

**FINANCIALS OF
TGSPDCL FOR
F.Y.2023-24**

INDEX

Sl. No.	Particulars	Page No
1.	Replies to Independent Auditor's Report	1-36
2.	Balance Sheet	37-38
3.	Statement of Profit & Loss	39-40
4.	Cash Flow Statement	41-42
5.	Significant Accounting Policies	43-50
6.	Notes forming part of Accounts	51-94
7.	Independent Auditor's Report	95-120

REPLIES TO 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. 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 overstatement of reserves & surplus by Rs. 9.13 Crore for the Year ended 31st March, 2024.</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.</p> <p>Further, it is to submit that, as the 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 are 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 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.</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> <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.</p>
<p>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>	<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.

<p>a) Inter units' accounts with a credit balance of Rs.84.27 Crore.</p>	<p>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.</p>
<p>b) Amount appearing under loan clearing (CPDCL) account with a debit balance of Rs. 3.68 Crore.</p>	<p>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>
<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>

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.

Informative only

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.

Informative only

<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 misstatement of Trade receivables. Year wise</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>

particulars are given under:

(Rs. in Crore)

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

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 Responsibility 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
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

<p>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.</p>	<p>Noted</p>
<p>e) The matters described in the Basis for Qualified above, in our opinion, may have an adverse effect on the functioning of the Company.</p>	<p>Informative only</p>
<p>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.</p>	<p>Informative only</p>
<p>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.</p>	<p>Informative only</p>
<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>	<p>Informative only</p>

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 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 :	Informative only

<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>
<p>c) The Board of Directors of the Company have not proposed any dividend for the financial year under audit</p>	<p>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.

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

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> <p>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.</p>	<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.</p>

		<p>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>	<p>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 reconciled and cleared in current FY 2024-25.</p> <p>However, there are few legacy amounts involved in the balance, same will be reconciled and cleared on priority basis.</p>
2	<p>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? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).</p>	<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>	<p>Informative only</p>

3	<p>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.</p>	<p>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.</p>	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>
<p>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.</p>	<p>Informative only</p>
<p>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.</p>	<p>Informative only</p>
<p>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.</p>	<p>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.</p>

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 31st			
i) Stocks	333.37	336.96	(3.59)
ii) Receivables	20280.20	20,604.31	(360.11)
As on March 31st			
i) Stocks	286.09	289.66	(3.57)
ii) Receivables	21,121.16	21037.23	83.93
<p>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).</p>			
<p>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.</p> <p>A) The Company has not granted any loans or advances and guarantees or security to subsidiaries, joint ventures and associates.</p> <p>B) The Company has granted loans or advances in the nature of loans to employees during the year, and following are the details:</p>			

Particulars	Rs. in Crore	Informative only
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.	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	

<p>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.</p>	<p>Informative only</p>
<p>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.</p>	<p>Informative only</p>
<p>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.</p>	<p>Informative only</p>
<p>vii) In respect of statutory dues:</p> <p>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 &</p>	<p>Informative only</p>

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 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 2017-18 (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

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.	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 Core 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

<p>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.</p>	<p>Informative only</p>
<p>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.</p>	<p>Informative only</p>
<p>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.</p>	<p>Informative only</p>

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 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.	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 V. N. PUROHIT & CO.

Chartered Accountants

Firm's Registration No. 304040E



Kamelesh Kumar Sankla

Partner

M. No. 229329

UDIN: 24229329BKCI VQ3710




Sri. Md. Musharraf Faruqui, IAS

Chairman & Managing Director

DIN: 10429742

**SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED**

CIN U40109TG2000SGC034116

BALANCE SHEET AS AT 31st MARCH, 2024

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
			(Rs. in Crore)	(Rs. in Crore)
I	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
	(a) Share Capital	2	12,017.93	12,017.93
	(b) Reserves and Surplus	3	(40,380.55)	(36,255.32)
	(c) Money received against share warrants		-	-
2	Non-Current Liabilities			
	(a) Long-term Borrowings	4	17,256.21	15,372.27
	(b) Deferred tax liabilities (Net)		-	-
	(c) Other Long term liabilities	5	334.30	323.88
	(d) Long-term Provisions	6	2,790.33	2,288.75
3	Current Liabilities			
	(a) Short-term Borrowings	7	10,761.90	6,744.48
	(b) Trade Payables			
	(i) MSMEs	8	0.06	12.01
	(ii) Other than MSMEs		33,918.78	31,821.87
	(c) Other Current Liabilities	9	7,459.56	6,512.08
	(d) Short-term Provisions	10	754.91	987.21
	TOTAL		44,913.43	39,825.16
II	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant, Equipment and Intangible Assets			
	(i) Plant, Property and Equipment	11	10,926.61	9,987.88
	(ii) Intangible Assets		17.03	21.69
	(iii) Capital Work in Progress		1,128.78	1,206.97
	(b) Non-Current Investments	12	498.15	487.60
	(c) Deferred Tax Assets (Net)	13	1,775.89	1,646.22
	(d) Long-term loans and advances	14	315.08	254.81
	(e) Other Non-current Assets	15	5.61	5.10
2	Current Assets			
	(a) Current Investments		-	-
	(b) Inventories	16	285.69	228.04
	(c) Trade Receivables	17	23,191.30	19,134.58
	(d) Cash and cash equivalents	18	221.48	132.21
	(e) Short-term Loans and Advances	19	1,445.16	1,437.59
	(f) Other Current Assets	20	5,102.65	5,282.47
	Total		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

Kamalesh Kumar Sankla

Partner

M. No 229329

Date : 30 JUL 2024

Place: Hyderabad



Sri MD Musharraf Faruqui, IAS

Chairman & Managing Director

DIN : 10429742

P. Krishna Reddy

Chief General Manager
(Finance)

V. Anil Kumar

Anil Kumar Voruganti

Company Secretary

F.No. 9521

KEPT BLANK



SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED
CIN U40109TG20005GC034116

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

Particulars	Note No.	2023-24	2022-23
		(Rs. in Crore)	(Rs. in Crore)
I Revenue from Operations	21	40,331.90	33,957.03
II Other Income	22	367.36	297.67
III Total Income		40,699.26	34,254.70
IV Expenses			
Power Purchase Expense	23	37,890.10	35,510.71
Employee Benefit expense	24	3,166.15	3,081.10
Operating and Other Expenses	25	394.01	348.71
Finance Costs	26	3,308.15	2,500.58
Depreciation and amortisation expense	11	842.13	801.90
Total Expenses		45,600.54	42,243.00
V Profit/(Loss) before exceptional & extraordinary items and tax (III-IV)		(4,901.28)	(7,988.30)
VI Exceptional Items	27	137.92	1.72
VII Profit/(Loss) before extraordinary items and tax (V-VI)		(5,039.20)	(7,990.02)
VIII Extraordinary Items		-	-
IX Profit/(Loss) before tax (VII-VIII)		(5,039.20)	(7,990.02)
X Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax	13	129.67	(157.46)
XI Profit (Loss) for the period from continuing operations (IX-X)		(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)		(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

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

Kamalesh Kumar Sankla
Partner
M. No 229329

Date : 30 JUL 2024
Place: Hyderabad



P. Krishna Reddy
Chief General Manager
(Finance)

V. Anil Kumar
Anil Kumar Voruganti
Company Secretary
F.No. 9521

KEPT BLANK



SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED
CIN U40109TG2000SGC034116

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2024

Particulars	Year Ended 31st March, 2024	Year Ended 31st March, 2023
	(Rs. in Crore)	(Rs. in Crore)
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	6.34	(0.34)
Other Long Term Liabilities	501.58	371.42
Long Term Provisions		
(Increase)/Decrease in Non-Current Assets		5.21
Long-term Loans & Advances	(69.10)	0.62
Other Non-current Assets	(0.51)	
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)
(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 M/s V.N. Purohit & Co.
Chartered Accountants
FR No. 304040E

Kamalesh Kumar Sankla
Partner

M. No 229329

Date : 30 JUL 2024

Place: Hyderabad



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

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

P. Krishna Reddy
Chief General Manager
(Finance)

V. Anil Kumar
Anil Kumar Voruganti
Company Secretary
F.No. 9521

KEPT BLANK

Notes to Financial Statements for the year ended 31 st 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 of future cash receipts of payment. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.



Notes to Financial Statements for the year ended 31 st March, 2024	
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
	<ul style="list-style-type: none"> 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.



Notes to Financial Statements for the year ended 31 st March, 2024	
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 asset will be reversed when the conditions warranting impairment provision no longer exists.

Notes to Financial Statements for the year ended 31 st March, 2024	
1.8	Consumers 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 settled.
1.10	Inventories
	Inventories includes materials and supplies purchased to be consumed in rendering of services and work in progress and also includes 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.



Notes to Financial Statements for the year ended 31 st March, 2024	
	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) i) 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.



Notes to Financial Statements for the year ended 31 st March, 2024	
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)
	<p>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.</p> <p>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.</p> <p>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 .</p>
	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.



48

Notes to Financial Statements for the year ended 31 st March, 2024	
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.



KEPT BLANK

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	As at March 31, 2023
	Rs. in Crore	Rs. in Crore
Authorised		
2000,00,00,000 Equity shares of ₹ 10 each	20,000.00	20,000.00
Issued, Subscribed And Paid-up		
1,201,79,30,306 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 31st March 2024 (As at 31st 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 31st March 2024 (As at 31.03.2023)	
	No. of Shares held	% of Holding
Equity Shares		
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 Promoters	As at 31st March 2024 (As at 31.03.2023)	
	No. of Shares held	% of Change
Governor of Telangana*	12,01,79,30,306 (12,01,79,30,306)	0% (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 ₹ 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	As at March 31, 2023
	Rs. in Crore	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 Gol loan of Rs.34.12 Crores, R-APDRP Part- B Gol 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.

52



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			
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

a. 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

b. The IPDS, part of the loan and accrued interest thereon, totaling of Rs.0.74 Crore has been converted into grant in 2022-23.

c. 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.

d. 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			
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			
LENDOR No.	LENDOR NAME	As at March 31, 2024	As at March 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 Govt. of Telangana vide GO Ms 11 Dt.18.02.2014.		
b. Term Loans from REC and PFC : SLTTL-Covid 19 are guaranteed by Govt. of Telangana vide GO Ms 06 Dt.04.07.2020		
c. Term Loans from REC and PFC : LPS 2022 are guaranteed by Govt. of Telangana vide GO Ms 22 Dt.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.		
iii. Rate is Interest is 10% to 11% pa		
2.Power Finance Corporation (PFC)		
i. If the company achieves the target as stipulated in the agreement and also if the project completes 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 & Modernization works etc.. to be created in following areas of utility located at Nalgonda, Hyd Central, Master Plan, Hyd East, Hyd West towns of TGSPDCL 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 is 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 is 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 Crores to the satisfaction of IREDA.		250.69
ii. Rate is 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			
L.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	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
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
	NET OFF OF KURNOOL AND ANANTAPUR	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

a. 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'.

b. 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	As at March 31,2023
	Rs. In Crore	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	As at March 31,2023
		Rs. In Crore	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
	Total	8,860.04	2,593.99
2	Current maturities of long-term debt *	1,901.86	4,150.49
	Total	10,761.90	6,744.48
	Further Classification into Party Wise		
11013	i) From Banks	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
	Further Classification into Secured and Unsecured		
1	Secured		
	(a) Loans repayable on demand		
	i) From Banks		
	ii) From Others		
	Secured Total	-	-
2	Unsecured		
	(a) Loans repayable on demand		
	from banks	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	As at March 31,2023
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



S- 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
a. Balances from other Discoms', GENCOs', TRANSCO's' are subject to confirmation and reconciliations.		
b. Balances from other power purchase creditors and other payables are subject to confirmations and reconciliations.		
c. 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:		
d. 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.		
e. The age wise analysis of Trade Payables are as follows..		



8.e. 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)					Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years		
(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 (4,812.02)	4,758.52 (4,812.02)	
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)	33,918.84 (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	As at March 31, 2023
	Rs. In Crore	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

a. 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.

b. Inter Unit Accounts shows a credit balance of Rs. 84.27 Crores (Previous Year - Rs. 114.17 Crores)

c. 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	As at March 31, 2023
	Rs. In Crore	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 51.17 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.

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LTD.

Note No.11 - Property Plant, Equipment and Intangibles (Rs. In Crore)

S. No	Particulars	Gross Carrying Values				Depreciation & Amortization					Net Carrying Values	
		As at April 1, 2023	Additions	Deletions/ Adjustments	Deletions Through Business Combinations	As at 31st March 2024	As at 1st April 2023	Depreciation charge for the year	Deletions/ Adjustments	Additions through business combinations	As at 31st March 2024	As at 31st 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	-	-	252.26	255.32
	Other Civil Works	221.08	8.15	-	-	229.23	44.42	7.55	-	-	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	4,251.62
	Lines and Cable Network	8,680.09	823.31	-	-	9,503.40	4,126.13	374.50	-	-	4,500.63	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	675.37
	Vehicles	7.08	0.28	-	-	7.36	6.37	0.02	-	-	6.39	0.71
	Furniture and Fixtures	17.25	1.35	-	-	18.60	11.47	0.58	-	-	12.05	5.78
	Office Equipment	51.37	6.37	-	-	57.74	32.57	2.06	-	-	34.63	18.80
	Air Conditioners	2.60	0.17	-	-	2.77	1.71	0.06	-	-	1.77	0.89
	Computer & IT Equipment	185.56	14.55	-	-	200.11	143.43	12.72	-	-	158.15	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	9,987.88
b	Intangible Assets											
	Computer Software	70.80	-	-	-	70.80	49.11	4.66	-	-	53.77	21.69
	Sub Total	70.80	-	-	-	70.80	49.11	4.66	-	-	53.77	21.69
c	Capital Work in Progress	1,206.97	1,747.75	1,825.94	-	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	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	10,477.27

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



65

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

Particulars	Amount in CWIP 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
Projects in progress	655.21 (460.25)	246.23 (444.61)	100.01 (191.85)	127.33 (110.26)	1128.78 (1206.97)
Projects temporarily suspended.	-	-	-	-	-
Total	655.21 (460.25)	246.23 (444.61)	100.01 (191.85)	127.33 (110.26)	1128.78 (1206.97)

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



SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED										
Note No. 12 NON CURRENT INVESTMENTS (at Cost)										
A. Details of Trade Investments										
Sr. 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 March 2024	As at 31 March 2023			As at 31 March 2024	As at 31 March 2023	
(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)	
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	426.01
	Total							426.01		426.01
B. Details of Other Investments										
Sr. 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 March 2024	As at 31 March 2023			As at 31 March 2024	As at 31 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	2.20
200036	MAH SLD @ 9.25%	Others	1,00,000	-	180	Unquoted	Fully Paid	-	-	1.80
200030	APSCF 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	1.94
200037	8.4% GOVERNMENT OF INDIA - 2024 SECURITIES	Others	10,000	190	190	Unquoted	Fully Paid	1.90	1.90	1.90
200005	7.72% Andhra Pradesh SDL	Others	10,000	4710	4710	Unquoted	Fully Paid	4.71	4.71	4.71
200006	7.74% Andhra Pradesh SDL	Others	10,000	5000	5000	Unquoted	Fully Paid	5.00	5.00	5.00
200008	7.60% Tamil Nadu SDL 2032	Others	10,000	19660	19660	Unquoted	Fully Paid	19.66	19.66	19.66
200009	7.65% Bihar SDL 2032	Others	10,000	10000	10000	Unquoted	Fully Paid	10.00	10.00	10.00
200016	7.45% Telangana SDL 2030	Others	10,000	4500	4500	Unquoted	Fully Paid	4.50	4.50	4.50
200017	7.47% Telangana SDL 2031	Others	10,000	4500	4500	Unquoted	Fully Paid	4.50	4.50	4.50
200022	7.69% Telangana SGS 2032	Others	10,000	2800	2800	Unquoted	Fully Paid	2.80	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	61.59
	Grand Total (A+B)							498.15	487.60	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

67



13. Deferred Tax		
Particulars	As at March 31, 2024	As at March 31, 2023
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) (Bii-Aiii)	1,775.89	1,646.22

13A - Deferred Tax Calculations		
1. Deferred Tax Liability		
Particulars	As at March 31, 2024	As at March 31, 2023
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	As at March 31, 2023
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.

13B. Deferred Tax Income Calculation		
Particulars	As at March 31, 2024	As at March 31, 2023
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

e. 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) Unsecured, considered good		
Long Term Receivables from Employees	5.12	4.61
(b) Unsecured, considered doubtful		
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	As at March 31, 2023
	Rs. In Crore	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	As at March 31, 2023
	Rs. In Crore	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	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)
Total (i + ii)	23,191.30	19,134.58
a. Trade receivables includes, Court Cases of ₹ 2366.44 Crores (Previous Year ₹ 2173.03 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 ₹ 3.98 Crores (Previous Year ₹ 4.13 Crores), Bill Stopped/Disconnected Services ₹ 898.48 Crores (Previous Year ₹ 811.57 Crores) .		
b. Trade Receivables Unsecured and considered good includes unbilled revenue of Rs.2,899.54 Crore (previous 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.		
c. The Age wise analysis of above Trade Receivables are as follows		



17.c. Ageing of Gross Trade Receivable

Particulars	Outstanding for the following period from due date of receivable as at 31.03.2024 (As at 31.03.2023)						Total
	Less than 6 month	6 months -1 year	1-2 years	2-3 years	More than 3 years		
(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) <u>Less</u> : 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	As at March 31, 2023
	Rs. In Crore	Rs. In Crore
1. 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	As at March 31, 2023
	Rs. In Crore	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	As at March 31, 2023
	Rs. In Crore	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

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

21 (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.

21 (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.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.

21 (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.

21 (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

a. As per the Company's Policy, interest on loans given to employees is recovered after repayment of the principal loan amount.

b. 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.

c. 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	2022-23
	Rs. In Crore	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

a. 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	2022-23
	Rs. In Crore	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. 3219.06 Crores as per Tripartite Agreement. Balance 74 % of Provision for Pension & Gratuity of Rs.9161.95 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	As at March 31,2023
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
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
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	As at March 31,2023
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	As at March 31,2023
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
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		
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		
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		
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		
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		
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		
Particulars	As at March 31,2024	As at March 31,2023
Defined Benefit Obligation	1,456.30	1,387.06
Plan Assets	(1,456.30)	(1,387.06)
Surplus/(Deficit)		
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 on or after 01.02.1999		
Annexure 1: Funded status of the plan		
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	345.72	301.39
Net Liability (Asset)		

Annexure 2: Profit and loss account for current period		
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		
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		
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	(2.25)	(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

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

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2024	As at March 31,2023
Defined Benefit Obligation	345.72	301.39
Plan Assets	(345.72)	(301.39)
Surplus/(Deficit)		
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 on or after 01.02.1999

Annexure 1: Funded status of the plan

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	143.34	118.50
Net Liability (Asset)		

Annexure 2: Profit and loss account for current period

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	24.90	59.66
Total Charge to P&L	-	-
Loss/(gain) on obligation as per Annexure 3	-	-
Loss/(gain) on assets as per Annexure 4	(3.63)	35.87
Net actuarial loss/(gain)		

Annexure 3: Reconciliation of defined benefit obligation		
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		
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

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

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 - OPERATION & OTHER EXPENSES

Particulars	2023-24	2022-23
	Rs. In Crore	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	2022-23
	Rs. In Crore	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	2022-23
	Rs. In Crore	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 Government, Energy Department	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	04-03-2017	NA
4	Sri P. Shyam Sunder	Assistant Secretary to Government, Finance Department	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	As at March 31, 2023
	Rs. in Crore	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		
(a) 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.		
(b) 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.		
(c) 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.		
(d) 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 27CA 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, TS 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. 18.06.2022 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, TGDSCOMS 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 TGDSCOMS 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 TGPCCL have filed a Writ Petition in September 2022 in the Hon'ble High Court of Telangana vide W.P. 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 GoTS for publication and levy of FCA Charges and the response from the GoTS 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.TSERC/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	ROC, Telangana	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		20.03.2013	150.00	-	-	150.00	59.00	
8	Central Bank of India		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	-	-	-	-	
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.



41. 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 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	(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 Quarter 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 TG Limited

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

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

Kamalesh Kumar Sankla
Partner
M. No 229329
Date : 30 JUL 2024
Place: Hyderabad



P. Krishna Reddy
Chief General Manager
(Finance)

V. Anil Kumar.
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. 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 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. 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.
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 material 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 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 Responsibility 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 No. 304040E

Kamalesh Kumar Sankla
Partner

Membership No.: 229329

UDIN: 24229329BK C1V 03710

Place: Hyderabad

Dated: 30th July 2024



KEPT BLANK

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> <p>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.</p> <p>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>
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? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	<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.
----	--	--

For V. N. PUROHIT & CO.
Chartered Accountants
Firm's Registration No. 304040E

Kamlesh

Kamlesh Kumar Sankla
Partner
Membership No.: 229329



UDLN: 24229329BKCIVQ3710

Place: Hyderabad
Dated: 30th 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 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 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 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


Kamallesh Kumar Sankla
Partner

Membership No. 229329

UDW: 24228329BKCIVR3710



Place: Hyderabad

Dated: 30th July, 2024

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 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.

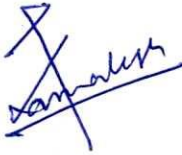
In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31st March, 2024, based on "the internal 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



Kamallesh Kumar Sankla

Partner

Membership No. 229329

UDEN: 24229329BKCIV83710

Place: Hyderabad

Dated: 30th July, 2024

