042.50	4042.50	2851.98
		Hydel	2441.76	2324.76	1640.12
2	Central Sector		19929.00	3622.79	2574.48
3*	Non Conventional (Sale to Discoms)		5482.75	5482.75	3864.60
4	Others		3270.00	3039.45	2144.41
Total			35166.01	18512.25	13075.82

* Synchronized to grid values.

Solar and Wind Power Projects Synchronized to the grid

Solar Power Projects	Sale to DISCOM in MW		Third Party & Captive in MW	Solar Net Meter (Roof Top) in MW	Total (MW)
	Solar PPA	Wind PPA			
	5231.55	128.10	546.79	399.27	6305.71

Long Term Power Procurement through competitive Bidding

S.No.	Name of the successful Bidder	Quantum in MW	TG Share in MW	TGSPDCL Share in MW	Levelised Tariff Rs./ kwh	Status
1	M/s. Sembcorp Energy India Ltd	500	269.45	190.10	3.675	PPA- 01.04.2014 Supply Commencement 20.04.2015 Term: 25 years
2		570	570	402.14	4.15	PPA – 18.02.2016 Supply Commencement 30.03.2016 Term: 8 Years

Roof Top Solar (RTS)

In order to promote generation of electricity from the Renewable sources of energy in the state of Telangana, Hon'ble TGERC has issued regulation No.06 of 2016 for connectivity with the Grid and sale of electricity from the Roof top Solar photovoltaic systems.

The Roof top solar systems installed capacity up to F.Y.2023-24 is 354.43 MW.

The Ministry of new and Renewable Energy has been implementing the Grid Connected Rooftop Solar Phase II Programme since 2019, which was proposed to be implemented till 2025-26 with a budgetary outlay of Rs.11,814 Crores. The Scheme stands subsumed within the PM Surya Ghar Muft Bijli Yojana.

Phase II of Grid Connected Roof Top (GCRT) Solar programme

- ❖ Under the phase II of GCRT Solar programme, The MNRE has allocated 10.78MW for FY 2019-20 and 20 MW for FY 2020-21 and 40 MW for FY 2021-22 for RTS system implementation in residential sector.
- ❖ Accordingly, TGSPDCL has entered Memorandum of Understandings (MoU's) with TGREDCO to take assistance of TGREDCO (State Nodal Agency for the State of Telangana) for implementation of Rooftop solar in residential sector.
- ❖ So far, the phase II programme is under implementation which in turn facilitate for deployment of Rooftop solar systems of 284.36 MW capacity as on 01.06.2023 in TGSPDCL.
- ❖ The following table depicts the progress made in residential sector under Phase II of GCRT solar programme:

Financial Year	Allocation in residential sector	Released capacity (in MW) as on 31.08.2021	Validity
2019-20	10.78 MW	9.187 MW	19.08.2021
2020-21	20.00 MW	9.483 MW	25.02.2022
2021-22	40.00 MW	4.374 MW	The same allocation is valid till 19.01.2024

5. Share capital

As on March 31, 2024, the authorized share capital of the Company was Rs.20,000 crore, consisting of 2000 crore equity shares of Rs.10/- each. the issued and paid-up share capital of the Company.

The Issued, Subscribed And Paid-up capital of the company is **12,017,930,306 Equity shares at Rs.10/- each amounting to Rs. 120,179,303,060.**

6. Dividend

As there are no profits from operations, the Directors do not recommend any dividend in the FY 2023-24.

7. Details of the Deposits as per the Chapter V Section 73 of the Companies Act, 2013

The Company has not accepted any public deposits within the meaning of Section 73 of the Companies act, 2013 and as such no amount on account of principal or interest on public deposits was outstanding as on 31st March, 2024.

8. Annual Return & Extract of The Annual Return as Per 92(3), Rule 12 in form MGT 9-134(3)(A)

Form MGT 9 is enclosed as **Annexure – A. Page no. 33.**

Annual Return Pursuant to the amendments to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return (Form MGT-7) for the financial year ended March 31, 2024, will be made available as and when filed with MCA on the Company's Website and the same can be accessed at www.tgsouthernpower.org

9. Number of Meetings of The Board – 134(3)(B)

The Number of Board Meeting held during the Financial Year and as on 31.03.2023 are as mentioned below:

S. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1.	30.05.2023	12	12	100%
2.	26.07.2023	11	11	100%
3.	11.08.2023	11	11	100%
4.	30.09.2023	11	10	90.90%
5.	21.11.2023	12	11	91.66%
6.	29.02.2024	5	4	80%

10. Compliance with Secretarial Standards on Board and Annual General Meetings

The Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings respectively.

11. Details of any Proceeding Pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)

During the year, no corporate insolvency resolution process was initiated under the Insolvency and Bankruptcy Code, 2016, either by or against the Company, before National Company Law Tribunal. The details of TGSPDCL claims in NCLT as on 31.03.2024 are as follows: -

Sl. No	Circle Name	Company Name & CP(IB) No.	Dues/Claim Amt (in Lakhs)	Status
1	Cybercity	M/s. Saptarishi Hotels Pvt Ltd	8.18	Liquidation
2	Cybercity	M/s.IVRCL Limited.	76.52	Liquidation
3	Central Circle	M/s.IVRCL Limited.	21.54	Liquidation
4	Central Circle	M/s.Talwalkars Better value Fitness Pvt.Ltd	7.63	Liquidation
5	Habsiguda	M/s.Kadevi Engineering Company Pvt. Ltd.	17.79	Liquidation
6	Habsiguda	M/S.Versatile Pharmaceuticals Pvt. Ltd.	7.63	CIRP
7	MahboobNagar	M/s. BTT Industries Ltd.	2387.64	CIRP
8	MahboobNagar	M/s. B&A Best Health Care Pvt. Ltd.	2.77	CIRP
9	MahboobNagar	M/s. B&A Best Health Care Pvt. Ltd.	2.77	CIRP
10	MahboobNagar	M/s. Vibha Agro Tech Limited	45.79	CIRP
11	Medchal	M/s.Leo Meridian Infrastructure	106.09	CIRP
12	Sanga Reddy	M/s. Sujana Towers Ltd (Neueon Towers Limited)	16.61	CIRP
13	Sanga Reddy	M/s. Fenoplast Limited	89.53	CIRP
14	Rajendra Nagar	M/s IL & FS Environmental I&S Ltd.,	38.18	CIRP Completed
15	MBNR	M/s. Suryajyothi Spinning Mills Ltd.	2586.39	Liquidation
16	Rajendra Nagar	M/s. Suryajyothi Spinning Mills Ltd.	2852.16	Liquidation
17	Gadwal	M/s. Nadhi Bio Products Pvt Ltd	7.92	CIRP
18	Rajendra Nagar	M/S Millenium Appliances	29.15	CIRP
19	Secunderabad	M/s Ariston Pharma Novatech	15.99	CIRP
20	Vikarabad	M/s. Golconda Textiles Ltd	57.82	CIRP
21	Corporate Office	M/s. Konaseema Gas Power Limited	21240.68	Liquidation
22	Medchal	M/s. Nawa Engineers and Consultant Pvt. Ltd	1.28	Liquidation
23	SangaReddy	Reliance Infocom Ltd	116.55	CIRP
24	Yadadri	M/s. Aster Pvt. Ltd.	1.16	Liquidation
25	Corporate Office	M/s. Victory Electricals Ltd	407.94	Liquidation
26	Corporate Office	M/s. Victory Transformers and Swithgears Ltd	397.00	Liquidation
27	Corporate Office	M/s. KSK Mahanadi Power Company Ltd	11442.36	Liquidation
28	Corporate Office	M/s. Corporate Power Ltd	38153.57	Liquidation
TOTAL			80135.87	□

The details of TGSPDCL appeals in NCLAT, Chennai as on 31.03.2024 are as follows:-

Sl.No	Circle Name	Company Name & Case No.CA. No.	Amt for Appeal Rs. in lakh
1	MahboobNagar	M/s. BTT INDUSTRIES LTD.	15.00
2	Rajendranagar	M/s Vaksh Steel Ltd.,	3127.53
3	Rajendranagar	M/s. Glade Steels Pvt Ltd	1106.00
4	Sangareddy	M/s. Sujana Metals Products Ltd	504.99
5	Sangareddy	M/s.Techtron Polylenses Ltd	96.91
6	Sangareddy	M/s.Priyadarshini Spinning Mills Ltd.	3187.16
7	Suryapet	M/s. Sri MATA Infrastructure Ltd.	151.47
8	Rajendra Nagar	M/s. Ennar Steels & Alloys Pvt.Ltd.	0
9	Sangareddy	M/s. Apex Drugs Ltd	34.37
TOTAL			8223.43

The details of TGSPDCL appeals in NCLAT, appeals in Supreme Court against NCLAT orders as on 31.03.2024.

Sl.No	Circle Name	Company Name	Dues/Claim Rs. in lakh
1	Suryapet	M/s.Bheema Cements Ltd.	3620.19
2	Sangareddy	Omicron Biogenesis Ltd. (Tradeinox Industries Ltd.)	711.50
TOTAL			4331.69

12. Directors' Responsibility Statement as per 134(5) – 134(3)(C)

Pursuant to section 134(5) of the Companies Act, 2013, your directors confirm and report that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the annual accounts for the FY 2023-24 on a going concern basis; and
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. Explanation/Comments By The Board On Every Qualifications, Reservations, Adverse Remarks or Disclaimers Made By The Statutory Auditors & The Practicing Company Secretary In Their Reports – 134(3)(F)

Statutory Auditor Report along with Management Reply is enclosed at Annexure –B. Page No. 58

Secretarial Auditor Report along with Management Reply is enclosed at Annexure – C. Page No. 67

14. Particulars of the Loans, Guarantees, Security or Investments and the Purpose for which the Loan, Guarantee or Security is Proposed to be Utilised by the Recipient as per 186-134(3)(G)

The complete financial details are available in the Balance sheet.

15. Particulars of Contracts or Arrangements with the Related Parties along with the Justification for Entering into Such Transactions as per 188(1)-134(3)(H) & Rule 8(2) - Form AOC 2

The Ministry of Corporate Affairs (MCA) vide Notiûcation dated June 5, 2015, has exempted the government companies from Related Party Transactions under Section 188(1) & 188(2).

16. Amount Proposed to be Carried to Reserves – 134(3)(J)

Rs. (4,909.53) Crore has been carried to Reserves for the F.Y.2023-24.

17. Material Changes & Commitments, if any Affecting the Financial Position of the Company, Occurred Between the End of the Financial Year to which This Financial Statements Relate and the Date of the Report – 134(3)(L)

NIL

18. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo – 134(3)(M) & Rule 8(3)

Statement is enclosed at Annexure–D. Page No. 74

19. Development and Implementation of A Risk Management Policy, Including the Identification Therein of The Elements of Risk, Which in the Opinion of the Board may Threaten the Existence of The Company-134(3)(N)

The Company is faced with risks of different types, all of which need different approaches for mitigation. Various risks associated with the business of the Company are given below:

Operational risk: To mitigate operational risks associated with distribution network, the company invests significant resources in the maintenance and protection of its critical equipments, details of which were mentioned above.

Regulatory risk: Electricity is a highly regulated sector. This exposes the company to risks with respect to changes in policies and regulations which are similar to all players in the sector.

Financial risk: Company is having a loss of Rs. 4,909.53 Crore and Total Indebtedness of the company Rs.28,733.42 Crore. Ujwal Discom Assurance Yojana (UDAY), a Scheme for the Financial Turnaround of the Power Distribution Companies (DISCOMs) was announced/approved vide Ministry of Power, Government of India; details are mentioned in Item No. 2 of the Directors Report.

The Board of Directors of the Company are competent to take decisions on the Risk mitigation and to take appropriate measures for risk management.

20. Details of the Policy Developed and Implemented on The CSR and the Initiatives Taken, Composition of CSR Committee – 134(3)(O), Rule 9 & Annexure to the CSR Rules

The Corporate Social Responsibility (CSR) Committee composition as on 31.03.2024 as follows:

SL. No	Name	Designation
1	Sri SAM Rizvi, IAS	Principal Secretary to Govt., Energy Dept.
2	Sri C. Srinivasa Rao, IRAS(Retd)	JMD/TGTRANSCO
3	Sri P. Shyam Sunder	Assistant Secretary to Govt., Finance Dept.

21. Details of the Policy Developed and Implemented on the Borrowing Committee

The Borrowing Committee composition as on 31.03.2024 is as follows:

SL. No	Name	Designation
1	Sri Musharaff Ali Faruqui, IAS	Chairman and Managing Director/TGSPDCL
4	Sri P. Shyam Sunder	Assistant Secretary to Government., Finance Department
5	Sri V. Anil Kumar	Company Secretary/TGSPDCL - Convener

22. Details of the Policy Developed and Implemented on Nomination and Remuneration Committee

The Present constitution of Nomination and Remuneration Committee composition as on 31.03.2024 is as follows:

SL. No	Name	Designation
1	Sri SAM Rizvi, IAS	Principal Secretary to Govt., Energy Department
2	Sri C. Srinivasa Rao, IRAS(Retd)	JMD/TGTRANSCO
3	Sri P. Shyam Sunder	Assistant Secretary to Govt., Finance Department

23. If The Company Fails to Spend the Required Amount on CSR, the Reasons Thereof – 135(5)

Reasons for failure to spend the required amount on CSR

Since the Company is not having any profits and having a loss Rs. 4,909.53 Crore, the Company couldn't spend any amount on CSR. Hence this clause is not applicable.

However, the Company shall take the necessary (CSR) activities as and when required according to the Company policy, and CSR Committee shall monitor the same.

24. Details of the Directors/ KMP – Appointed and Resigned – Rule 8(5)(III) for F.Y. 2023-24

Name of the Director	Disignation	Date of appointment	Date of cessation, if applicable
Sri G. Raghuma Reddy	Chairman and Managing Director	26.11.2014	12.12.2023
Sri P. Narasimha Rao, IRS	Director/Finance	06.09.2018	15.07.2023
Sri T. Srinivas	Director/Projects & IT	31.07.2013	29.01.2024
Sri J. Srinivas Reddy	Director/Operations	26.11.2014	29.01.2024
Sri G. Parvatham	Director/HR & IR	05.09.2018	29.01.2024
Sri K. Ramulu	Director/Commercial	01.09.2018	29.01.2024
Sri Ch. Madan Mohan Rao	Director/P&MM	01.09.2018	29.01.2024
Sri S. Swamy Reddy	Director/IPC & RAC	01.09.2018	29.01.2024
Sri G. Gopal	Director/(Energy Audit, DPE & Assessment)	13.07.2021	29.01.2024
Sri Sunil Sharma, IAS	Special Chief Secretary to Government, Energy Department (Nominee Director)	22.10.2021	29.12.2023
Sri P. Shyam Sunder	Assistant Secretary to Government, Finance Department (Nominee Director)	08.09.2021	NA
Sri C. Srinivasa Rao, IRAS(Retd)	JMD/TGTRANSCO (Nominee Director)	04.03.2017	NA
Sri. Musharaff Ali Faruqui	Chairman and Managing Director	12.12.2023	NA
Sri SAM Rizvi, IAS	Principal Secretary to Government, Energy Department (Nominee Director)	29.12.2023	NA
Sri V. Anil Kumar	Company Secretary	21.07.2015	24.07.2023
Sri. Ravi Kumar Suluva	Company Secretary	24.07.2023	29.07.2023
Sri V. Anil Kumar	Company Secretary	29.07.2023	NA

25. The Fact of Resignation of any Director-168(1)

- The Government of Telangana issued orders vide G. O. Rt. No. 1003, General Administration (SPL-A) Department Dt: 15.07.2023 and orders vide Memo No.CGM (HRD)/ GM (PER)/ AS(PER & SER)/PO-A/78-A1/2018, Dt.15.07.2023. with regard to the relieving of Sri P. Narasimha Rao. IRS Director (Finance) with effect from 15.07.2023.
- The Government of Telangana issued orders vide G.O.RT.No.1637, Dt.12.12.2023 for the appointment of Sri Musharraf Ali Faruqui, IAS (DIN:10429742) as Chairman and Managing Director of the Company w.e.f 16.12.2023, on the Board of TGSPDCL in the place of Sri.G. Raghuma Reddy.

- c) The Government of Telangana issued orders vide G.O.MS.NO.29, ENERGY(HR-A1) DEPARTMENT, DT.29.12.2023 for the appointment of Sri S.A.M.Rizvi, IAS, Principal Secretary to Government, Energy Department as Non-whole time Director and shareholder on Board of TGSPDCL w.e.f .29.12.2023 in place of Sri. Sunil Sharma, IAS.
- d) The Government of Telangana issued orders vide G.O.RT.No.5, ENERGY(HR-A1) DEPARTMENT, dt.29.01.2024 with regard to the discontinuation of the services of the 7 directors mentioned above with effect from 29.01.2024.

26. Appointment, Qualifications & Remuneration & Evolution of the Board of Directors Section 134(3)(E) & Section 134(3)(P)

The Ministry of Corporate Affairs (MCA) vide Notiûcation dated June 5, 2015, has exempted the government companies from the Policy on appointment and remuneration including criteria for determining qualifications, positive attributes, independence of directors etc.,

27. Details of The Significant & Material Orders Passed by the Regulators/ Courts/ Tribunals and Litigation Summary

Statement showing the Circle wise details of court cases amount pending as on 31.03.2024.

(Rs in Crore)

S.No.	Circle	LT		HT		TOTAL	
		No. of Services	Amount	No. of Services	Amount	No. of Services	Amount
1	BANJARA HILLS	17	-0.06	81	179.73	98	179.67
2	CYBERCITY	0	0.00	69	26.48	69	26.48
3	GADWAL	0	0.00	3	0.01	3	0.01
4	HABSIGUDA	35	0.37	130	52.72	165	55.09
5	HYDERABAD CENTRAL	29	0.16	66	128.93	95	129.09
6	HYDERABAD SOUTH	51	0.24	26	38.71	77	38.95
7	MAHABOORNAGAR	0	0.00	63	37.27	63	37.27
8	MEDAK	0	0.00	24	71.00	24	71.00
9	MEDCHAL	22	0.02	185	144.16	207	144.18
10	NAGARKURNOOL	0	0.00	8	3.40	8	3.40
11	NALGONDA	56	0.22	167	301.57	223	301.78
12	NARAYANPET	0	0.00	3	3.04	3	3.04
13	RAJENDRA NAGAR	310	3.45	217	305.71	527	309.16
14	SANGAREDDY	0	0.00	217	380.29	217	380.29
15	SAROORNAGAR	54	0.05	28	73.41	82	73.46
16	SECUNDERABAD	37	-0.01	77	38.93	114	38.92
17	SIDDIPET	0	0.00	18	14.63	18	14.63
18	SURYAPET	11	0.02	109	328.34	120	328.37
19	VIKARABAD	0	0.00	10	194.23	10	194.23
20	WANAPARTHY	0	0.00	5	0.02	5	0.02
21	YADADRI	9	0.01	64	37.42	73	37.42
Total		631	4.46	1570	2361.98	2201	2366.44

28. Disclosure of the Composition of Audit Committee and Where the Board has not Accepted any Recommendation of the Audit Committee, the Reasons for not Accepting such Recommendations – 177(8)

The Audit Committee composition as on 31.03.2024 is as follows:

SL. No	Name	Designation
1	Sri SAM Rizvi, IAS	Principal Secretary to Govt., Energy Dept.
2	Sri C. Srinivasa Rao, IRAS	JMD/TGTRANSCO
3	Sri P. Shyam Sunder	Assistant Secretary to Govt., Finance Dept.

The Board has considered and accepted all the recommendations of the Audit Committee and there are no recommendations which were not accepted during the FY 2023-24.

29. Particulars of the Employees & Employee Welfare

1. Manpower: The manpower (officers and staff) stood at 21,251 for the FY 2023-24 when compared to 20,386 for the FY 2022-23.

The category wise employee's filled is indicated below:

Sl. No	Name of the Category	F.Y. 2023-24	F.Y. 2022-23
1	Engineering service	2,698	2,655
2	Accounts and P&G service	2,210	2,111
3	O&M and construction service	7,607	6,390
4	Others (including deputations)	88	97
5	Artisan's	8,648	9,133
Total		21,251	20,386

2. Training to Employees: During FY 2023-24 training has been imparted to 2033 employees on new technologies in Power sector, IT initiative, HR activities.

3. Employees welfare: Total 95 (50 are Regular Employees + 45 are Artisans) dependents of deceased employees have been provided employment in the Company under compassionate grounds.

30. Details of Establishment of Vigil Mechanism – 177(9) & (10)

Board approved the Vigil Mechanism Policy -2015 pursuant to Section 177 (9) of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 at its board meeting held on 06th August, 2015 for directors and employees to report to the management instances of irregularity, unethical practices and /or misconduct in line with the above policy. The details of such policy were communicated to all offices apart from disclosing in the Company's website www.tgsouthernpower.org.

The Vigil Mechanism Committee composition as on 31.03.2024 as follows:

SL. No	Name	Designation
1	Sri SAM Rizvi, IAS	Principal Secretary to Govt., Energy Department
2	Sri C. Srinivasa Rao, IRAS(Retd)	JMD/TGTRANSCO
3	Sri P. Shyam Sunder	Assistant Secretary to Govt., Finance Department

31. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

A 'Complaints Committee' has been constituted to prevent or deter the commission of acts of Sexual harassment on women employees in TGSPDCL. The present composition of the Committee is as follows:

SL. No	Name	Designation
1.	Smt.B.Lalitha, Chief General Manager/CGRF	Chairperson
2.	Smt. K.Uma Devi, DE/Enquiries	Member
3.	Sri K.Sunil Kumar,DE/RAC/Corporate Office	Member
4.	Sri K. Jai Hind, DE/Master Plan/Hyderabad	Member
5.	Smt. B.Mangamma,DE/T/Medchal Zone	Member
6.	Smt.I.Sheela Rani, DE/O&m/Corporate Office	Member

32. Internal Audit

The Board approved the following firms as Internal Auditors for the FY 2023-24.

S.No	Circles/Set of Circles	Chartered Accountant Firm
1	Medak, Sangareddy & Siddipet	M/s. K.Prahlada Rao & Co.Chartered Accountants
2	Nalgonda, Suryapet & Yadadri	M/s. Y. Tirupathaiah & Co.,Chartered Accountants
3	Mahabubnagar, Nagarkurnool, Wanaparthy & Gadwal, Narayanpet	M/s. Nagabhirava & Associates.Chartered Accountants
4	Rangareddy- I (Cybercity, Vikarabad & Rajendranagar)	M/s. Sagar & Associates, Chartered Accountants
5	Rangareddy –II (Habsiguda, Medchal & Saroornagar)	M/s. Y. Tirupathaiah & Co.,Chartered Accountants
6	City I Circle set - Banjarahills, Secunderabad & Hyderabad South	M/s. Komandoor& Co.LLP, Chartered Accountants
7	City II Circle Set- Hyderabad Central, SCADA, Master Plan, Corporate Office, Metro Zone, RR Zone, Rural Zone & Medchal Zone.	M/s. Nagabhirava & Associates. Chartered Accountants

33. Legal Entity Identifier (LEI)

As per the Reserve Bank of India guidelines, TGSPDCL has obtained Legal Entity Identifier (LEI) Number: 335800B6M6WMC6GW6UV29.

34. Statutory Auditors

Statutory Auditor

M/s. PUROHIT & CO (304040E), Chartered Accountants, were appointed by the Comptroller and Auditor General of India (CAG) as Statutory Auditors of the Company for the FY 2023 -24.

Secretarial Auditor:

M/s. KCC & Associates, Company Secretaries were appointed as Secretarial Auditors of the Company for the FY 2023-24.

Cost Auditor:

M/s. B.V.S. & Co, Cost Accountants were appointed as Cost Auditors of the Company for the FY 2023-24.

345 Acknowledgements

We thank and acknowledge the invaluable support and co-operation of the Chairman & Managing Director, TG TRANSCO and Chairman & Managing Directors of TGGENCO, TGNPDCL, AP TRANSCO, APGENCO & AP DISCOMS.

We take this opportunity to thank the Secretary, Energy Department, Government of Telangana, The Secretary, TGERC and other officials of the Govt. of Telangana, Auditors of the company & the Office of the Comptroller & Auditor General of India, the Bankers and Financial Institutions & all the Stakeholders and look forward to their continued support in the future.

We also wish to congratulate all the employees and staff of TGSPDCL, for their invaluable services.

For and on behalf of the Board of Directors
Southern Power Distribution Company of Telangana Limited
CIN - U40109TG2000SGC034116

Place : Hyderabad
Date : 31-12-2024

Sd/-
V.Anil Kumar
Company Secretary
MEMBERSHIP NO- F9521

Sd/-
Musharraf Ali Faruqui, IAS
Chairman and Managing Director
DIN- 10429742

ANNEXURE A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2024

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	U40109TG2000SGC034116
	Registration Date [DDMMYY]	30.03.2000
ii)	Category of the Company [Pl. tick]	A Government of Telangana Undertaking (State Govt. Company) Unlisted Public Company
	Whether shares listed on recognized Stock Exchange(s)	No
vi)	NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:	
	Company Name	Southern Power Distribution Company of Telangana Limited.
	Address	Corporate office, # 6-1-50, Mint Compound, Lakdikapool
	Town / City	Hyderabad
	State	Telangana State
	Pin Code:	500063
	Country Name :	India
	Country Code	+91
	Telephone (With STD Area Code Number)	040-23431011
	Fax Number :	NA
	Email Address	cs@tgsouthernpower.org
	Website	www.tgsouthernpower.org
	Name of the Police Station having jurisdiction where the registered office is situated	Saifabad Police Station

I. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Distribution and Retail supply of Electricity in the licensed area of the company i. e, Mahabubnagar, Nalgonda, Yadadri Bhuvanagiri, Suryapet, Siddipet, Medchal, Wanaparthi, Nagarkurnool, Jogulamba Gadwal, Narayanpet, Sangareddy, Medak, Hyderabad, Vikarabad and Rangareddy	35109 / Collection and distribution of electric energy to households, industrial, commercial and other users n.e.c	100%

II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	Name And Address Of The Company	CIN/GLN	Holding Company/ Subsidiary /Associate
	NIL	-	-

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2023]				No. of Shares held at the end of the year[As on 31-March-2024]				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	12,01,79,30,297	1,20,17,93,02,970	99.99%	0	12,01,79,30,297	1,20,17,93,02,970	99.99%	Nil
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	9	90	0.01%	0	9	90	0.01%	0
Total shareholding of Promoter (A)	0	12,01,79,30,306	1,20,17,93,03,060	99.99%	0	12,01,79,30,306	1,20,17,93,03,060	99.99%	Nil
B. Public Shareholding	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	12,01,79,30,306	1,20,17,93,03,060	100%	0	12,01,79,30,306	1,20,17,93,03,060	100%	Nil

B) Shareholding of Promoter -

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	
1	Governor of Telangana	12,01,79,30,297	99.99%	0	12,01,79,30,297	99.99%	0	100
	Total	12,01,79,30,297	99.99%	0	12,01,79,30,297	99.99%	0	100

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

S.No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2023)			Shareholding at the end of the year (31.03.2024)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	
1.	Sri Sunil Sharma, IAS, Special Chief Secretary to Government, Energy Dept., Director/ (Non-Whole Time)/TGSPDCL	2	0	0	0	0	0	0
2.	Sri S.A.M.Rizvi, Principal Secretary to Government, Energy Dept., Director/ (Non-Whole Time)/TGSPDCL	0	0	0	2	0	0	0
3.	Sri D. Prabhakara Rao, Chairman and Managing Director/TGTRANSCO	1	0	0	1	0	0	0
4.	Sri C. Srinivasa Rao, IRAS JMD/TGTRANSCO	1	0	0	1	0	0	0
5.	Sri G. Raghuma Reddy Chairman and Managing Director /TGSPDCL	2	0	0	2	0	0	0
6.	Sri J. Srinivasa Reddy, Director /Operations / TGSPDCL	1	0	0	1	0	0	0
7.	Sri T. Srinivas Director (Projects & IT) /TGSPDCL	1	0	0	1	0	0	0
8.	Sri P. Narasimha Rao Director/Finance/ TGSPDCL	1	0	0	1	0	0	0

8.	Assistant Secretary to Govt., Energy Department, Government of Telangana, Representative on behalf of Governor of Telangana)	12,01,79,30,297	0	0	12,01,79,30,297	0	0	0
	Total	12,01,79,30,306	100%	0	12,01,79,30,306	100%	0	0

D) Shareholding Pattern of Top Ten Shareholders: 31.03.2024

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	Share Holders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors				
1.	Assistant Secretary to Govt., Energy Department, Government of Telangana, Representative on behalf of Governor of Telangana)				
A	At the beginning of the year	12,01,79,30,297	99.99%	12,01,79,30,297	99.99%
B	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		0	0	0
C	At the end of the year	12,01,79,30,297	99.99%	12,01,79,30,297	99.99%

E) Shareholding of Directors and Key Managerial Personnel: 31.03.2024

S. No	Share Holders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sri G. Raghuma Reddy, Chairman & Managing Director TGSPDCL				
A	At the beginning of the year	2	0	2	0
B	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0

C	At the end of the year	2	0	2	0
2.	Sri T. Srinivas Director / Projects & IT / TGSPDCL				
A	At the beginning of the year	1	0	1	0
B	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	0	0	0	0
C	At the end of the year	1	0	1	0
3.	Sri J. Srinivasa Reddy, Director / Operations / TGSPDCL				
A	At the beginning of the year	1	0	1	0
B	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	0	0	0	0
C	At the end of the year	1	0	1	0
4.	Sri G. Parvatam, Director / HR & IR / TGSPDCL				
A	At the beginning of the year	1	0	1	0
B	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	0	0	0	0
C	At the end of the year	1	0	1	0

F) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/ accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	133,929,397,151	94,976,437,090	-	228,905,834,241
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	133,929,397,151	94,976,437,090	-	228,905,834,241

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
* Addition	27,181,791,943	158,283,883,939	-	185,465,675,882
* Reduction	34,801,377,090	92,225,857,140	-	127,027,234,230
Net Change	(7,619,585,147)	66,058,026.799	-	58,438,441,652
Indebtedness at the end of the financial year				
i) Principal Amount	126,309,812,004	161,034,463,889	-	287,344,275,893
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	126,309,812,004	161,034,463,889	-	287,334,275,893

Note: Includes the balances of Anantapur and Kurnool

IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and Manager:

S. No	Particulars of Remuneration	G. Raghuma Reddy (CMD)	Musharraf ali Faruqui (CMD)	T. Srinivas (D/P)	J. Srinivas Reddy, D(O)	G. Parvatham (Dir/HR&IR)	K. Ramulu (Dir/Comm.)	Swamy Reddy Singireddy(Dir/IPC & RAC)	Ch. Madan Mohan Rao Dir/(P&MM)	P. Narasimha Rao, Dir/Fin	Gampa Gopal Director
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	34,78,422	10,55,010	39,72,904	37,47,833	26,54,320	66,42,136	25,69,889	26,98,247	9,71,378	20,40,145
2.	Stock Option	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4.	Commission - as % of profit - others, specify...	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

5.	Others, please specify (Total deductions Professional Tax & Income Tax)	13,99,766	300,403	13,24,286	12,54,504	11,43,149	19,72,807	11,80,625	8,08,704	2,28,882	3,36,227
	Total (A)	20,78,656	754,607	26,48,618	24,93,328	15,11,171	46,69,329	13,89,263	18,89,543	7,42,496	17,03,918
	Ceiling as per the Act	The Ministry of Corporate Affairs(MCA) vide notification dated 5 th June, 2015, has exempted the Government Companies from ceiling on remuneration under Section 197 of the Companies Act, 2013									

B. Remuneration to other Directors (Non Whole Time Directors)

S. No.	Particulars of Remuneration	Name of the Director	Name of the Director	Name of the Director	Name of the Director
		Sri Sunil Sharma, IAS, Special Chief Secretary to Govt., Energy Dept., Director (Non Whole Time) /TGSPDCL	Sri P. Shyam Sunder, Assistant Secretary to Govt., Finance Dept., Director (Non Whole Time) / TGSPDCL	Sri C. Srinivasa Rao, IRAS(Retd), JMD/ TGTRANSCO/ (Non-whole time) /TGSPDCL	SRI S.A.M.RIZVI, IAS Principal Secretary to Government Energy Department, Director (Non-Whole Time)/ TGSPDCL
	2. Non whole time Directors - Fee for attending board and committee meetings - Commission - Others, please specify	NA	NA	NA	NA
	Total Amount	50,000/-	60,000/-	50,000/-	10,000/-
	Overall Ceiling as per the Act	The Ministry of Corporate Affairs (MCA) vide Notification dated 5 th June, 2015, has exempted the Government Companies from ceiling on remuneration under Section 197 of the Companies Act, 2013.			

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

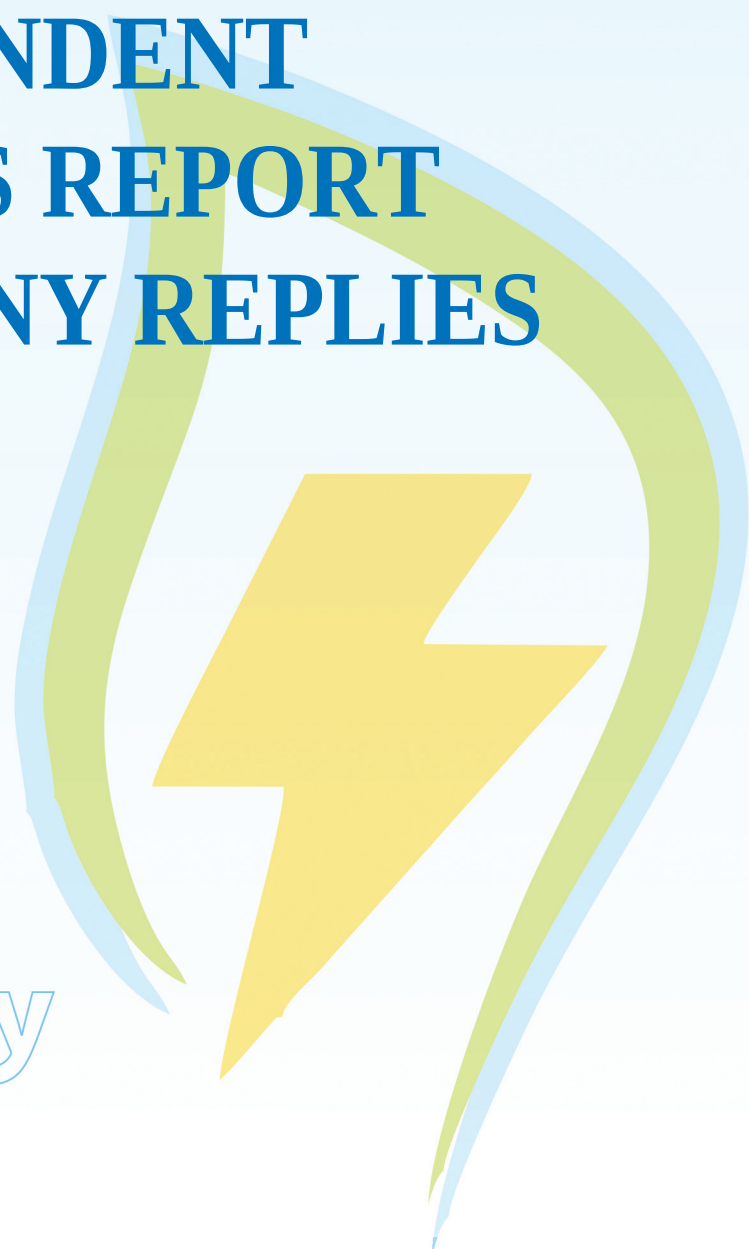
S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	31,90,520	NA	NA
2.	Stock Option	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA
4.	Commission-as % of profit-others, specify	NA	NA	NA	NA
5.	Others, please specify (deductions Provident Fund & Professional tax)	NA	5,73,982	NA	NA
	Total		26,16,538		

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

**INDEPENDENT
AUDITOR'S REPORT
AND COMPANY REPLIES**

Save Energy



REPLIES OF INDEPENDENT AUDITOR'S REPORT

To
The Members of
Southern Power Distribution Company of Telangana Limited,
Hyderabad.

Report on the Audit of Financial Statements

Qualified Opinion:

We have audited the accompanying financial statements of **SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2024 and the Statement of Profit and Loss and the Cash Flows Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, subject to the possible effect of the matters described in the Basis for Qualified Opinion, section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014 of the state of affairs of the Company as at 31st March, 2024, its loss and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

STATUTORY AUDITOR'S REPORT	COMPANY'S REPLY
<p>1. We are informed that the Company is governed by the Electricity Act, 2003 and accordingly the provisions of the said Act would prevail, wherever the same are inconsistent with the provisions of the Companies Act, 2013 in terms of section 174 of the Electricity Act. Accordingly, in terms of section 185(2)(d) of the Electricity Act, the annual accounts of the Company have been prepared as per the rules prescribed under "Electricity Supply(Annual Accounts) Rules 1985". Accordingly, the Company has not complied with some of the mandatory Accounting standards, as specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the requirements of Schedule-III to the Companies Act, 2013, details of which are given here under:</p>	
<p>a) Capitalization of administrative overheads (including staff cost) at 10% of the direct cost of the assets capitalized during the year as per the company's Accounting Policies No. 1.5(c), amounting to Rs. 120.52 Crore is not in accordance with Accounting Standard-10: "Property Plant and Equipment", as the same is not attributable as expenditure incurred directly to bring the said assets to working condition.</p>	<p>Ten percent of the cost of capital works is capitalized towards Employee cost and Administrative & General Expenses, as the operation circles are executing both capital works and operation & maintenance works, and it is not practicable to maintain records to identify the man hours spent by the staff on capital works.</p>

<p>b) As stated in Accounting Policy No. 1.8, recognition of the contributions received from consumers and specific grants from the State/ Central governments or their agencies for creation of tangible assets as “Reserves” on receipt basis, even before the creation of the said assets and adjustment of the same against depreciation on the proportionate value of the assets built out of the said contributions and grants, instead of the specific assets created with the said contributions/grants, which is contrary to Accounting Standard 12 “Accounting for Government Grants”.</p>	<p>The construction of assets takes place on a large scale on a continuation basis with the different sources of finance (i.e.) Borrowings, Government Grants and Internal sources. Hence, creation of tangible assets on receipts basis and providing of depreciation on the proportionate value basis with reference to Consumer contribution, Government grants, Loans and internal sources is not feasible.</p>
<p>c) Non-recognition of the “Parcels of Land” received at free of cost from State Government and its agencies in the books of account, as required by Accounting Standard 12 “Accounting for Government Grants”.</p>	<p>The Land and parcels available at various field units have been received; however some of the land and parcels of land are yet to be received. The records pertaining to these are being maintained at respective division office and circle level.</p>
<p>2) Consequent to the creation of the State of Telangana, in accordance with the Andhra Pradesh Reorganization Act, 2014, the Ananthapur and Kurnool operating business circles of the company have been reassigned to APSPDCL with effect from 2nd June, 2014 in accordance with G.O.Ms. No.24 dated 29th May, 2014 issued by State of Andhra Pradesh. The Company has recognized the transfer of assets and liabilities in the financial year 2015-16 of these two Circles in its books of account, as per the “Basis of Apportionment” mentioned in the said G.O. which is approved by the Expert Committee constituted by the Government of India, which is computed under the “pooling of interest” method. The company instead of recognizing the share of the said two Circles in the “Share Capital” of Rs. 325.28 Crore as a reduction in the share capital, recognized Rs. 723.01 Crore as “Capital Reserve” resulting in understatement of its negative net-worth by Rs. 1,048.29 Crore and consequential overstatement of “Receivables.”</p>	<p>The Expert Committee appointed by the Government of India has finalized the bifurcation of Assets and Liabilities between the APSPDCL and TGSPDCL and approved the same on 15.03.2018 duly signed by the CMDs of both the DISCOMs, the Chairperson and Members of the Expert Committee. The bifurcation of Assets and Liabilities was independently audited and certified by M/s. Sharad & Associates. Post bifurcation issues are still pending between Andhra Pradesh and Telangana.</p>

<p>3) Amount of Rs. 6,471.01 Crore towards surcharge on late payment payable to Singareni Thermal Power Plant (STPP) for the financial years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 is neither paid nor provided in the books of account but disclosed under Contingent liabilities, resulting in understatement of Reserves & Surplus / Net Loss and Trade Payables to the same extent.</p>	<p>Singareni Thermal Power Plant (STPP) has raised Late Payment Surcharge (LPS) to the extent of Rs. 6,471.01 Crore against TGSPDCL to the end of FY 2023-24. The Hon'ble TGERC does not allow the Late Payment Surcharge (LPS) in the Aggregate Revenue Return (ARR) filed by TGSPDCL and there is no matching Cash Inflows to pay the LPS to M/s. Singareni Thermal Power Plant (STPP). Further, any additional expenditure incurred by TGSPDCL over and above the ARR will be an additional cost and financial burden to the consumer of the TGDISOs.</p> <p>TGPCC/TGSPDCL and STTP are both the State owned Government Organizations and any additional expenditure in the form of Late payment Surcharge (LPS) will only burden to the consumers of Telangana State.</p> <p>Therefore, a letter was addressed to CMD/STPP to consider the request to TGDIscoms for waiver of the LPS claimed in the larger interest of the State.</p>
<p>4) Short term Borrowings include working capital loan from TG Transco and balance carried in books is Rs. 871.52 Crore. However, balance as per the confirmation letter from the party is Rs. 1235.38 Crore reflecting difference of Rs. 363.86 Crore. Pending reconciliation of the difference amount, correctness of the balance in the financial statements could not be ascertained and consequent impact on the financial statements could not to be arrived at.</p>	<p>Due to data migration certain differences were arising in short term borrowing for an amount of Rs. 363.86 Crore and the same will be reconciled and cleared in next financial year.</p>
<p>5) During the Financial Year 2018-19 the company has forfeited Bank Guarantees of Rs. 52.13 Crore and recognized the same as income for that Year. This amount includes Rs. 9.13 Crore pertaining to Kurnool and Ananthapur districts under Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL). This has resulted in understatement of provisions and</p>	<p>Out of forfeited Bank Guarantee of Rs. 52.13 Crore, the share of Ananthapur and Kurnool circles is Rs. 9.13 Crores which is to be payable to APSPDCL as the said two circles are merged with APSPDCL consequent on bifurcation of State from 02.06.2014 and to this effect a letter dated 7th June, 2019 has received from APSPDCL requesting to transfer the said amount. Further, it is to submit that, as the</p>

<p>overstatement of reserves & surplus by Rs. 9.13 Crore for the Year ended 31st March, 2024.</p>	<p>subject matter falls within the bifurcation issue and Apportionment of Assets and Liabilities in respect of Ananthapur and Kurnool circles is not yet finalized, this element will be considered while arriving the net settlement of Assets and Liabilities.</p>
<p>6) We are informed by the Company that no physical verification of Property, Plant and Equipment has been carried out during the year under report. Accordingly, we are unable to comment regarding any material discrepancies between the fixed assets register and the assets physically available.</p>	<p>To the extent possible at least major assets such as PTR/33 kV lines proposed to be taken up physical verification.</p>
<p>7) The cost of Lands as per Books of accounts as on the 31-03-2024 is amounting to Rs. 8.64 Crore. As per the information provided there are 1781 properties held by the Company. However, title deeds including letters of alienation/allotment/physical handing over of the property are available only for 527 properties and not available for the rest of 1254 land properties. Due to lack of information the impact on the books of accounts could not be ascertained.</p> <p>8) Actuarial valuation carried to arrive at Gratuity liability as on 31-03-2024 and as on 31-03-2023 was made on the assumption that the maximum limit for gratuity payment is Rs. 16,00,000/-. However, limit as per the Payment of Gratuity Act, 1972 is Rs. 20,00,000/-. The impact of variance in the assumption could not be quantified as the same has to be arrived at through actuarial valuation.</p>	<p>The parcels of Land and property held by the company and its title deeds including letters of alienation/allotment /physical which are available were furnished; however some of the land and parcels of land are yet to be received from the field officers. The records pertaining to lands and land rights are being maintained at respective division and circle level.</p> <p>As per AS 15 (Revised 2005), to determine the Present Value of Defined Benefit Obligation and the related Service Costs in the Gratuity liability the maximum limit of Rs.16,00,000/- is considered. The Government of Telangana has enhanced the maximum limit of Retirement Gratuity from Rs.12.00 Lakhs to Rs.16.00 lakhs to State Government employees vide G.O. Ms.No.56 dated 11.06.2021 with retrospective effect from 01.04.2020. Since the same was adopted by TGSPDCL, the defined benefit obligation in respect of Gratuity was considered as 16.00 Lakhs while carrying out actuarial valuation as per the prevailing orders issued by the company vide SP.O.O. JS (IR&L) Ms.No.731 dated: 21.04.2023.</p> <p>Accordingly, the Company has provided the provision for defined benefit obligation towards Gratuity for an amount of Rs.46.58 Crore in respect of employees recruited on or after 01.02.1999.</p>

	Hence, there is no understatement of employee benefit expenses. The maximum ceiling of Rs. 20.00 Lakhs will be consider while arriving the defined benefit obligations for the next financial year subject to issue of GOs.
9) Long Term Investments in the Balance sheet are carried at cost at Rs.426.01 Crore. The management has not ascertained for the permanent diminution in the value of investments amount as on 31-03-2024 as per the requirement of Accounting Standard – 13 “Accounting for Investments”. Due to non-availability of audited financial statements of Andhra Pradesh Power Development Company Ltd. for F. Y. 2023-24, we are unable to ascertain its impact on the Financial Statements.	<p>TGSPDCL (Erstwhile APCPDCL) has invested an amount of Rs. 426.01 Crore in the Andhra Pradesh Power Development Company Limited (APPDCL) during the financial years from 2009-10 to 2014-15 for which the APPDCL has issued No. of equity share of 42,60,10,000 of Rs.10 each.</p> <p>Further it is to submit that, as per A.P. Re-organization Act, 2014, two districts of Ananthapur and Kurnool were demerged from TGSPDCL to APSPDCL. As per G.O.M.s No. 24 dated: 29.05.2014, the share of investment of APPDCL of Rs. 74.34 Crore was transferred to APSPDCL in energy ratio. But the final Apportionment of Assets and Liabilities in respect of Ananthapur and Kurnool is not yet finalized. The revaluation of investment in APPDCL as per the Accounting Standard-13 will be considered duly arriving actual share of TGSPDCL after final settlement.</p>
10) We report that the following accounts have not been reconciled as at 31st March, 2024 and accordingly we are unable to express an opinion on the effect of said un-reconciled amounts on the financials of the company for the year.	
a) Inter units’ accounts with a credit balance of Rs.84.27 Crore.	The Company is making all efforts in clearing the balance in this account. During the year the company has reconciled all balances and the balance existing of Rs. 84.27 Crore (Previous year Rs. 114.70 Crore), out of which Rs. 76.06 Crore were reconciled and cleared during the FY 2024-25. However, there are few legacy transactions involved in balance and the Company is doing the reconciliation for clearing all pending items.
b) Amount appearing under loan clearing (CPDCL) account with a debit balance of Rs. 3.68 Crore.	During the year under review, the balance in this account has been made Zero. However certain items of previous year still exists efforts will be made to clear the same.

<p>11) The Company provides various social schemes viz: GIS Insurance & savings fund, Self Funding Medical Scheme & Accidental Risk Self Funding Scheme where in the Company is collecting sums from employee to provide various accidental covers. The Company's has not recognised any provisions towards future Liability on such schemes. The impact of this on the financial statement cannot be quantified as the same has to be arrived through actuarial valuation.</p>	<p>The Company provides various social schemes viz: General Insurance & Savings (GIS) fund, Self Funding Medical Scheme & Accidental Risk Self Funding Scheme to various Groups of Employees and where in the Company is collecting sums from employee to provide various accidental covers. The expenditure incurred during the year is being met from the fund created for that specific use. However the actuarial valuation to arrive the future liability of the Scheme will be considered in next financial year.</p>
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Emphasis of Matters:

<p>1. Consequent to the amendment brought in vide G.O.Ms. 396 dated 09-06-2005 to the second transfer scheme notified vide G.O.Ms. 142 dated 29-09-2001, the Company has incorporated in its books of account as on 01-04-2010, various assets, including fixed assets and liabilities towards power purchase, supplies & services received and balances outstanding in respect of the loans, representing term loans, cash credits, working capital loans received from various banks and financial institutions, other receivables from the State Government of AP, of the amounts mentioned in the two notifications referred to above. We understand that the above amounts, at which the various assets and liabilities are recognized in the books of account as on that date, are provisional and accordingly are subject to further adjustments as may be determined by the State Government.</p>	<p>Informative only</p>
<p>2) We draw your attention to Note No. 1.16(a)(ii) wherein, the State Government of Andhra Pradesh amended retrospectively with effect from 09-06-2005, the share of each Discom in various bulk supply power purchase agreements vide its notification No. 53 Energy (Power-III) dated 28-04-2008. We are informed that the company has made a representation to give effect to the said revised sharing prospectively. Pending disposal of the company's representation, the contingent liability/receivables, if any, due to the said</p>	<p>Informative only</p>

<p>retrospective amendment of the share of the company in various bulk supply of power purchase agreements has not been disclosed in the books of account.</p>	
<p>3) We draw your attention to Note No. 24 where in employee benefit expenses does not include provision for Pension & Gratuity liability of Rs. 9161.95 Crore pertaining to 74% of employees who were on rolls as on 31-01-1999 as the liability of the same is met by TG Genco Master Trust over the years as per the tripartite agreement.</p>	<p>Informative only</p>
<p>4) We draw your attention to Note No. 21(b)(ii) – Revenue from Operations, wherein the electricity duty of Rs. 225.67 Crores is collected from customers and remitted to the government is not reflected under “Revenue from operations”.</p>	<p>It is to submit that, sub-section (1) of section 3 of Electricity Duty Act read with Amendment Act no. 1 of 1994, provides for levy of Electricity Duty to the consumers and payable to the State Government every month at the rate of six paise per unit on energy sold to the consumers by the licensee other than Railways and Central Government.</p> <p>Electricity Duty raised and collected from consumer is being paid to the Government. The same is neither revenue nor expenditure to the licensee. Hence, Electricity Duty is excluded completely from the revenue from operation.</p>
<p>5) Current accounts maintained with various banks have Board excess, being cheques/cash deposited in banks and not appearing in banks’ statements of account for Rs.18.45 Crores and Bank excess, representing amounts credited by banks but not appearing in the books of account of the company of Rs. 25.56 Crores as at 31st March, 2024. It is observed that these balances are long pending for reconciliation resulting in possible mis-statement of Trade receivables. Year wise particulars are given under:</p>	<p>All efforts are being made continuously for clearing of pending Board and Bank excess. Further it is to stated that, an amount of Rs. 17.37 Crores have been cleared against Rs. 18.45 Crores of Board excess and Bank excess of Rs. 7.48 Crores against the Rs. 25.56 Crores cleared during the financial year 2024-25. For Balance of Board Excess amount of Rs.1.08 Crores and bank excess for an amount of Rs.18.08 Crores will be cleared consequently.</p>

(Rs. in Crore)		
Financial year	Baord Excess	Bank Excess
2009-10	0.20	-
2010-11	-	-
2011-12	0.01	-
2012-13	0.01	0.54
2013-14	-	1.21
2014-15	-	0.32
2015-16	-	0.26
2016-17	-	0.97
2017-18	-	1.83
2018-19	0.27	1.20
2019-20	0.01	0.90
2020-21	-	1.11
2021-22	0.03	1.96
2022-23	0.14	2.02
2023-24	17.76	13.22
Total	18.45	25.56

6) Letters of confirmation of balances have not been provided for our verification in respect of the following, the impact that my result on reconciliation and reviews of the same cannot be ascertained

a) Balances due to/from various vendors for supplies and services, EMDs, SDs, other power distribution companies.	Closing balance confirmation from various vendors/supplies towards EMD, SD and other power distribution companies is practically equivalent to impossible as they are very large in no's and widely scattered, the balance appearing in SAP may be treated as final.
b) Balances due from/to various consumers/customers.	Necessary steps will be taken for the confirmation from power purchase creditors and consumer/customers during the next financial year.

Our opinion is not modified in respect of the aforesaid matters.

Material Uncertainty related to Going Concern

We draw attention to Note No.34 in the financial statements, the events or conditions, mentioned in the said notes indicate that matter uncertainties exist that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Informative only

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and analysis, Board of Directors' Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is material misstatement therein; we are required to report that fact, we have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Section 133 of the Act, read with the Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- ♦ Identify and assess the risks of material misstatement of the financial statements. Whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to(standalone) financial statements in place and the operating effectiveness of such controls.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to devalue the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements:

1) As required by Section 143(5) of the Act, we have considered the directions/ sub-directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the financial statements of the Company are given in the Annexure A .	Informative only
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2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B , a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.	Informative only
3) As required by Section 143 (3) of the Act, we report that:	
a) We have sought and obtained all the information and explanations which to the best of knowledge and belief were necessary for the purpose of our audit.	Informative only
b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.	Informative only
c) The Balance sheet, the Statement of Profit and Loss and Cash Flow statement dealt with by this Report are in agreement with the books of account.	Informative only
d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except for the matters described in the Basis for Qualified Opinion Paragraphs.	Noted
e) The matters described in the Basis for Qualified above, in our opinion, may have an adverse effect on the functioning of the Company.	Informative only
f) Being a Government company, the Company is exempted from the provisions of section 164 (2) if the Act regarding disqualification of directors vide Notification GSR-463 (E) dated 5th June, 2015 issued by Government of India, Ministry of Corporate Affairs.	Informative only

g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer our separate Report in Annexure C .	Informative only
<p>h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:</p> <p>Being a Government company, the company is exempted from the provisions of section 197 (16) of the Act regarding remuneration to Directors vide Notification GSR-463(E) dated 5th June, 2015 issued by Government of India, Ministry of Corporate Affairs.</p>	Informative only
i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:	
i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 30(i) and 30(iii) to the financial statements.	Informative only
ii) The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts, except as reported in matters described in the Basis for Qualified Opinion.	Informative only
iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.	Informative only
iv) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other	

<p>person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries :</p>	<p>Informative only</p>
<p>b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.</p>	<p>Informative only</p>
<p>c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.</p>	<p>Informative only</p>
<p>v) According to information and explanation given to us:</p>	
<p>a) No final dividend is proposed in the previous year by the Company</p>	<p>Informative only</p>
<p>b) No interim dividend has been proposed by the Company during the year;</p>	<p>Informative only</p>

c) The Board of Directors of the Company have not proposed any dividend for the financial year under audit	Informative only
<p>vi) Based on our examination which included test check, the Company has used an accounting software for maintaining its Books of Accounts which has a feature of recording Audit Trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.</p> <p>As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for the record retention is not applicable for the financial year ended March 31, 2024</p>	Informative only

The **Annexure A** referred to in “Report on Other Legal and Regulatory Requirements” paragraphs of our Independent Auditor’s report of even date on the financial statements of members **Southern Power Distribution Company of Telangana Limited** (“the company”),

We report that:

S.NO.	Questions	Replies	Management Reply
1	Whether the Company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>Yes, the Company has a system in place to process all the accounting transactions through SAP IT system and revenue related transactions are processed through EBS, which is latter pulled into the SAP IT system. During Financial Year 2023-24, all the accounting transactions have been processed through IT system.</p> <p>However, for preparation of financial statements some manual interventions are carried out.</p> <p>Major discrepancies in certain areas are given hereunder:</p> <ol style="list-style-type: none"> 1. Payroll system module is integrated with finance system module, however, as explained to us, due to pending reconciliation there is a difference of Rs. 0.57 crore being excess in payroll module, when compared to finance module for employee loans. 2. Inter units’ balances were not properly processed through IT system, which has resulted in un-cleared credit balance of Rs.84.27 Crore. 	<p>Payroll module has been operational since 2012. The legacy data is yet to be taken into payroll module, steps will be taken to reconcile the same. The company is making all efforts in clearing the balance in this account. During the year the company has reconciled to certain extent of Rs.84.27 Crore (Previous year Rs.114.70 Crore), out of which Rs. 76.06 Crore were</p>

			reconciled and cleared in current FY 2024-25. However, there are few legacy amounts involved in the balance, same will be reconciled and cleared on priority basis.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc., made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (<i>In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company</i>).	During the year under consideration, there is no case of restructuring of any existing loan or case of waiver/write off of debts/loans/interest etc. by a lender to the Company.	Informative only
3	Whether funds (grants/subsidy etc.) received / receivable for specific scheme from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	According to the information and explanation given to us and on the basis of our verification of the records funds received/receivable from Central/State Governments or its agencies under various projects/schemes have been properly accounted for and released to the beneficiaries/spent/utilized as per guidelines and terms & conditions as mentioned in the relevant sanction letters.	Informative only

The **Annexure B** referred to in “Report on Other Legal and Regulatory Requirements” paragraph of our Independent Auditor’s Report of even date, to the members of **Southern Power Distribution Company of Telangana Limited (“the company”)**, Hyderabad for the year ended 31st March, 2024.

We report that:

<p>i) a) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:</p> <p>A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p>	<p>Informative only</p>
<p>B) The Company is maintaining proper records showing full particulars of intangible assets.</p>	<p>Informative only</p>
<p>b) We are informed by the Company that no physical verification of Property, Plant and Equipment has been carried-out during the year under report. Accordingly, we are unable to comment regarding any material discrepancies between the fixed assets register and the assets physically available.</p>	<p>To the extent possible at least for the major assets such as PTR/33Kv lines are proposed to be taken up for physical verification.</p>
<p>c) As per the information given there are 1781 properties held by the Company. However, title deeds including letters of alienation/allotment/physical handing over of the property are available only for 527 properties and not available for rest of 1254 land properties. We are also informed by the company that in respect of the “parcels of land” alienated to it by the State Government or its agencies other than the letters of alienation/allotment/physical handing over, no other legal documents are generally executed.</p>	<p>The Land and parcels available at various field units have been received; however some of the records pertaining to lands and parcels of land are yet to be received. The records pertaining to these assets are being maintained at respective division level.</p>
<p>d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.</p>	<p>Informative only</p>

e) No proceedings have been initiated during the year or are pending against the Company as at 31 st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.	Informative only
ii) a) Physical verification of inventory has been conducted at reasonable intervals by the Management during the year. According to information and explanation given to us, the discrepancies noticed on such verification between the physical stocks and the book records were not material and necessary provisions have been accounted for, wherever required.	Informative only
b) The Company has been sanctioned working capital limits in excess of Rs. 5.00 Crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements of the current assets are filed by the company with such banks or financial institutions. Following are the details of variances noticed between stock statements/receivables statements and the books of account.	The quarterly information of current assets statement was furnished to banks before the closure of Quarter Financials and Annual accounts as the current assets statement has to submit in timelines.

(Rs. in Crore)			
Particulars	As per Current Assets statement	As per the Books of A/c	Variance
As on June 30th			
i) Stocks	257.23	305	(48.10)
ii) Receivables	17,810.04	17,776.39	33.65
As on Sep 30th			
i) Stocks	286.20	338.98	(52.781)
ii) Receivables	18,804.30	18,758.47	45.83
As on Dec 31st			
i) Stocks	333.37	336.96	(3.59)
ii) Receivables	20,280.20	20,604.31	(360.11)
As on March 31st			
i) Stocks	286.09	289.66	(3.57)
ii) Receivables	21,121.16	21,037.23	83.93

- iii) During the year the Company has made an investments amounting to Rs. 14.93 Crore as part of Contingency Reserve Investments (Refer Note: 12).

- a) During the year the company has not provided any guarantee or security or granted any loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or other parties, except loans granted to staff.
- A) The Company has not granted any loans or advances and guarantees or security to subsidiaries, joint ventures and associates.
- B) The Company has granted loans or advances in the nature of loans to employees during the year, and following are the details:

Particulars	Rs. in Crore	
Aggregate amount of loans granted/ provided to the employees during the year	1.99	Informative only
Balance outstanding as at balance sheet date in respect of above cases	33.92	
b) In our opinion, the investments made and the terms and conditions of the grant of loans to the employees, during the year are prima facie, not prejudicial to the Company’s interest.	Informative only	
c) In respect of loans granted to the employees by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.	Informative only	
d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.	Informative only	
e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.	Informative only	
f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.	Informative only	
iv) In our opinion and according to the information and explanations given to us the Company has not granted any loans to parties covered under section 185 and 186 of the Companies Act, 2013, hence, clause 3(iv) of the Order is not applicable.	Informative only	

v) The Company has not accepted any deposits or the amounts which are deemed to be deposits from public. Consequently, the clause 3(v) of the order is not applicable to the Company.	Informative only
vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.	Informative only
vii) In respect of statutory dues: a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, sale-tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods & Services Tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities, except for Goods & Service Tax and Employee State Insurance (ESI) which are not paid regularly.	Informative only

Accordingly, to the information and explanations given to us, no undisputed amounts are payable in respect of Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax or Cess, Goods & Services tax and other statutory dues which were in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable, except the following:

Name of the Statute/Authority	Nature of Dues	Period to which the amount relates	Amount (Rs. In Crore)
Employee State Insurance Act, 1948	Employee State Insurance	F.Y. 2018-19 to F.Y. 2023-24	1.97
Employee Provident Fund Act, 1952	Employee Provident Fund	F.Y. 2013-14 to F.Y.2023-24	0.30

- b) As on 31st March, 2024, there have been no disputed dues, which have not been deposited with the respective of Income Tax, Service Tax, Duty of Customs, and Duty of Excise, Value Added Tax Goods& Services Tax and Cess except the following:

S.No.	Name of the Statute	Nature of the Dues	Amount (Rs. In Crore)	Period to which the amount relates	Forum where dispute is pending
1.	A.P. Tax on entry of goods in local area Act, 2001	Entry tax on goods purchased from outside	206.71*	For the financial year from 2002-03 to 2016-17 (Upto June 2017)	Hon'ble High Court of Telangana
2.	A.P. General Sales Tax Act, 1956	Sales Tax	1.34	For the financial year from 2001-02 to 2004-05	Hon'ble A.P Sales Tax Appellate Tribunal, Hyderabad
3.	A.P.VAT Act, 2005	VAT (including Penalty)	86.48*	For the financial year from 2008-09 to 2012-13	Hon'ble High Court of Telangana
			0.44	Financial Years 2008-09 & 2009-10	Appellate Deputy Commissioner, Commercial Taxes Hyderabad.
4.	Finance Act, 1994	Service Tax (including Penalty)	194.53	From July, 2012 to June, 2017	Hon'ble High Court of Telangana
			11.73	From 2012-13 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal
5.	Income Tax Act, 1961	TDS	14.88	Financial Year 2006-07	Hon'ble High Court of Telangana
			78.37	For the Financial Years 2007-08 & 2008-09	Hon'ble Supreme Court of India
6.	EPF Act	EPF	0.14	2017-18	Central Government Industrial Tribunal, Hyderabad
			11.33*	From 2014-15 to 2016-17	Hon'ble High Court of Telangana

* Net of deposits made

vii) In our opinion and according to the information and explanations given to us, there are no transactions in the books of accounts relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.	Informative only
ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of any loan installments in respect of term loans from financial institutions and banks.	Informative only

b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.	Informative only
c) In our opinion and according to the information and explanations given to us term loans were applied for the purpose for which the loans were obtained.	Informative only
d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.	Informative only
e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.	Informative only
f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies during the year.	Informative only
x) a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.	Informative only
(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully of partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.	Informative only
xi) (a) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.	Informative only

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.	Informative only
(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.	Informative only
xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.	Informative only
xiii) According to the information and explanations given to us and on overall examination of the records of the Company, we report that all transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Companies Act, 2013 and the related party disclosures, to the extent applicable, as required by relevant Accounting Standards are disclosed in the financial statements.	Informative only
xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.	Informative only
b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.	Informative only
xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.	Informative only
xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as defined in the regulations of the Reserve Bank of India.	Informative only

b) The company has not conducted any Non-banking financial or Housing finance activities during the year.	Informative only
xvi) c) In our opinion, the Company is not a Core Investment company, as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 regulations of the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.	Informative only
xvi) d) In our opinion, the Company is not a Core Investment company and there are no Crore Investment companies in the group. Hence, reporting under clause 3(xvi)(d) of the Order is not applicable.	Informative only
xvii) The Company has incurred cash loss of Rs. 4,575.59 Crore during the financial year covered by our audit and the Company has incurred cash loss of Rs. 7516.28 Crore during the immediately preceding financial year.	Informative only
xviii) There has been no resignation of the statutory auditors of the Company during the year.	Informative only
xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting	Informative only

is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.	
xx) Provisions of Corporate Social Responsibility (CSR) are not applicable to the company, hence clauses 3(xx)(a) & 3(xx)(b) are not applicable to the Company as the Company has incurred losses during the financial year under audit and also during the preceding two financial years.	Informative only
xxi) The reporting under clause (xxi) of the order is not applicable in respect of the audit of standalone financial statements of the company. Accordingly, no comment has been included in respect of the said clause under this report.	Informative only

ANNEXURE – ‘C’ TO AUDITORS’ REPORT

(Referred to in paragraph 3(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date) **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“The Act”)**

We have audited the internal financial controls with reference to Financial Statements of Southern Power Distribution Company of Telangana Limited, as on 31st March, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.” These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Company’s Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s financial control with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards of Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal controls system with reference to these financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control with reference to the financial statements includes those policies and procedures that:

- i) Pertain to the maintenance of records that, in reasonable detail, accurately reflect the transactions and dispositions of the assets of the company;
- ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Internal Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the company's internal controls with reference to the financial statements as at 31st March, 2024;

Absence of control in respect of:

a) Not carrying out periodic physical verification of Plant, Property and Equipment and also not having any policy with regard.	It is to inform that, physical verification of Property, Plant and Equipment was not carried-out by the field officers. Discoms was providing the electricity to the 15 districts and covering vast area of distribution activity and the assets were commissioned and scattered in remote area. It is assure that, to the extent possible at lease major assets such as PTR/33KV lines proposed to be taken up physical verification.
b) Not in possession of valid title deeds of many of the land properties held by the company.	The Land and parcels available at various field units have been received; however some of the records pertaining to lands and parcels of land are yet to be received. The records pertaining to these assets are being maintained at respective division level.
c) Capitalization of capital work orders without work order completion certificates and non-closure of work orders.	Works are capitalized only upon submission of work completion certificate exceptionally where substantial (Around 90%) expenditure is incurred and assets put to use, such work orders are closed on partial basis. The same are regularized subsequently.

A material weakness is a deficiency, or a combination of deficiencies, in internal financial control with reference to the financial statements, such that there is reasonable possibility that a material misstatement/(s) of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31st March, 2024, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on audit of Internal financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" and except for the possible effect of the material weaknesses described above on the achievements of the objectives of the control criteria, the company's internal financial controls with reference to the financial statements were operating effectively as at 31st March, 2024.

For M/s. V.N. Purohit & Co
Chartered Accountants
Firm's Registration No. 304040E

Sd/-
Kamalesh Kumar Sankla
Partner
M.No. 229329
UDIN:
24229329BKCIVQ3710

Sd/-
Sri MD Musharraf Faruqui, IAS
Chairman & Managing Director
DIN: 10429742



FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To,
THE MEMBERS,
SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED,
CIN:U40109TG2000SGC034116
CORPORATE OFFICE, 6-1-50, MINT COMPOUND,
HYDERABAD -500063.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Southern Power Distribution Company of Telangana Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Southern Power Distribution Company of Telangana Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year beginning from April 1, 2023 and ended on March 31, 2024, ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Southern Power Distribution Company of Telangana Limited ("the Company") for the financial year ended on **31st March, 2024** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA'), Securities and Exchange Board of India Act, 1992 (SEBI) and SEBI Guidelines and Regulations to the extent they are applicable.
- iii. The Electricity Act, 2003 read with the Electricity Rules, 2005 and Regulations of the appropriate Commission issued from time to time.
- iv. The Environment (Protection) Act, 1986
- v. I have also examined compliance with the applicable clauses of the Secretarial standards issued by the Institute of Company Secretaries of India.



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

1. The Company is yet to comply with the provisions of Section 149(4) of the Companies Act, 2013 relating to appointment of Independent Directors and women Director on its Board. Consequently, company yet to comply with the constitution of committees with independent director as per the provisions of the Companies Act, 2013.

I further report that

Subject to the Paragraph No. 1 above of the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Sd/-

Name: **CH. KALYANA CHAKRAVARTHI**
FCS. No: 10770
CP No. : 15103
Peer-Review No.1767/2022
UDIN: F010770F001370876

Place: Hyderabad
Date: 30.09.2024
UDIN: F010770E000936838

This report is to be read with my letter of even date which is annexed as 'Annexure 1A' and forms an integral part of this report.



ANNEXURE-1A

To,
THE MEMBERS,
SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED,
CIN:U40109TG2000SGC034116
CORPORATE OFFICE, 6-1-50, MINT COMPOUND,
HYDERABAD-500063.

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

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

Sd/-

Name: **CH. KALYANA CHAKRAVARTHI**
FCS. No: 10770
CP No. : 15103
Peer-Review No.1767/2022
UDIN: F010770E000936838

Place: Hyderabad
Date: 30.09.2024

ANNEXURE 'C' TO DIRECTORS REPORT

Management Reply to the Secretarial Auditor Observations

Observations of the Secretarial Auditor	Management Reply to the Observations of the Secretarial Auditor
<ol style="list-style-type: none"> The Company is yet to comply with the provisions of Section 149(4) of the Companies act, 2013 relating to appointment of Independent Directors and Woman Director on its Board. Consequently, company yet to comply with the constitution of committees with independent directors as per the provisions of the companies act, 2013. 	<p>TGSPDCL is a State Government Company within the meaning of section 2(45) of the Companies Act, 2013 and as per Article 30(d) of Articles of Association of the Company, Powers to appoint Directors vests with Government of Telangana (acting through Energy Department).</p> <p>The Company or its Board is not vested with any powers in the said matter and hence the matter is being followed up rigorously with the Energy Department and Several Letters were addressed to Energy Department, Government of Telangana to expedite the process of Appointment of Independent directors & Women Director on the Board to comply with Section 149 of the Companies act, 2013 and awaiting for the orders.</p>

ANNEXURE 'D' TO DIRECTORS REPORT

Particulars relating to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as per Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 & 2014;

<p>A. Conservation of Energy:</p> <p>a) Energy conservation measures:</p>	<ol style="list-style-type: none"> 1. 100KW roof top solar power plant at corporate office, Hyderabad. The plant generating an average 200-230 (KWh) units per day. 2. 95,219 Nos High Voltage Distribution System (HVDS) for Agriculture Pump Sets were set up.
<p>b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy;</p>	<p>-</p>
<p>c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;</p>	<p>The Energy Losses to Energy Input percentage is 8.55% in the FY 2023-24 as against 8.50% in FY 2022-23.</p>
<p>d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto.</p>	<p>Not Applicable</p>
<p>B. Technology absorption:</p> <p>a) Efforts made in technology absorption</p>	<ol style="list-style-type: none"> 1. Implementing AMR for HT Services and monitoring 11 KV Feeders. 2. Meter Data Acquisition System (MDAS) is being implemented. 3. SCADA control for 33/ 11KV Sub-Stations, DMS (Distribution Management System) for operation of 11KV feeders in core city of Hyderabad & Communication System.

C. Foreign exchange earnings and outgo:

a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;	Not Applicable
b) Total foreign exchange used and earned	Nil

COMMENTS OF THE C&AG

For the Financial Year 2023-24 and Replies

Sl. No	Comment	Reply of the Company	Reply of the Statutory Auditors
1(a)	<p>A. Comments on Profitability</p> <p>Statement of Profit and Loss</p> <p>Revenue from Operations (Note 21): Rs. 40,331.90 Crore</p> <p>This is understated by Rs. 6,420.96 crore due to non-recognition of Fuel Cost Adjustment (FCA) charges recoverable from the consumers in accordance with the Regulation 1 of 2023 issued by TGERC which was effective from 1 April 2023.</p> <p>As per Clause 12.5b & c of the Regulation, the Company is to recover the FCA Charges @ Rs. 0.30 per unit from all the category of consumers (except LT-V, Agricultural consumers and distribution Licenses) without prior approval of the Commission. Accordingly, the Company was eligible to recover Rs. 6,420.96 crore towards FCA charges during the year 2023-24. However, the Company did not recognize the same as Revenue during the year.</p>	<p>It is to submit that, the levy of minimum of FCA Charges of Rs.0.30 per unit in the bills of consumer will reflect as indirect tariff hike in the consumer bills. Hence, the TGSPDCL sought instructions from the Energy Department, GoTG. to publish, levy and collection of FCA Charges in terms of Regulation No. 1 of 2023.</p> <p>Further, the Energy Department, GoTG orally instructed not to levy the FCA Charges and Government will reimburse the amount to TGSPDCL. Based on the instructions, the TGSPDCL has addressed various letters to Energy Department every month, intimating the computations of month wise per unit FCA Charges to be levied and FCA amounts with a request to reimburse the FCA amounts to TGSPDCL as publication was not issued and FCA Charges not collected from the consumers during the respective months in FY 2023-24.</p> <p>In compliance to the Regulation No. 1 of 2023, the TGSPDCL has made the Quarterly filings on computations of FCA Charges for FY 2023-24 along with the Condonation delay petitions for the First Three Quarters i.e., Q1,Q2 & Q3 of FY 2023-24 before the Hon'ble TGERC for post facto approval. The month wise FCA details for 2023-24 and the letters addressed to GoTS are herewith enclosed for ready reference please.</p>	<p>We agree with the view of the Management</p>

Sl. No	Comment	Reply of the Company	Reply of the Statutory Auditors
	This resulted in understatement of Revenue from Operations and trade receivables and overstatement of loss for the year by Rs. 6,420.96 Crore.		
4(a)	<p>B. Comments on Disclosure</p> <p>Contingent liabilities</p> <p>The Central Transmission Utility of India Limited (M/s. CTUIL) raised a claim for Rs. 261.31 Crore (12.03.2024) against SPDCL/TGPCC towards relinquishing charges against the 2000 MW corridor applied for drawal of power from Chhattisgarh. However, this claim was not recognized by SPDCL/TGPCC during the year 2023-24. The matter was contested before CERC Vide IA Petition No. 85/MP/2021 on 08.04.2024 and the matter was posted for hearing on 06.06.2024 by CERC. In the said IA petition, SPDCL/TGPCC prayed for grant for stay on recovery of Rs. 261.31 Crore by M/s. CTUIL.</p> <p>Since, the invoice was received from M/s. CTUIL during the year 2023-24 and the same was not recognized in the books by the Company as the matter was contested in CERC, the same should have been included under contingent liabilities.</p>	<p>It is to submit that, M/s CTUIL levied “Relinquishment Charges” wrongfully on TGDISCOMS. The PPA with Distribution Licensee in the State of Chhattisgarh did not materialize for 1000MW out of 2000MW, TGDISCOMs requested Power Grid to relinquish this 1000 MW corridor, for which, no injection source had been identified earlier.</p> <p>CTUIL/PGCIL vide its letter dated 7th March 2018 allowed relinquishment of LTA granted subject to outcome in Petition No. 92/MP/2015 relating to relinquishment charges pending before CERC. CTUIL/PGCIL has claimed Rs. 261.31 Crores on TGDISCOMs as relinquishment charges under System Strengthening in terms of CERC orders in Petition No. 92 / MP / 2015 & Petition No. 252/MP/2019.</p> <p>TGDISCOMs filed a Petition before CERC against PGCIL relinquishment charges claim of Rs. 261.31 Crores vide Petition number 85/MP/2021. TGDISCOMs have filed additional submissions in CERC on 27.09.2023. The matter came to hearing on 20.10.2023. The Learned counsel of TGDISCOMs submitted that the LTA with TGDISCOMs was signed without system strengthening/augmentation and therefore CTUIL did not ask the TGDISCOMs to give the Construction Bank Guarantee (CBG). The Learned counsel of CTUIL submitted that without the system strengthening, LTA cannot be operationalized.</p> <p>After hearing the rival contentions, the Commission directed the parties to submit their</p>	We agree with the view of the Management

Sl. No	Comment	Reply of the Company	Reply of the Statutory Auditors
		<p>written submissions, if any, by 17.11.2023 with an advance copy to each other. The petition is listed for final hearing on 06.06.2024.</p> <p>Meanwhile, CTUIL has claimed bill for Rs. 261.31 Crore vide Bill dated:12.03.2024, towards relinquishment charges wrongfully. As the main Petition (85/MP/2021) is pending before CERC for final hearing, TGPCC management directed to file I.A. before CERC seeking stay orders on CTUIL Claim of Rs. 261.31 Crs I.A which is yet to be listed for hearing and Main Petition is due for final hearings in the matter.</p> <p>Therefore, wrongful levy of “Relinquishment Charges” by CTUIL is not considered in the books of accounts and also at this juncture TGDISCOMs felt that, it is not necessary to disclose the same, as there is no liability to TGDISCOMs as the main petition is due for hearing and IA is yet to be listed.</p> <p>However, assurance is given to the Audit that the status of final hearing before CERC and the outcome of the main petition will be submitted to AG Audit for perusal and will be disclosed in the ensuing year Financial Statements of TGSPDCL.</p> <p>Keeping in view of the above submission it is requested to drop the Provisional Comment please.</p>	

FINANCIAL STATEMENTS

Save Energy



SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

CIN U40109TG2000SGC034116

BALANCE SHEET AS AT 31ST MARCH, 2024

(Rs. in Crore)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I EQUITY AND LIABILITIES ఈక్విటీ మరియు అప్పులు			
1 Shareholders' Funds వాటాదారుల నిధి			
(a) Share Capital	2	12,017.93	12,017.93
వాటా మూలధనము			
(b) Reserves and Surplus	3	(40,380.55)	(36,255.32)
నిధి మరియు మిగులు			
(c) Money received against share warrants		-	-
2 Non-Current Liabilities ప్రస్తుతేతర అప్పులు			
(a) Long-term Borrowings	4	17,256.21	15,372.27
దీర్ఘకాలిక అప్పులు			
(b) Deferred tax liabilities (Net)		-	-
వాయిదా వేయబడిన పన్ను			
(c) Other Long term liabilities	5	334.30	323.88
ఇతర దీర్ఘకాలిక అప్పులు			
(d) Long-term Provisions	6	2,790.33	2,288.75
దీర్ఘకాలిక కేటాయింపులు			
3 Current Liabilities ప్రస్తుత అప్పులు			
(a) Short-term Borrowings	7	10,761.90	6,744.48
స్వల్పకాలిక రుణములు			
(b) Trade Payables			
i) MSMEs	8	0.06	12.01
ii) Other than MSMEs		33,918.78	31,821.87
వ్యాపార నిమిత్తం చెల్లింపులు			
(c) Other Current Liabilities	9	7,459.56	6,512.08
ఇతర ప్రస్తుత అప్పులు			
(d) Short-term Provisions	10	754.91	987.21
స్వల్పకాలిక కేటాయింపులు			
TOTAL (మొత్తము)		44,913.43	39,825.16

II ASSETS (ఆస్తులు)			
1 Non-Current Assets			
ప్రస్తుతేతర ఆస్తులు			
(a) Property, Plant And Equipment, Intangible Assets			
స్థిర ఆస్తులు, స్పర్శ చరమైన ఆస్తులు			
i) Plant, Property and Equipment	11	10,926.61	9,987.88
ii) Intangible Assets		17.03	21.69
అదృశ్య ఆస్తులు			
iii) Capital Work in Progress		1,128.78	1,206.97
జరుగుచున్న పనులపై పెట్టుబడులు			
(b) Non-Current Investments	12	498.15	487.60
ప్రస్తుతేతర పెట్టుబడులు			
(c) Deferred Tax Assets (Net)	13	1,775.89	1,646.22
వాయిదా వేయబడిన పన్ను			
(d) Long-term loans and advances	14	315.08	254.81
దీర్ఘకాలిక అప్పులు మరియు బయోనాలు			
(e) Other Non-current Assets	15	5.61	5.10
ఇతర ప్రస్తుతేతర ఆస్తులు			
2 Current Assets (ప్రస్తుత ఆస్తులు)			
(a) Current Investments		-	-
ప్రస్తుత పెట్టుబడులు			
(b) Inventories	16	285.69	228.04
సరకు నిల్వ			
(c) Trade Receivables	17	23,191.30	19,134.58
వ్యాపార నిమిత్తం రాబడులు			
(d) Cash and cash equivalents	18	221.48	132.21
నగదు నిల్వ			
(e) Short-term Loans and Advances	19	1,445.16	1,437.59
స్వల్పకాలిక అప్పులు మరియు బయోనాలు			
(f) Other Current Assets	20	5,102.65	5,282.47
ఇతర ప్రస్తుత ఆస్తులు			
TOTAL (మొత్తము)		44,913.43	39,825.16
Summary of significant Accounting Policies	1		

The Accompanying notes are the integral part of the Financial Statements

As per our report of even date

**For and on behalf of the Board of Directors of
Southern Power Distribution Company of TG Limited**

For M/s. V.N. Purohit & Co
Chartered Accountants
FR No. 304040E

Sd/-

Kamalesh Kumar Sankla
Partner

M.No. 229329

Date: 30 July 2024

Place: Hyderabad

Sd/-

P. Krishna Reddy
Chief General Manager
(Finance)

Sd/-

Sri MD Musharraf Faruqui, IAS
Chairman & Managing Director
DIN : 10429742

Sd/-

Anil Kumar Voruganti
Company Secretary
F.No. 9521

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

CIN U40109TG2000SGC034116

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in Crore)

Particulars		Note No.	2023-24	2022-23
I	Revenue from Operations నిర్వహణ ద్వారా రెవిన్యూ	21	40,331.90	33,957.03
II	Other Income ఇతర ఆదాయము	22	367.36	297.67
III	Total Income మొత్తం ఆదాయము		40,699.26	34,254.70
IV	Expenses (వ్యయము)			
	Power Purchase Expense విద్యుత్తు కొనుగోలు	23	37,890.10	35,510.71
	Employee Benefit expense ఉద్యోగుల జీతభత్యాలు	24	3,166.15	3,081.10
	Operating and Other Expenses నిర్వహణ మరియు ఇతర ఖర్చులు	25	394.01	348.71
	Finance Costs ఆర్థిక వ్యయములు	26	3,308.15	2,500.58
	Depreciation and amortisation expense (తరుగుదల)	11	842.13	801.90
	Total Expenses మొత్తం వ్యయం		45,600.54	42,243.00
V	Profit/(Loss) before exceptional & extraordinary items and tax (III-IV) పన్ను ఎక్స్‌ప్లెస్‌నల్ మరియు అతీతములకు ముందు లాభము		(4,901.28)	(7,988.30)
VI	Exceptional Items ఎక్స్‌ప్లెస్‌నల్ ఐటమ్స్	27	137.92	1.72
VII	Profit/(Loss) before extraordinary items and tax (V-VI)		(5,039.20)	(7,990.02)
VIII	Extraordinary Items అతీతములు		-	-
IX	Profit/(Loss) before tax (VII-VIII) పన్నుకు ముందు లాభము		(5,039.20)	(7,990.02)
X	Tax Expense: పన్ను వ్యయము			
	(1) Current Tax ప్రస్తుత పన్ను		-	-
	(2) Deferred Tax వాయిదా వేయబడినపన్ను	13	129.67	(157.46)

	PARTICULARS	Note No.	2023-24	2022-23
XI	Profit/(Loss) for the period from continuing operations (IX-X) నికర లాభము		(4,909.53)	(8,147.48)
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit/(Loss) for the period (XI +XIV) నికర లాభము		(4,909.53)	(8,147.48)
XVI	Earnings per equity share (Amount in Rs.)			
	(1) Basic		(4.09)	(6.78)
	(2) Diluted		(4.09)	(6.78)
	Summary of significant Accounting Policies	1		

The Accompanying notes are the integral part of the Financial Statements

As per our report of even date

**For and on behalf of the Board of Directors of
Southern Power Distribution Company of TG Limited**

For M/s. V.N. Purohit & Co
Chartered Accountants
FR No. 304040E

Sd/-
Sri MD Musharraf Faruqui, IAS
Chairman & Managing Director
DIN : 10429742

Sd/-
Kamalesh Kumar Sankla
Partner
M.No. 229329
Date: 30 July 2024
Place: Hyderabad

Sd/-
P. Krishna Reddy
Chief General Manager
(Finance)

Sd/-
Anil Kumar Voruganti
Company Secretary
F.No. 9521

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED
CIN U40109TG2000SGC034116

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024 (Rs. in Crore)

PARTICULARS	Year Ended 31 st March, 2024		Year Ended 31 st March, 2023	
A . Cash flows from operating activities:				
Net Profit before tax	(5,039.20)		(7,990.02)	
Adjustments:				
Add: Depreciation	842.13		801.90	
Add: Interest on Long Term Borrowings	432.32		360.71	
Less: Interest on Investments	(3.57)		(3.86)	
Add: Loss on Sale of Property Plant and Equipment				
Add: Non Cash Expenditure				
Less: Withdrawal of Depreciation on Consumer Contributed Assets	(378.52)		(328.16)	
Operating profit before working capital changes	(4,146.84)		(7,159.43)	
Changes in Working Capital				
Increase/(Decrease) in Non-Current Liabilities				
Other Long Term Liabilities	6.34		(0.34)	
Long Term Provisions	501.58		371.42	
(Increase)/Decrease in Non-Current Assets				
Long-tem Loans & Advances	(69.10)		5.21	
Other Non-current Assets	(0.51)		0.62	
Increase/(Decrease) in Current Liabilities				
Short Term Borrowings	4,017.42		3,481.96	
Trade Payables	2,084.96		(626.52)	
Other Current Liabilities	947.48		311.82	
Short Term Provisions	(232.30)		2,259.85	
Increase/(Decrease) in Employee Liability	-		-	
(Increase)/Decrease in Current Assets				
Inventories	(57.65)		(5.22)	
Trade Receivables	(4,056.72)		(4,252.81)	
Short-term Loans & Advances	(7.57)		(5.98)	
Other Current Assets	179.82		5,161.27	
Cash generated from operations	(833.09)		(458.15)	
Net Cash flow from Operating Activities		(833.09)		(458.15)
B. Cash flows from investing activities:				
Purchases/Investments of Property Plant and Equipment	(1,776.20)		(1,422.12)	
Purchases/Investments in Capital Work in Progress	78.19		(119.05)	

PARTICULARS	Year Ended 31 st March, 2024		Year Ended 31 st March, 2023	
(Purchase of Investments)/Redemption	(10.55)		(31.09)	
Interest on Investments	3.57		3.86	
Investment in Capital Advances	8.83		(69.65)	
Increase in Other Long Term Liabilities	(6.30)		18.65	
Net cash flow from investing activities		(1,702.46)		(1,619.40)
C. Cash flows from financing activities:				
Consumer Contributions Received	1,157.80		1,291.55	
Increase (Decrease) in Long Term Borrowings	1,883.94		1,099.69	
Interest paid on Long Term Borrowings	(432.32)		(360.71)	
Increase in Contingency Reserve	5.02		6.48	
Increase in GIS Saving Fund	0.90		0.70	
Increase in Self Funding Medical Scheme	9.48		(4.50)	
Funds received in UDAY Scheme	-		-	
Investment by Government of Telangana in DISCOM's	-		-	
Decrease (Increase) in Surplus /retained Earnings	-		-	
Decrease in Surplus /retained Earnings	-		-	
Net cash flow from financing activities		2,624.82		2,033.21
Net Increase/ (Decrease) in cash and cash equivalents during the year		89.27		(44.34)
Cash and cash equivalents at the beginning of the year		132.21		176.55
Cash and cash equivalents at the end of the year		221.48		132.21

As per our report of even date

**For and on behalf of the Board of Directors of
Southern Power Distribution Company of TG Limited**

For M/s. V.N. Purohit & Co
Chartered Accountants
FR No. 304040E

Sd/-
Sri MD Musharraf Faruqui, IAS
Chairman & Managing Director
DIN : 10429742

Sd/-
Kamalesh Kumar Sankla
Partner
M.No. 229329
Date: 30 July 2024
Place: Hyderabad

Sd/-
P. Krishna Reddy
Chief General Manager
(Finance)

Sd/-
Anil Kumar Voruganti
Company Secretary
F.No. 9521

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2024

1 Company Overview

Southern Power Distribution Company of Telangana Limited (Formerly Central Power Distribution Company of Andhra Pradesh Limited)[The Company] was incorporated under the Companies Act, 1956 as a public limited company under the second transfer scheme notified by the Government of Andhra Pradesh (GoAP) (vide G.O.Ms.No.35, Energy (Power-II) dated 31-03-2000), 30-03-2000 to carry on the business of distribution and retail supply of power in the geographical spread of districts in Telangana and commenced commercial operations from 01-04-2000. Company is a government company as defined under section 2(45) of the Companies Act, 2013 and company is not listed under in any stock exchange.

During the Financial year 2014-15, State of Andhra Pradesh was bifurcated as States of Telangana and residual State of Andhra Pradesh. Vide AP Reorganisation Act, 2014 [APR Act] w.e.f. 02.06.2014. In terms of Schedule XII to the APR Act, two operating business circles of the Company, namely, Ananthapur and Kurnool, were de-merged and Assets and Liabilities were transferred in terms of GO Ms. No.24 Dt. 29.05.2014 issued by Government of Andhra Pradesh.

Significant accounting policies

1.1 a. Basis of preparation

The financial statements are prepared under the historical cost convention on accrual basis, in accordance with Indian Generally Accepted Accounting Principles ("GAAP") and mandatory accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto is use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

b. Functional and Presentation of Currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Crores, unless otherwise mentioned.

1.2 Use of estimates

In preparation of the financial statements in conformity with GAAP, the Company is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgments and estimates about the carrying amount of assets and liabilities

include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets including goodwill, investments, contract costs to be incurred to complete contracts, provision for doubtful debts, employee benefits and other provisions and recoverability of deferred tax assets.

1.3 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals of accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

1.4 Revenue recognition

a) Sale of Power:

- i) Revenue from Sale of Power is accounted for based on demand raised on consumers. Tariff rates for sale of power are as per Tariff Order of The Telangana State Electricity Regulatory Commission as approved for the reporting period.
- ii) Unbilled Revenue is recognised in the books of accounts on 'accrual basis', considering the events occurring after balance sheet date.
- iii) Bills raised for theft of energy, whether on a consumer or an outsider are not recognized in full until the final assessment order is received from the competent authority of the Company. The amount received against initial assessment is treated as "Other Deposits".
- iv) Sale of Power under open access mechanism is entered into by TGPCC on behalf of the company in terms of SWAP arrangements with other traders/developers. The terms of SWAP transactions are to get back/return the power @ 105% of the power lent/borrowed.

b) Other Income

- i) Miscellaneous receipts are accounted on accrual basis.
- ii) Recoveries from employees or outsiders are accounted as and when collected.
- iii) Interest accrued on long term investment during the reporting period is credited to 'Contingency Reserve'.

1.5 Property, Plant And Equipment

a) Tangible Assets

Property, Plant And Equipment of the Company are stated in the books of accounts and disclosed in annual accounts at Historical Cost, which includes incidental cost related to acquisition and installation less accumulated depreciation. Borrowing costs during the period of construction/installation is added to the cost of the eligible Qualifying assets. And specific useful lives have been adopted for significant components of fixed assets for computation of depreciation. Lands which are received in the form of gifts were accounted at stamp duty value.

b) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortised on a straight-line basis over their estimated useful lives.

c) Capital work in progress

Fixed asset under construction, advance paid towards acquisition and cost of asset not put to use before the year end, are disclosed as capital work in progress, which further includes

- ♦ Ten percent of the Cost of Capital Works capitalized to Capital Works towards Employee Cost and Administration & General Expenses (8.5% on Employees cost and 1.5% on Administration & General Expenses), as the Operation Circles are executing both Capital Works and Operation & Maintenance Works and it is not practicable to maintain records to identify the man hours spent by the staff on Capital Works.
- ♦ Interest relating to construction period is calculated based on the average interest rate of loans drawn under a Scheme and capitalized. The interest is calculated from the date of expenditure incurred on respective Work Orders of the Scheme.

1.6 Depreciation

- a) Depreciation on Property Plant and Equipment is provided under the 'Straight Line Method' up to 90% of the original cost of assets, at the rates notified by the Hon'ble Central Electricity Regulatory Commission (CERC) . Rate of Depreciation as per the CERC notification were adopted from the previous financial year i.e.2022-23.In view of this the management opined that Schedule II Part A and Part C to the Companies Act,2013 is not mandatorily applicable to the Company.
- b) Depreciation is calculated from the date of capitalization of the asset.
- c) With respect to the following Assets the rates have applied as per Hon'ble CERC are different from rates prescribed under Schedule II of Companies Act, 2013.

Description of Asset and Rates of Depreciation as per CERC Notification	
Buildings and Other Civil Works	3.34%
Capacitor Banks	5.28%
Plant & Machinery and Lines, Cables & Network	5.28%
Material Handling Equipments	5.28%
Meters / Meter Equipments	5.28 %
Office Equipments and Air Conditioners	6.33%
Furniture & Fixtures	6.33%
Computers and IT Equipments	15.00%
Vehicle – Car / Jeep / Scooter / Motor Cycle	9.50%
Vehicle – Lorry / Truck	9.50%
Battery Chargers	5.28%
Intangible Assets	15.00%
Low value Assets	100.00%

Management has not carried out an assessment of effective rates as per Schedule-II to the Companies Act, 2013 and thus such information is not furnished for the reporting period.

1.7 Impairment

Property Plant and Equipment are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

An impairment loss is recognised in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price or value in use.

An impairment loss recognised on an asset will be reversed when the conditions warranting impairment provision no longer exists.

1.8 Consumer contributions, Grants and Subsidies

Consumer contributions are collected as per Tariff Order for the year towards Deposit works. These are recognized in the Statement of Profit or Loss by allocating them over the periods and in proportion in which depreciation on assets concerned is charged.

Grants and subsidies received from State Government towards expensive power purchase and other government sponsored schemes are recognized in the Statement of Profit or Loss on accrual basis.

1.9 Investments

Investments are classified as long term based on intent of the management at the time of acquisition. Long term investments are stated at cost and provision is made to recognize any decline, other than temporary, in the value of the investments.

On the date of Balance Sheet the investments made with the AP Government, AP Transco, AP Genco and APPDCL, the status of these Investments were yet to be finalized as these entities were undergone demergers on the event of State Bifurcation and settlement between the Telangana Government and Andhra Pradesh Government is yet to be settled.

1.10 Inventories

Inventories include materials and supplies purchased to be consumed in rendering of services and work in progress and also include machinery spares and stores items which are to be used in connection with Property Plant and Equipment and are valued at cost. Cost is determined on weighted average basis. Cost includes insurance, freight, taxes and all other incidental expenses incurred to bring the inventories up to the Stores.

1.11 Employee benefits

a) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc. are recognized in the statement of profit and loss in the period in which the employee renders the related service.

b) Long Term Employee Benefits

Defined Contribution Plans

The company deposits the contributions for provident fund scheme to appropriate authorities and these contributions are recognized in the statement of profit and loss in the financial year to which they relate.

Defined Benefit Plans

The company's gratuity and pension plans are the defined benefit plans. The present value of gratuity and pension obligation under such defined benefit plans are determined based on actuarial valuation

carried out by an independent actuary using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present valuation of the obligation under defined benefit plans, is based on the market yield on government securities as at the valuation date having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the statement of Profit and Loss.

Other Employee Benefits

Benefits under the company's leave encashment scheme constitute other employee benefits. The liability in respect of leave encashment is incorporated on the basis of actuarial valuation carried out by an independent actuary at the year end.

1.12 Taxes on Income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

1.13 Provision and contingencies

- a) The company recognizes a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of such obligation. Such provisions are not discounted to their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date and adjusted to reflect management's current estimates.
- b) The policy for providing provision for bad and doubtful debts up to F.Y 2015-16 was based on non litigated receivables outstanding for more than 60 months and w.e.f F.Y 2016-17 the

accounting policy has been changed i.e., based on LT Private bill stopped services arrears and HT Private bill stopped (including court cases) outstanding arrears for more than 24 months.

1.14 Accounting for Demerger

Consequent to bifurcation of the State of Andhra Pradesh, two operating Circles of the Company were demerged effectively on the appointed date, i.e., 02.06.2014 in terms with Schedule XII to the Andhra Pradesh Re-organisation Act 2014. Accordingly, Assets and Liabilities of the Company were bifurcated based on GO Ms. No.24 issued by united State of Andhra Pradesh. Financial Statements relating to this bifurcation were adopted by the Board of the Company and Certified by Independent Chartered Accountants and submitted to Expert Committee constituted under the APR Act. However in the case of Employees related assets and liabilities, certain -Long Term Liabilities, Long Term Loans and Advances, Cash and Cash Equivalents and Long Term Receivables, the basis of bifurcation as specified in the GO mentioned above could not followed and another basis was used for bifurcation of Assets and Liabilities and the bifurcation proposals were approved by the Expert committee vide D.O. Lr No. 5614/Expert committee/2014 dated 15-03-2018. But the net settlement of assets receivable/liabilities payment was not taken place and to that extent balances shared based on the other than geographical basis will be reflected in Financial statements under the various heads namely, in Note No. 3 Capital Reserve for an amount of Rs. 723.01 Crores, in Note No. 4 Long Term Borrowings for an amount of Rs. 716.33 Crores and the net receivable on account of Demerger of assets and liabilities shared(both viz., Geographical basis and other than Geographical basis was resulted into) for an amount of Rs. 4,294.47 Crores have been shown in Note No. 20 under the head other current assets.

Accounting for Merger (Re-organisation of Districts in Telangana)

- i) Consequent to Re-organisation of Districts and formation of new districts of Telangana w.e.f 11.10.2016, 7 revenue Mandals from jurisdiction of Karimnagar and Warangal which are under the jurisdiction of TGNPDCL were now re-organised to Siddipet District.
- ii) During the financial year 2019-20 all the entries relating to acquisition of Assets and taken over of liabilities in respect of Husnabad are settled through Inter Corporate Dues from the TGNPDCL.
- iii) In the notes forming part of the financial statements, wherever there is no feasibility to present the balances acquired in respect of Gundala Mandal as per classification of respective schedules, it is presented as an direct addition to the balances forming part of schedules before bifurcation .
- iv) The Govt of Telangana vide GO Ms No. 20 Dated: 23.02.2019 has re-transferred the Gundala Mandal from the TGNPDCL Jurisdiction to TGSPDCL and the said Mandal was earlier transferred from the TGSPDCL to TGNPDCL and with regard to the transfer of assets and liabilities, the TGSPDCL has taken over the Network of Gundala Mandal w.e.f.01.04.2019, accordingly the assets and liabilities of Gundala have been incorporated in the Financial Year 2019-20.

1.15 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.16 Third Transfer Scheme Balances

- (a) (i) The then Government of Andhra Pradesh (GoAP) vide G.O.Ms. No.58, Energy (Power-III), dated: 07-06-2005 notified the transfer of Bulk Supply Undertaking and Power Purchase

Agreements from Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) to the four Distribution Companies (DISCOMs), in specified ratios, as on 09-06-2005. The share of the Company in generation capacities of all generating stations allocated to the four DISCOMS is 43.48%.

- (ii) The GOAP has, vide G.O. Ms No.53, Energy (Power-III), dated: 28.04.2008, amended the share of four DISCOMs in the Generating Stations as per which the revised share of APCPDL is 46.06%. This G.O. shall be deemed to have come into force with retrospective effect from 09.06.2005. The retrospective implementation of the G.O. involves many calculations, revisions, etc. The Andhra Pradesh Power Co-ordination Committee (APPCC) has requested the GoAP to amend the date of implementation from April, 2008 onwards.
- (iii) The Accounting of Purchase of Power as disclosed in the Note No. 23 is based on the revised share of 46.06% and consequent to enactment of AP Reorganisation Bill, 2014 the Power Purchase ratio has been further revised vide G O Ms. No.20 dated 08.05.2014 w.e.f. 02/06/2014 viz., 38.02% ,15.87 %, 15.80 % and 30.31% in respect of TGSPDCL, TGNPDCL, APEPDCL and APSPDCL respective. And considering (38.02 Plus 15.87 %) as equal to 100 % of Both Discoms TGSPDCL and TGNPDCL, the proportionate percentage of TGSPDCL comes to $(38.02/53.89)*100$ is equal to 70.55 % and similarly in respect of TGNPDCL $(15.87/53.89)*100$ is equal to 29.45 %. Accordingly, TGPCC has allocated power purchase cost between the TGSPDCL and TGNPDCL in the ratio of 70.55 % and 29.45%.
- (b) The cost of Power Purchase, Inter-State Sale of power and its accounting are being carried out by the TGPCC and are intimated to the DISCOMs, which are adopted in the Company's books.

2 Share Capital

The Authorised, issued, subscribed and fully paid up share capital comprises of equity shares having par value of Rs.10 each as follows

Particulars	As at March 31, 2024 (Rs. in Crore)	As at March 31, 2023 (Rs. in Crore)
Authorised		
2000,00,00,000 Equity shares of ₹ 10 each	20,000.00	20,000.00
Issued, Subscribed And Paid-up		
12,01,79,30,306 Equity shares of ₹ 10 each fully paid up	12,017.93	12,017.93
TOTAL	12,017.93	12,017.93

A. Reconciliation of Shares Outstanding at the beginning and at the end of the year

Particulars	As at 31 st March 2024 (As at 31 st March 2023)	
	Number	(Rs. in Crore)
Outstanding at the beginning of the year	12,01,79,30,306 (12,01,79,30,306)	12,017.93 (12,017.93)
Issued during the year	- (-)	- (-)
Bought back during the year	-	-
Outstanding at the end of the year	12,01,79,30,306 (12,01,79,30,306)	12,017.93 (12,017.93)

B. Details of Share Holders holding more than 5% shares in the company

Name of Shareholder	As at 31 st March 2024 (As at 31.03.2023)	
Equity Shares	No. of Shares held	% of Holding
Governor of Telangana*	12,01,79,30,306 (12,01,79,30,306)	100%* (100%)
TOTAL	12,01,79,30,306	

* Includes 9 shares held by Nominees of Govt. of Telangana.

C. Details of Share held by the promoters of the company

Name of Shareholder	As at 31 st March 2024 (As at 31.03.2023)	
	No.of Shares held	% of Change
Governor of Telangana*	12,01,79,30,306	0%
	(12,01,79,30,306)	(0%)
TOTAL	12,01,79,30,306	

* Includes 9 shares held by Nominees of Govt. of Telangana.

D. Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Entire equity shares are held by the Governor of Telangana. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

3 Reserves & Surplus

Particulars	As at March 31, 2024 Rs. in Crore	As at March 31, 2023 Rs. in Crore
a. Consumer Contribution towards capital assets		
Opening Balance	7,562.09	6,562.80
(+) Current year Receipts	1,157.59	999.29
Closing Balance	8,719.68	7,562.09
b. Subsidies towards cost of capital assets		
Opening Balance	73.40	73.40
(+) Current year Receipts	-	-
Closing Balance	73.40	73.40
c. Grants/Donations towards cost of capital assets		
Opening Balance	1,324.53	1,032.39
(+) Current year Receipts	0.21	292.14
Closing Balance	1,324.74	1,324.53
Total (Closing balance of (a+b+c))	10,117.82	8,960.02
Less: Withdrawal towards cost of Capital Assets		
Opening Balance	(3,673.09)	(3,344.93)
(+) Current year Amortization to Statement of Profit and Loss	(378.52)	(328.16)
Closing Balance	(4,051.61)	(3,673.09)
Total	6,066.21	5,286.93

d. Statutory Reserves:		
Contingency Reserve Fund		
Opening Balance	64.24	57.76
(+) Current year Receipts	5.02	6.48
Closing Balance	69.26	64.24
e. Capital Reserve on Demerger		
Opening Balance	723.01	723.01
(+) Transfer on Demerger	-	-
Closing Balance	723.01	723.01
f. Surplus		
Opening Balance	(42,329.50)	(34,182.02)
(+) Net Profit/(Net Loss) For the Current Year	(4,909.53)	(8,147.48)
Closing Balance	(47,239.03)	(42,329.50)
Grand Total	(40,380.55)	(36,255.32)

- g. During the year 2023-24, the Company has received Consumer Contributions (including Subsidies, Grants and Donations towards Cost of Capital Assets and Grants) amounting to Rs. 1157.80 Crores (Previous year Rs.1291.43 Crores which includes conversion of R-APDRP Part- A SCADA GoI loan of Rs.34.12 Crores, R-APDRP Part- B GoI loan of Rs.257.28 Crores and IPDS Loan of Rs.0.74 Crore into grant) which includes an amount of Rs.0.21 Grant under PM JANMAN On-Grid Scheme through RDSS.

In proportion in which depreciation on the concerned assets have been charged during the year 2023-24, for an amount of Rs.378.52 Crores (Previous year Rs.328.16 Crores) have been treated as withdrawal from consumer contribution and credited to Statement of Profit and Loss. And the Depreciation on the Consumer Contributed assets have been restricted to 90 % of the value.

4. Long Term Borrowings

S.No	Particulars	As at March 31, 2024	As at March 31, 2023
		Rs. in Crore	Rs. in Crore
1.	Bonds	2,024.65	2,024.65
2.	Term Loans		
	i) From Banks	-	-
	ii) From Other Parties	15,231.56	13,347.62
	TOTAL	17,256.21	15,372.27

Further Classification into Party Wise

(Rs. in Crore)

LENDOR No.	LENDOR NAME	As at March 31, 2024	As at March 31, 2023
	BONDS (Under FRP Scheme)		
11224	APCPDCL PF Trust	57.40	57.40
11225	APGenco	176.60	176.60
11226	APTransco PF Trust	21.40	21.40
11227	Singareni Collieries	800.00	800.00
11228	APTransco	92.10	92.10
11229	Union Bank Of India	262.50	262.50
11231	The Federal Bank	6.50	6.50
11232	State Bank Of India	10.80	10.80
11233	State Bank Of India	13.10	13.10
11234	Bank Of Baroda	59.00	59.00
11235	Indian Overseas Bank	21.80	21.80
11236	Central Bank Of India	21.80	21.80
11237	Indian Bank	175.00	175.00
11238	Punjab & Sindh Bank	17.40	17.40
11239	Bank Of India	30.50	30.50
11248	APTransco Trench 2	178.25	178.25
11276	HPGCL Employees Pension Fund Trust	10.00	10.00
11277	HPVPLN Employees Pension Fund Trust	12.00	12.00
11278	HPVPLN Employees Provident Fund Trust	3.00	3.00
11279	HPSEBL - General Provident Fund	5.50	5.50
11280	APGenco Pension & Gratuity Trust	21.00	21.00
11281	TGenco Pension & Gratuity Trust	29.00	29.00
	SUB-TOTAL	2,024.65	2,024.65
	LONG TERM LOANS FROM OTHERS		
11003	REC - DDUGJY SCHEME	69.24	79.13
11007	RURAL ELECTRICAL CORPORAT	428.45	582.58
11008	POWER FINANCE CORPORATION	43.31	45.36
11011	GOVT. LOANS	20.56	20.56
11128	IE:DISTRIBUTION & RENOVAT	201.03	186.53
11251	Rural Electrification Corporation - MTL	816.67	-

11252	Japan International Cooperation Agency (JICA)	334.27	346.88
11253	REC - 9 HRS POWER SUPPLY	127.74	161.81
11254	REC - BULK 2015-16	213.63	258.56
11255	REC - SPA:PE 2015-16	85.32	105.48
11257	PFS LIMITED	279.98	363.59
11258	PFC-IPDS Scheme	98.59	108.90
11259	REC - IE:DISTRIBUTION 2016-17	179.18	209.65
11266	REC - IE:DISTRIBUTION & BULK	443.92	511.59
11270	IE:Distribution & Bulk (FY 2018-19)	142.03	136.77
11272	REC - IE:DISTRIBUTION (FY 2019-20)	128.05	75.80
11273	REC - BULK SCHEME (FY2019-20)	335.91	374.15
11274	REC - BULK SCHEME (FY2019-20)	220.16	233.63
11275	M/S. IREDA LIMITED	-	250.67
11282	Moratorium Loan - Capitalization - Capex	290.52	299.51
11284	REC - SLTTL - Covid 19	2,702.10	3,310.07
11285	PFC - SLTTL - Covid 19	2,920.64	3,346.41
11286	IE:Distribution (FY2020-21)	124.07	68.69
11287	PFC - RADS (FY 2020-21)	52.74	52.74
11288	PFC - RADS (FY 2021-22)	171.33	171.33
11289	IE:Distribution & Renovation Works (FY2022-23)	97.19	-
11501	REC-LPS 2022	2,710.63	1,410.54
11502	PFC-LPS 2022	2,710.63	1,410.54
SUB-TOTAL		15,947.89	14,121.47
LESS	Kurnool and Ananthapur circles	716.33	773.85
Net off Kurnool and Ananthapur		15,231.56	13,347.62
Grand Total		17,256.21	15,372.27

- An amount of Rs.967.22 Crore were repaid against Loans pertains to Ananthapur and Kurnool by the TGSPDCL from 2014-15 to 2023-24, the same was transferred as receivable from APSPDCL
- The IPDS, part of the loan and accrued interest thereon, totaling of Rs.0.74 Crore has been converted into grant in 2022-23.
- The R-APDRP Part- A SCADA GoI Loan along with interest thereon, totaling of Rs.38.53 Crore has been converted into grant in 2022-23.
- The R-APDRP Part- B, GoI Loan along with interest thereon, totaling of Rs.257.28 Crore has been converted into grant in 2022-23.

Further Classification into Secured and Unsecured

(Rs. in Crore)

LENDOR No.	LENDOR NAME	As at March 31, 2024	As at March 31, 2023
Secured - From Others			
11003	REC - DDUGJY SCHEME	69.24	79.13
11007	RURAL ELECTRICAL CORPORATION	428.45	582.58
11008	POWER FINANCE CORPORATION	43.31	45.36
11128	IE:DISTRIBUTION & RENOVATION	201.03	186.53
11253	REC - 9 HRS POWER SUPPLY	127.74	161.81
11254	REC - BULK 2015-16	213.63	258.56
11255	REC - SPA:PE 2015-16	85.32	105.48
11257	PFS LIMITED	279.98	363.59
11258	PFC - IPDS	98.59	108.90
11259	REC - IE:DISTRIBUTION 2016-17	179.18	209.65
11266	REC - IE:DISTRIBUTION & BULK	443.92	511.59
11270	IE:Distribution & Bulk (FY 2018-19)	142.03	136.77
11272	REC - IE:DISTRIBUTION (FY 2019-20)	128.05	75.80
11273	REC - BULK SCHEME (FY2019-20)	335.91	374.15
11274	REC - BULK SCHEME (FY2019-20)	220.16	233.63
11275	M/S. IREDA LIMITED		250.67
11282	Moratorium Loan - Capitalization - Capex	290.52	299.51
11286	IE:Distribution (FY2020-21)	124.07	68.69
11287	PFC - RADS (FY 2020-21)	52.74	52.74
11288	PFC - RADS (FY 2021-22)	171.33	171.33
11289	IE:Distribution & Renovation Works (FY2022-23)	97.19	-
Total Secured Loans		3,732.39	4,276.47
LESS	KURNOOL AND ANANTAPUR	716.33	773.85
NET OFF KURNOOL AND ANANTAPUR		3,016.06	3,502.62

Unsecured - Bonds

(Rs. in Crore)

LENDOR No.	LENDOR NAME	As at March	As at March
		31, 2024	31, 2023
11224	APCPDCL PF TRUST	57.40	57.40
11225	APGENCO	176.60	176.60
11226	APTRANSCO PF TRUST	21.40	21.40
11227	SINGARENI COLLIERIES	800.00	800.00
11228	APTRANSCO	92.10	92.10
11229	UNION BANK OF INDIA	262.50	262.50
11231	THE FEDERAL BANK	6.50	6.50
11232	STATE BANK OF INDIA	10.80	10.80
11233	STATE BANK OF INDIA	13.10	13.10
11234	BANK OF BARODA	59.00	59.00
11235	INDIAN OVERSEAS BANK	21.80	21.80
11236	CENTRAL BANK OF INDIA	21.80	21.80
11237	INDIAN BANK	175.00	175.00
11238	PUNJAB & SINDH BANK	17.40	17.40
11239	BANK OF INDIA	30.50	30.50
11248	APTRANSCO TRENCH 2	178.25	178.25
11276	HPGCL Employees Pension Fund Trust	10.00	10.00
11277	HPVPLN Employees Pension Fund Trust	12.00	12.00
11278	HPVPLN Employees Provident Fund Trust	3.00	3.00
11279	HPSEBL - General Provident Fund	5.50	5.50
11280	APGENCO Pension & Gratuity Trust	21.00	21.00
11281	TGENCO Pension & Gratuity Trust	29.00	29.00
SUB-TOTAL		2,024.65	2,024.65
UNSECURED - OTHERS			
11011	GOVT. LOANS	20.56	20.56
11251	Rural Electrification Corporation - MTL	816.67	-
11252	Japan International Cooperation Agency (JICA)	334.27	346.88
11284	REC - SLTTL - Covid 19	2,702.10	3,310.07
11285	PFC - SLTTL - Covid 19	2,920.64	3,346.41
11501	REC-LPS 2022	2,710.63	1,410.54
11502	PFC-LPS 2022	2,710.63	1,410.54
SUB-TOTAL		12,215.50	9,845.00
Grand Total Of Secured And Unsecured Loans		17,256.21	15,372.27

Securities charged for the Loans

- a. Term Loans on FRP Scheme are guaranteed by Government vide G.O.Ms.11 Dated: 18.02.2014.
- b. Term Loans from REC and PFC : SLTTL-Covid 19 are guaranteed by Government vide G.O.Ms.06 Dated: 04.07.2020
- c. Term Loans from REC and PFC : LPS 2022 are guaranteed by Government vide G.O.Ms.22 Dated: 27.08.2022

Note 4A: Securities offered for the Long Term Loans

Particulars	As at March 31, 2024	As at March 31, 2023
Term Loans from Others	Rs. in Crore	Rs. in Crore
1. Loans from Rural Electrification Corporation Limited, New Delhi.		
i. Secured by the hypothecation of all the future Movables and Stocks to be created under respective schemes of the project out of the loan amount.	3,086.45	3,283.86
ii. Secured by way of (a) Creation of exclusive first charge by way of Hypothecation of unencumbered existing assets and (b) Hypothecation of receivables of Tariff Subsidy from Govt. of Telangana.	-	-
2. Power Finance Corporation (PFC)		
i. If the company achieves the target as stipulated in the agreement and also if the project is complete in time schedule, the loan will be converted into grant.	43.31	45.36
ii. Charge is created on company movable assets (unencumbered assets) including PTR Augmentation, Addl PTRs/DTRs/Addl bays/LT/HT AB Cable/Reconductoring/ Capacitor Bank/VCB/R&C Works/Renovation & Modernisation works etc.. to be created in following areas of utility located at Nalgonda, Hyderabad Central, Master Plan, Hyderabad East, Hyderabad West towns of TSSPDCL in the state of Telangana.	322.66	332.97
iii. Secured by the hypothecation of all the future Movables and Stocks to be created under respective schemes of the project out of the loan amount.	-	-
iv. Rate of interest is 10% to 11% pa		
3. Loans from Power Trading Corporation - Financial Services Limited (PFS), New Delhi.		
i) (Secured by Hypothecation of all Current assets (Present and future) with the minimum coverage of 1.25 times of		

the facility, including book-debts, receivables, outstanding moneys, claims, demands, bills, guarantees, letters of credit, contracts, engagements, stocks, shares, notes, bonds, warrants, all stocks of raw materials, semi-finished goods, finished goods, consumable stores, accounts receivable, operating cash flows, treasury income, deposits of company with the third parties and any other revenues.)	279.98	363.59
ii. Rate of interest is 10% to 12% pa		
4. Loans from Indian Renewable Energy Development Agency Limited (IREDA), New Delhi.		
i) Secured by default escrow mechanism for entire IREDA loan amount of Rs.450.00 Crore to the satisfaction of IREDA.	-	250.69
ii. Rate of interest is 10% to 11% pa		
TOTAL	3,732.39	4,276.47

Total Long Term, Short Term Loans and Current Maturities of Long Term Debts for the year ended

(Rs. in Crore)

LENDOR No.	LENDOR NAME	As at March 31, 2024	As at March 31, 2023
	BONDS		
11224	APCPDCL PF TRUST	57.40	57.40
11225	APGENCO	176.60	176.60
11226	APTRANSCO PF TRUST	21.40	21.40
11227	SINGARENI COLLIERIES	800.00	800.00
11228	APTRANSCO	92.10	92.10
11229	UNION BANK OF INDIA	262.50	262.50
11231	THE FEDERAL BANK	6.50	6.50
11232	STATE BANK OF INDIA	10.80	10.80
11233	STATE BANK OF INDIA	13.10	13.10
11234	BANK OF BARODA	59.00	59.00
11235	INDIAN OVERSEAS BANK	21.80	21.80
11236	CENTRAL BANK OF INDIA	21.80	21.80
11237	INDIAN BANK	175.00	175.00
11238	PUNJAB & SINDH BANK	17.40	17.40
11239	BANK OF INDIA	30.50	30.50
11248	APTRANSCO TRENCH 2	178.25	178.25
11276	HPGCL Employees Pension Fund Trust	10.00	10.00

11277	HPVPNL Employees Pension Fund Trust	12.00	12.00
11278	HPVPNL Employees Provident Fund Trust	3.00	3.00
11279	HPSEBL - General Provident Fund	5.50	5.50
11280	APGENCO Pension & Gratuity Trust	21.00	21.00
11281	TGENCO Pension & Gratuity Trust	29.00	29.00
Bonds Sub-Total		2,024.65	2,024.65
BANKS			
11013	STATE BANK OF INDIA	1,217.21	1,275.17
11241	BANK OF INDIA	-	0.16
11244	INDIAN OVERSEAS BANK	-	9.72
11245	INDIAN BANK	-	12.76
11247	BANK OF BARODA	-	0.47
Banks Sub-Total		1,217.21	1,298.28
OTHERS			
11003	REC - DDUGJY SCHEME	79.13	89.03
11007	RURAL ELECTRICAL CORPORATION	587.54	755.66
11008	POWER FINANCE CORPORATION	45.15	49.58
11011	GOVT. LOANS	20.56	20.56
11014	SHORT TERM LOANS ALL BANK & FI	872	1,318.82
11128	IE:DISTRIBUTION & RENOVATION	220.14	204.95
11251	REC-MEDIUM TERM LOAN	916.67	0.21
11252	Japan International Cooperation Agency (JICA)	384.73	384.73
11253	REC - 9 HRS POWER SUPPLY	161.81	195.88
11254	REC - BULK 2015-16	271.44	313.96
11255	REC - SPA:PE 2015-16	105.48	125.64
11257	PFS LIMITED	360.47	425.34
11258	PFC - IPDS	108.90	119.21
11259	REC - IE:DISTRIBUTION 2016-17	209.65	240.12
11266	REC - IE:DISTRIBUTION & BULK	517.73	584.58
11267	REC - SPECIAL LOAN	0.26	93.33
11268	PFC - MEDIUM TERM LOAN	-	182.69
11269	PFC - Term Loan	-	182.59
11270	IE:Distribution & Bulk (FY 2018-19)	159.09	151.81
11272	REC - IE:DISTRIBUTION (FY 2019-20)	140.77	83.19
11273	REC - BULK SCHEME (FY2019-20)	381.01	418.46
11274	REC - BULK SCHEME (FY2019-20)	233.66	239.63
11275	M/S. IREDA LIMITED	264.00	698.67

11282	Moratorium Loan - Capitalization - Capex	299.34	306.19
11283	Moratorium Loan - Capitalization - WC	-	137.10
11284	REC - SLTTL - Covid 19	3,208.74	3,546.50
11285	PFC - SLTTL - Covid 19	3,306.89	3,585.43
11286	IE:Distribution (FY2020-21)	124.07	68.69
11287	PFC - RADS (FY 2020-21)	52.74	52.74
11288	PFC - RADS (FY 2021-22)	171.33	171.33
11289	IE:Distribution & Renovation Works (FY2022-23)	97.19	-
11500	REC-RBPF 2022	3,773	1,000.00
11501	REC-LPS 2022	2,710.63	1,410.54
11502	PFC-LPS 2022	2,710.63	1,410.54
11503	PFC-RBPF Loan	2,999	999.97
Others Sub-Total		25,492.58	19,567.67
LESS	KURNOOL AND ANANTAPUR	716.33	773.85
NET OFF OTHERS		24,776.25	18,793.82
		28,018.11	22,116.75

5 Other Long Term Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
	Rs. in Crore	Rs. in Crore
Vendor Deposits	161.28	148.39
Contribution Works	25.65	32.20
Other Liabilities	126.90	133.20
GIS - Insurance & Saving Fund	6.96	6.06
Self Funding Medical Scheme	13.11	3.72
Accidental Risk Self Funding Scheme	0.40	0.31
TOTAL	334.30	323.88

- GIS Insurance & Savings Fund: With effect from 01.07.1985 Employees Group Insurance Scheme was introduced in the place of erstwhile Family Benefit Fund Scheme. As per the said Scheme the contributions of the Employees consists of two portions, the Insurance portion and the Savings portion. The future liability of the Company as per the said Scheme could not be ascertained. The closing balance of the Savings Fund held as on 31.03.2024 is Rs. 6.24 Crores (Previous Year Rs.5.47 Crores). The Closing balance of GIS Insurance Fund as at 31.03.2024 is Rs. 0.72 Crores (Previous year Rs .0.59 Crores). During the year the Interest on Savings Fund for an amount of Rs. 0.41 Crores (Previous Year Rs. 0.35 Crores) have been debited and is shown under the Head 'Interest and Finance Charges'.
- TGSPDCL has introduced the Self Funding Scheme towards coverage of accidental risk for a maximum amount of Rs.5.00 lakhs in case of accidents occurred to the employees working in TGSPDCL for a period of one year with contribution of Rs.155/- per employee.

6 Long Term Provisions

Particulars	As at March 31, 2024 Rs. in Crore	As at March 31, 2023 Rs. in Crore
Provision for employee benefits		
Gratuity (unfunded)	479.65	417.68
Leave Encashment (unfunded)	1,315.83	1,307.37
TGSPDCL Pension and Gratuity Trust (Funded)	572.99	292.03
Medical Expenses (PRMS)	421.86	271.67
TOTAL	2,790.33	2,288.75

- a. Employees who have joined on or after 01.02.1999:** The employees who joined the Company after 01.02.1999 are covered under Employees Provident Fund & Miscellaneous Provisions Act 1952, Employees Provident Fund Scheme, 1952 and The Payment of Gratuity Act, 1972. The Company has carried out the actuarial valuation as at 31.03.2024 to arrive at the present value of future obligations of the company and provided for current year provision. As per the said valuation reports, the required provision for Gratuity for the year ended 31.03.2024 is Rs. 345.72 Crores (Previous Year Rs. 301.39 Crores). Expenditure recognised under the head “Employee Benefit Expense “ to the extent of Rs. 46.58 Crores after paying benefits during the year to the extent of Rs. 2.25 Crores. The funding status of the same is unfunded. As per the actuarial valuation report the current liability portion for an amount of RS. 8.90 Crores was shown under the head of Short term Provisions of Note No. 10 and the non current portion of liability for an amount of Rs. 336.82 Crores was shown under this head of Long Term provisions.
- b. Artisans who have joined in the Company:** The Artisans who joined the Company are covered under Employees Provident Fund & Miscellaneous Provisions Act 1952, Employees Provident Fund Scheme, 1952 and The Payment of Gratuity Act, 1972. The Company has carried out the actuarial valuation as at 31.03.2024 as per Accounting Standard.15 to arrive at the present value of future obligations of the company and provided for current year provision. As per the said valuation reports, the required provision for Gratuity for the year ended 31.03.2024 is Rs. 143.34 Crores (Previous Year Rs.118.50 Crore). Expenditure recognised under the head “Employee Benefit Expense “ to the extent of Rs. 24.90 Crores. The funding status of the same is unfunded. As per the actuarial valuation report the current liability portion for an amount of RS. 0.51 Crores was shown under the head of Short term Provisions of Note No. 10 and the non current portion of liability for an amount of Rs. 142.83 Crores was shown under this head of Long Term provisions.
- c.** The Company has carried out actuarial valuation as at 31.03.2024 to arrive at present value of future obligations of the Earned Leaves of the employees . The Balance in the provision for the year ended as required by the actuarial valuation report is Rs. 1456.30 Crores (Previous Year Rs.1387.06 Crores) and During the Year Rs. 22.57 Crores was paid towards the Final Encashment. Therefore as per the said valuation, differential amount arrived after deducting the payments made towards earned leave resulted in to short of by Rs.91.80 Crores which is debited to statement of Profit and Loss under the head of “ Employee Benefit Expenses”. The funding status of the same is unfunded. As per the Actuarial valuation report the current portion of liability for an amount of Rs. 140.47 Crores was shown under the head of Short term Provisions note no. 10 and non current portion liability for an amount of Rs. 1315.83 Crores was shown under this head of Long term provision.

- d. The Company has carried out actuarial valuation as at 31.03.2024 to arrive at present value of future obligations of the Pension and Gratuity in respect of employees recruited prior to 01.02.1999 and on roll as on 31.03.2024. As per the actuarial valuation, the liability for the year ended 31.03.2024 is Rs. 3219.06 Crores and of which, the existing plan assets are of Rs.2646.07, the differential amount is of Rs.572.99 Crore. The existing liability in the books of account before making new provision is for an amount of Rs. 107.70 Crores and for the short amount of Rs. 465.30 Crores is debited to statement of Profit and Loss under the head of “ Employee Benefit Expenses”. As per the actuarial valuations, the current liability is nil and the total amount of Rs. 572.99 Crores is shown under this head of Long term provision.
- e. The Company has carried out actuarial valuation as at 31.03.2024 to arrive at present value of future obligations of the Medical Benefits extended to Employees, Pensioners and Artisans . As per the actuarial valuation, the liability for the year ended 31.03.2024 is Rs. 454.31 Crores of which the existing liability in books is of Rs.360.73. The differential amount of Rs. 93.59 is debited to statement of Profit and Loss under the head of “ Staff Welfare Expenses” and the funding status of the same is unfunded. As per the actuarial valuation report the current liability portion for an amount of RS. 32.45 Crores was shown under the head of Short term Provisions of Note No. 10 and the non current portion of liability for an amount of Rs. 421.87 Crores was shown under this head of Long Term provisions..

7 Short Term Borrowings

S.No	Particulars	As at March 31, 2024 Rs. in Crore	As at March 31, 2023 Rs. in Crore
1	Loans Repayable on Demand		
	i) From Banks	1,217.21	1,275.17
	ii) From Other Parties	7,642.83	1,318.82
	Sub Total	8,860.04	2,593.99
2	Current maturities of long-term debt	1,901.86	4,150.49
	Total (1+2)	10,761.90	6,744.48
	Further Classification into Party Wise		
11013	i) From Banks (SBI Cash Credit)	1,217.21	1,275.17
	ii) From Other Parties	-	-
11500	REC-RBPF 2022	3,772.55	-
11503	PFC-RBPF Loan	2,998.76	-
11014	SHORT TERM LOANS FROM TG TRANSCO	871.52	1,318.82
	Total	8,860.04	2,593.99
1	Further Classification into Secured and Unsecured		
	Secured		
	(a) Loans repayable on demand		
	i) From Banks		
	ii) From Others		
	Secured Total	-	-

2	Unsecured		
	(a) Loans repayable on demand		
11013	from banks (SBI Cash Credit)	1,217.21	1,275.17
	from other parties	-	-
11500	REC-RBPF 2022	3,772.55	-
11503	PFC-RBPF Loan	2,998.76	-
11014	SHORT TERM LOANS FROM TG TRANSCO	871.52	1,318.82
	TOTAL	8,860.04	1,318.82

3. a. SBI Cash Credit facility is guaranteed by Govt. of Telangana vide GO Ms 07 Dt.04.04.2022
- b. Term Loans from REC and PFC : RBPF are guaranteed by Govt. of Telangana vide GO Ms 05 Dt.13.02.2023
- c. Term Loans from REC and PFC : RBPF are guaranteed by Govt. of Telangana vide G O Ms. No.:13, Dt: 06.09.2023
- d. Term Loans from REC : RBPF are guaranteed by Govt. of Telangana vide G O Ms. No.:28, Dt: 26.12.2023
- e. Term Loans from PFC : RBPF are guaranteed by Govt. of Telangana vide G O Ms. No.:08, Dt: 11.03.2024

Statement showing the Current Maturities of Long Term Debts

Vendor Code	Name of Vendor	As at March 31, 2024 Rs. in Crore	As at March 31, 2023 Rs. in Crore
11003	REC-DDUGJY Scheme	9.89	9.89
11007	RURAL ELECTRICAL CORPORAT	159.09	173.09
11008	PFC - RAPDRP	1.84	4.21
11128	IE:Distribution & Renovation Works (FY2019-20)	19.11	18.41
11241	BANK OF INDIA	-	0.16
11244	INDIAN OVERSEAS BANK	-	9.72
11245	INDIAN BANK	-	12.76
11247	BANK OF BARODA	-	0.47
11251	REC-MEDIUM TERM LOAN	100.00	0.21
11252	Loan from Govt. of Telangana - JICA Funding	50.46	37.85
11253	REC - 9 HRS POWER SUPPLY	34.07	34.07
11254	REC - BULK 2015-16	57.81	55.40
11255	REC - SPA:PE 2015-16	20.16	20.16
11257	PFS LIMITED	80.49	61.75
11258	PFC-IPDS Scheme	10.31	10.31
11259	REC - IE:DISTRIBUTION 201	30.47	30.47
11266	IE:Distribution & Bulk (FY 2017-18)	73.81	72.99
11267	REC - SPECIAL LOAN	0.26	93.33
11268	PFC - MEDIUM TERM LOAN	-	182.69
11269	PFC - TERM LOAN	-	182.59

11270	IE:Distribution & Bulk (FY 2018-19)	17.06	15.06
11272	IE:Distribution (FY2019-20)	12.71	7.39
11273	Bulk Scheme (FY 2019-20)	45.10	44.29
11274	Bulk Scheme (FY 2019-20)	13.50	6.00
11275	Term Loans -IREDA	264.00	448.00
11282	Moratorium Loan - Capitalization - Capex	8.83	6.68
11283	Moratorium Loan - Capitalization - WC	-	137.10
11284	REC - SLTTL - Covid 19	506.64	236.43
11285	PFC - SLTTL - Covid 19	386.25	239.04
11500	REC-RBPF 2022	-	1,000.00
11503	PFC-RBPF Loan	-	999.97
Grand Total		1,901.86	4,150.49

8 Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
	Rs. in Crore	Rs. in Crore
Unsecured		
(i) Micro, Small and Medium Enterprises (MSMEs)	0.06	12.01
(ii) Other than MSME		
APEPDCL	989.65	990.06
APSPDCL	428.38	481.47
TGNPDCL	1,969.54	210.20
TGGENCO	8,152.81	5,693.13
APGENCO	3,334.73	3,334.73
APTRANSCO	5.76	5.76
TGTRANSCO	1,416.17	1,300.36
Other Power Purchase Creditors	17,048.96	19,177.19
Other Payables	572.78	628.97
Total	33,918.84	31,833.88

- Balances from other Discoms', GENCOs', TRANSCO's' are subject to confirmation and reconciliations.
- Balances from other power purchase creditors and other payables are subject to confirmations and reconciliations.
- Trade Payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the intimations received from respective Vendors and the required disclosures are given below:
- Other Power Purchase Creditors includes unbilled dues towards Power Purchase cost of Rs.1,081.56 Crore (Previous year Rs. 1,794.32 Crore) which is regrouped from Schedule no.10 "Short Term Provisions" as per the amendment notification to Schedule-III of Companies Act.
- The age wise analysis of Trade Payables are as follows...

8.f. Ageing of Trade Payables as at 31.03.2024

Particulars	Outstanding for following periods from due date of payment as at 31.03.2024 (As at 31.03.2023)				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSMEs	0.06 (12.01)	-	-	-	0.06 (12.01)
(ii) Other	17,851.20 (16,830.99)	1,599.99 (578.65)	8,546.81 (7,750.74)	80.70 (55.15)	28,078.70 (25,215.53)
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others-	- -	- -	- -	4,758.52 (4,812.01)	4,758.52 (4,812.01)
Sub Total	17,851.26 (16,843.00)	1,599.99 (578.65)	8,546.81 (7,750.74)	4,839.22 (4,867.17)	32,837.28 (30,039.56)
v) Others - Unbilled Dues for Power Purchase Cost					1,081.56 (1,794.32)
Grand Total	17,851.26 (16,843.00)	1,599.99 (578.65)	8,546.81 (7,750.74)	4,839.22 (4,867.17)	32,918.84 (31,833.88)

8. (i) Micro, Small and Medium Enterprises (MSMEs) :

Particulars	As at March 31, 2024	As at March 31, 2023
Principle and amount remaining unpaid	0.06	12.01
Interest Due thereon	-	-
Interest paid by the company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Interest accrued and remaining unpaid	-	-
Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

The trade payable balances disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 are subject to confirmation from the above vendors.

9 Other Current Liabilities

Particulars	As at March 31, 2024 Rs. in Crore	As at March 31, 2023 Rs. in Crore
Employee related liabilities	223.87	168.20
Statutory Liability	89.06	61.98
Advance from Customers	183.59	149.65
Consumer Deposits	5,236.31	4,580.59
Gov. of AP SC/ST Payable	3.47	3.47
Inter Unit Accounts	84.27	114.17
Interest Payable on Consumer Deposit	306.35	230.41
Interest Accrued and due	780.84	656.28
Other Liabilities	509.38	511.32
Artisans Salaries Payable	33.53	27.60
GST Liabilities	8.89	8.41
Total	7,459.56	6,512.08

- The interest accrued and due is relating to the interest payable on Bonds issued to the various trusts viz., APCPDCL PF Trust , AP TRANSCO PF Trust , AP GENCO PF Trust and The Singareni Collieries Company Limited.
- Inter Unit Accounts shows a credit balance of Rs. 84.27 Crores (Previous Year - Rs. 114.17 Crores).
- Other Liabilities includes an amount of Rs. 141.74 Crores (Previous Year 141.69 Crores) to TGTRANSCO which was taken on emergency basis and FSA Payable of Rs.330.71 Crore.The above balance is subject to confirmation and reconciliation.

10 Short Term Provisions

Particulars	As at March 31, 2024 Rs. in Crore	As at March 31, 2023 Rs. in Crore
Provision for Employee cost	85.96	398.73
RPF Fund	0.01	0.01
Provision for Admin Expenses	15.41	11.86
Provision for CWIP	0.75	1.59
Provision for Interest	466.62	370.77
Provision for O&M works	3.73	1.24
Provision for R & C Penalties	0.10	0.10
Gratuity (unfunded)	9.41	2.21
Leave Encashment (unfunded)	140.47	79.69
Medical Expenses (PRMS)	32.45	121.01
Total	754.91	987.21

Provision for Employee Cost includes an amount of Rs.61.17 Crore (Previous year Rs.363.82 Crore) towards Revision of Pay Scales 2022 (RPS-2022) payable in April'2024 and May'2024.

Provision for Interest includes Guarantee Commission payable to GoTS of Rs.442.80 Crore, Interest on Term Loans Rs.3.37 Crores, and Japan International Cooperation Agency (JICA) loan Rs. 15.56 Crore.

Note No.11 - Property Plant, Equipment and Intangibles

(Rs. In Crore)

S.No.	Particulars	Gross Carrying Values					Depreciation & Amortisation					Net Carrying Values	
		As at 1 st April, 2023	Additions	Deletions/ Adjustments	Deletions Through Business Combinations	As at 31 st March 2024	As at 1 st April 2023	Depreciation charge for the year	Deletions/ Adjustments	Additions through business combinations	As at 31 st March 2024	As at 31 st March 2024	As at 31 st March 2023
a	Plant, Property and Equipment												
	Land	8.64	-	-		8.64	-	-	-		-	8.64	8.64
	Buildings	374.22	9.54	-		383.76	118.90	12.60	-		131.50	252.26	255.32
	Other Civil Works	221.08	8.15	-		229.23	44.42	7.55	-		51.97	177.26	176.66
	Plant and Machinery	8,986.88	735.94	3.50		9,719.32	4,735.26	372.19	3.02		5,104.43	4,614.89	4,251.62
	Lines and Cable Network	8,680.09	823.31	-		9,503.40	4,126.13	374.50	-		4,500.63	5,002.77	4,553.96
	Meters and Metering equipment	1,827.32	179.32	11.96		1,994.68	1,151.95	55.19	9.66		1,197.48	797.20	675.37
	Vehicles	7.08	0.28	-		7.36	6.37	0.02	-		6.39	0.97	0.71
	Furniture and Fixtures	17.25	1.35	-		18.60	11.47	0.58	-		12.05	6.55	5.78
	Office Equipment	51.37	6.37	-		57.74	32.57	2.06	-		34.63	23.11	18.80
Air Conditioners	2.60	0.17	-		2.77	1.71	0.06	-		1.77	1.00	0.89	
Computer & IT Equipment	185.56	14.55	-		200.11	145.43	12.72	-		158.15	41.96	40.13	
	Sub Total	20,362.09	1,778.98	15.46	-	22,125.61	10,374.21	837.47	12.68	-	11,199.00	10,926.61	9,987.88
b	Intangible Assets												
	Computer Software	70.80	-	-		70.80	49.11	4.66			53.77	17.03	21.69
	Sub Total	70.80	-	-	-	70.80	49.11	4.66	-	-	53.77	17.03	21.69
c	Capital Work in Progress	1,206.97	1,747.75	1,825.94		1,128.78	-	-			-	1,128.78	1,206.97
	Sub Total	1,206.97	1,747.75	1,825.94	-	1,128.78	-	-	-	-	-	1,128.78	1,206.97
d	GRAND TOTAL (a+b+c)	21,639.86	3,526.73	1,841.40	-	23,325.19	10,423.32	842.13	12.68	-	11,252.77	12,072.42	11,216.54
	Grand Total of Previous Year	20,102.88	3,034.86	1,497.88	-	21,639.86	9,625.61	801.90	4.19	-	10,423.32	11,216.54	10,477.27

* Depreciation rates as per Hon'ble CERC Notification have been adopted from the previous financial year i.e. 2022-23.

11. (a) Ageing of Capital Work-in Progress (CWIP)

Particulars	Amount in CWIP as at 31.03.2024 (As at 31.03.2023)				(Rs. In Crore)
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	655.21 (460.25)	246.23 (444.61)	100.01 (191.85)	127.33 (110.26)	1,128.78 (1,206.97)
Projects temporarily suspended.	-	-	-	-	-
Total	655.21 (460.25)	246.23 (444.61)	100.01 (191.85)	127.33 (110.26)	1,128.78 (1,206.97)

11. (b) The Capital-Work-in Progress whose completion is overdue or has exceeds it's cost compared to original plan

Particulars	To be completed in				(Rs. In Crore)
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	50.00	40.00	37.33	-	127.33
Projects temporarily suspended.	-	-	-	-	-
Total	50.00	40.00	37.33	-	127.33

Note No. 12 Non Current Investments (At Cost)

(Rs. In Crore)

A. Details of Trade Investments

S. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value of each Share/ Unit in Rs.	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	(Rs. in Crore)	
				As at 31 st March 2024	As at 31 st March 2023			As at 31 st March 2024	As at 31 st March 2023
a)	Equity Shares of Andhra Pradesh Power Development Company Ltd. (APPDCL)	Others	10	42,60,10,000	42,60,10,000	Unquoted	Fully Paid	426.01	426.01
Total								426.01	426.01

B. Details of Other Investments

S. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value of each Share/ Unit in Rs.	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	(Rs. in Crore)	
				As at 31 st March 2024	As at 31 st March 2023			As at 31 st March 2024	As at 31 st March 2023
1	Investments in Government or Trust securities								
200013	9.97% APPFC Bonds	Others	10,00,000	-	24	Quoted	Fully Paid	-	2.40
200013	9.64% APPFC Bonds	Others	10,00,000	22	22	Quoted	Fully Paid	2.20	2.20
200036	MAH SLD @ 9.25%	Others	1,00,000	-	180	Unquoted	Fully Paid	-	1.80
200030	APSPFC SERIES VII/2014 FRO	Others	1,00,000	-	18	Unquoted	Fully Paid	-	0.18
200038	9.2% GOVERNMENT OF INDIA - 2030 SECURITIES	Others	10,000	194	194	Unquoted	Fully Paid	1.94	1.94
200037	8.4% GOVERNMENT OF INDIA - 2024 SECURITIES	Others	10,000	190	190	Unquoted	Fully Paid	1.90	1.90
200005	7.72% Andhra Pradesh SDL	Others	10,000	4710	4710	Unquoted	Fully Paid	4.71	4.71
200006	7.74% Andhra Pradesh SDL	Others	10,000	5000	5000	Unquoted	Fully Paid	5.00	5.00
200008	7.60% Tamil Nadu SDL 2032	Others	10,000	19660	19660	Unquoted	Fully Paid	19.66	19.66
200009	7.65% Bihar SDL 2032	Others	10,000	10000	10000	Unquoted	Fully Paid	10.00	10.00
200016	7.45% Telangana SDL 2030	Others	10,000	4500	4500	Unquoted	Fully Paid	4.50	4.50
200017	7.47% Telangana SDL 2031	Others	10,000	4500	4500	Unquoted	Fully Paid	4.50	4.50
200022	7.69% Telangana SGS 2032	Others	10,000	2800	2800	Unquoted	Fully Paid	2.80	2.80
200031	7.50% Haryana SGS 2030	Others	10,000	5780	-	Unquoted	Fully Paid	5.78	-
200034	7.46% TELANGANA SGS 2030	Others	10,000	2150	-	Unquoted	Fully Paid	2.15	-
200039	7.67% Bihar SGS 2031	Others	10,000	2150	-	Unquoted	Fully Paid	2.15	-
200041	7.44% Telangana SGS 2030	Others	10,000	2000	-	Unquoted	Fully Paid	2.00	-
200040	7.44% Chhattisgarh SGS 2030	Others	10,000	2850	-	Unquoted	Fully Paid	2.85	-
Sub Total (B)								72.14	61.59
Grand Total (A+B)								498.15	487.60

* During the year an amount of Rs.4.38 Crore of Bonds has mature and an amount of Rs.14.93 Crore addl./reinvested in various securities

13 Deferred Tax

Particulars	As at March 31, 2024 Rs. in Crore	As at March 31, 2023 Rs. in Crore
Deferred Tax Liabilities		
A i) Opening Balance	885.88	779.48
ii) Fixed Assets : Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	123.41	106.40
iii) Gross deferred tax liability (i+ii)	1,009.29	885.88
Deferred Tax Asset		
B i) Opening Balance	2,532.10	2,583.17
ii) Deferred tax asset on timing difference	253.08	(51.07)
iii) Gross deferred tax asset (i+ii)	2,785.18	2,532.10
iv) Net Deferred Tax Asset/ (Liability) (Biii-Aiii)	1,775.89	1,646.22

13 A - Deferred Tax Calculations

1. Deferred Tax Liability

Particulars	As at March 31, 2024 Rs. in Crore	As at March 31, 2023 Rs. in Crore
i) WDV as per Companies Act 2013	10,917.99	9,987.89
ii) WDV as per Income Tax Act	7,553.68	7,034.95
iii) WDV Timing Differences (i-ii)	3,364.31	2,952.94
iv) Deferred Tax Liability (iii *30%)	1,009.29	885.88

2. Deferred Tax Asset

Particulars	As at March 31, 2024 (Rs. in Crore)	As at March 31, 2023 (Rs. in Crore)
Deferred Tax Assets on Timing Differences		
i. Unabsorbed Depreciation	6,443.28	6,443.28
ii. 43B Disallowances		
a. Provision for gratuity [Section 43B(b)]	1,008.11	611.09
b. Provision for leave encashment [Section 43B(f)]	1,408.17	1,372.91
c. Interest [Section 43B(d) & (e)]	11.30	13.06
d. Provision for PRMS	413.08	-
Total Timing Difference	9,283.94	8,440.34
Deferred Tax Assets	2,785.18	2,532.10

Deferred Tax arising on carry forward of business loss has not been considered as Timing difference, since as per the provisions of Income Tax Act business loss could not be set off after 8 Assessment Years. further, timings difference on unabsorbed depreciation is not considered from previous financial year, as the unabsorbed depreciation is enough to cover all the future profits and the company is not in a position to project the profits beyond the benefits for which deferred Tax asset is already created.

13 B. Deferred Tax Income Calculation

Particulars	As at March 31, 2024	As at March 31, 2023
	Rs. in Crore	Rs. in Crore
1. Deferred Tax Liability	1,009.29	885.88
2. Deferred tax Asset	2,785.18	2,532.10
3.Net Deferred Tax Asset of Current year (2-1)	1,775.89	1,646.22
4.Net Deferred Tax Asset of Previous year	1,646.22	1,803.68
5.Net Deferred Tax Income credit to P&L A/c (3-(4+5))	129.67	(157.46)

14 Long Term Loans & Advances

Particulars	As at March 31, 2024	As at March 31, 2023
	Rs. in Crore	Rs. in Crore
a.Secured, Considered good		
Loans & Advances to employees	25.19	31.14
b. Unsecured, Considered good		
Loans & Advances to employees	1.32	2.01
Deposits with Courts, Telecom and Local Authorities	175.67	99.93
Capital Advances	112.90	121.73
Total	315.08	254.81

14. i. Secured Long term Loans & Advances to employees includes

Particulars	As at March 31, 2024	As at March 31, 2023
	Rs. in Crore	Rs. in Crore
Housing Loan - Secured against House	12.03	13.50
Four Wheeler Loan - Hypothecation of Four Wheeler	13.16	17.64
Total	25.19	31.14

14. ii. Unsecured Long term Loans & Advances to employees includes

Particulars	As at March 31, 2024	As at March 31, 2023
	Rs. in Crore	Rs. in Crore
Two Wheeler Loan	0.59	1.05
Computer Loans	0.73	0.94
Marriage and Education Advance	-	0.02
Total	1.32	2.01

- c. Pending reconciliation of HR module with FICO module current portion of the long term loans & advances to employees (Secured & Unsecured) is not ascertainable.

14. iii. Unsecured Deposits Includes

Particulars	As at March 31, 2024	As at March 31, 2023
	Rs. in Crore	Rs. in Crore
Court Authorities	75.99	75.53
Telephone Authorities	0.07	0.08
Deposits with Local Authorities and Resco	99.61	24.32
Total	175.67	99.93

- 14.iv. Deposits with Court Authorities includes deposits towards disputed Entry tax and Sales tax deposited by the company with the Commercial Tax Officer as per the orders of APSTAT and Hon'ble High Court.

15 Other Non Current Assets

Particulars	As at March 31, 2024	As at March 31, 2023
	Rs. in Crore	Rs. in Crore
(a) Secured, considered good		
Long Term Receivables from Employees	5.12	4.61
(b) Unsecured, considered good		
Receivable from ITI, Chennai	0.49	0.49
Total	5.61	5.10

- 15.i. Receivable from ITI represents 50% apprentice salaries paid by the company.
- 15.ii. Long Term Receivables from Employees includes amount recoverable on account of Work Orders and Excess Medical Bills.

16 Inventories

Particulars	As at March 31,2024 Rs. in Crore	As at March 31,2023 Rs. in Crore
Stores and Spares	287.86	232.68
Less: Provision for Recovery/Write Off of Cost Materials	2.17	4.64
Total	285.69	228.04

Provision for Obsolete Items

As per the physical verification report for the year ended 31st March 2024 an amount of Rs. 2.17 Crore is noticed as obsolete stock, but the provision for obsolete stock is available in the books is of Rs. 4.64 Crore hence the Provision for Obsolete Stock is restated to Rs. 2.17 Crore.

17 Trade Receivables

Particulars	As at March 31,2024 Rs. in Crore	As at March 31,2023 Rs. in Crore
Secured, considered good	7,537.19	4,013.57
Unsecured, considered good	15,680.13	15,147.03
Unsecured, considered doubtful	726.42	566.23
Sub Total (i)	23,943.74	19,726.83
Less: Provision for doubtful debts	(726.42)	(566.23)
Less: Provision for doubtful debts FSA	(26.02)	(26.02)
Sub Total (ii)	(752.44)	(592.25)
Total (i + ii)	23,191.30	19,134.58

- Trade receivables includes, Court Cases of Rs.2,366.44 Crores (Previous Year Rs.2 173.03 Crores) which includes wheeling charges and surcharge there on as per the orders of the Hon'ble High Court of Telangana, initially raised as per the Hon'ble Supreme Court Orders, R R Act Cases Rs.3.98 Crores (Previous Year Rs.4.13 Crores), Bill Stopped/Disconnected Services Rs.898.48 Crores (Previous Year Rs. 811.57 Crores).
- Trade Receivables Unsecured and considered good includes unbilled revenue of Rs.2,899.54 Crore (previuos year Rs.3,090.49 Crore) which is regrouped from Schedule-20 "Other Current Assets" from current financial as per Amendment Notification to Schedule III of the Companies Act and shown as unsecured and considered good as the bills are not yet issued and the due date for payment is not defined.
- The Age wise analysis of above Trade Receivables are as follows.

17.d. Ageing of Trade Receivables

(Rs. In Crore)

Particulars	Outstanding for following period from due date of receivable at 31.03.2024 (As at 31.03.2023)				
	Less than 6 month	6 months to 1 Year	1-2 Years	2-3 Years	More than 3 Years Total
(i) Undisputed trade receivable-considered good	2,113.80 (1,270.51)	2,169.70 (495.98)	1,330.10 (1,794.45)	1,767.01 (483.76)	156.58 (190.58) 7,537.19 (4,235.28)
(ii) Undisputed Trade Receivable-considered doubtful.	9.12 (1.82)	10.17 (1.75)	20.22 (6.29)	10.64 (6.19)	10,884.96 (10,020.51) 10,935.11 (10,036.56)
(iii) Disputed trade receivables considered good	194.18 (4.53)	27.65 (0.08)	48.41 (44.40)	- -	- - 270.24 (49.01)
(iv) Disputed trade receivables considered doubtful	0.26 (0.33)	0.31 (0.26)	0.63 (0.63)	49.17 (21.47)	2,251.29 (2,292.80) 2,301.66 (2,315.49)
Sub Total	2,317.36 (1,277.19)	2,207.83 (498.07)	1,399.36 (1,845.77)	1,826.82 (511.42)	13,292.83 (12,503.89) 21,044.20 (16,636.34)
(v) Unbilled Revenue-considered good					2,899.54 (3,090.49)
(vi) Less : Provision for doubtful debts					752.44 (592.25)
Grand Total	2,317.36 (1,277.19)	2,207.83 (498.07)	1,399.36 (1,845.77)	1,826.82 (511.42)	13,292.83 (12,503.89) 23,191.30 (19,134.58)

18 Cash & Cash Equivalents

Particulars	As at March 31,2024 Rs. in Crore	As at March 31,2023 Rs. in Crore
Cash and Cash Equivalents		
a. Balances with banks		
In Current Accounts	75.18	12.89
Remittance in Transit	(3.10)	(3.38)
In Deposits with Original Maturity less than 3 Months	131.20	97.45
b. Cash on hand	18.20	25.25
Total	221.48	132.21

19 Short Term Loans & Advances

Particulars	As at March 31,2024 Rs. in Crore	As at March 31,2023 Rs. in Crore
a. Unsecured, considered good		
Loans & Advances to employees	7.43	5.74
Refunds available with Revenue Departments	27.32	20.79
Advance to O&M Suppliers	1.83	2.30
Government Receivables	5,286.22	5,286.41
Provision for Government Receivables - Additional Power	(3,877.87)	(3,877.87)
Other Loans & Advances - Receivables from Vendors	0.23	0.22
Total	1,445.16	1,437.59

b. Govt. Receivables includes Rs.803.45 Crore towards Tariff Subsidy arrears.

20 Other Current Assets

Particulars	As at March 31,2024 Rs. in Crore	As at March 31,2023 Rs. in Crore
Fixed asset retired from active use and held for disposal	0.07	0.07
Interest Accrued on Investments	3.57	3.86
FSA Revenue - Receivables	551.36	551.36
TGGENCO Master P & G Trust	81.41	77.60
Receivable on Demerger of Kurnool and Ananthapur	4,294.47	4,230.74
TGSPDCL GPF Trust	(5.64)	(2.56)
Other Receivables	177.41	421.40
Total	5,102.65	5,282.47

- a. TGGENCO Master P & G Trust owes to the company to the tune of Rs. 81.41 Crores (Previous year Rs. 77.60 Crores)
- b. Other Receivables includes advance payment of Electricity Duty of Rs.85.34 Crore, Prepaid Charges of Rs. 64.14 Crore and Renewable Energy Certificates of Rs.1.53 Crore

21 Revenue From Operations

(Rs. in Crore)

Particulars	2023-24	2022-23
(a) Sale of energy		
LT Supply	11,204.40	10,061.88
HT Supply	19,608.47	18,143.86
Interstate Sales	518.72	1,195.17
Fuel Surcharge Adjustment	1.84	1.89
Tariff Subsidy	1,349.52	1,610.89
Revenue grant under UDAY Scheme	4,073.00	313.00
Customer Charges	912.41	850.36
Theft of Power	45.96	38.41
Delayed Payment Surcharge - Income	2,428.95	1,577.41
R & C Penalties	0.03	0.03
(b) Other Operating Revenues		
Amortization of Consumer Contribution, Subsidies & Grants towards Property Plant and Equipment	378.52	328.16
Others - Wheeling, Unscheduled Interchange, Capacitor Surcharge etc..	35.75	41.92
Less: Electricity Duty	(225.67)	(205.95)
Total	40,331.90	33,957.03

- (c) The Tariff Subsidy is determined as the difference between the full cost recovery approved by the Hon'ble Electricity Regulatory Commission (ERC) and the Retail Supply rates approved by the Hon'ble ERC is treated as Subsidy to the consumers. So for the current financial year 2023-24 the Tariff Subsidy is accounted for Rs.1349.52 Crores and the same has been received from Govt. of Telangana.
- (d) During the FY 2023-24, the Government of Telangana has issued the GO No. 10, Dt.28.07.2023 and GO No. 11, Dt.07.08.2023. towards take over of 50% of Loss of 2022-23 as per the clauses under the UDAY scheme for an amount of Rs.5,571 Crore for TG Discoms, out of which TGSPDCL share is of Rs.4,073 Crore (i.e. 50% loss of 2022-23). The same is received and recognised in 2023-24.
- (e)
 - i) Depreciation on Property Plant and Equipment is provided under the 'Straight Line Method' up to 90% of the original cost of assets, at the rates notified by the Hon'ble CERC. In view of this, Management is opined that Schedule II Part A and Part C to the Companies Act,2013 is not mandatorily applicable to the Company.
 - ii) The Depreciation on Consumer Contributions have been withdrawn on 90 % of the values.
- (f) The Electricity Duty (ED) raised and collected from consumer at six paise per unit is being paid to the Government. The same is neither revenue nor expenditure to the licensee, Hence the ED is excluded completely from the Revenue from operation.

22 Other Income

Particulars	2023-24 Rs. in Crore	2022-23 Rs. in Crore
Interest Income		
Bank	15.08	7.88
Staff	1.10	0.89
Others : Interest on ED	9.91	8.27
Rent from Company's Property Plant and Equipment	0.70	0.70
Sale of Scrap	1.09	4.00
Penalties from Suppliers	8.30	7.58
Other Income	331.18	268.35
Total	367.36	297.67

- As per the Company's Policy, interest on loans given to employees is recovered after repayment of the principal loan amount.
- Interest on ED : Electricity Duty is being raised on sale of electricity to consumer at six paise per unit and paid to the State Government as and when the liability is arising, irrespective of receipt from consumer. Further, Interest on Electricity Duty is levied on the consumers when they fail to pay the bills within due date as per the Clause 4.4 of the APERC Electricity Supply Code Regulation No. 5 of 2004 adopted by TGERC vide Regulation No. 1 of 2014. Hence the Interest on Electricity Duty collected from the consumers due to late payment of bills is being treated as Other Income to the DISCOM.
- Other Income includes prior period CC Charges of Rs.146.28 Crore, Incidental charges of Rs. 116.21 Crore, Storage and Handling Charges of Rs.8.84 Crore and Contingencies of Rs.8.78 Crore.

23 Power Purchase Cost

Particulars	2023-24 Rs. in Crore	2022-23 Rs. in Crore
Purchase of Power - Fixed Cost	8,996.33	8,682.63
Purchase of Power - Variable Cost	24,553.52	22,599.88
Transmission Charges	4,244.26	4,091.61
Other Power Purchase Costs	95.99	136.59
Total	37,890.10	35,510.71

- Power Purchase cost consists of prior period expenses viz; Transmission Charges, Incentive & Disincentive, Rebate, Other expenses etc. if any as per Hon'ble CERC/SERC orders.

24 Employee Benefit Expense

Particulars	2023-24 Rs. in Crore	2022-23 Rs. in Crore
Salaries and incentives	2,005.30	1,944.65
Artisans Remuneration	377.56	379.29
Contributions to Employees Provident Fund 1952	124.25	90.24
Artisans EPF and ESI Contributions	20.90	20.57
Pension Benefits	640.94	556.81
Director's Remuneration & Allowances	2.99	3.31
Staff welfare expenses	96.66	184.01
Less: Employee Cost Capitalized	(102.45)	(97.78)
Total	3,166.15	3,081.10

As per Actuarial Valuation Report, the Company has provided for Pension & Gratuity in respect of employees who were on rolls as on 31.01.1999 and retired thereafter in the ratio of 26 % i.e. Rs. 3,219.06 Crores as per Tripartite Agreement. Balance 74 % of Provision for Pension & Gratuity of Rs.9,161.95 Crore as per Actuarial Valuation Report, is the responsibility of the TG Genco Master Trust as per Tripartite Agreement. Further, the TGSPDCL is making the payment of 74 % of Pension & Gratuity on behalf of TG Genco Master Trust and claiming the reimbursement of same on monthly basis from the TG Genco Master Trust and the TG Genco Master Trust is reimbursing the same. As such the Provision of maintaining 74 % of Pension & Liability is not required to provide in the books of TGSPDCL.

Staff Welfare Expenses includes provision for Medical Expenses (reimbursement) of Rs.93.59 Crore on the basis of Actuarial Valuation Report.

Disclosures for the DISCOM P & G Trust

(Employees recruited prior to 01.02.1999 and on roll as on 31.03.2024)

Annexure 1: Funded status of the plan

Particulars	As at March 31,2024 Rs. in Crore	As at March 31,2023 Rs. in Crore
Present value of unfunded obligations	-	-
Present value of funded obligations	3,219.06	2,747.24
Fair value of plan assets	2,646.07	2,455.21
Net Liability (Asset)	572.99	292.03

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2024	As at March 31,2023
	Rs. in Crore	Rs. in Crore
Current service cost	75.50	73.39
Interest on obligation	195.15	189.55
Expected return on plan assets	180.45	(153.54)
Net actuarial loss/(gain)	377.55	(108.02)
Contributions to the Fund	-	100.00
Past service cost	-	-
Adjustment to the Opening Fund	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	465.30	1.37
Expenses deducted from the fund		
Total Charge to P&L	465.30	1.37
Loss/(Gain) on obligation as per Annexure 3	385.51	(62.45)
Loss/(Gain) on assets as per Annexure 4	7.96	(45.57)
Net actuarial Loss/(Gain)	377.55	(108.02)

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2024	As at March 31,2023
	Rs. in Crore	Rs. in Crore
Opening Defined Benefit Obligation	2,747.24	2,687.06
Current service cost	75.50	73.39
Interest cost	195.15	189.55
Actuarial loss (gain)	385.51	(62.45)
Past service cost	-	-
Loss (gain) on curtailments		
Liabilities extinguished on settlements		
Liabilities assumed in an amalgamation in the nature of purchase		
Exchange differences on foreign plans		
Benefits paid	(184.33)	(140.31)
Benefits payable	-	-
Closing Defined Benefit Obligation	3,219.07	2,747.24

Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2024 Rs. in Crore	As at March 31,2023 Rs. in Crore
Opening value of plan assets	2,455.21	2,156.10
Transfer in/(out) plan assets	2.44	
Expenses deducted from the fund		
Expected return	180.46	153.54
Actuarial gain and (loss)	7.95	45.57
Assets distributed on settlements		
Contributions by employer	184.33	240.31
Assets acquired in an amalgamation in the nature of purchase		
Exchange differences on foreign plans		
Benefits paid	(184.33)	(140.31)
Adjustment to the Opening Fund		
Closing value of plan assets	2,646.06	2,455.21

The closing balance of Planned Assets of Rs.2,646.06 Crore as at 31.03.2024 are from un-audited financials of TGSPDCL P&G Trust for carry out of Actuarial Valuation for 2023-24

Annexure 5: Reconciliation of net defined benefit liability

Particulars	As at March 31,2024 Rs. in Crore	As at March 31,2023 Rs. in Crore
Net opening provision in books of accounts	565.75	664.38
To be Transferred in/(out) obligation in respect of pensioners & Family pensioners of Unit code: 9100		
Transfer in/(out) plan assets		
Employee benefit expense as per Annexure 2	465.30	1.37
Sub- Total	1,031.05	665.75
Benefits paid by the Company	184.33	140.31
Amounts transferred to 'payable account'		
Contributions to plan assets	-	100.00
Closing provision in books of accounts	1,031.05	565.75

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2024	As at March 31,2023
	%	%
Government of India Securities	-	-
State Government Securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Policy of insurance	100%	100%
Bank Balance	-	-
Other Investments	-	-
Total	100%	100%

Annexure 7: Bifurcation of liability as per schedule III

Particulars	As at March 31,2024	As at March 31,2023
	Rs. in Crore	Rs. in Crore
Current Liability*	-	-
Non-Current Liability	572.99	292.03
Net Liability	572.99	292.03

* The current liability is calculated as expected contributions for the next 12 months.

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2024	As at March 31,2023
	Rs. in Crore	Rs. in Crore
Defined Benefit Obligation	3,219.06	2,747.24
Plan Assets	2,646.07	2,455.21
Surplus/(Deficit)	(572.99)	(292.03)
Experience adjustments on plan liabilities	385.51	(62.45)
Actuarial loss/(gain) due to change in demographic assumption	-	50.32
Actuarial loss/(gain) due to change in financial assumptions	132.32	59.26
Experience adjustments on plan assets	7.96	(45.57)
Net actuarial loss/ (gain) for the year	377.55	(108.02)

Annexure 9: Principle Actuarial Assumptions

Particulars	As at March 31,2024	As at March 31,2023
Discount Rate for Gratuity and Pension	7.23%	7.36%
Expected Return on Plan Assets	7.23%	7.36%
Salary Growth Rate	9.00%	9.00%
Pension Growth Rate	5.00%	5.00%

Earned Leave Encashment for all Employees on roll as on 31.03.2024**Annexure 1: Funded status of the plan**

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Present value of unfunded obligations	1,456.30	1,387.07
Present value of funded obligations		
Fair value of plan assets		
Net Liability (Asset)	1,456.30	1,387.07

Annexure 2: Profit and loss account for current period

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Current service cost	37.97	122.41
Interest on obligation	103.32	74.01
Expected return on plan assets	-	-
Net actuarial loss/(gain)	(49.48)	189.32
Past service cost		
Losses/(gains) on curtailments and settlement		
Total included in 'Employee Benefit Expense'	91.80	385.73
Expenses deducted from the fund		
Total Charge to P&L	91.80	385.73
Loss/(Gain) on obligation as per annexure 3		
Loss/(Gain) on assets as per annexure 4		
Net actuarial Loss/(Gain)	(49.48)	189.32

Annexure 3: Reconciliation of defined benefit obligation

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Opening Defined Benefit Obligation	1,387.06	1,015.16
Transfer in/(out) obligation	-	-
Current service cost	37.97	122.41
Interest cost	103.32	74.01
Actuarial losses/ (gains)	(49.48)	189.32
Past service cost	-	-
Losses (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits Paid	(22.57)	(13.83)
Closing Defined Benefit Obligation	1,456.30	1,387.06

* Actuarial loss/ (gain) has been adjusted to the extent of leave availed during the year.

Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2024	As at March 31,2023
Opening value of plan assets	-	-
Transfer in/(out) plan assets	-	-
Expenses incurred in the fund	-	-
Expected return	-	-
Actuarial gains and (losses)	-	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Closing Value of Plan Assets	-	-

Annexure 5: Reconciliation of net defined benefit liability

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Net opening provision in books of accounts	1,387.06	1,015.16
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee benefit expense as per annexure 2	91.80	385.73
	1,478.86	1,400.89
Benefits paid by the company	(22.56)	(13.83)
Contributions to plan assets	-	-
Closing provision in books of accounts	1,456.30	1,387.06

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2024	As at March 31,2023
Government of India Securities	-	-
State Government Securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Policy of insurance	-	-
Bank Balance	-	-
Other Investments	-	-
Total	-	-

Annexure 7: Bifurcation of liability as per schedule III

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Current Liability*	140.47	79.69
Non-Current Liability	1,315.83	1,307.37
Net Liability	1,456.30	1,387.06

* The current liability is calculated as expected benefits for the next 12 months.

Annexure 8: Table of experience adjustments

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Defined Benefit Obligation	1,456.30	1,387.06
Plan Assets	-	-
Surplus/(Deficit)	(1,456.30)	(1,387.06)
Experience adjustments on plan liabilities	(78.32)	207.15
Actuarial loss/(gain) due to change in financial assumptions	28.84	(17.83)
Actuarial loss/ (gain) due to change in demographic assumption	-	-
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	(49.48)	189.32

Annexure 9: Principle Actuarial Assumptions

Particulars	As at March 31,2024	As at March 31,2023
Discount Rate	7.23%	7.51%
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	9.00%	9.00%
Withdrawal Rates	0%	0%
Leave Availment Rate	5% p.a.	5% p.a.
Leave Encashment Rate	0% p.a.	0% p.a.

Gratuity for Employees Recruited after 01.02.1999

Annexure 1: Funded status of the plan

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Present value of unfunded obligations	345.72	301.39
Present value of funded obligations		
Fair value of plan assets		
Net Liability (Asset)	345.72	301.39

Annexure 2: Profit and loss account for current period

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Current service cost	13.53	11.68
Interest on obligation	22.55	15.06
Expected return on plan assets	-	-
Net actuarial loss/(gain)	10.50	70.68
Recognised Past Service Cost	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	46.58	97.42
Expenses deducted from the fund	-	-
Total Charge to P&L	-	-
Loss/(gain) on obligation as per Annexure 3	10.50	70.68
Loss/(gain) on assets as per Annexure 4	-	-
Net actuarial loss/(gain)	10.50	70.68

Annexure 3: Reconciliation of defined benefit obligation

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Opening Defined Benefit Obligation	301.39	206.33
Transfer in/(out) obligation	-	-
Current service cost	13.53	11.68
Interest cost	22.55	15.06
Actuarial loss (gain)	10.50	70.68
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(2.25)	(2.35)
Closing Defined Benefit Obligation	345.72	301.39

Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2024	As at March 31,2023
Opening value of plan assets	-	-
Transfer in/(out) plan assets	-	-
Expenses deducted from the fund	-	-
Expected return	-	-
Actuarial gain/(loss)	-	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Closing value of plan assets	-	-

Annexure 5: Reconciliation of net defined benefit liability

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Net opening provision in books of accounts	301.39	206.33
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Annexure 2	46.58	97.42
	347.97	303.75
Benefits paid by the Company	(2.35)	(2.35)
Contributions to plan assets	-	-
Closing provision in books of accounts	345.72	301.39

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2024 %	As at March 31,2023 %
Government of India Securities	-	-
State Government Securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Policy of insurance	-	-
Bank Balance	-	-
Other Investments	-	-
Total	-	-

Annexure 7: Bifurcation of liability as per schedule III

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Current Liability*	8.90	2.01
Non-Current Liability	336.82	299.38
Net Liability	345.72	301.39

* The current liability is calculated as expected benefits for the next 12 months.

Annexure 8: Table of experience adjustments

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Defined Benefit Obligation	345.72	301.39
Plan Assets	-	-
Surplus/(Deficit)	(345.72)	(301.39)
Experience adjustments on plan liabilities	(2.17)	77.85
Actuarial loss/(gain) due to change in financial assumptions	12.67	(7.16)
Actuarial loss/ (gain) due to change in demographic assumption	-	-
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	10.50	70.68

Annexure 9: Principle actuarial assumptions

Particulars	As at March 31,2024	As at March 31,2023
Discount Rate	7.23%	7.51%
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	9.00%	9.00%
Withdrawal Rates	0%	0%

Gratuity for Artisans Recruited after 01.02.1999

Annexure 1: Funded status of the plan

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Present value of unfunded obligations	143.34	118.50
Present value of funded obligations		
Fair value of plan assets		
Net Liability (Asset)	143.34	118.50

Annexure 2: Profit and loss account for current period

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Current service cost	19.64	19.47
Interest on obligation	8.90	4.31
Expected return on plan assets	-	-
Net actuarial loss/(gain)	(3.63)	35.87
Recognised Past Service Cost	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	-	-
Expenses deducted from the fund		
Total Charge to P&L	24.90	59.66
Loss/(gain) on obligation as per Annexure 3	-	-
Loss/(gain) on assets as per Annexure 4	-	-
Net actuarial loss/(gain)	(3.63)	35.87

Annexure 3: Reconciliation of defined benefit obligation

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Opening Defined Benefit Obligation	118.50	58.85
Transfer in/(out) obligation	-	-
Current service cost	19.64	19.47
Interest cost	8.90	4.31
Actuarial loss (gain)	(3.63)	35.87
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(0.06)	(0.01)
Closing Defined Benefit Obligation	143.34	118.50

Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2024	As at March 31,2023
Opening value of plan assets	-	-
Transfer in/(out) plan assets	-	-
Expenses deducted from the fund	-	-
Expected return	-	-
Actuarial gain/(loss)	-	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Closing value of plan assets	-	-

Annexure 5: Reconciliation of net defined benefit liability

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Net opening provision in books of accounts	118.50	58.85
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Annexure 2	24.90	59.66
	-	-
Benefits paid by the Company	(0.06)	(0.01)
Contributions to plan assets	-	-
Closing provision in books of accounts	143.34	118.50

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2024 %	As at March 31,2023 %
Government of India Securities	-	-
State Government Securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Policy of insurance	-	-
Bank Balance	-	-
Other Investments	-	-
Total	-	-

Annexure 7: Bifurcation of liability as per schedule III

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Current Liability*	0.51	0.20
Non-Current Liability	142.83	118.30
Net Liability	143.34	118.50

* The current liability is calculated as expected benefits for the next 12 months.

Annexure 8: Table of experience adjustments

(Rs. in Crore)

Particulars	As at March 31,2024	As at March 31,2023
Defined Benefit Obligation	143.34	118.50
Plan Assets	-	-
Surplus/(Deficit)	(143.34)	(118.50)
Experience adjustments on plan liabilities	(11.05)	40.21
Actuarial loss/(gain) due to change in financial assumptions	7.41	(4.34)
Actuarial loss/ (gain) due to change in demographic assumption	-	-
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	(3.63)	35.87

Annexure 9: Principle actuarial assumptions

Particulars	As at March 31,2024	As at March 31,2023
Discount Rate	7.23%	7.51%
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	9.00%	9.00%
Withdrawal Rates	0%	0%

25 Operating & Other Expenses

Particulars	2023-24 Rs. in Crore	2022-23 Rs. in Crore
Advertisement	1.43	2.03
Consultancy Charges	6.07	4.46
Contract Labour Charges	10.87	17.14
Electricity Charges	8.82	12.97
Insurance	0.39	0.30
Inventories Handling Charges	0.97	0.03
Legal Charges	3.04	1.95
License fees - TSERC	9.01	8.20
Office Maintenance	0.70	1.77
Other Expenses	24.35	17.35
Postage & Telegrams	0.16	0.13
Printing & Stationery	9.98	6.85
Professional Charges	43.18	42.45
R&M - Others	8.55	6.42
Rates & taxes	4.29	4.71
Rent	0.87	0.84
Repairs to Buildings & Civil works	4.38	5.81
Repairs to Plant and Machinery	184.66	141.77
Repairs to Vehicles	2.72	1.90
Telephone & Communication	4.65	6.55
Training Exp	0.21	0.16
Travelling Expense	25.68	28.30
Vehicle Hire charges	49.37	48.10
Vidyut Ombudsman Exp	0.95	0.50
Payments to the auditor	0.18	0.16
Office Maintenance Tea Snacks	1.99	1.65
Office Maintenance other expenses	3.75	2.73
Office Maintenance Cleaning expenses	0.86	0.71
Less: Administration & General Exp Capitalized	(18.07)	(17.23)
Total	394.01	348.71

Payments to the Auditor includes an amount of Rs.1.26 Lakhs towards out of pocket expenses and GST there on and payment towards limited review fee of quarterly financials of Rs.0.02 Crore.

26 Finance Costs

Particulars	2023-24 Rs. in Crore	2022-23 Rs. in Crore
Interest expense		
-Long Term Loans	447.65	377.23
-Short Term Loans	2,189.94	1,483.34
-Consumption Deposits	312.15	226.76
-Others		
On FRP Bonds	152.83	152.83
On Other Liabilities	100.41	200.52
Bank Charges	120.50	76.42
Less: Interest Capitalized	(15.33)	(16.52)
Total	3,308.15	2,500.58

27 Exceptional Items

Particulars	2023-24 Rs. in Crore	2022-23 Rs. in Crore
Assets Scrapped	2.85	2.58
Provision for Bad Debts	160.19	(52.86)
Compensation Paid to Electrical Accidents	20.20	19.76
Others	(45.15)	(2.45)
Price Variation	(0.17)	34.69
Total	137.92	1.72

28 Earning Per Share (EPS)

Particulars	2023-24	2022-23
Profit attributable to equity shareholders (In Crore)	(4,909.53)	(8,147.48)
Weighted average number of Equity Shares	12,01,79,30,306	12,01,79,30,306
Earnings per share basic (Rs)	(4.09)	(6.78)
Earnings per share diluted (Rs)	(4.09)	(6.78)
Face value per equity share (Rs)	10.00	10.00

29. Related Party Disclosure :

I. List of Related Parties:

(a) Key Managerial Personnel (Whole time) and their relationship with TGSPDCL

Sl. No.	Name of the Director	Designation	Date of appointment	Date of cessation, (if applicable)
1	Sri G. Raghuma Reddy	Chairman and Managing Director	26-11-2014	15-12-2023
2	Sri MD Musharraf Faruqui, IAS	Chairman and Managing Director	15-12-2023	NA
3	Sri P. Narasimha Rao, IRS	Director/Finance	06-09-2018	15-07-2023
4	Sri T. Srinivas	Director/Projects & IT	31-07-2013	29-01-2024
5	Sri J. Srinivas Reddy	Director/Operations	26-11-2014	29-01-2024
6	Sri G. Parvatham	Director/HR & IR	01-09-2018	29-01-2024
7	Sri K. Ramulu	Director/Commercial	01-09-2018	29-01-2024
8	Sri Ch. Madan Mohan Rao	Director/P&MM	01-09-2018	29-01-2024
9	Sri S. Swamy Reddy	Director/IPC & RAC	01-09-2018	29-01-2024
10	Sri G. Gopal	Director/Energy Audit, DPE & Assessment	13-07-2021	29-01-2024
11	Sri V. Anil Kumar	Company Secretary	21-07-2015	NA

(b). Key Managerial Personnel (Non whole time) and their relationship with TGSPDCL

1	Sri Sunil Sharma, IAS	Special Chief Secretary to Govt., Energy Dept. Director	22-10-2021	29-12-2023
2	Sri S.A.M.Rizvi, IAS	Principal Secretary to Government Energy Department, Director	29-12-2023	NA
3	Sri C. Srinivas Rao, Retd.IRAS	JMD, TG Transco, Director	04-03-2017	NA
4	Sri P. Shyam Sunder	Assistant Secretary to Govt., Finance Dept. Director	08-09-2021	NA
5	Sri Daljeet Singh Khatri	ED,REC, Nominee Director	30-09-2023	NA

II. Transactions with Related Parties:**(a). Key Managerial Personnel (Whole Time) Remuneration in Lakhs.**

Sl.No	Nature of Transaction	Key Managerial Personnel	2023-24	2022-23
1	Remuneration	Sri G. Raghuma Reddy	37.98	48.10
		Sri MD Musharraf Faruqui, IAS	10.55	-
		Sri P. Narasimha Rao, IRS	9.71	31.82
		Sri T. Srinivas	39.73	42.18
		Sri J. Srinivas Reddy	37.48	40.13
		Sri G. Parvatham	26.54	28.55
		Sri K. Ramulu	66.42	60.78
		Sri Ch. Madan Mohan Rao	26.98	28.95
		Sri S. Swamy Reddy	25.70	28.37
		Sri G. Gopal	20.40	22.84
		Sri V. Anil Kumar	31.90	20.16

(b). Key Managerial Personnel (Non whole time) Remuneration in Lakhs

Sl.No	Nature of Transaction	Key Managerial Personnel	2023-24	2022-23
1	Remuneration	Sri Sunil Sharma, IAS	0.10	0.60
		Sri S.A.M.Rizvi, IAS	0.02	-
		Sri C. Srinivas Rao, Retd.IRAS	0.10	0.50
		Sri P. Shyam Sunder	0.12	0.60
		Sri Daljeet Singh Khatri	0.02	-

III. Balance with Related Parties:**(a). Key Managerial Personnel (Whole Time) Remuneration payable in Lakhs.**

Sl.No	Nature of Transaction	Key Managerial Personnel	2023-24	2022-23
1	Remuneration *	Sri G. Raghuma Reddy	0.25	1.50
		Sri T. Srinivas	0.25	1.51
		Sri J. Srinivas Reddy	0.22	1.29
		Sri G. Parvatham	0.26	1.53
		Sri K. Ramulu	1.29	15.68
		Sri Ch. Madan Mohan Rao	0.60	3.57
		Sri S. Swamy Reddy	0.10	0.60
		Sri V. Anil Kumar	0.70	6.27

* Balance remuneration consists of RPS-2022 arrears payable in April 2024 and May 2024.

IV. Notes to Related Parties

AS 18 Related Party Disclosures since the Company is a State Government Company and falls within the designation of 'State Controlled Enterprise' transactions with Other Government Companies to the extent not disclosed.

30 Contingent Liabilities (to the extent not provided in the books)

Particulars	As at March 31,2024 (Rs. in crore)	As at March 31,2023 (Rs. in crore)
(i) Contingent Liabilities		
(a) Entry Tax	206.71	206.71
(b) Sales tax Penalty against G Form (Cement purchases)	1.34	1.34
(c) Liability under AP VAT Act 2005 (April 2005 to 2009-10)	86.92	86.92
(d) Income Tax (TDS)	93.25	338.29
(e) Service Tax	206.26	206.26
(f) Employee Provident Fund	11.47	11.47
(g) Late Payment Surcharge raised by Singareni Thermal Power Plant	6,471.01	3,459.65
Sub Total (i)	7,076.96	4,310.64
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	302.28	504.85
Sub Total (ii)	302.28	504.85
Grand Total (i+ii)	7,379.24	4,815.49

(iii) Note on Contingent Liabilities

- The Entry Tax demand is amounting to 286.68 Crores was raised by the Commercial Tax Department for the period from 2002-03 to 2017-18 and the same was challenged before the Hon'ble High Court of Telangana. As per the directions of the Court, an amount of Rs. 79.97 Crore deposited under protest with the tax Authorities and the same was not charged to the Profit and Loss account.
- Sales Tax Penalty against G Form - Penalty of Rs.1.34 Crore for the years 2001-02 to 2004-05 under APGST Act 1957 for using of "G" Form towards the purchase of Cement from M/s. Cement Corporation India Ltd. Tandur.
- Liability under AP VAT Act 2005 for the period from April 2005 to 2009-10 of Rs.91.00 Crore out of which an amount of Rs.4.08 Crore paid under protest.
- Income Tax Dept. has issued final Assessment Orders in respect of Assessment Year 2018-19 where in an amount of Rs.246.04 Crore has been levied u/s 270A of Income Tax Act . Aggrieved by the Orders, the same has been appealed before Hon'ble Commissioner of Income Tax (Appeals) duly depositing of Rs.1 Crore. The Hon'ble Commissioner of Income Tax (Appeals) has passed the final orders u/s 250 of IT Act on 22.09.2023 wherein the total penalty was deleted and the refund of deposit of Rs.1 Crore is awaited.

- (e) There is a dispute on TDS deduction under section 194C vs 194J for the assessment year 2007-08, in the Hon'ble High Court of Telangana and for the A.Y 2008-09 and 2009-10 at the Hon'ble Supreme Court of India and all the disputed amount put together is for Rs. 93.25 Crores and the Company is of the opinion that no provision is necessary in respect of disputed amounts and the case status as on date is pending in the respective Courts. Any further provision required in respect of disputed addition will be considered on completion of Appellate Proceedings.
- (f) The Director General of GST Intelligence, Hyderabad zonal unit has raised the service Tax demand for Rs. 97.26 Crores and the penalty for an amount of Rs. 97.26 Crores and aggrieved by the order, the TGSPDCL has preferred appeal before the Hon'ble High Court of Telangana and the case is still pending in the Court. Further an amount of Rs.12.68 Crore raised against 2012-13 to 2015-16 out of which Rs.0.95 Crore deposited and petition filed in Customs Excise and Service Tax Tribunal (CESTAT).
- (g) An amount of Rs.14.30 Crores was raised by the EPFO towards Employee Provident Fund for the periods from Apr'2014 to Aug'2018 and the same was challenged before The Employees' Provident Funds Appellate Tribunal (EPFAT) duly depositing Rs.2.83 Crore.
- (h) In respect of provision for surcharge of M/s. Singareni Thermal Power Plant (STPP), as the DISCOM and STPP are Government companies, the DISCOM is taking up the issue with STPP to waive late payment surcharge. To avoid the burdening the consumers, TG DISCOMS have requested to waive the late payment surcharge as it is not covered in Aggregated Revenue Requirement (ARR) order. The late payment surcharge levied to the end of 2023-24 is Rs.6,471.01 Crores.
- (i) M/s Neyveli Lignite Corporation India Ltd.(NLCIL) has claimed the Additional Taxes paid under the Direct Taxes Vivad Se Viswas Act, 2020 for the control periods of 2001-04, 2004-09 and 2009-14 to tune of Rs.16.12 Crore. The subject matter was not in the knowledge of TGSPDCL as M/s NLCIL has not disclosed the pending liability of income tax or the details such as the grounds on which the tax liability has arisen. Further, there was no reference to CERC Orders or legal back ground of the cases. As NLC India Ltd has paid these amounts without intimating the TGSPDCL the claim is not accepted and not provided in the books of Accounts.
- (j) As against sanctioned limit of Rs.300 Crore, TGSPDCL has issued Letter of Credit (LCs) to various generators as per payment security mechanism to the extent of Rs.235.19 Crore as on 31.03.2024.

31 The following are the analytical Financial Ratios for the year ended 31.03.2024.

Particulars	Numerator	Denominator	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023	Variance in %
1. Current Ratio (In Times)	Current assets	Current liabilities	0.57	0.57	(0.51)
2. Debt-Equity Ratio (In Times)	Total Debt	Shareholder's Equity	(0.99)	(0.91)	(8.26)
3. Debt Service Coverage Ratio, (In Times)	EBITDA	Total Debt Service	(0.17)	(0.70)	75.79*
4. Return on Equity Ratio (In %)	Net Profits after taxes	Avg. Shareholder's Equity	(17.31)	(33.62)	48.51*
5. Inventory turnover ratio (In Times)	As the Licensee / Discom is not a manufacturing company, this ratio is not applicable				
6. Trade Receivables turnover ratio (In Times)	Total Sales	Trade Receivables	1.48	1.61	8.03
7. Trade payables turnover ratio (In Times)	Total Purchases	Trade Payables	1.14	1.14	0.19
8. Net capital turnover ratio (In Times)	Total Sales	Working Capital	(1.51)	(1.55)	2.25
9. Net profit ratio (In %)	Net Profit	Total Sales	(12.06)	(23.78)	49.28*
10. Return on Capital employed (In Times)	EBIT	Capital Employed	5.02	2.59	(94.11)*
11. Return on Investment (In %)	Net Income on Investments	Cost of Investments	6.99	6.85	(1.97)

(*) Reason for variance : As the Govt. of Telangana has issued the GO No. 10, Dt.28.07.2023 and GO.No.11 Dt.07.08.2023 towards take over of Losses of 2022-23 as per the clauses under the UDAY Scheme for an amount of Rs.4,073.00 Crore, the Earnings before Interest, Tax and Depreciation have improved in 2023-24 compared to 2022-23. Accordingly Debt Service Coverage Ratio, Return on Equity Ratio, Net Profit Ratio and Return on Capital employed has undersized.

OTHER NOTES TO FINANCIAL STATEMENTS:

32. With regard to the Fuel Cost Adjustment (FCA) claimed by the Chhattisgarh State Power Distribution Company Limited, TGDISCOMS filed a petition before the Hon'ble Appellate Tribunal for Electricity (APTEL) contending that the completed Capital cost approved by CSERC is on high side and pleaded before the APTEL to consider the reasonable cost. The provision and expenditure accounted by TGDISCOMS is well within the limits proposed in CSERC orders. Therefore, there is no understatement of the Power Purchase cost.
33. The company has appointed Cost auditor and the cost Audit is completed up to the financial year 2022-23.
34. Though the Company has negative net worth as at 31.03.2024, the Government of Telangana is implementing UDAY Scheme which consists of infusion of equity capital and taking over a part of losses and infusion of additional investments in the form of equity, the company expects that in future years the negative net worth will become positive net worth. Accordingly the books of accounts are being maintained on going concern basis.
35. Government of India (GoI), Ministry of Power (MoP) has issued (29.08.2022) orders directing the Government of Telangana to pay Rs.6,756.92 Crore to Government of Andhra Pradesh towards the power supplies made between 2nd June 2014 and 10th June 2017 including the surcharge for the delayed payment. Aggrieved by the impugned orders passed by the GoI, MoP, the TG Discoms and TGPCC have filed a Writ Petition in September 2022 in the Hon'ble High Court of Telangana vide WP No 37555 of 2022. The Hon'ble High Court of Telangana in its order dated 19.10.2023 has quashed the impugned orders issued by GoI.
36. The Hon'ble Telangana Electricity Regulatory Commission (TGERC) has notified the Regulation No. 1 of 2023, for levy and collection of Fuel Cost Adjustment (FCA) Charges on all categories of Consumers from 01.04.2023 onwards. In compliance, TGSPDCL has computed the voltage wise FCA Charges w.r.t methodology specified in the regulation and made a series of correspondence with the GoTG for publication and levy of FCA Charges and the response from the GoTG is still awaited. The TGSPDCL has filed the quarterly petitions for FY 2023-24 before the Hon'ble TGERC on 30.05.2024 along with Condonation of Delay petition for the first three quarters. The orders of the Hon'ble TGERC are awaited.
37. As per the erstwhile APERC Regulation No. 1 of 2014, the TGSPDCL has filed the Power Purchase True-ups from the FY 2016-17 to 2021-22(Final) and 2022-23 (Provisional) and Distribution Business True-up for 1st, 2nd and 3rd Control Periods and Annual Performance Review on Distribution Business for FY from 2019-20 to 2022-23. The Hon'ble Commission has finalized the Power Purchase and Distribution Business True-up and allowed an amount of Rs.9,673 Crore for the filing periods and based on the letter communication received from GoTS vide Lr. No.172/Budget.A2/2023-1Dt:16.03.2023, that, "*The Government of Telangana is committed to support the Discoms without burdening the consumers over a period of 5 years.*" The Hon'ble Commission passed orders on True-ups vide Lr.No. TGERC/Secy/F.No.ARR-2023-24/D.No.62/23,Dt:21.03.2023.

38. The additional amount spent on Power Purchase for extending 24 hours power supply to Agriculture Consumers and uninterrupted power supply to other consumers by procuring expensive power in Short Term and other modes of Rs. 7,275 Crores, a letter was already addressed to the Government of Telangana for reimbursement vide Lr.No.CMD/TSSPDCL/CGM(RAC)/F.No. 412201/D.No. 500/23, Dt: 01.11.2023. The response from the Govt. Telangana is awaited.

39. Quantitative Information

Particulars	2023-24	2022-23
Energy Input (Discom) (KWH in MU)	58,311.64	51,242.69
Sale of Energy (KWH in MUs)	53,324.70	46,887.54

40. Registration/Satisfaction of Charge

The Registration of Charge is not pending. However, Satisfaction of Charges is pending for following loans:

(Rs. In Crore)

Sl. No.	Name of the Bank	Registrar Office	Date of Registration of Charge	Amount Involved	Loans were restructured under Financial Restructure Plan (FRP) - 2013				Reason for Delay
					FRP Loan		FRP Bonds		
					Converted Amount	Balance as on 31.03.2024	Converted Amount	Balance as on 31.03.2024	
1	Indian Overseas Bank		16.07.2014	125.00	-	-	125.00	21.80	Under FRP-2013, the borrowings from Banks were restructured to 50% FRP Bonds and balance 50% were continued as borrowings. All loans have been paid off long back, however, no loan closure letter issued by Bankers as Bonds yet to mature. (FRP Bonds will mature in FY 2028-29)
2	Punjab & Sind Bank		31.05.2014	100.00	-	-	100.00	17.40	
3	Bank of India		10.10.2013	150.00	75.00	-	75.00	30.50	
4	Bank of India		05.07.2013	200.00	100.00	-	100.00		
5	Federal Bank Limited		09.05.2013	75.00	37.50	-	37.50	6.50	
6	Syndicate Bank		29.04.2013	175.00	-	-	175.00	30.50	
7	Vijaya Bank	ROC,	20.03.2013	150.00	-	-	150.00	59.00	
8	Central Bank of India	Telangana	14.03.2013	250.00	125.00	-	125.00	21.80	
9	Andhra Bank		16.02.2013	262.50	-	-	262.50	262.50	
10	Indian Bank		05.10.2013	350.00	175.00	-	175.00	-	
11	Tamilnad Mercantile Bank Limited		16.02.2013	100.00	-	-	-	-	Closure certificate not issued due to Loan bifurcation issues between APSDCL and TGSPDCL under State bifurcation. However the balances are zero
12	Syndicate Bank - Corporate Finance Branch		10.05.2011	355.00	-	-	-	-	
13	Syndicate Bank - Corporate Finance Branch		17.09.2009	247.00	-	-	-	-	
14	Canara Bank		12.03.2009	160.00	-	-	-	-	
15	Housing and Urban Development Corporation Ltd.		23.12.2008	300.00	-	-	-	-	
	Total			2,999.50	512.50	-	1,325.00	450.00	

41. Additional Regulatory Information

- i. No proceeds have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.
- ii. The company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- iii. The Company has not been declared as a Willful defaulter by any bank, financial institution or lender.
- iv. The Company has utilized the funds borrowed from the banks and financial institutions for the purposes for they are borrowed.
- v. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- vi. The Company is not require to incur any CSR expenditure during the year.
- vii. There is no non-compliance with regard to the number of layers of companies prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- viii. The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- ix. The Company has not granted loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- x. The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entity (Intermediary) with the understanding that the Intermediary shall :
 - a) directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- xi. The Company has not received any fund from any person(s) or entity(s), including foreign entities (Funding Party with the understanding (whether recorded in writing or otherwise) that the company shall :
 - a) directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

xii Reconciliation between Current Assets as per Quarterly statement filed with Bank and Current Asset as per Books of Account

Particulars	As per Current Assets statement	As per the Books of A/c	Variance
As on June 30 th			
i) Stocks	257.23	305	(48.10)
ii) Receivables	17,810.04	17,776.39	33.65
As on Sep 30 th			
i) Stocks	286.20	338.98	(52.78)
ii) Receivables	18,804.30	18,758.47	45.83
As on Dec 31 st			
i) Stocks	333.37	336.96	(3.59)
ii) Receivables	20,280.20	20,604.31	(324.11)
As on March 31 st			
i) Stocks	286.09	289.66	(3.57)
ii) Receivables	21,121.16	21,037.23	83.93

Reason for variance: The quarterly information of Current Assets Statement was furnished to banks before the closure of Quarterly Financials and Annual Accounts as the Current Assets Statement has to submit in timelines.

42. The requirements of the following Accounting Standards issued by the ICAI are not applicable to the Company-

AS 7 Construction Contracts

AS 17 Segment Reporting since Distribution and Retail Supply of Power comprises the only primary & reportable segment.

AS 18 Related Party Disclosures since the Company is a State Government Company and falls within the designation of 'State Controlled Enterprise' to the extent not disclosed.

AS 21 Consolidated Financial Statements, since the Company does not have any Subsidiary Company.

AS 23 Accounting for Investments in Associates in Consolidated Financial Statements

AS 25 Interim Financial Reporting

AS 27 Financial Reporting of Interest in Joint Ventures

43. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary as per the Schedule III to the Companies Act, 2013.

As per our report of even date

**For and on behalf of the Board of Directors of
Southern Power Distribution Company of Telangana Limited**

For M/s. V.N. Purohit & Co
Chartered Accountants
FR No. 304040E

Sd/-
Sri MD Musharraf Faruqui, IAS
Chairman & Managing Director
DIN : 10429742

Sd/-
Kamalesh Kumar Sankla
Partner
M.No. 229329
Date: 30 July 2024
Place: Hyderabad

Sd/-
P. Krishna Reddy
Chief General Manager
(Finance)

Sd/-
Anil Kumar Voruganti
Company Secretary
F.No. 9521



INDEPENDENT AUDITOR'S REPORT

To
The Members of
Southern Power Distribution Company of Telangana Limited,
Hyderabad.

Report on the Audit of Financial Statements

Qualified Opinion:

We have audited the accompanying financial statements of **Southern Power Distribution Company Of Telangana Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2024 and the Statement of Profit and Loss and the Cash Flows Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, subject to the possible effect of the matters described in the Basis for Qualified Opinion, section of our report the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014 of the state of affairs of the Company as at 31st March, 2024, its **loss** and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

1. We are informed that the Company is governed by the Electricity Act, 2003 and accordingly the provisions of the said Act would prevail, wherever the same are inconsistent with the provisions of the Companies Act, 2013 in terms of section 174 of the Electricity Act. Accordingly, in terms of section 185(2)(d) of the Electricity Act, the annual accounts of the Company have been prepared as per the rules prescribed under "Electricity Supply(Annual Accounts) Rules 1985". Accordingly, the Company has not complied with some of the mandatory Accounting standards, as specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the requirements of Schedule-III to the Companies Act, 2013, details of which are given here under:
 - a) Capitalization of administrative overheads (including staff cost) at 10% of the direct cost of the assets capitalized during the year as per the company's Accounting Policies No. 1.5(c), amounting to Rs. 120.52 Crore is not in accordance with Accounting Standard-10: "Property Plant and Equipment", as the same is not attributable as expenditure incurred directly to bring the said assets to working condition.
 - (b) As stated in Accounting Policy No. 1.8, recognition of the contributions received from consumers and specific grants from the State/Central governments or their agencies for creation of tangible assets as "Reserves" on receipt basis, even before the creation of the said assets and adjustment of the same against depreciation on the proportionate value of the assets built out of the said



contributions and grants, instead of the specific assets created with the said contributions/grants, which is contrary to Accounting Standard 12 “Accounting for Government Grants”.

- (c) Non-recognition of the “Parcels of Land” received at free of cost from State Government and its agencies in the books of account, as required by Accounting Standard 12 “Accounting for Government Grants”.
2. Consequent to the creation of the State of Telangana, in accordance with the Andhra Pradesh Reorganization Act, 2014, the Ananthapur and Kurnool operating business circles of the company have been reassigned to APSPDCL with effect from 2nd June, 2014 in accordance with G.O.Ms. No.24 dated 29th May, 2014 issued by State of Andhra Pradesh. The Company has recognized the transfer of assets and liabilities in the financial year 2015-16 of these two Circles in its books of account, as per the “Basis of Apportionment” mentioned in the said G.O. which is approved by the Expert Committee constituted by the Government of India, which is computed under the “pooling of interest” method. The company instead of recognizing the share of the said two Circles in the “Share Capital” of Rs. 325.28 Crore as a reduction in the share capital, recognized Rs. 723.01 Crore as “Capital Reserve” resulting in understatement of its negative net-worth by Rs. 1,048.29 Crore and consequential overstatement of “Receivables.”
 3. Amount of Rs. 6,471.01 Crore towards surcharge on late payment payable to Singareni Thermal Power Plant (STPP) for the financial years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 is neither paid nor provided in the books of account but disclosed under Contingent liabilities, resulting in understatement of Reserves & Surplus / Net Loss and Trade Payables to the same extent.
 4. Short term Borrowings include working capital loan from TG Transco and balance carried in books is Rs. 871.52 Crore. However, balance as per the confirmation letter from the party is Rs. 1,235.38 Crore reflecting difference of Rs. 363.86 Crore. Pending reconciliation of the difference amount, correctness of the balance in the financial statements could not be ascertained and consequent impact on the financial statements could not be arrived at.
 5. During the Financial Year 2018-19 the company has forfeited Bank Guarantees of Rs. 52.13 Crore and recognized the same as income for that Year. This amount includes Rs. 9.13 Crore pertaining to Kurnool and Ananthapur districts under Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL). This has resulted in understatement of provisions and overstatement of reserves & surplus by Rs. 9.13 Crore for the Year ended 31st March, 2024.
 6. We are informed by the Company that no physical verification of Property, Plant and Equipment has been carried out during the year under report. Accordingly, we are unable to comment regarding any material discrepancies between the fixed assets register and the assets physically available.
 7. The cost of Lands as per Books of accounts as on the 31-03-2024 is amounting to Rs. 8.64 Crore. As per the information provided there are 1781 properties held by the Company. However, title deeds including letters of alienation/allotment/physical handling over of the property are available only for 527 properties and not available for the rest of 1254 land properties. Due to lack of information the impact on the books of accounts could not be ascertained.
 8. Actuarial valuation carried to arrive at Gratuity liability as on 31-03-2024 and as on 31-03-2023 was made on the assumption that the maximum limit for gratuity payment is Rs. 16,00,000/-.



- However, limit as per the Payment of Gratuity Act, 1972 is Rs. 20,00,000/-. The impact of variance in the assumption could not be quantified as the same has to be arrived at through actuarial valuation.
9. Long Term Investments in the Balance sheet are carried at cost at Rs.426.01 Crore. The management has not ascertained for the permanent diminution in the value of investments amount as on 31-03-2024 as per the requirement of Accounting Standard – 13 “Accounting for Investments”. Due to non-availability of audited financial statements of Andhra Pradesh Power Development Company Ltd. for F. Y. 2023-24, we are unable to ascertain its impact on the Financial Statements.
10. We report that the following accounts have not been reconciled as at 31st March, 2024 and accordingly we are unable to express an opinion on the effect of said un-reconciled amounts on the financials of the company for the year.
- a) Inter units’ accounts with a credit balance of Rs. 84.27 Crore.
 - b) Amount appearing under loan clearing (CPDCL) account with a debit balance of Rs. 3.68 Crore.
11. The Company provides various social schemes viz: GIS Insurance & savings fund, Self Funding Medical Scheme & Accidental Risk Self Funding Scheme where in the Company is collecting sums from employee to provide various accidental covers. The Company’s has not recognised any provisions towards future Liability on such schemes. The impact of this on the financial statement cannot be quantified as the same has to be arrived through actuarial valuation.

Emphasis of Matters:

1. Consequent to the amendment brought in vide G.O.Ms. 396 dated 09-06-2005 to the second transfer scheme notified vide G.O.Ms. 142 dated 29-09-2001, the Company has incorporated in its books of account as on 01-04-2010, various assets, including fixed assets and liabilities towards power purchase, supplies & services received and balances outstanding in respect of the loans, representing term loans, cash credits, working capital loans received from various banks and financial institutions, other receivables from the State Government of AP, of the amounts mentioned in the two notifications referred to above. We understand that the above amounts, at which the various assets and liabilities are recognized in the books of account as on that date, are provisional and accordingly are subject to further adjustments as may be determined by the State Government.
2. We draw your attention to Note No. 1.16(a)(ii) wherein, the State Government of Andhra Pradesh amended retrospectively with effect from 09-06-2005, the share of each Discom in various bulk supply power purchase agreements vide its notification No. 53 Energy (Power-III) dated 28-04-2008. We are informed that the company has made a representation to give effect to the said revised sharing prospectively. Pending disposal of the company’s representation, the contingent liability/receivables, if any, due to the said retrospective amendment of the share of the company in various bulk supply of power purchase agreements has not been disclosed in the books of account.
3. We draw your attention to Note No. 24 where in employee benefit expenses does not include provision for Pension & Gratuity liability of Rs. 9,161.95 Crore pertaining to 74% of employees who were on rolls as on 31-01-1999 as the liability of the same is met by TG Genco Master Trust over the years as per the tripartite agreement.
4. We draw your attention to Note No. 21(b)(ii) – Revenue from Operations, wherein the Electricity Duty of Rs. 225.67 Crores is collected from customers and remitted to the government is not reflected under “Revenue from operations”.



5. Current accounts maintained with various banks have Board excess, being cheques/cash deposited in banks and not appearing in banks' statements of account for Rs.18.45 Crores and Bank excess, representing amounts credited by banks but not appearing in the books of account of the company of Rs. 25.56 Crores as at 31st March, 2024. It is observed that these balances are long pending for reconciliation resulting in possible mis-statement of Trade receivables. Year wise particulars are given under:

(Rs. in Crores)

Financial Year	Board Excess	Bank Excess
2009-10	0.20	-
2010-11	-	-
2011-12	0.01	-
2012-13	0.01	0.54
2013-14	-	1.21
2014-15	-	0.32
2015-16	-	0.26
2016-17	-	0.97
2017-18	-	1.83
2018-19	0.27	1.20
2019-20	0.01	0.90
2020-21	-	1.11
2021-22	0.03	1.96
2022-23	0.14	2.02
2023-24	17.76	13.22
Total	18.45	25.56

6. Letters of confirmation of balances have not been provided for our verification in respect of the following, the impact that my result on reconciliation and reviews of the same cannot be ascertained
- Balance due to/from various vendors for supplies and services, EMDs, SDs, other power distribution companies.
 - Balances due from/to various consumers/customers.

Our opinion is not modified of the aforesaid matters.

Material Uncertainty related to Going Concern

We draw attention to Note No.34 in the financial statements, the events or conditions, mentioned in the said notes indicate that matter uncertainties exist that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and analysis, Board of Directors' Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.



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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is material misstatement therein; we are required to report that fact, we have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Section 133 of the Act, read with the Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- ❖ Identify and assess the risks of material misstatement of the financial statements. Whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from



error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ❖ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to (standalone) financial statements in place and the operating effectiveness of such controls.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to devalue the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements:

1. As required by Section 143(5) of the Act, we have considered the directions/sub-directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the financial statements of the company are given in the **Annexure A**.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure B**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



3. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of knowledge and belief were necessary for the purpose of our audit
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance sheet, the Statement of Profit and Loss and Cash Flow statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except for the matters described in the Basis for Qualified Opinion Paragraphs.
- e) The matters described in the Basis for Qualified above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) Being a Government company, the company is exempted from the provisions of section 164 (2) if the Act regarding disqualification of directors vide Notification GSR-463 (E) dated 5th June, 2015 issued by Government of India, Ministry of Corporate Affairs.
- g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer our separate Report in **Annexure C**.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

Being a Government company, the company is exempted from the provisions of section 197 (16) of the Act regarding remuneration to Directors vide Notification GSR-463(E) dated 5th June, 2015 issued by Government of India, Ministry of Corporate Affairs.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 30(i) and 30(iii) to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts, except as reported in matters described in the Basis for Qualified Opinion.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
- iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary



shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries :

- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
- v. According to information and explanation given to us:
- a) No final dividend is proposed in the previous year by the Company;
 - b) No interim dividend has been proposed by the Company during the year;
 - c) The Board of Directors of the Company have not proposed any dividend for the financial year under audit.
- vi. Based on our examination which included test check, the Company has used an accounting software for maintaining its Books of Accounts which has a feature of recording Audit Trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for the record retention is not applicable for the financial year ended March 31, 2024.

For V.N. Purohit & Co

Chartered Accountants

Firm's Registration Number: 304040E

Sd/-

Kamalesh Kumar Sankla

Partner

Membership No.: 229329

UDIN: 24229329BKCIVQ3710

Place: Hyderabad

Dated: 30th July 2024



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED ("The Company") of even date)

We report that:

Sl.No	Questions	Replies
1	Whether the Company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>Yes, the Company has a system in place to process all the accounting transactions through SAP IT system and revenue related transactions are processed through EBS, which are latter pulled into the SAP IT system. During Financial Year 2023-24, all the accounting transactions have been processed through IT system.</p> <p>However, for preparation of financial statements some manual interventions are carried out.</p> <p>Major discrepancies in certain areas are given here under:</p> <ol style="list-style-type: none">1. Payroll system module is integrated with finance system module, however, as explained to us, due to pending reconciliation there is a difference of Rs. 0.57 Crore being excess in payroll module, when compared to finance module for employee loans.2. Inter units' balances were not properly processed through IT system, which has resulted in un-cleared credit balance of Rs.84.27 Crore.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc., made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? <i>(In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).</i>	<p>During the year under consideration, there is no case of restructuring of any existing loan or case of waiver/write off of debts/loans/interest etc. by a lender to the Company.</p>



3	Whether funds (grants/subsidy etc.) received /receivable for specific scheme from Central/ State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	According to the information and explanation given to us and on the basis of our verification of the records funds received/receivable from Central/State Governments or its agencies under various projects/ schemes have been properly accounted for and released to the beneficiaries/spent/utilized as per guidelines and terms & conditions as mentioned in the relevant sanction letters.
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For **V. N. PUROHIT & CO.**
Chartered Accountants
Firm's Registration No. 304040E

Sd/-
Kamalesh Kumar Sankla
Partner
Membership No.: 229329
UDIN: 24229329BKCIVQ3710

Place: Hyderabad
Dated: 30 July 2024



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED ("The Company") of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(B) The Company is maintaining proper records showing full particulars of intangible assets.
 - b) We are informed by the Company that no physical verification of Property, Plant and Equipment has been carried-out during the year under report. Accordingly, we are unable to comment regarding any material discrepancies between the fixed assets register and the assets physically available.
 - c) As per the information given there are 1781 properties held by the Company. However, title deeds including letters of alienation/allotment/physical handing over of the property are available only for 527 properties and not available for rest of 1254 land properties. We are also informed by the company that in respect of the "parcels of land" alienated to it by the State Government or its agencies other than the letters of alienation/allotment/physical handing over; no other legal documents are generally executed.
 - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- ii)
 - a) Physical verification of inventory has been conducted at reasonable intervals by the Management during the year. According to information and explanation given to us, the discrepancies noticed on such verification between the physical stocks and the book records were not material and necessary provisions have been accounted for, wherever required.
 - b) The Company has been sanctioned working capital limits in excess of Rs. 5.00 Crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements of the current assets are filed by the company with such banks or financial institutions. Following are the details of variances noticed between stock statements/receivables statements and the books of account.



(Rs. in Crore)			
Particulars	As per Current Assets statement	As per the Books of A/c	Variance
As on June 30 th			
i) Stocks	257.23	305.33	(48.10)
ii) Receivables	17,810.04	17,776.39	33.65
As on Sep 30 th			
i) Stocks	286.20	338.98	(52.78)
ii) Receivables	18,804.30	18,758.47	45.83
As on Dec 31 st			
i) Stocks	333.37	336.96	(3.59)
ii) Receivables	20,280.20	20,604.31	(360.11)
As on March 31 st			
i) Stocks	286.09	289.66	(3.57)
ii) Receivables	21,121.16	21,037.23	83.93

iii) During the year the Company has made an investments amounting to Rs. 14.93 Crore as part of Contingency Reserve Investments (Refer Note: 12).

- a) During the year the company has not provided any guarantee or security or granted any loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or other parties, except loans granted to staff.
- A) The Company has not granted any loans or advances and guarantees or security to subsidiaries, joint ventures and associates.
- B) The Company has granted loans or advances in the nature of loans to employees during the year, and following are the details:

Particulars	Rs. in Crore
Aggregate amount of loans granted/ provided to the employees during the year	1.99
Balance outstanding as at balance sheet date in respect of above cases	33.92

- b) In our opinion, the investments made and the terms and conditions of the grant of loans to the employees, during the year are prima facie, not prejudicial to the Company's interest.
- c) In respect of loans granted to the employees by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.



- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans to parties covered under section 185 and 186 of the Companies Act, 2013, hence, clause 3(iv) of the Order is not applicable
- v) The Company has not accepted any deposits or the amounts which are deemed to be deposits from public. Consequently, the clause 3(v) of the order is not applicable to the Company.
- vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii) In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, sale-tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods & Services Tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities, except for Goods & Service Tax and Employee State Insurance (ESI) which are not paid regularly.

Accordingly, to the information and explanations given to us, no undisputed amounts are payable in respect of Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax or Cess, Goods & Services tax and other statutory dues which were in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable, except the following:

Name of the Statute/Authority	Nature of Dues	Period to which the amount relates	Amount (Rs. In Crore)
Employee State Insurance Act, 1948	Employee State Insurance	F.Y. 2018-19 F.Y. 2023-24	1.97
Employee Provident Fund Act, 1952	Employee Provident Fund	F.Y. 2013-14 to F.Y. 2023-24	0.30

- b) As on 31st March, 2024, there have been no disputed dues, which have not been deposited with the respective of Income Tax, Service Tax, Duty of Customs, and Duty of Excise, Value Added Tax Goods & Services Tax and Cess except the following:



S.No.	Name of the Statute	Nature of the Dues	Amount (Rs. In Crore)	Period to which the amount relates	Forum where dispute is pending
1.	A.P. Tax on entry of goods in local area Act, 2001	Entry tax on goods purchased from out side	206.71*	For the financial year from 2002-03 to 2017-18 (Upton June' 2017)	Hon'ble High Court of Telangana
2.	A.P. General Sales Tax Act, 1956	Sales Tax	1.34	For the financial year from 2001-02 to 2004-05	Hon'ble A.P Sales Tax Appellate Tribunal, Hyderabad
3.	A.P.VAT Act, 2005	VAT (including Penalty)	86.48*	For the financial year from 2008-09 to 2012-13	Hon'ble High Court of Telangana
			0.44	Financial Years 2008-09 & 2009-10	Appellate Deputy Commissioner, Commercial Taxes Hyderabad.
4.	Finance Act, 1994	Service Tax (including Penalty)	194.53	From July, 2012 to June, 2017	Hon'ble High Court of Telangana
			11.73	From 2012-13 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal
5.	Income Tax Act, 1961	TDS	14.88	Financial Year 2006-07	Hon'ble High Court of Telangana
			78.37	For the Financial Years 2007-08 & 2008-09	Hon'ble Supreme Court of India
6.	EPF Act	EPF	0.14	2017-18	Central Government Industrial Tribunal, Hyderabad
			11.33*	From 2014-15 to 2016-17	Hon'ble High Court of Telangana

* Net of deposits made

viii) In our opinion and according to the information and explanations given to us, there are no transactions in the books of accounts relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of any loan installments in respect of term loans from financial institutions and banks.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.



- c) In our opinion and according to the information and explanations given to us term loans were applied for the purpose for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies during the year.
- x) a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully of partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi) a) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and on overall examination of the records of the Company, we report that all transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Companies Act, 2013 and the related party disclosures, to the extent applicable, as required by relevant Accounting Standards are disclosed in the financial statements.
- xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



- xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as defined in the regulations of the Reserve Bank of India.
- b) The company has not conducted any Non-banking financial or Housing finance Activities during the year.
- c) In our opinion, the Company is not a Core Investment company, as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 regulations of the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.
- d) In our opinion, the Company is not a Core Investment company and there are no Core Investment companies in the group. Hence, reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has incurred cash loss of Rs. 4,575.59 Crore during the financial year covered by our audit and the Company has incurred cash loss of Rs. 7516.28 Crore during the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) Provisions of Corporate Social Responsibility (CSR) are not applicable to the company, hence clauses 3(xx)(a) & 3(xx)(b) are not applicable to the Company as the Company has incurred losses during the financial year under audit and also during the preceding two financial years.
- xxi) The reporting under clause (xxi) of the order is not applicable in respect of the audit of standalone financial statements of the company. Accordingly, no comment has been included in respect of the said clause under this report.

For **V. N. PUROHIT & CO.**

Chartered Accountants

Firm's Registration No. 304040E

Sd/-

Kamalesh Kumar Sankla

Partner

Membership No.: 229329

UDIN: 24229329BKCIVQ3710

Place: Hyderabad

Dated: 30th July 2024



ANNEXURE 'C' TO AUDITOR'S REPORT

**(Referred to in paragraph 3(g) under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)**

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act")

We have audited the internal financial controls with reference to Financial Statements of Southern Power Distribution Company of Telangana Limited, as on 31st March, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India." These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Company's Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's financial control with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards of Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements were established and maintained and if such controls operated effectively in all material respects.

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



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal controls system with reference to these financial statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

A Company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to the financial statements includes those policies and procedures that:

- i) Pertain to the maintenance of records that, in reasonable detail, accurately reflect the transactions and dispositions of the assets of the company;
- ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the company's internal controls with reference to the financial statements as at 31st March, 2024;

Absence of control in respect of:

- a. Not carrying out periodic physical verification of Plant, Property and Equipment and also not having any policy with regard.
- b. Not in possession of valid title deeds of many of the land properties held by the company.



- c. Capitalization of capital work orders without work order completion certificates and non-closure of work orders.

A material weakness is a deficiency, or a combination of deficiencies, in internal financial control with reference to the financial statements, such that there is reasonable possibility that a material misstatement/(s) of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31st March, 2024, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on audit of Internal financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" and except for the possible effect of the material weaknesses described above on the achievements of the objectives of the control criteria, the company's internal financial controls with reference to the financial statements were operating effectively as at 31st March, 2024.

For **V. N. PUROHIT & CO.**

Chartered Accountants

Firm's Registration No. 304040E

Sd/-

Kamalesh Kumar Sankla

Partner

Membership No.: 229329

UDIN: 24229329BKCIVQ3710

Place: Hyderabad

Dated: 30th July 2024

C&AG REPORT

Save Energy





OFFICE OF THE ACCOUNTANT GENERAL (Audit) Telangana, Hyderabad

Lr.No.AG (Audit)/TSC/AA/TGSPDCL/2023-24/194

Dated: 30.09.2024.

To
The Chairman and Managing Director,
Southern Power Distribution Company of Telangana Limited,
#6-1-50,Mint Compound,
Hyderabad - 5000004.

Sub:- Comments of the Comptroller and Auditor General of India under section 143 (6) (b) of the Companies Act, 2013 on the Financial Statement of Southern Power Distribution Company of Telangana Limited for the year ended 31 March 2024.



Sir,

I am to forwarding herewith comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Financials Statements of your Company for the year ended 31 March 2024 for necessary action.

2. The date of placing of Comments along with Financials Statement and Auditors' Report before the Shareholders of the Company may please be intimated and a copy of the proceedings of the meetings furnished.

3. The date of forwarding the annual report and financial statement of the Company together with the Auditors' Report and Comments of the Comptroller and Auditor General of India to the State Government for the year ended 2023-24 for being placed before the Legislature may also be intimated. The date on which Annual Report is tabled in the Legislature may also be intimated.

4. Three copies of the annual report for the year ended 2023-24 are to be furnished in due course without fail.

Yours faithfully,

Sd/-

(Nageswara Reddy, M. IAAS)

Sr. Deputy Accountant General/AMG-II

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED FOR THE YEAR ENDED 31 MARCH 2024.

The preparation of the financial statements of Southern Power Distribution Company of Telangana Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 30.07.2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of the **Southern Power Distribution Company of Telangana Limited** for the year ended 31 March 2024 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company's personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comments on Profitability.

Statement of Profit and Loss

Revenue from Operations (Note 21): Rs. 40,331.90 Crore

1. This is understated by Rs. 6,420.96 crore due to non-recognition of Fuel Cost Adjustment (FCA) charges recoverable from the consumers in accordance with the Regulation 1 of 2023 issued by TGERC which was effective from 1 April 2023.

As per Clause 12.5b & c of the Regulation, the Company is to recover the FCA Charges @ Rs. 0.30 per unit from all the category of consumers (except LT-V, Agricultural consumers and distribution Licenses) without prior approval of the Commission. Accordingly, the Company was eligible to recover Rs. 6,420.96 crore towards FCA charges during the year 2023-24. However, the Company did not recognize the same as Revenue during the year.

This resulted in understatement of Revenue from Operations and trade receivables and overstatement of loss for the year by Rs. 6,420.96 Crore.

B. Comments on Disclosure.

Contingent Liabilities

2. The Central Transmission Utility of India Limited (M/s. CTUIL) raised a claim for Rs. 261.31 Crore (12.03.2024) against SPDCL/TGPCC towards relinquishing charges against the 2000 MW corridor

applied for drawal of power from Chhattisgarh. However, this claim was not recognized by SPDCL/TGPCC during the year 2023-24. The matter was contested before CERC Vide IA Petition No. 85/MP/2021 on 08.04.2024 and the matter was posted for hearing on 06.06.2024 by CERC. In the said IA petition, SPDCL/TGPCC prayed for grant for stay on recovery of Rs. 261.31 Crore by M/s. CTUIL. Since, the invoice was received from M/s. CTUIL during the year 2023-24 and the same was not recognized in the books by the Company as the matter was contested in CERC, the same should have been included under contingent liabilities.

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

Place: Hyderabad
Date: 30.09.2024

Sd/-
(P. Madhavi)
Accountant General (Audit)

PROXY FORM

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

Form No. MGT -11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN :	: U40109TG2000SGC034116
Name of the Company	: SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED
Registered Office	: 6-1-50, Mint Compound, Hyderabad – 63
Name of the Member(s)	:
Registered Address	:
E-Mail Id	:
Folio. No/Client Id	:
DP ID	:

I/We, being the member(s) of Shares of the above named Company, hereby appoint

- Name :

Address :

E-Mail Id :

Signature :, or failing him
- Name :

Address :

E-Mail Id :

Signature :, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on the Tuesday, the 31st day of December, 2024 at 4.00 P.M at the Registered office of the company at 6-1-50, Mint Compound, Hyderabad -63 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

-
-
-

Signed this day of 31.12.2024

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

AVERAGE REALISATION FROM SALE OF POWER

Average Realisation from sale of Power Schedule - 3 for F.Y. 2023-24

Consumer Category	No. of Consumers (Excluding Bill Stopped)	KWH Sales (MU)	KVAH Sales (MU)	Revenue (Rs.Crs)	% of Units Sold on kvah	Average Realisation (Rs/Unit) kvah	2022-23 Average Realisation (Rs/Unit) (kvah)
L.T. Cat.-I Domestic	7771199	10827.09	10827.11	6069.71	20.10	5.61	5.51
L.T. Cat.-II Non-Domestic	1148711	3513.74	3611.26	4228.41	6.70	11.71	11.68
L..T.Cat-III Industrial	45863	975.85	1068.24	994.94	1.98	9.31	9.22
L.T. Cat-IV Cottage Industries	5096	9.51	9.51	4.58	0.02	4.82	4.94
L.T. Cat-V Agriculture	1361911	15615.51	15615.51	51.17	28.98	0.03	0.04
L.T. Cat-VI Street Lights & Waterworks	109032	504.00	515.68	396.86	0.96	7.70	7.73
L.T. Cat-VII General Purpose	25529	94.48	95.19	83.93	0.18	8.82	8.74
L.T. Cat-VIII Temporary Supply	14523	112.71	120.18	158.52	0.22	13.19	13.14
L.T. Cat-IX EVCS	233	2.28	2.31	1.70	0.00	7.34	7.71
L.T. Total	10482097	31655.17	31864.98	11989.82	59.14	3.76	4.00
H.T. Cat.I Industrial	6388	14794.67	15013.56	12,721.69	27.87	8.47	8.22
H.T. Cat.II Others	4887	3606.69	3681.82	3,951.72	6.83	10.73	10.43
H.T. Cat.III Aviation	14	89.80	90.22	82.88	0.17	9.19	8.69
H.T. Cat.IV Lift Irrigation & CPWS	299	1923.98	2005.24	1582.17	3.72	7.89	7.44
H.T. Cat.V Railway Traction & HMR	17	605.78	603.23	461.18	1.12	7.65	7.50
H.T. Cat.VI Residential Colonies	229	358.56	358.69	286.07	0.67	7.98	7.63
H.T. Cat-VII Temporary Supply	601	225.20	246.16	415.99	0.46	16.90	14.67
H.T. Cat-IX EVCS	17	12.02	12.16	8.09	0.02	6.66	6.17
H.T. Total	12452	21616.71	22011.08	19509.79	40.86	8.86	8.51
L.T. + H.T. Total	10494549	53271.88	53876.06	31499.61	100.00	5.85	5.99
Add: Electricity Duty				225.67			
Gross Revenue				31,725.28			



ENERGY SAVED IS
ENERGY PRODUCED

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

(A Govt. of Telangana Undertaking)

CIN No. U40109TG200SGC034116

6-1-50, Mint Compound, Hyderabad 500063.

Visit us at : www.tgsouthernpower.org