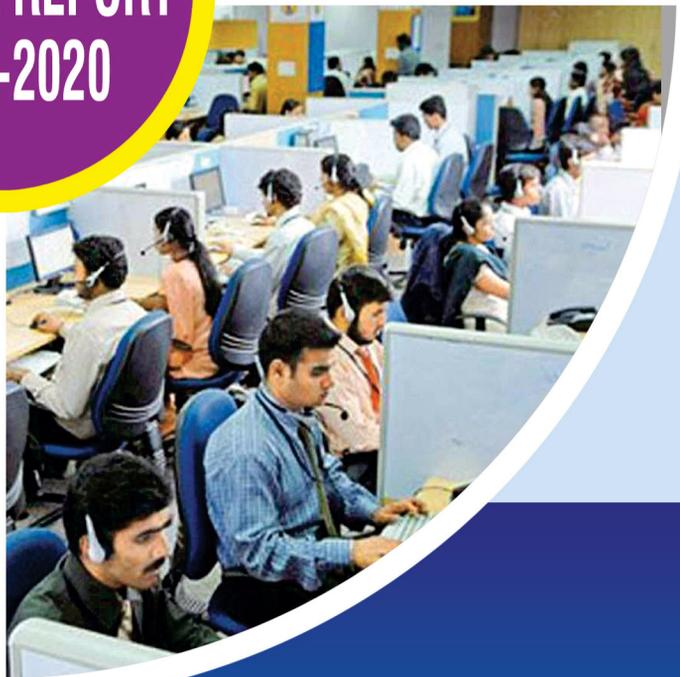


20TH
ANNUAL REPORT
2019-2020



SOUTHERN POWER
DISTRIBUTION COMPANY OF TELANGANA LIMITED



Sri Kalvakuntla Chandrashekar Rao
Hon'ble Chief Minister of Telangana

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Sri Guntakandla Jagadish Reddy
Hon'ble Minister for Energy of Telangana



NOTICES





NOTICE OF THE ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN THAT THE 20th ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT SHORTER NOTICE ON THURSDAY, 31st DAY OF DECEMBER, 2020 AT 05:45 P.M AT THE REGISTERED OFFICE OF THE COMPANY AT 6-1-50, MINT COMPOUND, HYDERABAD TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet, Profit & Loss Account and Cash flow Statement as at 31st March, 2020 along with Statutory Auditors Report, Secretarial Audit Report, Director's Report and along with the comments of the Comptroller and Auditor General of India thereon.
2. To take note on re-appointment of M/s. Ramanatham & Rao (HY0142), Chartered Accountants, as Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India for the Financial Year 2020-21 and authorize the Board of Directors to fix the remuneration of Statutory Auditors.

The Office of the Comptroller and Auditor General of India vide No/CA.V/COY/TELANGANA, CENPOW (1)/1109, dated: 01.09.2020 appointed M/s. Ramanatham & Rao, (HY0142), Chartered Accountants as Statutory Auditors of the Company for the financial year 2020-21.

Draft resolution

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

“RESOLVED THAT the re-appointment of M/s. Ramanatham & Rao (HY0142), Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2020-21 by the Office of the Comptroller and Auditor General of India vide their letter No/CA.V/COY/TELANGANA,CENPOW(1)/1109, dated: 01.09.2020 be noted.”

“FURTHER RESOLVED THAT the pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies act, 2013, the Board of Directors of the Company be and are hereby authorized to fix the remuneration payable to Statutory Auditors M/s. Ramanatham & Rao (HY0142), Chartered Accountants and to provide for reimbursement of their actual out-of-pocket expenses for the Financial Year 2020-21 if any.”

SPECIAL BUSINESS:**3. RATIFICATION OF THE REMUNERATION OF THE COST AUDITOR FOR THE F.Y. 2020-21**

The Board considered the recommendation of Audit Committee in regard to the appointment of M/s. B.V.S. & Co., Cost Accountants, Hyderabad, as Cost Auditor for the F.Y.2020-21 and it was decided to pay the remuneration of Rs.60,000 (all inclusive).”

Draft Resolution:

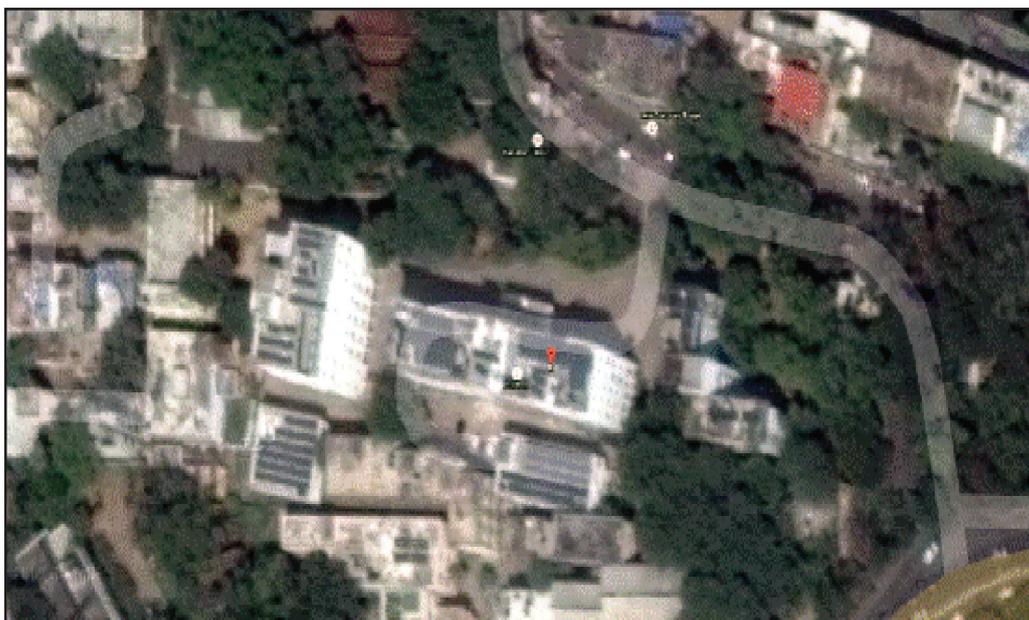
To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of Rs.60,000/- (all inclusive) payable to M/s. B.V.S. & Co., who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year 2020-21.”

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

**Date: 30.12.2020
Place: Hyderabad**

Sd/-
ANIL KUMAR VORUGANTI
COMPANY SECRETARY

Route Map

NOTE:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
2. Proxy form (MGT-11) is enclosed. Instrument appointing proxy shall be deposited at the registered office of the company by not less than 48 hours before the commencement of the meeting.
3. Pursuant to section 139 of the Companies Act, 2013 the Auditors of the Company are appointed by the Comptroller and Auditor General of India (C&AG). In terms of Sub-Section (1) of the Section 142 of the Companies Act, 2013 remuneration of Auditors has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in Annual General Meeting may determine.
4. The Comments of the Comptroller and Auditor General of India (C&AG) on the Annual Accounts for the F.Y. 2019-20 will be placed at the Annual General Meeting of the Company.

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

RATIFICATION OF THE REMUNERATION OF THE COST AUDITOR FOR THE F.Y. 2019-20

The Board considered the recommendation of Audit Committee in regard to the appointment of M/s. B.V.S. & Co., Cost Accountants, Hyderabad, as Cost Auditor for the F.Y.2020-21 and it was decided to pay the remuneration of Rs.60,000 (all inclusive).

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

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

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

**Date: 30.12.2020
Place: Hyderabad**

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

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED
(A Govt. of Telangana Undertaking)
(Formerly Central Power Distribution Company of Andhra Pradesh Ltd)
Corporate office: 6-1-50, Mint Compound, Hyderabad 500063, Telangana State, India
CIN U40109TG2000SGC034116, Website: www.tssouthernpower.com



NOTICE OF THE EXTRA ORDINARY GENERAL MEETING

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

ANNEXURE - A

NOTICE IS HEREBY GIVEN THAT THE EXTRA ORDINARY GENERAL MEETING OF THE COMPANY WILL BE HELD AT SHORTER NOTICE ON MONDAY THE 30TH DAY OF MARCH, 2020 AT 11.30 A.M AT THE REGISTERED OFFICE OF THE COMPANY AT 6-1-50, MINT COMPOUND, HYDERABAD TO TRANSACT THE FOLLOWING BUSINESS:

SPECIAL BUSINESS:

- 1. TO CONSIDER THE INCREASE OF AUTHORIZED CAPITAL OF THE COMPANY AND AMEND THE CAPITAL CLAUSE IN THE MEMORANDUM OF ASSOCIATION & ARTICLES OF ASSOCIATION OF THE COMPANY.**

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

“RESOLVED THAT subject to the approval of the members (shareholders) at the ensuing Extra-Ordinary General Meeting and pursuant to the provisions of Section 13,14 and 61 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under and provisions of the Articles of Association, the approval of the Company, be and is hereby accorded to increase the authorized share capital of the Company from Rs.12,000 Crore (Rupees Twelve Thousand Crore only) divided into 1200 Crore (Twelve Hundred Crore) Equity Shares of Rs.10 (Rupees Ten Only) each to Rs 20,000 Crore (Rupees Twenty thousand Crore Only) divided into 2000 Crore (Two Thousand Crore) Equity Shares of Rs.10 (Rupees Ten Only) each ranking paripassu with the existing shares in the Company and that in Clause V of the Memorandum of Association of the Company.”

2. ALTERATION OF CAPITAL CLAUSE IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Section 13, 61 & 64 and other applicable provisions if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under the approval of the members be and is hereby accorded for the substitution of Clause V of the Memorandum of Association of the Company with the following:

V. The Authorized Share Capital of the Company consists of Rs. 20,000 Crore (Rupees Twenty Thousand Crore only) divided into 2000 Crore (Two Thousand Crore) Equity Shares of Rs.10 (Rupees Ten Only) each.

3. ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Section 13, 61 & 64 and other applicable provision if any, of the Companies Act, 2013 (including any amendment thereto or re- enactment thereof)and the rules framed there under the approval of the members be and is hereby accorded for the substitution of Article. 4 of the Articles of Association of the company with the following:

The Authorized Share Capital of the Company consists of Rs. 20,000 Crore (Rupees Twenty Thousand Crore only) divided into 2000 Crore (Two Thousand Crore) Equity Shares of Rs.10 (Rupees Ten Only) each.

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

Sd/-

ANIL KUMAR VORUGANTI
COMPANY SECRETARY

Date: 28.03.2020.

Place: Hyderabad

NOTE:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
2. Proxy form (MGT-11) is enclosed. Instrument appointing proxy shall be deposited at the registered office of the company by not less than 48 hours before the commencement of the meeting.

STATEMENT OF MATERIAL FACTS OF SPECIAL BUSINESSES REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013:**1. TO CONSIDER THE INCREASE OF AUTHORIZED CAPITAL OF THE COMPANY AND AMEND THE CAPITAL CLAUSE IN THE MEMORANDUM OF ASSOCIATION & ARTICLES OF ASSOCIATION OF THE COMPANY.**

Presently, the Authorized Share Capital of the Company is Rs.12000 Crore (Rupees Twelve Thousand Crore only) divided into 1200 Crore (Twelve Hundred Crore) Equity Shares of Rs.10 (Rupees Ten Only)

The authorized share capital is proposed to be increased from Rs.12,000 Crore to Rs.20,000 Crore to cover the additional funds towards Investments in DISCOMs for the scheme “**Investments in DISCOMS**” by Government of Telangana amounting to Rs.2000 Crore at the closure of F.Y. 2019-20 and to keep some additional provision for the next financial years.

Hence the Board of Directors of the Company (Board), vide its resolution dated 28.03.2020 has proposed to increase the authorized share capital of the Company.

Pursuant to Sections 61(1) (a) and 64(1) (a) of the Companies Act, 2013, the shareholders of the Company may accord their consent to the proposed increase in the authorized share capital. The Board therefore seeks approval for the same.

The Directors recommend the adoption of Item No. 1 of the notice

None of the Promoters, Directors, Key Managerial Personnel and the relatives of the Directors & Key Managerial Personnel of the Company is in any way concerned or interested financially or otherwise in the above resolution.

2 ALTERATION OF CAPITAL CLAUSE IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

The Company has increased its present authorized capital from Rs.12, 000 Crore (Rupees Twelve Thousand Crore only) to Rs. 20,000 Crore (Rupees Twenty thousand Crore Only) equity shares of Rs. 10/- (Rupees Ten Only) each

The Capital clause (Clause V) in the Memorandum of Association of the Company need to be altered accordingly

The Directors recommend the adoption of Item No. 2 of the notice

None of the promoters, Directors, Key Managerial Personnel and the relatives of the Director & Key Managerial Personnel of the Company is in any way concerned or interested financially or otherwise in the above resolution

3 ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY

The Company has increased its present authorized capital from Rs.12,000 Crore (Rupees Twelve Thousand Crore only) to Rs. 20,000 Crore (Rupees Twenty thousand Crore Only) equity shares of Rs. 10/- (Rupees Ten Only) each

The Article 4 of the Articles of Association of the Company need to be altered accordingly.

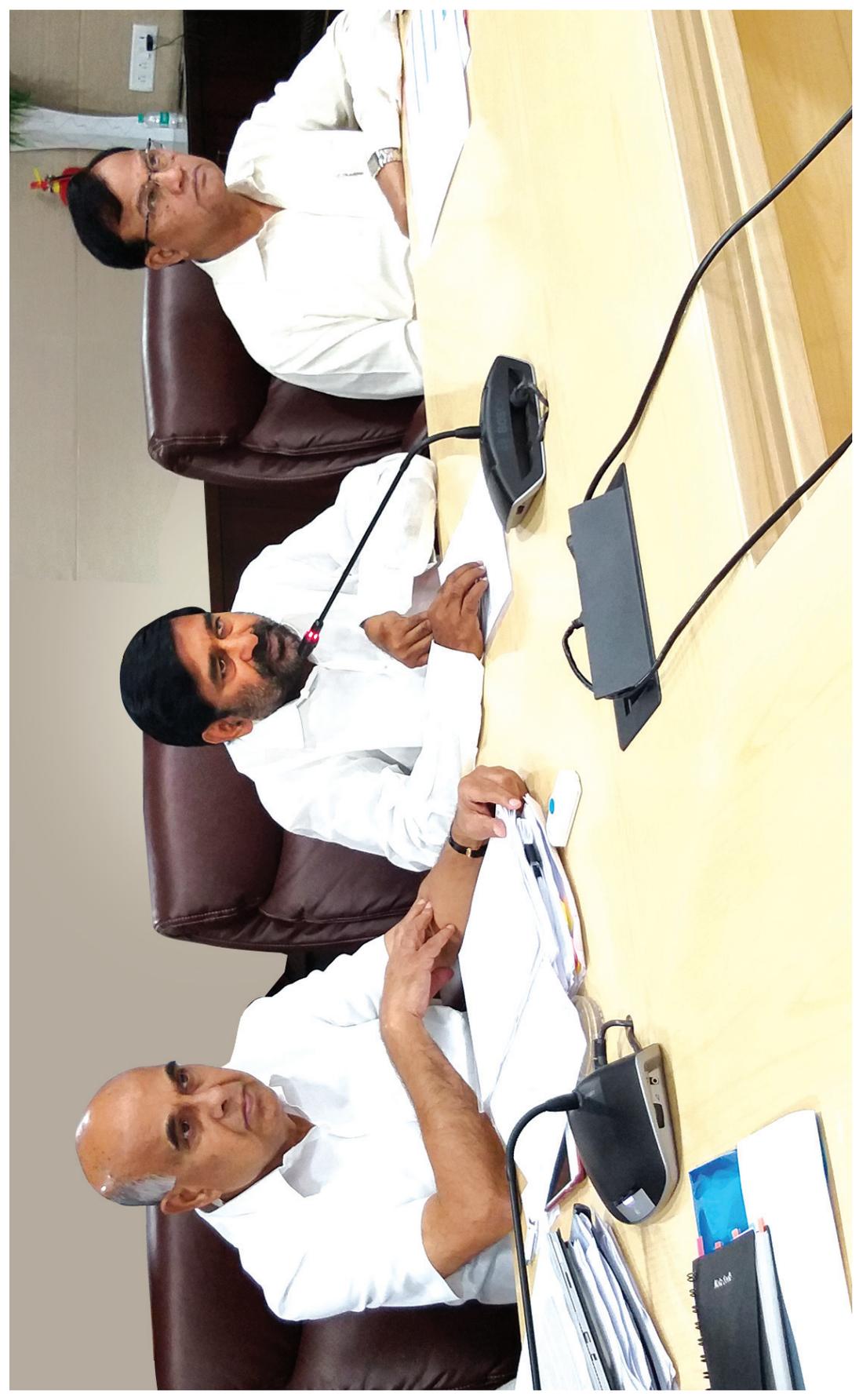
The Directors recommend the adoption of Item No. 3 of the notice.

None of the promoters, Directors, Key Managerial Personnel and the relatives of the Director & Key Managerial Personnel of the Company is in any way concerned or interested financially or otherwise in the above resolution.

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

Date: 28.03.2020.
Place: Hyderabad

Sd/-
ANIL KUMAR VORUGANTI
COMPANY SECRETARY



**Sri G. Raghuma Reddy, CMD/TSSPDCL with Hon'ble Sri G. Jagadish Reddy, Minister for Energy TS.
and Sri D. Prabhakar Rao, CMD/TS TRANSCO & TS GENCO**



BOARD OF DIRECTORS



BOARD OF DIRECTORS



SRI G. RAGHUMA REDDY
Chairman & Managing Director



SRI AJAY MISRA, IAS
Spl. Chief Secretary to Govt.,
Energy Dept. Govt. TS,
Director (Non-whole time)



SRI C. SRINIVAS RAO
Joint Managing Director
HRD, Finance, Comml. & Vigilance
Director (Non-whole time)



SRI G.S. RAM MOHAN RAO
Addl. Secretary to Govt.
Finance Dept.
Director (Non-whole time)



SRI T. SRINIVAS
Director (Projects & IT)



SRI J. SRINIVASA REDDY
Director (Operations)



SRI P. NARASIMHA RAO
Director (Finance)



SRI G. PARVATHAM
Director (HR & IR)



SRI K. RAMULU
Director (Comml, DPE, Assessment
and Energy Audit)



SRI CH. MADAN MOHAN RAO
Director (P & MM)



SRI S. SWAMY REDDY
Director (IPC & RAC)

COMPANY SECRETARY

SRI. ANIL KUMAR VORUGANTI

STATUTORY AUDITORS

M/S. RAMANATHAM & RAO., CHARTERED ACCOUNTANTS

BANKERS

STATE BANK OF INDIA

FINANCIAL INSTITUTIONS

**REC LIMITED
POWER FINANCE CORPORATION LIMITED (PFC)
PTC INDIA FINANCIAL SERVICES LTD.
INDIAN RENEWABLE ENERGY DEVELOPEMENT AGENCY LTD.**

REGISTERED OFFICE:

**6-1-50, MINT COMPOUND, HYDERABAD 500063,
TELANGANA STATE, INDIA.
WWW.TSSOUTHERNPOWER.COM
CIN - U40109TG2000SGC034116**



Sri G. Raghuma Reddy, CMD/TSSPDCL with Hon'ble C.M. Sri K. Chandrashekar Rao



CMD's LETTER TO STAKE HOLDERS





Chairman and Managing Director Letter to Stakeholders

Dear Stakeholders,

I am glad to present the 20th (Twentieth) Annual Report of Southern Power Distribution Company of Telangana Limited, Hyderabad for the Financial Year 2019 -20.

About TSSPDCL:

- ◆ Financial Year 2019-20 was our 6th continuous year of operation after the formation of state of Telangana. Being the largest DISCOM, we served 95.05 Lakh consumers including 12.16 agricultural consumers.
- ◆ We clocked a maximum demand of 7,284 MW and handled 45,247 MUs of energy purchased in F.Y. 2019-20 to cater to the demand of the consumers.
- ◆ TSSPDCL is one of the best performers in the country in several operational parameters such as having low Distribution losses and high collection efficiency. i.e., Distribution losses maintaining it below 10%.
- ◆ Per-capita consumption of TS for F.Y. 2019-20 is 2,071 units as against a national average of 1,208 units.

Providing Reliable and uninterrupted Power:

- ◆ We have come a long way from the days of giving 4-8 hours of load relief to domestic and other consumers and a day power holiday to industries, to providing 24 hour, un-interrupted, quality power supply to all consumers of the DISCOM including the agricultural consumers.
- ◆ The Discoms in Telangana have been successfully meeting the demand in the State without any load shedding since 20.11.2014, as we believe that availability of quality, un-interrupted power is a key pre-requisite for ensuring the desired economic growth in the State.
- ◆ TSSPDCL, supplied 45247.02 MUs of energy during the period April 19 - March 2020 as compared to 44997.11 MUs during the same period of last year. This implies an increase of around 0.6 % over last year. The Peak (Maximum) Demand met by TSSPDCL in 2019-20 was 7,284 MW as compared to 6,961 MW in the previous year with an increase of 4.83%.

Providing 24 Hrs Power supply to Agriculture sector:

- ◆ We have been supplying 24*7 power to agricultural consumers since 1st January 2018. We started this initiative with a modest initial task of providing 9 Hrs supply to consumers in 2 spells from April 2016.

The success of this motivated us to take on the mammoth task of 24*7 power to agricultural consumers. Due to our tireless efforts, we have successfully completed 2 years of this endeavor on 1st January 2020.

- ◆ TSSPDCL has pro-actively undertaken network strengthening activities to deliver on this task. We have taken various measures to strengthen the power distribution system.
- ◆ As a part of works undertaken for the Development of infrastructure, TSSPDCL have spent an amount of Rs. 9342.08 Crore in the last 6 years after Telangana formation.

Major infrastructure developments after Telangana formation till 31st March 2020 in TSSPDCL:

- ◆ There are 1,622 No.s of 33/11 kV substations as on 31st March 2020, out of which 438 No.s of substations were charged after Telangana formation.
- ◆ There are 13,458 km of 33 kV lines as on 31st March 2020, out of which 4,639 Km of 33KV (UG+OH) line were commissioned after Telangana formation.
- ◆ There are 91,997 Km of 11 kV (UG+OH) lines as on 31st March 2020, out of which 29,871 km lines length were charged after Telangana formation.
- ◆ There are 3,131 No.s of PTRs as on 31st March 2020, out of which 1,226 No.s PTRs were commissioned after Telangana formation.
- ◆ There are 4,35,453 No.s of DTRs as on 31st March 2020, out of which 1,73,519 No.s DTRs were erected and charged after Telangana formation.
- ◆ There are 12,15,727 No.s of agricultural services as on 31st March 2020, out of which 3,17,160 Agl. services were released after Telangana formation.

Ujwal Discom Assurance Yojana (UDAY):

- ◆ The State signed the UDAY MoU with Government of India on 4th January 2016. As per the UDAY scheme 75% of the outstanding debt i.e. Rs. 8,923 Crore of the DISCOMs was to be taken over by the State Government which would substantially reduce the interest burden on the DISCOMS & enable DISCOMS to provide affordable power & better services to the consumers.
- ◆ UDAY scheme provides several incentives to DISCOM in the form of cheaper power from NTPC, higher allocation of DDUGJY and IPDS schemes etc. on meeting certain performance targets. Some of the targets as per the UDAY MoU are:
 - ❖ Reduction of AT&C loss from 14.11% currently to 9.9% by 2018-19.
 - ❖ Eliminate the Gap between ACS & ARR by F.Y. 2018-19.
 - ❖ Achieve 100% DTR & feeder monitoring by 30th June 2017.
 - ❖ Undertake physical feeder segregation by March 2018.
 - ❖ Installation of smart meters for all consumers other than agricultural consumers consuming above 500 Units/month by 31st December 2018 and consumers consuming above 200 Units/month by 31st December 2019.

- ◆ It has completed its targets for Feeder Metering for Urban feeders connected to National Power Plant (NPP), Distribution Transform (DT) Metering, Domestic connections, LED street lighting, Feeder Improvement and UJALA and it is lagging behind the targets in the areas of Feeder Audit, Smart Metering and replacement of Agl. Pump sets because of various reasons including requirement of financial support.
- ◆ TSSPDCL has done well in terms of AT&C loss reduction. The AT&C loss of TSSPDCL is 11.24 %.

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) Scheme:

- ◆ REC vide letter dated 10.5.2016 has approved the DDUGJY Scheme for an amount of Rs. 336.66 Crore + 1.68 Crore (PMA cost) for 4 Rural districts of TSSPDCL i.e. Mahabubnagar, Nalgonda, Rangareddy and Medak and permission to execute the works on Partial turnkey/departmental basis, with scheme completion period up to dated 31-03-2019.
- ◆ All the works are completed within completion period with an expenditure of Rs. 429.21 Crore against the scheme cost of Rs. 336.65 Crore with total 48 substations charged, 5,971 Nos. DTRs erected and 3,90,054 Nos. BPL House hold services released.

Integrated Power Development Scheme (IPDS):

- ◆ Power Finance Corporation (PFC) vide letters dated 16.03.2016, dated 20-07-2017 & 28-03-2018 has communicated the approval of 6 No's Detailed Project Reports (DPRs) covering distribution network strengthening works in 35 No's Towns of TSSPDCL. The declaration of completion of IPDS scheme was addressed to the ED/IPDS on dated 30-03-2019 stating that 100% works were completed with an expenditure of Rs. 634.00 Crore against the scheme cost of Rs. 472.84 Crore to maintain uninterrupted supply in the towns.

SC / ST Sub Plan:

- ◆ Under SC Sub plan, till August 2018 there were 78,517 consumers who are consuming electricity up to 50 units per month. Later the benefit has been extended to 3,01,387 consumers as on 31st March 2020 who are consuming electricity up to 101 units per month with an amount of Rs. 148.87 Crore.
- ◆ Under ST Sub plan, till August 2018 there were 26,769 consumers who are consuming electricity up to 50 units per month. Later the benefit has been extended to 1,29,949 consumers as on 31st March 2020 who are consuming electricity up to 101 units per month with an amount of Rs. 48.39 Crore.

Operations Improvement:

- ◆ TSSPDCL is one of the best performing DISCOM in the country in terms of operational efficiency and has continued its improvement in Key Performance Indicator's.
- ◆ PTR failure rate has decreased from 1.60 % in F.Y. 2018-19 to 1.50 % in F.Y. 2019-20
- ◆ DTR failure rate has decreased to 7.74 % in F.Y. 2019-20
- ◆ TSSPDCL has reduced the energy losses from 10.34% in F.Y. 18-19 to 9.41 % in F.Y. 2019-20
- ◆ Total 28,367 No's of Agriculture Connections were released during 2019-20.
- ◆ Percentage of complaints resolved within the Standard Operating Procedure (SOP) timelines has increased from 83% in F.Y. 2014-15 to 93 % in F.Y. 2019-20.

- ◆ Percentage of new services released within the SOP stipulated timeline is 94% in F.Y. 2019-20 as against a level of 80% in F.Y. 2014-15.
- ◆ All these operational efficiencies have increased despite an increase of 1.57 % in sales over last year.
- ◆ Total sales are increased to 40987.06 MUs during F.Y. 2019-20 which is 1.57% higher than the last financial year (i.e. 40,342.5 MUs).
- ◆ Revenue Demand has increased from 15,324 Crore in F.Y. 2013-14 to 20747.37 Crore in F.Y. 2019-20.
- ◆ Metered sales are increased to 30168.66 MUs during F.Y. 2019-20 which is 8% higher than the last financial year (i.e. 27704.72 MUs).

Promotion of Solar Energy

- ◆ TSSPDCL has taken proactive measures in harnessing the solar potential in the state including the notification of forward looking solar policy in June, 2015. This has created a stable and a conducive environment for expedited addition of solar capacities in the state.
- ◆ Telangana has a total installed Renewable Energy (RE) Capacity of 3948.73 MW by the end of March, 2020, spanning across Solar, Wind, Mini - Hydel etc.
- ◆ We have been actively encouraging solar rooftop addition through a transparent and user-friendly application process enabled by online tracking and monitoring of applications. This has helped the DISCOM achieve 103.88 MW of solar rooftop capacity by end of March, 2020.
- ◆ I am happy to note that in a short span, TSSPDCL has been able to show substantial progress in adding solar capacities. This is amongst the highest in the country.

Smart Grid Pilot Project in TSSPDCL:

- ◆ TSSPDCL has formulated Smart Grid Pilot Project in Jeedimetla and Shapur Nagar sections in Jeedimetla industrial Area, Rangareddy North circle on pilot basis. Ministry of Power has sanctioned the scheme for Rs. 41.82 Crore with 50% grants and balance 50% from internal resources of utility, with project completion period of 18 months.
- ◆ The scheme covers 11,904 consumers including all categories.
- ◆ The functionalities of Smart Grid Pilot are Advanced Metering Infrastructure (AMI) for residential consumers, AMI for industrial consumers, Peak load management, Outage management and Power quantity.
- ◆ The Smart Grid Pilot Project was completed within the time frame and declared “Go Live” on 30th March, 2019 and the same was addressed to the Director, National Small Grid Mission (NSGM)- National Projects Management Unit (NPMU) with deployment of Single Phase Smart Meters, DMS equipment (ARs, Sectionalizers, RMUs & FPIs), Transformer Monitoring Units (TMUs), Consumer Display Units (CDUs) along with hardware and software.

Key Initiatives in Operations:

IRDA Port Meters:

- ◆ Telangana State DISCOMs have also installed IRDA Meters, the DISCOMs have realized substantial benefits upon installing IRDA port meters due improvement in the billing efficiency. This has greatly reduced cases of reading suppression.
- ◆ TSSPDCL has installed IRDA Meters for 64,63,784 consumers as on 31st March, 2020 which is 85.08% of the total metered consumers.

Pre-paid Meters

- ◆ Telangana Discoms has Prepayment mechanism using special type of energy meter which can be installed with a prepayment or pay as you go tariff. As on 31st March, 2020, 13,759 No's of Pre-paid meters were installed across Government offices in which 3,210 services were declared as Go-live from 01.07.2019 and are running successfully.

SCADA/DMS Project:

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

Rural Feeder Monitoring Scheme:

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

New Technologies in TSSPDCL:

◆ Online New connection Application tracking

TS Discoms offer the facility of tracking the application status for a new service connection, complaint resolution status and status of applications put in for net metering as well as online registration of new service connection for Low Tension (LT) & High Tension (HT).

◆ E-Payment:

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

At present, about 77% of Revenue collection is obtained through online mode from the consumers in entire jurisdiction of TSSPDCL

◆ New facility of bill payment option to the consumer at any ERO Counter in TSSPDCL

TSSPDCL has provided a new facility of bill payment option to the consumers at any Electricity Revenue Office (ERO) Counter against their Unique Service Connection Number (USC Nos.) for improved convenience to the consumers. Now, the consumers have the facility to pay the Electricity Bills at any nearby ERO Counters, without delay.

◆ Ease of doing business (TS-iPASS)

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

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

◆ **SASA Mobile App**

TSSPDCL has also deployed the use of Section Automation System Application (SASA) mobile app. This used by the employees for discharge of activities like new service connection, revenue collection, complaint resolution etc. this app is integrated with the IT portals of TSSPDCL.

◆ **URJA Mitra App**

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

◆ **Ease in HT Consumer billing**

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

◆ **Implementation of E-office:**

E-office procedure was successfully implemented in TSSPDCL and all the files are being routed through E-office only at Corporate Office level. This has increased better accountably with the ultimate aim towards better governance and timely compliance to all consumer processes.

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

Awards/Recognition for TSSPDCL Initiatives during F.Y. 2019-20:

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

◆ **SMART CITY- Empowering India Award-2019:**

Southern Power Distribution Company of Telangana Limited (TSSPDCL) is the winner under the category of best Smart Grid Project by the Utility and the award will be received from Sri Hardeep Singh Puri, Hon'ble MOs (I/C), Ministry of Housing & Urban Affairs, GoI in the month of February, 2020 at New Delhi.

◆ **IPPAI Awards-2019:**

Southern Power Distribution Company of Telangana Limited (TSSPDCL) is the winner under best distribution company to promote consumer awareness. In addition, TSSPDCL has received recognition

certificate under the category of best innovations in “Distributed Solar Generation” and “IR/IRDA Metering” and the award was received Sri. K. Ramulu, Director/Commercial on behalf of TSSPDCL on 07.12.2019 at 20th Regulators & Policy makers retreat 2019.

◆ **TS-iPASS Award-2019:**

The Govt. of Telangana has introduced the TS-iPASS act 2014 to provide speedy processing of applications for issue of various clearances required for setting up of industries at a single point. In the process of implementation of TS-iPASS, the Govt. of Telangana has given the **AWARD OF EXCELLENCE to TSSPDCL** for contributing to the success of TS-iPASS. The award was received by Sri. G. Raghuma Reddy, Chairman and Managing Director on behalf of TSSPDCL on 04.12.2019 from the Hon’ble Minister of Industries and Commerce.

◆ **“ICC- 7th Innovation with Impact Award-2019”**

Southern Power Distribution Company of Telangana Limited (TSSPDCL) is the overall winner of the 7th edition of prestigious ICC Innovation with Impact Award. In addition, TSSPDCL has also bagged the Efficient Distribution Operation Award, Technology Adoption Award & Performance Improvement Award and the award was received by Sri. G. Raghuma Reddy, Chairman and Managing Director on behalf of TSSPDCL on 07.11.2019 at the 13th India Energy Summit.

1st place under the category of Overall winner: Innovation with Impact Award is to acknowledge and reward the Power Distribution Companies that have taken new and positive steps to increase the system efficiency. TSSPDCL has taken a string of initiatives like distributed generation, adopting IT initiatives in all its operational aspects, strengthening distribution infrastructure all of which have resulted in it being the first DISCOM to provide 24x7 quality power supply to all categories of consumers including Agriculture.

1st place under the category of Efficient Operations is for measures taken to improve operational efficiency. In TSSPDCL, implementation of IR/IRDA metering has reduced the billing cycle which has resulted in seamless billing experience and has led to high billing efficiency. Sufficient Infrastructure development has enabled the DISCOM provide quality 24x7 supply in all of its licensee area without any interruptions.

3rd Under the category of performance Improvement is to recognize the leaps made by TSSPDCL in bringing down the distribution losses, in providing Customer friendly services right from availing connections to redressal of complaints, providing of smooth billing and payment systems and providing interruption free quality power supply.

3rd Under the category of Technology Adoption is for adoption of new technology for efficient supply. TSSPDCL has Implemented SCADA and DMS in GHMC area and towns. Deployment of apps like SASA and others have empowered the field officers with exhaustive information of supply in their Jurisdiction which has enabled them to pin point the location and provide service in no time.

◆ **Confederation of Indian Industry(CII) - 20th National Award” under the category of “Excellent in Energy Efficient” :**

TSSPDCL was presented with the prestigious award of “Confederation of Indian Industry(CII) - 20th National Award” under the category of “Excellent in Energy Efficient” towards outstanding performance in adopting the Energy Efficiency/ DSM initiatives like Time of Day Tariff (TOD) tariff structure, 24x7 Agriculture power supply, Distribution of LED bulbs, Distributed Solar, TSSPDCL Prepaid Metering project, Smart meters installation and for other innovative technologies. The award ceremony was held at HICC, Hyderabad on 18th September, 2019 and the award was received by Sri. G. Raghuma Reddy, Chairman and Managing Director/TSSPDCL during “CII- Energy Efficient Summit 2019.

◆ **Telangana 1st in consumer experience and 2nd in overall State Rooftop Solar Attractiveness Index (SARAL):**

Telangana has bagged 1st place in consumer experience and overall 2nd most conducive states for Solar Rooftop Project (SRP) implementation. The State Rooftop Solar Attractiveness Index (SARAL) was launched on August 21, 2019 at the Review Planning and Monitoring (RPM) Meeting in New Delhi, by Shri R.K. Singh, Union Minister of State for Power and New & Renewable Energy. The SARAL index evaluates Indian states based on their attractiveness for rooftop solar project development. Karnataka leads the index with a score of 78.8 followed closely by Telangana at 72.2 and Gujarat at 67.9 respectively, all three receiving A++ grade.

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

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

Thank You,

Sd/-

Raghuma Reddy Gauravaram

Chairman and Managing Director/TSSPDCL



Sri G. Raghuma Reddy, Chairman & Managing Director, TSSPDCL



DIRECTOR'S REPORT



DIRECTOR'S REPORT

To
The Members
Southern Power Distribution Company of Telangana Limited.

The Directors are pleased to present the Twentieth Annual Report on the business and operations of your company together with the Audited Statements of Accounts for the year ended on 31st March, 2020.

1. FINANCIAL RESULTS:

The financial results of the Company for the year ended 31st March, 2020 the Company could earn an aggregate income of Rs. 24,647.65 Crore. The financial performance of the Company is as follows:

S.No	Particulars	2019-20 (in Crore)	2018-19 (in Crore)
1.	Revenue from Operations	24600.87	23899.76
2.	Other Income	46.78	231.32
	Total Income	24647.65	24131.08
3.	Power Purchase Cost	24907.26	24837.33
4.	Employee Benefit expense	2314.44	2134.86
5.	Operation and Other Expenses	261.68	269.16
6.	Interest and Finance Charges	1489.51	1296.09
7.	Depreciation	986.56	855.80
8.	Exceptional items	148.66	16.94
9.	FSA Written off	-	-
10.	Fixed Assets RESCOs- Write Off	-	-
11.	FSA and Other Provisions	-	-
12.	Provision for Govt. Receivables	-	-
	Total Expenses	30108.11	29393.25
13.	Profit/(Loss) Before Tax	(5460.46)	(5279.10)
14.	Provision for Income Tax	-	-
15.	Deferred Tax Income Provision	520.21	311.83
	Net Profit/(Loss)	(4940.25)	(4967.27)

2. UDAY SCHEME

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

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

MOU was entered between Ministry of Power, Central Government, Government of Telangana State and TS DISCOMs on 4th January, 2017. According to the MOU the total debts taken over under UDAY Scheme was Rs. 8,923 Crore (being 75% of total outstanding loans as on 30th September, 2015 of TSSPDCL and TSNPDCL put together).

The Government of Telangana taken over the Loans for an amount of Rs. 5,550.21 Crore of TSSPDCL under UDAY Scheme and out of which an amount of Rs. 4876.83 Crore were released.

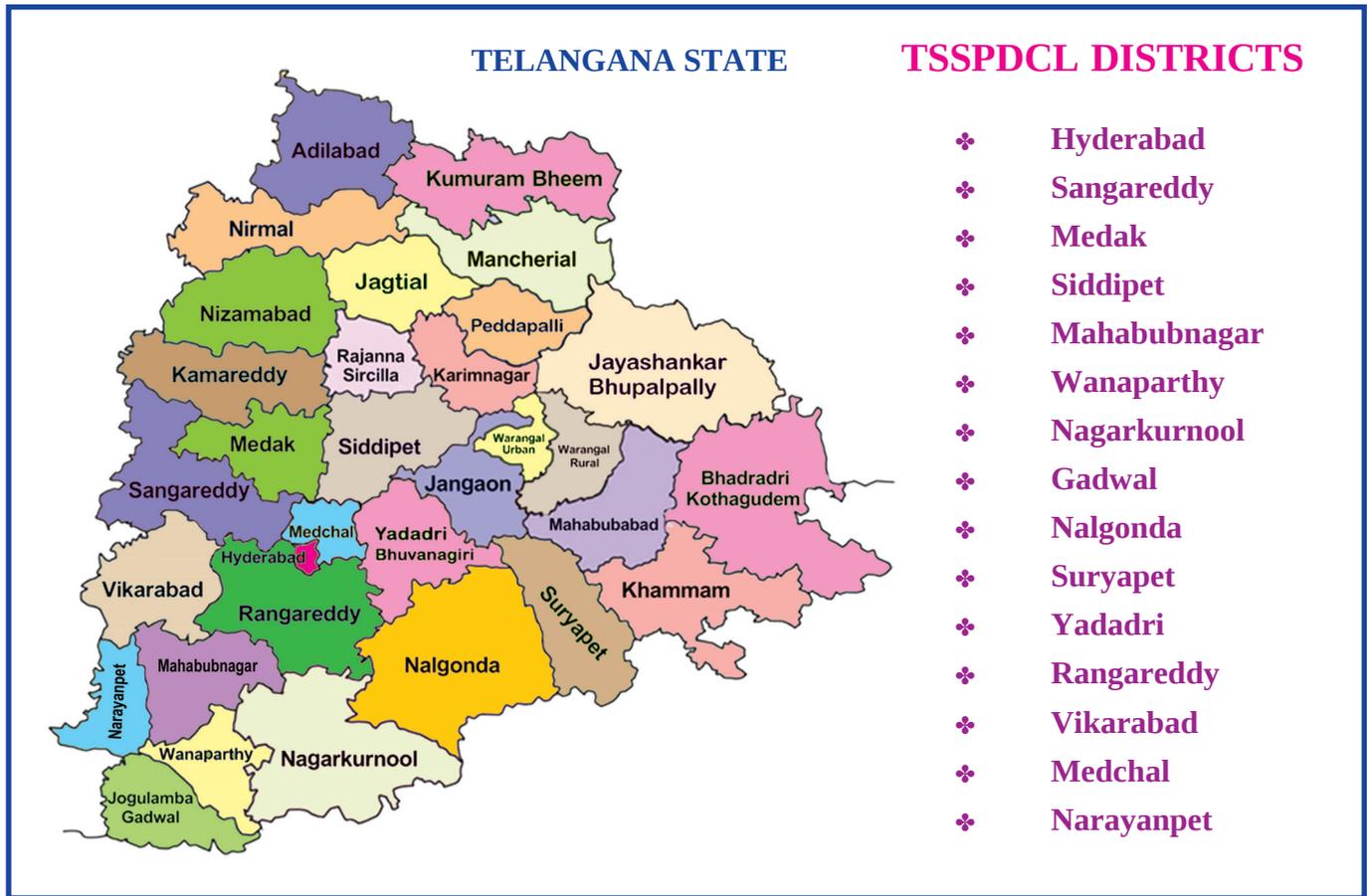
3. STATE OF COMPANY'S AFFAIRS – Section 134(3)(i) OF COMPANIES ACT, 2013

Introduction

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

With a vision to fulfill the expectation of the Telangana Government Southern Power Distribution Company of Telangana Limited, which came into being on 2nd June, 2014, with an objective of providing Electricity to the people at an affordable prices. TSSPDCL having its headquarters at Hyderabad and encompasses an area of 15 districts viz., Hyderabad, Mahabubnagar, Nalgonda, Yadadri Bhuvanagiri, Suryapet, Siddipet, Medchal, Wanaparthy, Nagarkurnool, Jogulamba Gadwal, Narayanpet, Sangareddy, Medak, Vikarabad and Rangareddy Catering to the power requirements of 9.2 million consumers.

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



OPERATIONAL PERFORMANCE

Significant achievements during F.Y. 2019-20 are given below

- ◆ The Company achieved metered sales of 30162.87 MUs in F.Y. 2019-20 as against 27704.72 MUs recorded in F.Y. 2018-19. The metered sales percentage to energy input was at 66.66% in F.Y. 2019-20 as compared to 61.57% in F.Y. 2018-19.
- ◆ Energy input was at 45247.02 MUs in Current Financial Year (CFY) as against 44997.10 MUs in the Previsous Financial Year (PFY).
- ◆ The peak period demand met in C.F.Y.is 7284 MW as against the P.F.Y. 6961 MW.
- ◆ The Company has supplied 10818.40 MUs Energy to the Agriculture Sector as against 12637.78 MUs in the previous year. The energy supplied to agricultural sector constitutes 23.91% of total energy input in F.Y. 2019-20. Assessment of agricultural energy is being done by ISI methodology approved by Electricity Regulatory Commission from F.Y. 2013-14.
- ◆ The maximum consumption on a day was 152.38 MUs as against 154.48 MUs in the previous year

REDUCTION OF ENERGY LOSSES:

During F.Y. 2019-20, a number of measures were adopted that contributed to the on-going efforts to reduce energy losses. The initiatives include:

- ◆ Energy Audit of 80 Towns and 166 Mandal Head Quarters has been done.
- ◆ Impact of above measures is apparent. The energy losses in F.Y. 2019-20 are significantly lower than the previous year. The Energy Losses to Energy Input percentage decreases to 9.43% in F.Y. 2019-20 as against 10.34% in F.Y. 2018-19.
- ◆ Arrested the theft of power by regular DPE wings by conducting inspections and special intensive inspections with the Detection of Pilferage of Energy (DPE) & Operation Wings of all circles. During the F.Y. 2019-20, In both HT & LT connections Total 1,55,439 No. of cases were booked for theft, Unauthorized usage, Back billing/Short billing and non payment of Development Charges.

PROJECTS DATA

During F.Y. 2019-20 the following works have been completed to strengthen the distribution system and the infrastructure of the Company is as follows:

S.No.	Particulars	Total as on 31.03.2019	Achievement in F.Y. 2019-20	Total as on 31.03.2020
1.	No. of 33 / 11 kV Substations	1593	51	1644
2.	Lines (in KM)			
	33KV	13164.02	293.27	13457.29
	11KV	88369.49	3787.66	92157.15
	Low Tension	187719.58	5597.80	193317.38
3.	High Voltage Distribution System (HVDS) for (DTRs)	32636.00	33	32669.00
	High Voltage Distribution System (HVDS) for Agriculture Pump Sets	95219.00	0	95219.00

ON GOING PROJECTS & SCHEMES STATUS AS ON 30.08.2020

I. R-APDRP - SCADA/DMS Project - Brief Overview:

- ◆ As per R-APDRP guide lines, implementation of SCADA/DMS project in the towns which have population of 4 lakh and above (as per census 2001) and the energy consumption of 350 MUs and above as on date. Hyderabad city was eligible for the project as per the above criteria.
- ◆ Scheme sanctioned cost by M/s.PFC Rs. 65.15 Crore.
- ◆ No of towns sanctioned: 1No. (HUA)
- ◆ Date of sanction: 30.06.2011. Scheduled date of completion: 30.03.2019.
- ◆ The salient features of the scheme are: 1) SCADA control for all 228 Nos. of 33/11KV Sub-Stations. 2) Distribution Management System (DMS) for operation of 156 Nos. 11KV feeders in core city of Hyderabad. 3) Communication System.
- ◆ FAT for 228 Nos RTUs was completed. M/s. Chemtrols has supplied 228 Nos. RTUs and installed 228 Nos.

- ◆ Erection and commissioning of Control centre was completed in March, 2016.
- ◆ The completion of project works is intimated to M/s. PFC dated: 25.03.2019.
- ◆ The third party verification of the project was done by M/s. PGCIL in July, 2019.

II. Integrated Power Development Scheme (IPDS)

- ◆ Power Finance Corporation (PFC) has sanctioned 6 Nos. Detailed Project Reports (DPRs) covering Distribution network strengthening works in 35 Nos. Towns of TSSPDCL for an amount of Rs. 472.84 Crore vide Letters dated: 16.03.2016, dated: 20.07.2017 & dated: 28.03.2018 and to execute the works on Partial turnkey/departmental basis, with scheme completion period up to dated: 31.03.2019.
- ◆ The declaration of completion of IPDS works was communicated to the Executive Director/IPDS/PFC on dated: 30.03.2019 stating that 100% works were completed.

Works completed as on 31.03.2019 are as detailed below:

- ◆ Out of 33 Nos. SS, 33 Nos. SS Charged, 106.0KM of 33 KV Line, 218.96 Km of UG Cable, 6758 Nos. DTRs, 656 KM of new 11KV line, 497 KM of Augmentation of 11 KV line, 1650 KM new LT line, 1681.40KM of Bifurcation/ augmentation of LT line, 422.7KM of AB Cable and 159 Nos. RMUs are erected.
- ◆ So far, grants released from MoP are Rs. 240.28 Crore against 60% GoI grant of Rs.283.70 Crore and IPDS scheme is closed for Rs. 582.43 Crore (without overheads) and the same was approved by State Level Distribution Reforms Committee (SLDRC) against the scheme cost of Rs. 472.84 Crore.

III. Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

- ◆ REC vide letter dated: 10.05.2016 has approved the DDUGJY Scheme for an amount of Rs. 336.66 Crore + 1.68 Crore (PMA cost) for 4 Rural Districts of TSSPDCL i.e., Mahabubnagar, Nalgonda, Rangareddy and Medak and permission to execute the works on Partial turnkey/departmental basis, with scheme completion period up to dated: 30.09.2019.
- ◆ The works progress of DDUGJY Scheme is as detailed below:
- ◆ Out of 48 Nos. SS, 48 Nos. SS Charged 1084KM 6.3/11KV line, 204KM 33KV line, 6203 Nos. DTRs are erected. 3,90,453 Nos. BPL HHs services released against target of 2,85,240 Nos. BPL services. Infra works under the scheme are completed.
- ◆ So far, grants released from MoP are Rs. 154.85 Crore against 60% GoI grant of Rs. 201.99 Crore and DDUGJY scheme is closed for Rs. 444 Crore (without overheads) and the same was approved by State Level Standing Committee (SLSC) against the scheme cost of Rs. 336.65 Crore.

IV. JICA Aided Projects in TSSPDCL

- ◆ Rural High Voltage Distribution System Project is implemented in TSSPDCL with financial assistance from Japan International Co-operation Agency (JICA) and scheme is completed in September, 2018 with project cost of Rs. 449.57 Crore. Under this scheme the following works are executed:
- ◆ 221 Nos. 11kv Agl. feeders are taken up for Low Voltage Distribution System (LVDS) to HVDS under which 95219 Nos. pump sets are connected to 32669 Nos. 3 phase, 25KVA Transformers (allied infra works) are deployed.
- ◆ JICA portion is 384.73 Crore and JICA made payment.

V. Smart Grid Pilot Project in TSSPDCL

- ◆ TSSPDCL has formulated Smart Grid Pilot Project in Jeedimetla and Shapur Nagar sections in Jeedimetla industrial Area, Rangareddy North circle. Ministry of Power (MoP) has sanctioned the scheme for Rs. 41.82 Crore with 50% grants and balance 50% from internal resources of utility, with project completion period of 18 months.
- ◆ An agreement was concluded with M/s. ECIL vide Agreement No. 01/2015-16, dated: 17.03.2016. The project completion period as per agreement is 18 months i.e. dated: 16.09.2017 from the date of issue of Notice to proceed dated: 17.03.2016. As per the 13th MCM of IPDS and SGPP held in October, 2018, the completion period of Smart Grid Pilot Projects is extended up to 31st December, 2018.
- ◆ M/s. ECIL have supplied and commissioned all Hardware & Software in respect of DMS components and Single Phase Smart Meters.
- ◆ A letter was addressed to the Director, NSGM – NPMU regarding declaration of the Smart Grid Pilot Project as Go Live on 30th March, 2019 with deployment of single Phase Smart Meters, DMS equipment (ARs, Sectionalizers, RMUs & FPIs), Transformer Monitoring Units (TMUs), Consumer Display Units (CDUs) along with hardware and software.

VI. 24 Hours Power Supply to Agriculture

- ◆ M/s REC has sanctioned 5 Nos. P:SI schemes on 01.07.2015 for Strengthening of Distribution network for providing 24 Hrs supply to Agricultural Connections during day time in single spell in Mahabubnagar, Nalgonda, Medak, Rangareddy (South) & Rangareddy (East) Circles for an amount of Rs. 380.00 Crore and the Scheme works are completed on 01.04.2016.
- ◆ The Government of Telangana has given free 9 Hrs daytime supply to Agricultural sector from 01.01.2016.
- ◆ From 01.01.2018, Government of Telangana TSSPDCL is implementing 24*7 reliable supplies to all categories consumers including Agriculture consumers.
- ◆ Government of Telangana TSSPDCL is giving 24*7 Free Agriculture supply to the Agl. consumers since 01.01.2018.

VII. RT-DAS (Real Time Data Acquisition System)

- ◆ M/s. PFC sanctioned Real Time Data Acquisition System (RT-DAS) scheme on 13.12.2018 to measure SAIFI, SAIDI and AT&C loss for 11KV feeders in 34 Nos. Non SCADA Urban towns comprising of 259 Nos. 11KV feeders and shall be completed within 30 months from the date of sanction i.e. by 12.06.2021.
- ◆ Sanctioned scheme cost is Rs. 3.2 Crore with 60% grant, 30% counterpart loan and 10% Discom share.
- ◆ Work awarded to M/s. SCOPE T&M Pvt Ltd, Mumbai on 18.02.2020 for Rs 2.95 Crore.
- ◆ M/s. Scope T&M(P) Ltd. has completed Substation survey and the Agreement concluded with M/s. Scope T&M (P) Ltd. vide Agt. No.01/2020-21, dated: 08.09.2020

VIII. Mission Bhagiratha:

- ◆ The Water Grid Programme aimed at supplying drinking water to all households in the State has been named Telangana Drinking Water Project. For executing the project, the State Government has decided to set up Telangana Drinking Water Supply Corporation Limited.

- ◆ The Rural Water Supply (RWS) officials and DISCOM officials were conducted joint inspection and identified 16 Nos. 33 KV locations (33 KV level) and 60 Nos. 11 KV locations (11 KV Level).
- ◆ All the estimates have been prepared and sanctioned for Water Grid locations in various Circles of TSSPDCL.
- ◆ The Brief Abstract of work involved pertains to TSSPDCL is as follows:

★ **33/11 KV New Substations:-**

Total No. of Substations proposed	Completed	Balance to be completed
14	14	0

★ **33 KV Line Works:-**

Total Length of line proposed (in Km)	Completed	Balance to be completed
249.94	249.94	0

★ **11 KV Line Works:-**

Total Length of line proposed (in Km)	Completed	Balance to be completed
254.94	254.94	0

★ **Distribution Transformers:-**

Total No. of DTRs proposed	Completed	Balance to be completed
126	126	0

- ◆ The Chief Secretary has instructed the RWS & S Officials that Rs. 100 Crore may be deposited to Distribution Companies based on the prorata basis.
- ◆ An amount of Rs. 96.09 Crore (33.00 + 13.09 + 50.00) have been received in TSSPDCL B&R Account towards Telangana State Water Grid Works in 1st, 2nd & 3rd Phases.
- ◆ The Circle wise abstract of utilization particulars of Mission Bhagiratha works is as given below and the same was communicated to the Engineer-in-Chief, RWS & S Department, SRTGN Bhavan, Vth Floor, Errum-Manzil Colony, Hyderabad.

S. No.	Name of the Circle	No. of Works	Amount (Rs. in Lakhs)
1.	Mahabubnagar	39	189.42
2.	Wanaparthy	16	1482.65
3.	Gadwal	2	798.50
4.	Nagarkurnool	11	1063.11
5.	Nalgonda	41	3049.56

6.	Suryapet	11	811.25
7.	Yadadri	11	173.08
8.	Medak	11	270.55
9.	Siddipet	10	357.85
10.	Sangareddy	18	1787.93
11.	Cybercity	1	127.01
12.	Rajendranagar	10	1921.35
13.	Vikarabad	15	832.06
14.	Medchal	2	201.99
	Total	198	14770.30
II	The total expenditure incurred for maintenance and manning of sub stations by TSSPDCL pertaining to Mission Bhagiratha upto 30.11.2018		Say 147.70 Crore Rs. 4.10 Crore
	Total expenditure		Rs. 151.80

Note: Balance amount yet to be received

4. TELANGANA SOLAR POWER POLICY 2015:

In the last decade, due to increasing thrust of Governments across the world towards fuel conservation and clean energy, solar power capacity has increased by over 45 times and stands at about 184 GW in 2014. In India, capacity additions in solar power have been even more remarkable. The total solar capacity in Telangana has grown to nearly 3626.11 MW as on 21.08.2019.

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

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

- ◆ Single window clearance
- ◆ Deemed conversion to Non-agricultural land status
- ◆ Exemption from Land ceiling Act
- ◆ Transmission and Distribution charges for wheeling of power
- ◆ Power scheduling and Energy Banking
- ◆ Electricity Duty (ED)
- ◆ Cross subsidy Surcharge (CSS)
- ◆ Grid Connectivity and Evacuation facility
- ◆ Payment of Development Charges and Layout fee
- ◆ Refund of VAT
- ◆ Refund of Stamp Duty
- ◆ Pollution Control Board (PCB) clearances

- ◆ Provisions under the Factories Act
- ◆ Solar Rooftop Projects

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

ABSTRACT OF INSTALLED CAPACITIES

S.No.	Type of Power/Generatin Station		Total Installed Capacity in MW	Telangana Share in MW	TSSPDCL allocation in MW
1#	TSGENCO	Thermal	3232.50	3232.50	2280.53
		Hydel	2572.20	2389.91	1686.08
2	Central Sector		16075.00	2613.33	1862.60
3*	Joint Sector/IPPs		0	0	0
4**	Non Conventional (Sale to Discoms)		3696.47	3696.47	2573.64
5	Others		3820.00	3589.45	2144.33
	Total		29396.17	15521.65	10547.18

#Thermal Power plants KTPS ABC Stations are retired.

*Power Share from APGPCL (Joint Sector) is not being availed from February, 2020.

** Synchronized to grid values.

Solar and Wind Power Projects Synchronized to the grid

Solar Power Projects	Sale to DISCOM in MW		Third Party & Captive in MW	Solar Net Meter in MW	Total (MW)
	Solar	Wind			
	3420.07	100.80	272.29	130.07	3923.23

Long Term Power Procurement through competitive Bidding

S.No.	Name of the Successful Bidder	Quantum in MW	TS Share in MW	TSSPDCL Share in MW	Levelised Tariff Rs./kWh	Status
1	M/s. Sembcorp Energy India Ltd.	500	269.45	190.1	3.675	PPA – 01.04.2014 Supply Commencement 20.04.2015
2		570	570	402.14	4.15	PPA – 18.02.2016 Supply Commencement 30.03.2016

Short Term Purchase Orders placed during the year 2019-20

S.No.	Tender No	Source	Period	Duration (Hrs)	Quantum (MW)	Price
1.	09/18-19	APLMundra TPP	01.07.2019 to 31.03.2020	RTC	100	4.99
2.	09/18-19	SCL Plant (CTU Connected)	01.07.2019 to 31.03.2020	RTC	280	4.99
3.	09/18-19	JSW Plant, Karnataka	01.07.2019 to 31.03.2020	RTC	300	4.99
4.	09/18-19	My Home Industries Pvt Ltd.	01.07.2019 to 31.03.2020	RTC	40	4.99
5.	09/18-19	NBEIL	01.07.2019 to 31.03.2020	RTC	135	4.99
6.	09/18-19	NBVL(P)	01.07.2019 to 31.03.2020	RTC	40	4.99
7.	09/18-19	Madhucon Sugar & Power Industries Ltd	01.07.2019 to 31.03.2020	RTC	20	4.99
8.	09/18-19	Coastal Energen Pvt Ltd.	01.07.2019 to 31.03.2020	RTC	85	4.99
9.	09/18-19	M/s. Penna Cement Inds. Ltd.	01.08.2019 to 30.11.2019	RTC	20	4.99
10.	09/18-19	Coastal Energen Pvt Ltd	01.08.2019 to 30.11.2019	RTC	165	4.99
11.	09/18-19	M/s. Sarda Metals & Alloys Ltd.	01.08.2019 to 30.11.2019	RTC	24	4.97
12.	09/18-19	M/s. DB Power Ltd.	01.08.2019 to 30.11.2019	RTC	100	4.97
13.	09/18-19	Essar power Madhya Pradesh Ltd. (EPMPL)	01.08.2019 to 30.11.2019	RTC	150	4.99

5. DIVIDEND

As there are no Profits from operations, the Directors do not recommend any dividend in the F.Y. 2019-20.

6. DETAILS OF THE DEPOSITS AS PER THE CHAPTER V SECTION 73 OF THE COMPANIES ACT, 2013

The Company has not accepted any public deposits within the meaning of Section 73 of the Companies Act, 2013 and as such no amount on account of principal or interest on public deposits was outstanding as on 31st March, 2020.

7. EXTRACT OF THE ANNUAL RETURN AS PER 92(3), RULE 12 IN FORM MGT 9 - 134(3)(A)

Form MGT 9 is enclosed as Annexure – **A. Page No. 47**

8. NUMBER OF MEETINGS OF THE BOARD – 134(3)(B)

The Number of Board Meeting held during the Financial Year and as on 31.03.2020 are as mentioned below:

S. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1.	16.05.2019	11	11	100%
2.	11.09.2019	11	11	100%
3.	27.12.2019	11	10	90.9%
4.	27.03.2020	11	11	100%

9. DIRECTORS' RESPONSIBILITY STATEMENT AS PER 134(5) - 134(3)(C)

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The directors had prepared the annual accounts for the F.Y. 2019-20 on a going concern basis and
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. EXPLANATION / COMMENTS BY THE BOARD ON EVERY QUALIFICATIONS, RESERVATIONS, ADVERSE REMARKS OR DISCLAIMERS MADE BY THE STATUTORY AUDITORS & THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS – 134(3)(F)

Statutory Auditor Report along with Management Reply is enclosed at Annexure – **B. Page No. 70**

Secretarial Auditor Report along with Management Reply is enclosed at Annexure – **C. Page No. 78**

11. PARTICULARS OF THE LOANS, GUARANTEES, SECURITY OR INVESTMENTS AND THE PURPOSE FOR WHICH THE LOAN, GUARANTEE OR SECURITY IS PROPOSED TO BE UTILISED BY THE RECIPIENT AS PER 186 – 134(3)(G)

The complete details are available in the Balance sheet.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH THE RELATED PARTIES ALONG WITH THE JUSTIFICATION FOR ENTERING INTO SUCH TRANSACTIONS AS PER 188(1) – 134(3)(H) & RULE 8(2) - FORM AOC 2

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

13. AMOUNT PROPOSED TO BE CARRIED TO RESERVES – 134(3)(J)

Rs. (4,940.25) Crore was carried to Reserves for the F.Y. 2019-20

14. MATERIAL CHANGES & COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY, OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT – 134(3)(L)

1. Consequent on Formation of Telangana State w.e.f. 02.06.2014, the APCPDCL has been renamed with TSSPDCL duly excluding the Kurnool and Anantapur circles which have become part of Residuary State of Andhra Pradesh and merged the two circles with the Existing APSPDCL.
2. Since for bifurcation of Assets and Liabilities as on 01.06.2014 in respect of Kurnool and Anantapur circles between the TSSPDCL and APSPDCL, the Expert Committee is formed and as per the instructions of the Committee and guidelines of G.O.Ms. No. 24 issued by the Government and also as per the AP Reorganization Act, 2014, the statement of bifurcation of Assets and Liabilities have been prepared and approved by the TSSPDCL Board on 20.04.2015 and submitted to the Expert Committee for its approval on and the Expert Committee Approved it on 27.02.2018 and the same was communicated to Government of Telangana for further instructions and implementation.
3. During the Financial Year 2016-17, State Government of Telangana vide G.O.Ms. No. 225, 234 and 240 Dated 11.10.2016, has issued orders for reorganization of districts and formation of new districts in the State of Telangana. Accordingly 7 Mandals under the territorial jurisdiction of TSNPDCL have been merged with Siddipet district of TSSPDCL and Further, Gundala Mandal of Nalgonda which is under the territorial jurisdiction of TSSPDCL has been Demerged/Hived off and merged with Jangaon District under the territorial jurisdiction of TSNPDCL.
4. The Govt. of Telangana vide G.O.Ms. No. 20 dated: 23.02.2019 has re-transferred the Gundala Mandal from the TSNPDCL Jurisdiction to TSSPDCL and the said Mandal was earlier transferred from the TSSPDCL to TSNPDCL. And with regard to the transfer of assets and liabilities, the TSSPDCL has taken over the Network of Gundala Mandal w.e.f. 02.04.2019 which is within the F.Y. 2019-20 and accordingly, the assets and liabilities of Gundala are incorporated in the current Financial Year 2019-20.
5. AP GENCO has filed the petition before the Honorable National Company Law Tribunal (NCLT) for initiating Corporate insolvency process against the company for non-payment of dues. The petition is still pending with the Hon'ble National Company Law Tribunal (NCLT) for Disposal.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO – 134(3)(M) & RULE 8(3)

Statement is enclosed at Annexure–D. Page No. 79

16. DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY, INCLUDING THE IDENTIFICATION THEREIN OF THE ELEMENTS OF RISK, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY – 134(3)(N)

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

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

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

Financial risk: Company is having a loss of Rs. 4,940.25 Crore and Total Indebtedness of the company Rs. 14,167 Crore including the balances of Anantapur and Kurnool. Ujwal Discom Assurance Yojana (UDAY), a Scheme for the Financial Turnaround of the Power Distribution Companies (DISCOMs), whose details are mentioned above in item No.2 of the Directors Report in detail.

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

17. DETAILS OF THE POLICY DEVELOPED AND IMPLEMENTED ON THE CSR AND THE INITIATIVES TAKEN, COMPOSITION OF CSR COMMITTEE – 134(3)(O), RULE 9 & ANNEXURE TO THE CSR RULES

The Present Corporate Social Responsibility (CSR) Committee Consisting of the following members:

SL. No	Name	Designation
1	Sri Ajay Misra, IAS,	Special Chief Secretary to Govt., Energy Dept.
2	Sri C. Srinivasa Rao, IRAS	JMD/TSTRANSCO
3	Sri G.S.Ram Mohan Rao	Additional Secretary to Govt., Finance Dept.
4	Sri P. Narasimha Rao, IRS	Director/Finance/TSSPDCL

The reconstitution of Corporate Social Responsibility (CSR) committee was approved by the board in its 154th Board Meeting held on 13.11.2018.

The Company shall take the necessary Corporate Social Responsibility (CSR) Activities as and when required according to the company policy and CSR Committee shall monitor the same.

18. IF THE COMPANY FAILS TO SPEND THE REQUIRED AMOUNT ON CSR, THE REASONS THEREOF – 135(5)

Reasons for failure to spend the required amount on CSR

Since the company is not having any profits and having a loss Rs. 4,940.25 Crore the company couldn't spend any amount on CSR. Hence this clause is not applicable.

However, the Company shall take the necessary Corporate Social Responsibility (CSR) Activities as and when required according to the company policy and CSR Committee shall monitor the same.

19. DETAILS OF THE DIRECTORS/ KMP – APPOINTED AND RESIGNED – RULE 8(5)(III)

Name of the Director	Nominee Director	Date of appointment	Date of cessation, if applicable
Sri G. Raghuma Reddy	Chairman and Managing Director	26.11.2014	NA
Sri P. Narasimha Rao, IRS	Director/Finance	06.09.2018	NA
Sri T. Srinivas	Director/Projects & IT	31.07.2013	NA
Sri J. Srinivas Reddy	Director/Operations	26.11.2014	NA
Sri G. Parvatham	Director/HR & IR	01.09.2018	NA
Sri K. Ramulu	Director/(Commercial), DPE, Assessment and Energy Audit)	01.09.2018	NA
Sri Ch. Madan Mohan Rao	Director/P&MM	01.09.2018	NA
Sri S. Swamy Reddy	Director/IPC & RAC	01.09.2018	NA
Sri Ajay Misra, IAS	Director /(Non- Whole Time)	20.12.2016	NA
Sri C. Srinivasa Rao, IRAS	Director /(Non- Whole Time)	04.03.2017	NA
Sri G.S.Ram Mohan Rao	Director /(Non- Whole Time)	02.07.2014	NA
Sri V. Anil Kumar	Company Secretary	21.07.2015	NA

20. THE FACT OF RESIGNATION OF ANY DIRECTOR – 168(1)

NIL.

21. APPOINTMENT, QUALIFICATIONS & REMUNERATION & EVOLUTION OF THE BOARD OF DIRECTORS SECTION 134(3)(E) & SECTION 134(3)(P)

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

22. DETAILS OF THE SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS AND LITIGATION SUMMARY

Statement showing the service wise details of court cases amount pending as on dated: 31-03-2020

(Rs. in Crore)

S.No.	Circle	LT		HT		TOTAL	
		No. of Services	Amount	No. of Services	Amount	No. of Services	Amount
1	BANJARA HILLS	0	0	81	36.36	98	36.36
2	CYBERCITY	0	0	77	15.21	77	15.21
3	GADWAL	0	0	4	0.01	4	0.01
4	HABSIGUDA	36	0.35	126	9.6	162	9.95

S.No.	Circle	LT		HT		TOTAL	
		No. of Services	Rs. in crore	No. of Services	Rs. in crore	No. of Services	Rs. in crore
5	HYDERABAD CENTRAL	29	0.17	65	14.17	94	14.34
6	HYDERABAD SOUTH	55	0.25	26	2.44	81	2.69
7	MAHABOBNAGAR	0	0	71	30.58	71	30.58
8	MEDAK	0	0	26	40	26	40
9	MEDCHAL	22	0.02	174	54.05	196	54.07
10	NAGARKURNOOL	0	0	8	2.92	8	2.92
11	NALGONDA	73	0.49	167	74.23	240	74.72
12	RAJENDRA NAGAR	378	5.4	223	123.97	601	129.37
13	SANGAREDDY	0	0	221	98.22	221	98.22
14	SAROORNAGAR	69	0.17	28	7.16	97	7.33
15	SECUNDERABAD	40	0.02	76	5.77	116	5.79
16	SIDDIPET	0	0	18	13.95	18	13.95
17	SURYAPET	16	0.02	110	53.77	126	53.79
18	VIKARABAD	0	0	10	73.63	10	73.63
19	WANAPARTHY	0	0	5	0.02	5	0.02
20	YADADRI	15	0.08	66	22.59	81	22.67
	Total	733	6.97	1582	678.65	2332	685.62

23. DISCLOSURE OF THE COMPOSITION OF AUDIT COMMITTEE AND WHERE THE BOARD HAS NOT ACCEPTED ANY RECOMMENDATION OF THE AUDIT COMMITTEE, THE REASONS FOR NOT ACCEPTING SUCH RECOMMENDATIONS – 177(8)

Present Audit Committee composition is as follows:

SL. No	Name	Designation
1	Sri Ajay Misra, IAS,	Special Chief Secretary to Govt., Energy Dept.
2	Sri C. Srinivasa Rao, IRAS	JMD/TSTRANSCO
3	Sri G.S.Ram Mohan Rao	Additional Secretary to Govt., Finance Dept.
4	Sri P. Narasimha Rao, IRS	Director/Finance/TSSPDCL

The reconstitution of Audit committee was approved by the board in its 154th Board Meeting held on 13.11.2018.

The Board has considered and accepted all the recommendations of the Audit Committee and there are no recommendations which were not accepted during the F.Y. 2019-20.

24. PARTICULARS OF THE EMPLOYEES & EMPLOYEE WELFARE

- Manpower:** The manpower (officers and staff) stood at 19,125 for the F.Y. 2019-20 when compared to the 9,398 for the F.Y. 2018-19.

The category wise employee's filled is indicated below:

Sl. No	Name of the Category	F.Y. 2019-20	F.Y. 2018-19
1	Engineering service	2,280	2,365
2	Accounts and P&G service	1,729	1,868
3	O&M and construction service	5,007	5,088
4	Others (including deputations)	77	77
5	Artisan's	10,032	-
	Total	19,125	9,398

- Training to Employees:** During F.Y. 2019-20 training has been imparted to 3,788 employees on new technologies in Power sector, IT initiative, HR activities.
- Employees welfare:** Total 73 (Seventy Three) dependents of deceased employees have been provided employment in the company under compassionate grounds.

25. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM – 177(9) & (10)

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

Vigil Mechanism was constituted Vide: S.O.O. (CS) Ms.No.638, dated: 18.08.2015 with the following members to provide the adequate safeguards against the victimization of employees and directors

SL. No	Name	Designation
1	Sri Ajay Misra, IAS,	Special Chief Secretary to Govt., Energy Dept.
2	Sri C. Srinivasa Rao, IRAS	JMD/TSTRANSCO
3	Sri G.S.Ram Mohan Rao	Additional Secretary to Govt., Finance Dept.
4	Sri P Narasimha Rao, IRS.	Director/Finance/TSSPDCL

The reconstitution of Vigil Mechanism committee was approved by the board in its 154th Board Meeting held on 13.11.2018.

26. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

A Complaints Committee was constituted with the members indicated therein to prevent or deter the commission of acts of Sexual harassment on women employees in TSSPDCL for holding the office for a period of one year. Consequently, on completion of one year period, the committee was re-constituted vide reference SP.O.O.CGM (HRD) Rt. No. 40, dated 11.01.2018 with the members as indicated therein to hold office till 31.12.2018.

Complaints Committee was Constituted Vide: SP.O.O.CGM (HRD) Rt.No.365, dated: 17.04.2019.

The following officers were nominated for the Complaints Committee:

SI. No	Name	Designation
1.	Smt. K. Sudha Madhuri, Chief General Manager/Revenue/ TSSPDCL	Chairperson
2.	Smt. G. Satyamma, DE/O/Habsiguda	Member
3.	Sri P Srinath Reddy, DE/Tech to CMD	Member
4.	Sri K. Satish Kumar, DE/RAC&IPC	Member
5.	Smt. C. Rama Sree, DE/O&M-I/Corp. Office	Member
6.	Kum. P.A. Jyothirmayi, DE/IT Wing/Corp. Office	Member

27. INTERNAL AUDIT

The Board approved the following firms as Internal Auditors for the F.Y. 2019-20 at the Board Meeting held on 07.03.2019.

S.No	Circles/set of Circles	Chartered Accountant Firm	L1 Per Month	Vide SP.O.O Order No.	Tenure
1	Medak, Sangareddy and Siddipet	M/s. V. Ravi & Co., Chartered Accountants	49,000	SP. O.O. (CGM-HRD) Rt. No. 336, date 01.04.2019	2 years
2	Nalgonda, Suryapet and Yadadri	M/s. Y. Tirupathaiah & Co., Chartered Accountants	49,500	SP. O.O. (CGM-HRD) Rt. No. 337, date 01.04.2019	2 years
3	Mahabubnagar, Nagarkurnool, Wanaparthy & Gadwal	M/s. Nagabhirava & Associates. Chartered Accountants	49,000	SP. O.O. (CGM-HRD) Rt. No. 338, date 01.04.2019	2 years
4	Cybercity, Vikarabad and Rajendranagar	M/s. M. Bhaskara Rao & Co., Chartered Accountants	39,870	SP. O.O. (CGM-HRD) Rt. No. 339, date 01.04.2019	2 years
5	Habsiguda, Medchal and Saroornagar	M/s. Komandoor & Co., LLP, Chartered Accountants	35,000	SP. O.O. (CGM-HRD) Rt. No. 340, date 01.04.2019	2 years
6	Banjarahills, Secunderabad and Hyderabad South	M/s. Niranjan & Narayan, Chartered Accountants	29,000	SP. O.O. (CGM-HRD) Rt. No. 341, date 01.04.2019	2 years

7	Hyderabad Central, SCADA, Master Plan, Corporate Office, Metro Zone, RR Zone, Rural Zone & Medchal Zone.	M/s. B. Srinivasa Rao & Co., Chartered Accountants	29,598	SP. O.O. (CGM-HRD) Rt. No. 342, date 01.04.2019	2 years
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28. Legal Entity Identifier (LEI)

As per the Reserve Bank of India guidelines, TSSPDCL has obtained Legal Entity Identifier(LEI) application with number 19057 for issuance of new LEI Number has been processed and that the legal entity has been issued an LEI number: 335800B6M6WMCGW6UV29.

29. STATUTORY AUDITORS

Statutory Auditor

M/s. Ramanatham & Rao (HY0142), Chartered Accountants, were appointed by the Comptroller and Auditor General of India (CAG) as Statutory Auditors of the Company for the F.Y. 2019 -20.

Secretarial Auditor:

M/s. KCC & Associates, Company Secretaries was appointed as Secretarial Auditors of the Company for the F.Y. 2019-20.

Cost Auditor:

M/s. B.V.S. & Co, Cost Accountants was appointed as Cost Auditors of the Company for the F.Y. 2019-20.

30. ACKNOWLEDGEMENTS

We thank and acknowledge the invaluable support and co-operation of the Chairman & Managing Director, TSTRANSCO and Chairman & Managing Directors of TSGENCO, TSNPDCL, APTRANSCO, APGENCO & APDISCOMS.

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

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

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

Place : Hyderabad
Date : 03.11.2020

Sd/-
Sri P Narasimha Rao
Director Finance/CFO
DIN: 08242557

Sd/-
Sri G. Raghuma Reddy
Chairman and Managing Director
DIN: 02943771

Annexure A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2020

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No	Name And Address Of The Company	CIN/GLN	Holding Company/ Subsidiary /Associate
1	Southern Power Distribution Company of Telangana Limited. Corporate office, # 6-1-50, Mint Compound, Hyderabad -500063, Telangana State.	U40109TG2000SGC034116	Not Applicable (State Government of Telangana Undertaking)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) State Govt(s)	0	10,61,79,30,297	1,06,17,93,02,970	99.99%	0	12,01,79,30,297	1,20,17,93,02,970	99.99%	NIL
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	9	90	0.01%	0	9	90	0.01%	0
Total shareholding of Promoter (A)	0	10,61,79,30,306	1,06,17,93,03,060	99.99%	0	12,01,79,30,306	1,20,17,93,03,060	99.99%	NIL
B. Public Shareholding	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	10,61,79,30,306	1,06,17,93,03,060	100%	0	12,01,79,30,306	1,20,17,93,03,060	100%	NIL

B) Shareholding of Promoter

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	
1	Governor of Telangana	10,61,79,30,297	100 %	0	12,01,79,30,297	100 %	0	100
	Total	10,61,79,30,297	100 %	0	12,01,79,30,297	100 %	0	100

The allotment of Shares done on dated: 31.03.2020 during the Financial Year 2019-20 is 12,01,79,30,297 and was communicated to the Government of Telangana for the further orders are awaited.

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

S.No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	
1.	Sri Ajay Misra, IAS Spl. Chief Secretary to Energy Dept, Govt of Telangana	2	0	0	2	0	0	0
2.	Sri D. Prabhakara Rao, Chairman and Managing Director/TSTRANSCO	1	0	0	1	0	0	0
3.	Sri C. Srinivasa Rao, IRAS JMD/TSTRANSCO	1	0	0	1	0	0	0
4.	Sri G. Raghuma Reddy Chairman and Managing Director /TSSPDCL	2	0	0	2	0	0	0
5.	Sri J. Srinivasa Reddy, Director /Operations / TSSPDCL	1	0	0	1	0	0	0
6.	Sri T. Srinivas Director (Projects & IT) /TSSPDCL	1	0	0	1	0	0	0
7.	Sri P. Narasimha Rao Director/Finance/ TSSPDCL	1	0	0	1	0	0	0

8.	Sri G. Devender Reddy, Assistant Secretary to Govt., Energy Department, Government of Telangana, Representative on behalf of Governor of Telangana	10,61,79,30,297	0	0	12,01,79,30,297	0	0	0
Total		10,61,79,30,306	100%	0	12,01,79,30,306	100%	0	0

D) Shareholding Pattern of top ten Shareholders: 31.03.2020

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

S. No	Share Holders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors				
1.	Sri G. Devender Reddy, Assistant Secretary to Govt., Energy Department, Government of Telangana, Representative on behalf of Governor of Telangana)				
A	At the beginning of the year	10,61,79,30,297	99.99%	12,01,79,30,297	99.99%
B	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		0	0	0
C	At the end of the year	10,61,79,30,297	99.99%	12,01,79,30,297	99.99%

E) Shareholding of Directors and Key Managerial Personnel: 31.03.2020

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

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

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	91,26,81,98,500	28,90,28,02,775	-	1,20,17,10,01,275
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	91,26,81,98,500	28,90,28,02,775	-	1,20,17,10,01,275

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
* Addition	36,60,08,02,589	7,22,93,25,000	-	43,83,01,27,589
* Reduction	15,63,45,33,861	6,83,62,15,071	-	22,47,07,48,932
Net Change	20,96,62,68,728	39,31,09,929	-	21,35,93,78,657
Indebtedness at the end of the financial year				
i) Principal Amount	1,12,23,44,67,228	29,29,59,12,704	-	1,41,65,82,10,808
ii) Interest due but not paid	1,67,00,315	-	-	1,67,00,315
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	1,12,25,11,67,543	29,29,59,12,704	-	1,41,67,49,11,123

Note : Includes the balances of Anantapur and Kurnool and Adjustment entries during the year F.Y. 2019-20

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No	Particulars of Remuneration	G. Raghuma Reddy (CMD)	T. Srinivas (D/P)	J. Srinivas Reddy, D(O)	G. Parvatham (Dir/HR&IR)	K. Ramulu (Dir/Comm.)	Swamy Reddy Singireddy(Dir/IPC & RAC)	Ch. Madan Mohan Rao Dir/(P&MM)	P. Narasimha Rao, Dir/Fin
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	34,06,802	33,72,739	29,69,397	21,37,500	52,50,189	22,69,035	21,67,500	22,43,468
2.	Stock Option	NA	NA	NA	NA	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA	NA	NA	NA	NA
4.	Commission - as % of profit - others, specify...	NA	NA	NA	NA	NA	NA	NA	NA

5.	Others, please specify (Total deductions Professional Tax & Income Tax)	13,13,163	10,65,800	13,36,388	7,36,596	18,25,661	7,88,538	6,80,482	9,55,417
Total(A)		20,93,639	23,06,939	16,33,009	14,00,904	34,24,528	14,80,497	14,87,458	12,88,051
Ceiling as per the Act		The Ministry of Corporate Affairs (MCA) vide notification dated 5 th June, 2015, has exempted the Government Companies from ceiling on remuneration under Section 197 of the Companies Act, 2013.							

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

S.No.	Particulars of Remuneration	Name of the Director	Name of the Director	Name of the Director
		Sri Ajay Misra, IAS, Special Chief Secretary to Govt., Energy Dept., Director (Non-Whole Time)/ TSSPDCL of Telangana	Sri G.S.Ram Mohan Rao, Additional Secretary to Govt., Finance Dept, Director (Non-Whole Time)/ TSSPDCL	Sri C. Srinivasa Rao, IRAS, JMD/ TSTRANSCO/ (Non-whole time) /TSSPDCL
2. Non whole time Directors				
Fee for attending board and committee meetings	NA	NA	NA	NA
Commission				
Others, please specify				
Total Amount	35,000	35,000	35,000	35,000
Overall Ceiling as per the Act	The Ministry of Corporate Affairs (MCA) vide Notification dated 5 th June, 2015, has exempted the Government companies from ceiling on remuneration under Section 197 of the companies act, 2013.			

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	16,30,082	NA	NA
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				

2.	Stock Option	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA
4.	Commission-as % of profit-others, specify	NA	NA	NA	NA
5.	Others, please specify (deductions Provident Fund & Professional tax)	NA	3,23,973	NA	NA
Total			13,06,109		

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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



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



Independent Auditor’s Qualifications / Remarks and Replies of the TSSPDCL for F.Y. 2019-20

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

Report on the Audit of Financial Statements:

We have audited the accompanying financial statements of **Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited) (“the company”)**, Hyderabad, which comprise the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraphs, the aforesaid financial statements given 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, 2020, its losses 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 Policy No.1.5(c), amounting to Rs.105,26,16,376/-, 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 employees 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 take places 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 has 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 level.</p>
<p>2. Consequent to the creation of the State of Telangana, in accordance with the Andhra Pradesh Reorganization Act, 2014, the Anantapur 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.325,27,89,980/- as a reduction in the share capital, recognized Rs.723,00,74,154/- as “Capital Reserve” resulting in understatement of its negative net-worth by Rs.1,048,28,64,134/- 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 TSSPDCL and approved the same on 15.03.2018 duly signed by the CMD of the both the DISCOMS, 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 and moreover as on today employees bifurcation has not been taken up.</p>

<p>3) Amount of Rs. 959.55 Crore towards surcharge on late payment payable to Singareni Thermal Power Plant (STPP) is neither paid nor provided in the books of account resulting in understatement of Finance Cost /loss for the year and Trade Payables to the same extent.</p>	<p>The Discoms has taken up the issue with SCCL through TSPCC to waive the late payment surcharge in order to avoid the burden on the consumer as the same is not covered in ARR Tariff Order.</p>
<p>4) We report that the following accounts have not been reconciled as at 31st March, 2020 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>	
<p>a) Inter units' accounts with a credit balance of Rs. 14,70,35,738/-.</p>	<p>The company is making all out efforts in clearing the balance in this account. During the year the company has reconciled to certain extent duly brought down the amount to Rs. 14.70 Crore (Previous year Rs. 38.11 Crore). However, there are few legacy transactions involved in it. The Company is doing the reconciliation continuously on priority basis.</p>
<p>b) Amount appearing under "Debt servicing Clearing A/c" with a debit balance of Rs. 9,49,63,693/- and under loan clearing (CPDCL) account with a debit balance of Rs. 3,67,53,367/-.</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>5. The Company has made provision for Pension & Gratuity in respect of employees who were on rolls on 30.11.1999 and retired thereafter to the extent of 26% only of the total amount as arrived as per actuarial valuation. This has resulted in understatement of Provision for employee liabilities and understatement of Loss for the year to the extent of Rs. 7588.32 Crores.</p>	<p>The Company is making the Provision for Pension & Gratuity in respect of employees who were on rolls as on 31.01.1999 and retired thereafter in the ratio of 26 % and providing the balance 74% is the responsibility of the TSGENCO Master Trust and accordingly, the TSSPDCL is making the payment of 74 % Pension & Gratuity and claiming the reimbursement of same on monthly basis from the TS GENCO Master Trust and the TS GENCO Master Trust is reimbursing the same and as such the Provision of maintaining 74 % of Pension & Liability is not required to be provided in the books of accounts of TSSPDCL as this is happening from the very inception of formation of the Companies and the Unit Trusts across all the Companies in the United State of Andhra Pradesh.</p>
<p>Emphasis of Matters:</p> <p>1) Consequent to the amendment brought in vide G.O.Ms. 396 dated 09.06.2005 to the second transfer scheme notified vide G.O.Ms. 142 dated 29.09.2001, the Company has incorporated in its</p>	

<p>books of account as on 01.04.2010, various assets, including fixed assets and liabilities towards power purchase, supplies & services received and balances outstanding in respect of the loans, representing term loans, cash credits, working capital loans received from various banks and financial institutions, other receivables from the State Government of AP, of the amounts mentioned in the two notifications referred to above. We understand that the above amounts, at which the various assets and liabilities are recognized in the books of account as on that date, are provisional and accordingly are subject to further adjustments as may be determined by the State Government.</p>	<p>Informative only</p>
<p>2) We draw your attention to Note No. 1.16 (a) (ii) wherein, the State Government of Andhra Pradesh amended retrospectively with effect from 09.06.2005, the share of each DISCOM in various bulk supply power purchase agreements vide its notification No.53 Energy (Power III) dated 28.04.2008. We are informed that the company has made a representation to give effect to the said revised sharing prospectively. Pending disposal of the company's representation, the contingent liability/receivables, if any, due to the said retrospective amendment of the share of the company in various bulk supply of power purchase agreements has not been disclosed in the books of account.</p>	<p>Informative only</p>
<p>3) We draw your attention to Note.1.14 wherein during the Financial Year 2018-19, State Government of Telangana vide G.O.Ms.No.20 dated 23.02.2019, has issued orders for reorganization of districts in the State of Telangana. Accordingly, Gundala Mandal of Jangaon District under the territorial jurisdiction of TSNPDCL has been Demerged/Hived off and merged with Bhongir revenue division which is under the territorial jurisdiction of TSSPDCL. TSSPDCL has taken over the Network of</p>	<p>Informative only</p>

<p>Gundala Mandal w.e.f. 01.04.2019, accordingly, the transfer of assets and liabilities relating to Gundala Mandal have been incorporated in the current financial year.</p>	
<p>4) We draw your attention to Note No: 21 (a) (i) wherein Revenue from Operations includes Tariff Subsidy from Government amounting to Rs.224,94,00,000/- accrued based on approval of TSERC. However, the amount is not received and is not backed by budgetary allocation.</p>	<p>The Tariff Subsidy is determined as the difference between the full cost recovery approved by the Commission and the Retail Supply Tariff rates approved by the Commission is treated as Subsidy to the consumers. As per Section 108 of the Electricity Act'2003, if the Government intends to exempt or subsidize any category of the consumers, the Government should subsidize that consumer and pay the Subsidy to TSDISCOMS.</p> <p>In the regulatory regime, the DISCOMS Revenue & Expenditure is approved by the Commission on year-to-year basis by matching the total expenditure with the proposed revenue as per the rates of Retail Supply schedule and difference is determined as Tariff Subsidy.</p> <p>Therefore, the commitment of the Government to Commission that they would provide sufficient subsidy for the supply made by the DISCOMS.</p> <p>The Government shall release the subsidy as per the Tariff Order. TSDISCOMS as a standard procedure should make a provision for the difference between the Tariff Subsidy approved by Commission and Tariff Subsidy released by the Government.</p> <p>Therefore, in line with the Tariff Order, it is prudent practice on the part of DISCOMS to provide all the revenues receivable. The DISCOMS have made a provision for the difference of the subsidy approved by the Hon'ble ERC and subsidy released in line with the directions of respective Tariff Orders.</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.1,18,10,730/- (of which Rs.61,48,104/- is outstanding for more than three months) and Bank excess, representing amounts credited by banks but not appearing in the books of account of the company of Rs.26,98,14,127/- as on 31.03.2020.</p>	<p>All efforts are being made continuously for clearing of pending Board and Bank excess</p>

6) Letters of confirmation of balances have not been provided for our verification in respect of the following, the impact that may result on reconciliation and review 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 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 Purchases creditors and other Discoms 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. 36 & Note No. 37 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.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements:

1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A , a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.	Informative only
2) 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 B .	Informative only
3) As required by Section 143 (3) of the Act, we report that:	
a) We have sought and obtained all the information and explanations which to the best of knowledge and belief were necessary for the purpose of our audit.	Informative only
b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.	Informative only
c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow statement dealt with by this Report are in agreement with the books of account.	Informative only

d) Except for the matters described in the Basis for Qualified Opinion Paragraphs, 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.	Noted
e) The matters described in the Basis for Qualified Opinion above, in our opinion, may have an adverse effect on the functioning of the Company.	Informative only
f) Being a Government company, the company is exempted from the provisions of section 164 (2) of the Act regarding disqualification of Directors vide Notification GSR- 463 (E), dated 5 th June, 2015 issued by Government of India, Ministry of Corporate Affairs.	Noted
g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C” to this report.	Informative only
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:	Informative only
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 5 th June, 2015 issued by Government of India, Ministry of Corporate Affairs.	Informative only
i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:	
i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.	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.	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

Reply to Annexure A to the Independent Auditor's Report:

The **Annexure A** 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 (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited) (“the company”)**, Hyderabad for the year ended 31st March, 2020.

We report that:

<p>i) 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) We are informed by the Company that no physical verification of fixed assets 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 atleast for the major assets such as PTR/33 kV lines are proposed to be taken up for physical verification.</p>
<p>c) We are informed by the company that purchase/gift/lease deeds are generally executed in respect of “parcels of land” purchased/gifted/given on long term lease upto 99 years to the company by private parties, which are generally kept at various field offices of the company and accordingly complete details along with the said deeds could not be provided to us, except a very few deeds executed during the year under audit. 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 banding over, no other legal documents are generally executed and that the said letters are available with various field offices of the company and accordingly</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>complete details along with the said letters could not be provided to us, except a few letters executed. Accordingly, we are unable to report whether appropriate legal documents evidencing the title of the company in respect of all the immovable properties owned by the company are available with the company.</p>	
<p>ii) Physical verification of inventory has been conducted during the by the year by the management at reasonable intervals. The discrepancies noticed on such verification between the physical stocks and the book records were not material.</p>	<p>Informative only</p>
<p>iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, clauses 3 (iii) (a), (b) and (c) of the Order are not applicable.</p>	<p>Informative only</p>
<p>iv) The company has neither given any loans to the directors or any other persons in whom the director is interested nor given/provided any guarantee/security in connection with any loan taken by directors or such other persons as per the provisions of section 185 of the Companies Act, 2013.</p>	<p>Informative only</p>
<p>v) The Company has not accepted any 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</p>	<p>Informative only</p>

<p>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>vii) 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, sales-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</p>	<p>Informative only</p>
<p>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 and other statutory dues which were in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable, except the following:</p>	

Name of the statute/Authority	Nature of dues	Period to which the amount relates	Amount (Rs. In Lakhs)
Central Sales Tax Act, 1956	Central Sales Tax	From F.Y. 2012-13 to 2015-16	0.97
Electricity Duty	Electricity Duty	From F.Y. 2018-19	1344.36
		From F.Y. 2019-20	8933.91

<p>b) As at 31st March, 2020, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess (excluding penalties), except the following:</p>	<p>Informative only</p>
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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 state	203.78*	For the financial year from 2002-03 to 2016-17	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	86.48*	For the financial year from 2008-09 to 2012-13	Hon'ble AP High Court of Hyderabad
			0.44	Financial Years 2008-09 & 2009-10	Appellate Deputy Commissioner, Commercial Taxes Hyderabad.
4.	Finance Act, 1994	Service Tax	97.26	From July, 2012 to June, 2017	Hon'ble High Court of Telangana
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

viii) 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
ix) In our opinion and according to the information and explanations given to us, the Term Loans obtained during the financial year under report and in earlier years have been applied for the purposes for which they were raised.	Informative only
x) According to the information and explanations given to us, no 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

<p>xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.</p>	<p>Informative only</p>
<p>xii) In our opinion, the company is not a Nidhi Company. Consequently, the clause 3 (xii) of the order is not applicable.</p>	<p>Informative only</p>
<p>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 as required by relevant Accounting Standards are disclosed in the financial statements.</p>	<p>Informative only</p>
<p>xiv) The Company has not made any preferred allotment of shares or fully/partly convertible debentures during the year under review. Consequently, the clause 3(xiv) of the order is not applicable.</p>	<p>Informative only</p>
<p>xv) The Company has not entered into any non cash transactions with the directors or persons connected with them during the year under report. Consequently, the clause 3(xv) of the order is not applicable.</p>	<p>Informative only</p>
<p>xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Consequently, the clause 3 (xvi) of the order is not applicable.</p>	<p>Informative only</p>

Reply to Annexure B to the Independent Auditor’s Report on the specific instructions of C&AG

The **Annexure B** 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 (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited)**(“the company”), Hyderabad.

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. During Financial Year 2019-20, 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>	
		1. Payroll system module is not fully integrated with finance system module, resulting in a difference of Rs.2.57 Crore excess in finance module, when compared to payroll module for employee loans.	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.
		2. Inter units’ balances were not properly processed through IT system, which has resulted in uncleared credit balance of Rs. 14.70 Crore.	The company is making all out efforts in clearing the balance in this account. During the year the company has reconciled to certain extent duly brought down the amount to Rs. 14.70 Crore (Previous year Rs. 38.11 Crore). However, there are few legacy transactions involved in it. The Company is doing the reconciliation continuously on priority basis.

		<p>3. Bank Loans clearing accounts were not properly processed through IT system, which has resulted in un cleared debit balance of Rs.13.17 Crore.</p>	<p>Current year accounts are cleared in full shape certain legacy items could not be cleared. However effort will be made to clear the same.</p>
		<p>4. Revenue module is fully integrated with FICO module and variances are duly adjusted.</p>	<p>All efforts are made to integrated revenue module with FICO Module.</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.</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 received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.</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 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>	<p>Informative only</p>

Reply to Annexure C to the Independent Auditor’s Report on Internal financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

The **Annexure C** referred to in “Report on Other Legal and Regulatory Requirements” paragraph of our Independent Auditor’s report of even date on the financial statements of **Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited), Hyderabad.**

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 over financial reporting of Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited) (“the Company”), Hyderabad, as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

A. Management’s Responsibility for Internal Financial Controls

1. 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 Companies Act, 2013.

B. Auditors’ Responsibility

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

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

C. Meaning of Internal Financial Controls over Financial Reporting

5. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
 - i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly 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.

D. Internal Limitations of Internal Financial Controls over Financial Reporting

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

E. Qualified Opinion

7. 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 over financial reporting as at March, 2020.

A Qualified Opinion (Point) No.8 of Internal Financial control of Annexure ‘C’

8. Absence of control in respect of:

a) Seeking balance confirmations and performing periodical reconciliations of various receivables, payables, deposits, advances etc.	Reconciliation is the continuation activity and the same is being carried out periodically.
b) Conducting bank reconciliation of bank pool account operated by TSPCC.	BRS is being done on time to time basis as such there is no lack in reconciliation of pool account.
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.
d) Reconciliation of various modules information with finance module in SAP	Efforts will be made to integrate various modules into finance module in SAP.

9) A material weakness is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, 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.

10) In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, 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” and except for the possible effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the company’s internal financial controls over financial reporting were operating effectively as at 31st March, 2020.

For and on behalf of the Company TSSPDCL

For RAMANATHAM & RAO
Chartered Accountants
Firm Registration Number: S-2934

Sd/-
L. MAHESH KUMAR
Partner
Membership Number: 212851
UDIN: 20212851AAAACG2397

Sd/-
Sri G. Raghuma Reddy
Chairman & Managing Director
DIN : 02943771



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

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

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

Based on my verification of the **Southern Power Distribution Company of Telangana Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Southern Power Distribution Company of Telangana Limited (“the Company”) for the financial year ended on 31st March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’), Securities and Exchange Board of India Act, 1992 (SEBI) and SEBI Guidelines and Regulations to the extent they are applicable.
- iii. The Electricity Act, 2003 read with the Electricity Rules, 2005 and Regulations of the appropriate Commission issued from time to time.
- iv. The Environment (Protection) Act, 1986

I have also examined compliance with the applicable clauses of the Secretarial standards issued by the Institute of Company Secretaries of India.



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

1. The Company is yet to comply with the provisions of Section 149(4) of the Companies Act, 2013 relating to appointment of Independent Directors and women Director on its Board. Consequently, company yet to comply with the constitution of committees with independent director as per the provisions of the Companies Act, 2013.
2. It is found that there were certain cases where the Board exercised Borrowing powers through circulation resolution which is in violation of Section 179(3).

I further report that

Subject to the Paragraph Nos. 1 & 2 above of the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Sd/-

KALYANA CHAKRAVARTHI CH.

FCS. No: 10770

CP No. : 15103

UDIN: F010770B001090431

Place: Hyderabad

Date: 28.10.2020



ANNEXURE-1A

To,
The Members
Southern Power Distribution Company of Telangana Limited
Corporate Office, 6-1-50, Mint Compound,
Hyderabad -500063.

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

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

Sd/-

KALYANA CHAKRAVARTHI CH.

Place: Hyderabad
Date: 28.10.2020

FCS. No: 10770
CP No. : 15103

ANNEXURE 'C' TO DIRECTORS REPORT

Management Reply to the Secretarial Auditor Observations

Observations of the Secretarial Auditor	Management Reply to the Observations of the Secretarial Auditor
<p>1. The Company is yet to comply with the provisions of Section 149(4) of the Companies act, 2013 relating to appointment of Independent Directors and Woman Director on its Board. Consequently, company yet to comply with the constitution of committees with independent directors as per the provisions of the companies act, 2013.</p>	<p>TSSPDCL is a State Government Company within the meaning of section 2(45) of the Companies Act, 2013 and as per Article 30(d) of Articles of Association of the Company, Powers to appoint Directors vests with Government of Telangana (acting through Energy Department).</p> <p>The Company or its Board is not vested with any powers in the said matter and hence the matter is being followed up rigorously with the Energy Department and Several Letters were addressed to Energy Department, Government of Telangana to expedite the process of Appointment of Independent directors & Women Director on the Board to comply with Section 149 of the Companies act, 2013 and awaiting for the orders.</p>
<p>2. It is found that there were certain cases where the Board exercised Borrowing powers through circulation resolution which is in violation of Section 179(3).</p>	<p>Due to the emergency of the borrowings for the procurement of additional power in Public interest we are borrowing loans by circulation. Subsequently we are ratifying the same in the ensuring Board Meeting and noted for future compliance.</p>

ANNEXURE 'D' TO THE DIRECTORS' REPORT

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

A. Conservation of Energy:

a) Energy conservation measures.

1. 100KW roof top solar power plant at corporate office, Hyderabad. The plant generating an average 500 -520 (KWh) units per day.
2. 95,219 Nos High Voltage Distribution System (HVDS) for Agriculture Pump Sets were set up.
3. TSSPDCL has proposed to distribute 1,00,000 Nos. LED bulbs by C-Quest and the status of distribution of LED bulbs as on 31.10.2018 is as follows.

Proposed	Distributed	Balance
1,00,000	78,110	21,890

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy.

Under DDUGJY, TSSPDCL is distributing 9W LED bulbs for BPL households in rural area. So far, 3.90 Lakhs bulbs are installed. The total expenditure incurred is 202.07 Lakhs. The DDUGJY scheme works are completed/ saturated on 30.09.2019.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

The energy losses in F.Y. 2019-20 are significantly lower than the previous year. The Energy Losses to Energy Input percentage decreases to 9.34% in F.Y. 2019-20 as against 10.34% in F.Y. 2018-19.

d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto.

Not Applicable

B. Technology absorption :

e) Efforts made in technology absorption

1. 51 Nos. substations works are completed and charged, 191.91 Km of 33 KV OH Line, 3762.62 Km 11KV OH line & 5596.07 Km LT Line, 101.12 Km 33KV UG cable and 24.72 Km 11KV UG cable is erected.

	<ol style="list-style-type: none"> 2. Implementing AMR for HT Services and monitoring 11 KV Feeders. 3. Meter Data Acquisition System (MDAS) is being implemented. 4. SCADA control for all 228 Nos. of 33/ 11KV Sub-Stations, DMS (Distribution Management System) for operation of 156 Nos.11KV feeders in core city of Hyderabad & Communication System.
<p>C. Foreign exchange earnings and outgo:</p> <p>f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans.</p> <p>g) Total foreign exchange used and earned</p>	<p>Not Applicable</p> <p>NIL</p>

C&AG OF INDIA FINAL COMMENTS AND THE REPLIES OF TSSPDCL FOR THE YEAR 2019-20

Sl. No	Final Comment No.	Final Comment	Reply of the Company
1	2	3	4
1	1	<p>A. Comments on Profitability:</p> <p>Statement of Profit & Loss</p> <p>Revenue from Operation – (Note-21) – Rs. 24600.87 Crore.</p> <p>As per the Tripartite Memorandum of Understanding, the company recognized Rs. 392.48 Crore as Revenue from Operation-Additional Subsidies from State Government (State Government support against previous year losses under UDAY scheme) in 2018-19. However, the amount was written back in 2019-20 due to non-receipt of the same during the year stating that it would be accounted for as investment on receipt basis. Since, the Government has sanctioned the said amount in line with the tripartite Memorandum of Understanding and there was no uncertainty in the realization of the amount, the write back has resulted in understatement of Revenue from Operations and Other Current Assets – Receivables from State Government by Rs. 392.48 Crore Consequently, the loss for the year was overstated by the same amount.</p>	<p>It is to submit that as per the UDAY Scheme, the Telangana State Government shall take over the future losses of the DISCOMs in a graded manner from 2017-18. Accordingly Govt. of Telangana has issued the G.O. No. 17 dated: 16.11.2017 for the Revenue Grant under UDAY Scheme and the same has taken as Revenue from Operations of Rs. 235.00 Crore for the year 2017-18 towards 5% of previous year loss (i.e. Rs.4700.22 Crore * 5%). Further The Govt. of TS has issued G.O.No.57 dated: 24.08.2018 and 87 dated: 20.12.2018 for Rs. 392.48 Crore towards 10% of previous year loss (i.e. Rs. 3924.78 Crore * 10%), under “Investments in Discoms” instead of Revenue Grant. In the year 2018-19 the same was recognized and recorded as if Grant from the Government of Telangana. For the year 2019-20 the Govt. of TS has issued G.O. No.13 dated: 08.08.2019 for 25% of previous year loss (i.e. Rs. 4967.27 Crore * 25%) duly mentioning the same as “Investment in Discoms”.</p> <p>As the G.Os for the years 2018-19 and 2019-20 were issued towards “Investment in Discoms” and pending receipt of the said funds, the same may not be treated as Grant. As such the amount pertaining to the year 2018-19 i.e. Rs. 392.48 Crore has been reversed in the F.Y. 2019-20 to present a fair and true view of accounts. The same has been disclosed in Note.No.21 of the Financials for 2019-20.</p>

Sl. No	Final Comment No.	Final Comment No.	Reply of the Company
1	2	3	4
2	2	<p>Expenses</p> <p>Depreciation and Amortisation expenses (Note No.11) - Rs. 986.56 Crore.</p> <p>The Company has applied depreciation rates notified by the Ministry of Power (MoP) vide S.O.266 (E) dated 29 March, 1994 in respect of the Tangible Assets instead of adopting the depreciation rate notified by CERC vide its notification No.L-1/236/2018/CERC dated 7th March, 2019 as required by Schedule II Part B, Para 4 of the Company Act, 2013. This has resulted in overstatement of depreciation and amortization expenses and understatement of Tangible Assets as at 31, March, 2020 by Rs. 335.54 Crore. Consequently, loss for the year is also overstated by same amount.</p>	<p>It is to submit that, in the Significant Accounting Policies of the Company which are form part of the Financials for the respective years, at Note No.1.6, it is mentioned that the depreciation on 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 Ministry of Power (MoP) Government of Indian vide Notification No. S.O.266 (E) dated 29th March, 1994. Accordingly, the said accounting policy is being followed consistently for all the years.</p> <p>Further it is to submit that, the Company has filed the MYT for the 4th Control period for FY from 2019-20 to F.Y. 2023-24 with the Hon’ble Telangana State Electricity Regulatory Commission as the TSERC is the concerned business regulatory and in the MYT filings that the method of computation of Depreciation and the rates of Depreciations followed as per the MoP are mentioned. However the Hon’ble TSERC has considered the depreciation rates as per the Hon’ble Central Electricity Regulatory Commission (CERC) Rates and issued the Tariff Order dated 29th April, 2020 for 4th Control period. The copy of Depreciation claimed by the TS Discoms and Depreciation approved by TSERC is enclosed for ready reference.</p> <p>Further it is to submit that, since the major portion of the Assets consists of Plant and Machinery, Meters, Battery Charges and Furniture & Fittings, the rate of Depreciation Notified by CERC for these classes of Assets are having the less Depreciation rates, in which it takes more than 15 years to Depreciate 90% of original cost of the Asset. But in general, the Electronic or Digital Meters and Battery Charges etc., are having the less life of Assets (3 to 8 years approximately).</p>

Sl. No	Final Comment No.	Final Comment No.	Reply of the Company
1	2	3	4
			<p>Further, in the CERC Notification of guidelines, there are no specific Rate of Depreciation for Distribution Licensees, only common Rates were issued for Assets of Generating Stations and Transmission Units.</p> <p>Under the above circumstances, it is to submit that the Depreciation Rates applied for the financial year 2019-20 are appears to be appropriate and correct. Hence there is no overstatement of Depreciation and Amortization expenses (Note No.11) by Rs. 335.54 Crore. However, a view will be taken for the next financial years in regard to implementation of CERC Rates.</p>
3	3	<p>Power Purchase Cost: (Note 23) - Rs. 24907.6 Crore</p> <p>Variable Cost Rs. 14316.75 Crore.</p> <p>The above does not include Rs. 4.40 Crore being the delayed payment surcharge payable to M/s PTC India Limited as per the provisions of the Purchase Orders for the period from April, 2017 to June 2019 & November 2019. The Telangana State Power Co-ordination Committee (TSPCC) agreed for release of the said amount in its meeting held in August, 2020. The same should have been accounted for as per Accounting Standard 4 as the amount was known before the finalization of accounts. This has resulted in understatement of Power Purchase Cost and Trade Payables by Rs. 4.40 Crore. Consequently, the loss for the year was also understated by the same amount.</p>	<p>It is to state that TSPCC Meeting held on 14-08-2020, it was decided to release the Delayed Payment Surcharge amount of Rs. 6,24,65,920/- (TSSPDCL share @ 70.55% works out to Rs. 4,40,69,706/-) to M/s. PTC India Limited @ 8% P.A. against the Purchase Orders which mandated DPS @ 15% or 12% placed for the period from April'2017 to November'2019.</p> <p>Subsequently the TSPCC Minutes were received in the month of September'2020.</p> <p>It is to submit that the Power purchase accounts at TSPCC were closed during the month of August, 2020 for finalization of Accounts of both TSSPDCL & TSNPDCL for the F.Y. 2019-20. As such, the provision could not be made in the Accounts in the F.Y. 2019-20. However, the same is provided in the Accounts of F.Y. 2020-21.</p> <p>Further, it is to submit that the amount is meager and not having any material impact on the financials of TSDISCOMS.</p>

Sl. No	Final Comment No.	Final Comment No.	Reply of the Company
1	2	3	4
4	B	<p>Comments of Financial Position:</p> <p>Balance Sheet</p> <p>Equity and Liabilities.</p> <p>Current Liabilities:</p> <p>1. Short-term Provisions: Note-10 – Rs. 541.03 Crore.</p> <p>The above is understated by Rs. 9.13 Crore being amount payable to Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL) as a share of Ananthapur and Kurnool circles out of forfeited Bank Guarantee of Rs. 52.13 Crore by the Company from a customer (2018-19) and recognized as other income. This has resulted in understatement of Provisions and overstatement of Reserves and Surplus by Rs. 9.10 Crore for the year ended 31 March, 2020.</p>	<p>It is to submit that out of forfeited Bank Guarantee of Rs. 52.13 Crore, the share of Ananthapur and Kurnool circles is Rs. 9.10 Crore 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 Costal Andhra Power Limited (CAPL) and Others have filed Petition in the Hon'ble Central Electricity Regulatory Commission (New Delhi) in the subject matter of forfeited bank guarantees by TSSPDCL and Others vide IA No.13/2019. Since, the subject matter is infructuous, the CERC has disposed of the petition. The petitioners have approached the Ho'ble High Court of Delhi and filed W.P.(C).9062/2019. As the subject matter is under subjudice, no provision has been created in the books of TSSPDCL against Ananthapur and Kurnool share.</p> <p>Further, it is to submit that, as the subject matter also falls within the bifurcation issue and Apportionment of Assets and Liabilities in respect of Ananthapur and Kurnool circles is not yet finalized, it is assured to the AG Audit that this element will be considered while arriving the net settlement of Assets and Liabilities in the next financial years.</p>
5	2	<p>Assets:</p> <p>Current assets</p> <p>2. Other current assets (Note-20) – Rs.4877.44 Crore</p> <p>The above does not include Rs.1241.82 Crore being 25 per cent</p>	<p>It is to submit that as per the UDAY Scheme, the Telangana State Government shall take over the future losses of the DISCOMs in a graded manner from 2017-18. Accordingly Govt. of Telangana has issued the GO. No. 17 dated: 16.11.2017 for the Revenue Grant under UDAY Scheme and the same has been taken as Revenue from Operations of Rs.235.00 Crore for the year 2017-18 towards</p>

Sl. No	Final Comment No.	Final Comment No.	Reply of the Company
1	2	3	4
		<p>loss of the company (Rs. 4967.27 Crore) in 2018-19 funded by the State Government as “Investment in DISCOMs under UDAY scheme in 2019-20 vide sanction orders of August 2019 and January 2020 as per the Tripartite Memorandum of Understanding in this regard. This has resulted in understatement of Other current assets – Receivable from State Govt. and Reserves and surplus by Rs. 1241.82 Crore.</p>	<p>5% of previous year loss (i.e. Rs. 4700.22 Crore * 5%). Further The Govt. of TS has issued GO.No.57 dated: 24.08.2018 and 87 dated: 20/12/2018 for Rs.392.48 Crore towards 10% of previous year loss (i.e. Rs. 3924.78 Crore * 10%), under “Investments in Discoms” instead of Revenue Grant. In the year 2018-19 the same was recognized and recorded as if Grant from the Government of Telangana. For the year 2019-20, the Govt. of TS has issued G.O.No.13 dated: 08.08.2019 for 25% of previous year loss (i.e. Rs.4967.27 Crore * 25%) duly mentioning the same as “Investment in Discoms”.</p> <p>As the G.O. for the year 2019-20 was issued towards “Investment in Discoms”, the same may not be treated as Grant. As such the amount pertaining to the year 2019-20 i.e. Rs. 1241.81 Crore (Rs.4 967.27 Crore * 25%) has not been recognized as revenue. The same has been disclosed in Note. No.21 of the Financials for 2019-20. As such there is no understatement of “Other Current Assets – Receivable from Government”.</p>
6		<p>C. Comments on Disclosure Non-provision of Gratuity and leave liability in respect of Artisans.</p> <p>The Company has not disclosed the non-provision of the additional liability which could occur to the company owing to the engagement of outsourced personnel as artisans and application of leave and gratuity to them as per ‘ Artisan Service Rules and Regulations’ which</p>	<p>It is to submit that in view of the judgment dated: 18.09.2018 and as per the orders issued in TSGENCO vide T.G. O.O No. 114/CGM(Adm)/2018, dated: 20.09.2018 and TSTRANSCO vide T.O.O Ms.No 212, dated 20.09.2018, TSSPDCL vide SP.O.O (CGM-HRD) Ms. No. 681 dated: 22.09.2018 has ordered that, “the suspension orders of absorption of “Outsourced Personnel” as “Artisans” Orders were revoked and it was directed that they are deemed to have been absorbed as “Artisans” w.e.f 18.09.2018". Therefore for all the purposes, the absorption of</p>

Sl. No	Final Comment No.	Final Comment No.	Reply of the Company
1	2	3	4
		provides for leave and gratuity benefits provisions as per Factories Act, 1948. The fact should have been adequately disclosed in the Notes to accounts.	<p>the Artisans is w.e.f 18.09.2018. As per the Gratuity Act, the employees who have completed 5 years of service are eligible for payment of Gratuity, Since the 5 year period will fall after 18.09.2023, the Artisans retiring after 18.09.2023 will be eligible for Payment of Gratuity and therefore, the provisions for the same are not made.</p> <p>Further, the Draft Standing Orders of Artisans working in TSSPDCL which were later renamed as 'Artisans Service Rules and Regulations' were approved in the Board of Directors of TSSPDCL in their 148th Board Meeting held on 28.07.2017, submitted to the Commissioner of Labour, Hyderabad and the same were certified and came into force w.e.f 01.10.2019. The certified orders are placed before the ensuing Board Meeting. As soon as the approval of the Board is received, necessary provisions for Leave, Gratuity, etc will be made.</p>

For and on behalf of the Company TSSPDCL

Sd/-

Sri G. Raghuma Reddy
Chairman & Managing Director
DIN : 02943771



FINANCIAL STATEMENTS



SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

CIN U40109TG2000SGC034116

(Formerly Central Power Distribution Company of Andhra Pradesh Limited)

BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount in Rs.)

	PARTICULARS	Note No.	As at March 31, 2020	As at March 31, 2019
I	EQUITY AND LIABILITIES ఈక్విటీ మరియు అప్పులు			
1	Shareholders' Funds వాటాదారుల నిధి			
	(a) Share Capital వాటా మూలధనము	2	1,20,17,93,03,060	1,06,17,93,03,060
	(b) Reserves and Surplus నిధి మరియు మిగులు	3	(2,50,73,75,26,429)	(2,05,52,97,44,035)
	(c) Money received against share warrants		-	-
2	Share application money pending allotment i. Funds by Government of Telangana	3.1		
3	Non-Current Liabilities ప్రస్తుతేతర అప్పులు		-	-
	(a) Long-term Borrowings దీర్ఘకాలిక అప్పులు	4	95,87,52,33,480	82,02,69,76,325
	(b) Deferred tax liabilities (Net) వాయిదా వేయబడిన పన్ను		-	-
	(c) Other Long term liabilities ఇతర దీర్ఘకాలిక అప్పులు	5	3,23,20,12,904	2,19,09,86,944
	(d) Long-term Provisions దీర్ఘకాలిక కేటాయింపులు	6	20,79,21,04,130	18,49,62,46,013
4	Current Liabilities ప్రస్తుత అప్పులు			
	(a) Short-term Borrowings స్వల్పకాలిక రుణములు	7	17,18,13,62,053	15,56,23,51,927
	(b) Trade Payables వ్యాపార నిమిత్తం చెల్లింపులు	8	1,98,38,37,99,463	1,71,13,03,69,761
	(c) Other Current Liabilities ఇతర ప్రస్తుత అప్పులు	9	67,69,90,63,436	58,91,43,95,422
	(d) Short-term Provisions స్వల్పకాలిక కేటాయింపులు	10	5,41,03,29,879	5,51,71,05,649
	TOTAL (మొత్తము)		2,78,01,56,81,976	2,54,48,79,91,066

II	ASSETS (ఆస్తులు)			
1	Non-Current Assets ప్రస్తుతేతర ఆస్తులు			
	(a) Property, Plant And Equipment స్థిర ఆస్తులు			
	i) Tangible Assets స్పర్శ చరమైన ఆస్తులు	11	89,73,62,47,324	77,31,66,39,070
	ii) Intangible Assets అస్పృశ్య ఆస్తులు		4,41,85,557	8,23,05,156
	iii) Capital Work in Progress జరుగుచున్న పనులపై పెట్టుబడులు		10,26,41,39,504	16,29,72,81,664
	(b) Non-Current Investments ప్రస్తుతేతర పెట్టుబడులు	12	4,57,43,00,000	4,61,73,35,149
	(c) Deferred Tax Assets (Net) వాయిదా వేయబడిన పన్ను	13	16,34,93,49,486	11,14,45,14,290
	(d) Long-term loans and advances దీర్ఘకాలిక అప్పులు మరియు బయానాలు	14	1,80,13,52,201	2,29,62,55,875
	(e) Other Non-current Assets ఇతర ప్రస్తుతేతర ఆస్తులు	15	7,04,66,529	7,67,04,672
2	Current Assets (ప్రస్తుత ఆస్తులు)			
	(a) Current Investments ప్రస్తుత పెట్టుబడులు			
	(b) Inventories సరకు నిల్వ	16	2,22,51,63,553	2,35,49,29,748
	(c) Trade Receivables వ్యాపార నిమిత్తం రాబడులు	17	86,57,65,05,478	69,00,07,01,619
	(d) Cash and cash equivalent నగదు నిల్వ	18	3,49,19,57,352	4,48,77,86,239
	(e) Short-term Loans and Advances స్వల్పకాలిక అప్పులు మరియు బయానాలు	19	14,10,76,39,810	11,68,09,92,425
	(f) Other Current Assets ఇతర ప్రస్తుత ఆస్తులు	20	48,77,43,75,182	55,13,25,45,159
	Total (మొత్తము)		2,78,01,56,81,976	2,54,48,79,91,066
	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 Telangana Limited**

For M/s. Ramanatham & Rao
Chartered Accountants
FR No. 002934 S

Sd/-

L. Mahesh Kumar
Partner

M. No 212851
Date : 03-11-2020
Place: Hyderabad

Sd/-

Sri P. Narasimha Rao
Director Finance / CFO
DIN : 08242557

Sd/-

P. Krishna Reddy
Chief General Manager
(Finance)

Sd/-

Sri G. Raghuma Reddy
Chairman & Managing Director
DIN : 02943771

Sd/-

Anil Kumar Voruganti
Company Secretary
F.No. 9521

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

CIN U40109TG2000SGC034116

(Formerly Central Power Distribution Company of Andhra Pradesh Limited)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020 (Amount in Rs.)

	PARTICULARS	Note No.	2019-20	2018-19
I	Revenue from Operations నిర్వహణ ద్వారా రెవిన్యూ	21	2,46,00,86,91,343	2,38,99,76,28,772
II	Other Income ఇతర ఆదాయము	22	46,78,45,825	2,31,32,15,277
III	Total Revenue మొత్తం రెవిన్యూ		2,46,47,65,37,168	2,41,31,08,44,049
IV	Expenses (వ్యయము)			
	Power Purchase Expense విద్యుత్తు కొనుగోలు	23	2,49,07,26,01,112	2,48,37,33,03,988
	Employee Benefit expense ఉద్యోగుల జీతభత్యాలు	24	23,14,43,88,541	21,34,85,87,871
	Operation and Other Expenses నిర్వహణ మరియు ఇతర ఖర్చులు	25	2,61,67,83,492	2,69,16,10,056
	Finance Costs ఆర్థిక వ్యయములు	26	14,89,50,74,407	12,96,09,65,808
	Depreciation and amortisation expense (తరుగుదల)	11	9,86,56,00,467	8,55,80,50,759
	Total Expenses మొత్తం వ్యయం		2,99,59,44,48,019	2,93,93,25,18,482
V	Profit /(Loss) before exceptional & extraordinary items and tax (III-IV) పన్ను, ఎక్స్‌షన్‌ల్ మరియు అతీతములకు ముందు లాభము		(53,11,79,10,851)	(52,62,16,74,433)
VI	Exceptional Items ఎక్స్‌షన్‌ల్ ఐటమ్స్	27	1,48,66,44,573	16,93,77,880
VII	Profit /(Loss) before extraordinary items and tax (V-VI)		(54,60,45,55,424)	(52,79,10,52,313)
VIII	Extraordinary Items అతీతములు		-	-
IX	Profit /(Loss) before tax (VII-VIII) పన్నుకు ముందు లాభము		(54,60,45,55,424)	(52,79,10,52,313)
X	Tax Expense: పన్ను వ్యయము			
	(1) Current Tax ప్రస్తుత పన్ను		-	-
	(2) Deferred Tax వాయిదా వేయబడిన పన్ను		5,20,20,70,714	3,11,83,77,988

	PARTICULARS	Note No.	2019-20	2018-19
XI	Profit/(Loss) for the period from continuing operations (IX-X) నికర లాభము		(49,40,24,84,710)	(49,67,26,74,325)
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit /(Loss) for the period (XI +XIV) నికర లాభము		(49,40,24,84,710)	(49,67,26,74,325)
XVI	Earnings per equity share:			
	(1) Basic		(4.65)	(5.92)
	(2) Diluted		(4.65)	(5.92)
	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 Telangana Limited**

For M/s. Ramanatham & Rao
Chartered Accountants
FR No. 002934 S

Sd/-
Sri P. Narasimha Rao
Director Finance / CFO
DIN : 08242557

Sd/-
Sri G. Raghuma Reddy
Chairman & Managing Director
DIN : 02943771

Sd/-
L. Mahesh Kumar
Partner
M. No 212851
Date : 03-11-2020
Place: Hyderabad

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

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

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED
CIN U40109TG2000SGC034116
(Formerly Central Power Distribution Company of Andhra Pradesh Limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Amount in Rs.)

PARTICULARS	Year Ended 31st March, 2020	Year Ended 31st March, 2019
A . Cash flows from operating activities:		
Net Profit before tax	(54,60,45,55,424)	(52,79,10,52,313)
Adjustments :		
Add: Depreciation	9,86,56,00,467	8,55,80,50,759
Add: Interest on Long Term Borrowings	3,11,69,94,399	2,67,16,48,634
Less: Interest on Investments	(5,88,92,222)	(4,30,98,533)
Add: Loss on Sale of Property Plant and Equipment		
Add: Non Cash Expenditure		
Less: Withdrawal of Depreciation on Consumer Contributed Assets	(3,43,74,32,493)	(3,11,49,05,793)
Operating profit before working capital changes	(45,11,82,85,273)	(44,71,93,57,246)
Changes in Working Capital		
Increase/(Decrease) in Non-Current Liabilities		
Other Long Term Liabilities	29,50,36,097	24,46,33,593
Long Term Provisions	2,29,58,58,117	2,59,25,61,661
(Increase)/Decrease in Non-Current Assets		
Long-term Loans & Advances	(16,90,84,220)	(57,33,77,077)
Other Non-current Assets	62,38,143	1,11,52,453
Increase/(Decrease) in Current Liabilities		
Short Term Borrowings	1,61,90,10,126	(10,24,48,05,788)
Trade Payables	27,25,34,29,702	46,84,96,90,946
Other Current Liabilities	8,78,46,68,014	10,15,80,80,200
Short Term Provisions	(10,67,75,770)	98,40,41,390
Increase/(Decrease) in Employee Liability	-	-
(Increase)/Decrease in Current Assets		
Inventories	12,97,66,195	1,08,29,07,785
Trade Receivables	(17,57,58,03,859)	(23,79,18,67,691)
Short-term Loans & Advances	(2,42,66,47,385)	(2,64,72,12,991)
Other Current Assets	6,35,81,69,977	(6,56,72,44,847)
Cash generated from operations	(18,65,44,20,136)	(26,62,07,97,612)
Net Cash flow from Operating Activities	(18,65,44,20,136)	(26,62,07,97,612)
B. Cash flows from investing activities:		
Purchases/Investments of Property Plant and Equipment	(22,24,70,89,122)	(16,74,84,48,035)

PARTICULARS	Year Ended 31st March, 2020		Year Ended 31st March, 2019	
Purchases/Investments in Capital Work in Progress	6,03,31,42,160		(5,01,61,09,253)	
(Purchase of Investments)/Redemption	4,30,35,149		2,26,76,333	
Interest on Investments	5,88,92,222		4,30,98,533	
Investment in Capital Advances	66,39,87,894		7,13,37,105	
Increase in Other Long Term Liabilities	62,94,58,780		3,92,87,706	
Net cash flow from investing activities		(14,81,85,72,917)		(21,58,81,57,611)
C. Cash flows from financing activities:				
Consumer Contributions Received	7,66,52,35,484		8,50,54,61,744	
Increase (Decrease) in Long Term Borrowings	13,84,82,57,155		24,58,55,10,548	
Interest paid on Long Term Borrowings	(3,11,69,94,399)		(2,67,16,48,634)	
Increase in Contingency Reserve	3,52,11,630		2,70,29,818	
Increase in GIS Saving Fund	15,97,573		24,30,855	
Increase in Self Funding Medical Scheme	11,49,33,507		5,68,04,472	
Funds received in UDAY Scheme	-		-	
Investment by Government of Telangana in DISCOM's	14,00,00,00,000		16,80,00,00,000	
Decrease (Increase) in Surplus /retained Earnings	(6,83,12,305)		-	
Decrease in Surplus /retained Earnings	(27,64,479)		-	
Net cash flow from financing activities		32,47,71,64,166		47,30,55,88,803
Net Increase/ (Decrease) in cash and cash equivalents during the year		(99,58,28,887)		(90,33,66,420)
Cash and cash equivalents at the beginning of the year		4,48,77,86,239		5,39,11,52,659
Cash and cash equivalents at the end of the year		3,49,19,57,352		4,48,77,86,239

As per our report of even date

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

For M/s. Ramanatham & Rao
Chartered Accountants
FR No. 002934 S

Sd/-
Sri P. Narasimha Rao
Director Finance / CFO
DIN : 08242557

Sd/-
Sri G. Raghuma Reddy
Chairman & Managing Director
DIN : 02943771

Sd/-
L. Mahesh Kumar
Partner
M. No 212851
Date : 03-11-2020
Place: Hyderabad

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

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

Notes to Financial Statements for the year ended 31st March, 2020

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, Ananthpur and Kurnool, were de-merged and Assets and Liabilities were transferred in terms of G.O.Ms. No.24 dated 29.05.2014 issued by Government of Andhra Pradesh.

Significant accounting policies

1.1 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.

1.2 Use of estimates

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

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgments and estimates about the carrying amount of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets including goodwill, investments, contract costs to be incurred to complete contracts, provision for doubtful debts, employee benefits and other provisions and recoverability of deferred tax assets.

1.3 Cash flow statement

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

1.4 Revenue recognition

a) Sale of Power:

- i) Revenue from Sale of Power is accounted for based on demand raised on consumers. Tariff rates for sale of power are as per Tariff Order of the Telangana Hon'ble Electricity Regulatory Commission as approved for the reporting period.
- ii) Unbilled Revenue is recognised in the books of accounts on 'Actual 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 TSPCC 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 whether from employees or outsiders are accounted as and when collected.
- iii) Interest accrued on long term investment during the reporting period is credited to 'Contingency Reserve'.

1.5 Property, Plant And Equipment

a) Tangible Assets

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

b) Intangible Assets

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

c) Capital work in progress

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

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

1.6 Depreciation

- a) Depreciation on Property Plant and Equipment is provided under the ‘Straight Line Method’ up to 90% of the original cost of assets, at the rates notified by the Ministry of Power, Government of India vide Notification No. S.O.266 (E) dated 29th March, 1994. In view of this the management opined that Schedule II to the Companies Act, 2013 is not mandatorily applicable to the Company.
- b) Depreciation is calculated from the date of capitalization or procurement of the asset.
- c) With respect to the following Assets the rates applied during the previous reporting period, as per MoP are different from rates prescribed under Schedule II of Companies Act, 2013.

Description of Asset and Rates of Depreciation as per MoP	
Buildings and Other Civil Works	3.02%
Capacitor Banks	5.27%
Plant & Machinery and Lines, Cables & Network	7.84%
Material Handling Equipments	7.84%
Meters / Meter Equipments	12.77 %
Office Equipments and Air Conditioners	12.77%
Furniture & Fixtures	12.77%
Computers and IT Equipments	12.77%
Vehicle – Car / Jeep / Scooter / Motor Cycle	33.40%
Vehicle – Lorry / Truck	33.40%
Battery Chargers	33.40%

Management has not carried out an assessment of effective rates as per Schedule-II of 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 and value in use.

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

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 and 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 and 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.

Other Employee Benefits

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

1.12 Taxes on Income

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

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

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

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

1.13 Provision and contingencies

- a) The company recognizes a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of such obligation. Such provisions are not discounted to their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date and adjusted to reflect management's current estimates.
- b) The policy for providing provision for bad and doubtful debts up to F.Y. 2015-16 was based on non litigated receivables outstanding for more than 60 months and w.e.f F.Y. 2016-17 the accounting policy has been changed i.e., based on LT Private bill stopped services arrears and HT Private bill stopped (including court cases) outstanding arrears for more than 24 months.

1.14 Accounting for Demerger

Consequent to bifurcation of the State of Andhra Pradesh, two operating Circles of the Company were demerged effectively on the appointed date, i.e., 02.06.2014 in terms with Schedule XII to the Andhra Pradesh Re-organisation Act 2014. Accordingly, Assets and Liabilities of the Company were bifurcated based on G.O.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 G.O. 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 Crore, in Note No. 4 Long Term Borrowings for an amount of Rs. 1683.60 Crore 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. 2096.60 Crore have been shown in Note No. 20 under the head other current assets.

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

- i) Consequent to Re-organisation of Districts and formation of new districts of Telangana w.e.f 11.10.2016 7 revenue mandals from jurisdiction of Karimnagar and Warangal which are under the jurisdiction of TSNPDCL were now re-organised to Siddipet District.
- ii) During the year 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 TSNPDCL.
- iii) In the notes forming part of the financial statements, wherever there is no feasibility to present the balances acquired in respect of Gundala Mandal as per classification of respective schedules, it is presented as an direct addition to the balances forming part of schedules before bifurcation .
- iv) The Govt. of Telangana vide G.O.Ms. No. 20 dated: 23.02.2019 has re-transferred the Gundala Mandal from the TSNPDCL Jurisdiction to TSSPDCL and the said Mandal was earlier transferred from the

TSSPDCL to TSNPDCL. And with regard to the transfer of assets and liabilities, the TSSPDCL has taken over the Network of Gundala Mandal w.e.f. 01.04.2019, accordingly the assets and liabilities of Gundala have been incorporated in the Financial Year 2019-20.

1.15 Earnings per Share

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

1.16 Third Transfer Scheme Balances

- (a) (i) The then Government of Andhra Pradesh (GoAP) vide G.O.Ms. No.58, Energy (Power-III), dated: 07-06-2005 notified the transfer of Bulk Supply Undertaking and Power Purchase Agreements from Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) to the four Distribution Companies (DISCOMs), in specified ratios, as on 09-06-2005. The share of the Company in generation capacities of all generating stations allocated to the four DISCOMs is 43.48%.
- (ii) The GOAP has, vide G.O. Ms No.53, Energy (Power-III), dated: 28.04.2008, amended the share of four DISCOMs in the Generating Stations as per which the revised share of APCPDL is 46.06%. This G.O. shall be deemed to have come into force with retrospective effect from 09.06.2005. The retrospective implementation of the G.O. involves many calculations, revisions, etc. The Andhra Pradesh Power Co-ordination Committee (APPCC) has requested the GoAP to amend the date of implementation from April, 2008 onwards.
- (iii) The Accounting of Purchase of Power as disclosed in the Note No. 23 is based on the revised share of 46.06% and consequent to enactment of AP Reorganisation Bill, 2014 the Power Purchase ratio has been further revised vide G.O.Ms.No.20 dated 08.05.2014 w.e.f. 02.06.2014 viz., 38.02%, 15.87 %, 15.80 % and 30.31% in respect of TSSPDCL, TSNPDCL, APEPDCL and APSPDCL respective. And considering (38.02 Plus 15.87 %) as equal to 100 % of both Discoms TSSPDCL and TSNPDCL, the proportionate percentage of TSSPDCL comes to $(38.02/53.89)*100$ is equal to 70.55 % and similarly in respect of TSNPDCL $(15.87/53.89)*100$ is equal to 29.45 %. Accordingly, TSPCC has allocated power purchase cost between the TSSPDCL and TSNPDCL 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 TSPCC and are intimated to the DISCOMs, which are adopted in the Company's books.

2 Share Capital

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

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
Authorised		
2000,00,00,000 Equity shares of ₹ 10 each (Previous Year 12,00,00,00,000 Equity shares of ₹ 10 each)	2,00,00,00,00,000	1,20,00,00,00,000
Issued, Subscribed And Paid-up		
12,01,79,30,306 Equity shares of ₹ 10 each fully paid up (Previous Year 10,61,79,30,306 Equity shares of ₹ 10 each)	1,20,17,93,03,060	1,06,17,93,03,060
TOTAL	1,20,17,93,03,060	1,06,17,93,03,060

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

Particulars	As at 31 st March 2020 (As at 31 st March 2019)	
	Number	₹
Outstanding at the beginning of the year	10,61,79,30,306 (72,84,79,609)	1,06,17,93,03,060 (7,28,47,96,090)
Issued during the year	1,40,00,00,000 (988,94,50,697)	14,00,00,00,000 (98,89,45,06,970)
Bought back during the year	0	0
Outstanding at the end of the year	12,01,79,30,306 (10,61,79,30,306)	1,20,17,93,03,060 (1,06,17,93,03,060)

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

Name of Shareholder	As at 31 st March 2020 (As at 31 st March 2019)	
	No. of Shares held	% of Holding
Equity Shares		
Governor of Telangana	12,01,79,30,306 (10,61,79,30,306)	100%* (100%)
Total	12,01,79,30,306	

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

C. 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.

During the year, the company has increased its Authorised Capital from Rs. 12,000 Crore to Rs. 20,000 Crore divided into Equity Share of Rs.10 each, for allotment of shares for additional capital infusion by the Government of Telangana.

During the year, 2019-20 the Govt. of Telangana has issued the GO.MS.No.11 Dated 06.07.2019 for release of Rs. 400.00 Crore towards Investments in DISCOMs in the form of “Equity Infusion” out of which TSSPDCL share is Rs. 280.00 Crore. But the said funds were not received at the end of 2019-20.

During the year, 2019-20 the Govt. of Telangana has released funds towards Investments in DISCOMs in the form of “Equity Infusion” for an amount of Rs. 2000.00 Crore Vide G.O.MS.No.01 dated 03.01.2020, out of which TSSPDCL share is Rs.1400.00 Crore and share allotment was made on 31.03.2020 and it has been included in the share capital for the year ended 31.03.2020.

The Govt. of Telangana taken over the Loans for an amount of Rs. 5,550.21 Crore of TSSPDCL under UDAY Scheme and out of which an amount of Rs. 4876.83 Crore released and the balance amount of Rs. 673.38 Crore are not received as on 31.03.2020.

3 Reserves & Surplus

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
a. Consumer Contribution towards capital assets		
Opening Balance	45,42,60,64,258	39,30,03,89,314
(+) Current year Receipts	7,19,21,12,577	6,12,56,74,944
Closing Balance	52,61,81,76,835	45,42,60,64,258
b. Subsidies towards cost of capital assets		
Opening Balance	73,22,15,367	73,22,15,367
(+) Current year Receipts	-	-
Transfer on Merger-Gundala	17,81,779	-
Closing Balance	73,39,97,146	73,22,15,367

c. Grants/Donations towards cost of capital assets		
Opening Balance	6,31,50,34,024	3,93,52,47,224
(+) Current year Receipts	47,13,41,128	2,37,97,86,800
Closing Balance	6,78,63,75,152	6,31,50,34,024
Total (Closing balance of a+b+c)	60,13,85,49,133	52,47,33,13,649
Less: Withdrawal towards cost of Capital Assets		
Opening Balance	(22,10,58,14,981)	(18,99,09,09,188)
(+) Current year Amortization to Statement of Profit and Loss	(3,43,74,32,492)	(3,11,49,05,792)
Closing Balance	(25,54,32,47,474)	(22,10,58,14,981)
Total	34,59,53,01,659	30,36,74,98,668
d. Statutory Reserves:		
Contingency Reserve Fund		
Opening Balance	49,57,02,848	46,86,73,030
(+) Current year Receipts	3,52,11,630	2,70,29,818
Closing Balance	53,09,14,478	49,57,02,848
e. Capital Reserve on Demerger		
Opening Balance	7,23,00,74,154	7,23,00,74,154
(+) Transfer on Demerger		
Closing Balance	7,23,00,74,154	7,23,00,74,154
f. Surplus		
Opening Balance	(2,43,62,30,19,705)	(1,93,95,03,45,380)
(+) Current year transfers on merger of Gundala	(6,83,12,305)	-
(+) Net Profit/(Net Loss) For the Current Year	(49,40,24,84,710)	(49,67,26,74,325)
Closing Balance	(2,93,09,38,16,720)	(2,43,62,30,19,705)
Grand Total	(2,50,73,75,26,429)	(2,05,52,97,44,035)

- g. During the year 2019-20, the Company has received Consumer Contributions (including Subsidies, Grants and Donations towards Cost of Capital Assets and Grants) amounting to Rs. 766.34 Crore (Previous year Rs. 850.48 Crore). In proportion in which depreciation on the concerned assets have been charged during the year 2019-20, for an amount of Rs. 343.74 Crore (Previous year Rs. 311.49 Crore) 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.
- h. Since the “GIS Insurance & Savings Fund” and “Self Funding Medical Scheme” are pertains to employee related long term liabilities, the same are regrouped in note no. 5 under the head of “Other Long Term Liabilities” from the present financial year i.e. 2019-20. For better presentation, the related amounts in previous year are also regrouped in the same notes.

3.1 Share Application Money Pending For Allotment

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in Discoms by Govt. of Telangana	-	-
Funds received under the UDAY Scheme	-	-
Total	-	-

4 Long Term Borrowings

S.No	Particulars	As at March 31, 2020	As at March 31, 2019
		₹	₹
1.	Bonds	20,24,65,00,000	20,24,65,00,000
2.	Term Loans		
	i) From Banks	1,82,31,86,898	1,82,31,31,026
	ii) From Other Parties	73,80,55,46,582	58,69,74,75,727
3.	Total Long term Borrowings received on merger - Husnabad	-	1,25,98,69,572
	Total	95,87,52,33,480	82,02,69,76,325

* During the year the loans taken over from TSNPDCL in respect of Husnabad are settled in Inter Corporate Dues.

Further Classification into Party Wise

LENDOR No.	LENDOR NAME	Non Current 31-03-2020	Non Current 31-03-2019
BONDS under FRP Scheme		31-03-2020	31-03-2019
11224	APCPDCL PF TRUST	57,40,00,000	57,40,00,000
11225	APGENCO	1,76,60,00,000	2,26,60,00,000
11226	APTRANSCO PF TRUST	21,40,00,000	21,40,00,000
11227	SINGARENI COLLIERIES	8,00,00,00,000	8,00,00,00,000
11228	APTRANSCO	92,10,00,000	92,10,00,000
11229	ANDHRA BANK	2,62,50,00,000	2,62,50,00,000
11230	SYNDICATE BANK	-	30,50,00,000
11231	THE FEDERAL BANK	6,50,00,000	6,50,00,000
11232	STATE BANK OF INDIA	10,80,00,000	10,80,00,000
11233	STATE BANK OF INDIA	13,10,00,000	13,10,00,000
11234	VIJAYA BANK	59,00,00,000	59,00,00,000
11235	INDIAN OVERSEAS BANK	21,80,00,000	21,80,00,000
11236	CENTRAL BANK OF INDIA	21,80,00,000	21,80,00,000
11237	INDIAN BANK	1,75,00,00,000	1,75,00,00,000
11238	PUNJAB & SINDH BANK	17,40,00,000	17,40,00,000
11239	BANK OF INDIA	30,50,00,000	30,50,00,000
11248	APTRANSCO Tranch-2	1,78,25,00,000	1,78,25,00,000
11276	HPGCL Employees Pension Fund Trust	10,00,00,000	-
11277	HPVPL Employees Pension Fund Trust	12,00,00,000	-
11278	HPVPL Employees Provident Fund Trust	3,00,00,000	-
11279	HPSEBL - General Provident Fund	5,50,00,000	-
11280	APGENCO Pension & Gratuity Trust	21,00,00,000	-
11281	TGENCO Pension & Gratuity Trust	29,00,00,000	-
SUB-TOTAL		20,24,65,00,000	20,24,65,00,000
LONG TERM LOANS FROM BANKS			
11240	ANDHRA BANK	41,36,09,043	41,36,04,323
11241	BANK OF INDIA	27,62,40,636	27,62,40,636
11242	CENTRAL BANK OF INDIA	19,73,11,924	19,73,11,924
11243	THE FEDERAL BANK	5,83,21,064	5,83,21,064
11244	INDIAN OVERSEAS BANK	20,65,57,483	20,65,57,483
11245	INDIAN BANK	27,63,70,338	27,63,19,186
11246	PUNJAB & SINDH BANK	15,79,33,554	15,79,33,554
11247	VIJAYA BANK	23,68,42,856	23,68,42,856
SUB-TOTAL		1,82,31,86,898	1,82,31,31,026
LONG TERM LOANS FROM OTHERS			
11001	12689055 SPA:PE REC	1,38,44,86,830	1,38,44,86,830
11002	13127123 P:SI REC	(35,33,26,480)	(35,33,26,480)
11003	REC - DDUGJY SCHEME	80,86,48,411	33,15,27,311

11007	RURAL ELECTRICAL CORPORAT	11,36,44,13,900	12,20,31,26,339
11008	POWER FINANCE CORPORATION	4,23,90,30,000	4,23,90,30,000
11011	GOVT. LOANS	20,55,53,775	20,55,53,775
11128	IE:DISTRIBUTION & RENOVAT	1,27,52,63,800	-
11251	REC-MEDIUM TERM LOAN	5,63,75,00,000	1,93,75,00,000
11252	Japan International Cooperation Agency (JICA)	3,16,98,74,000	2,59,50,49,000
11253	REC - 9 HRS POWER SUPPLY	2,78,20,85,575	2,83,31,54,157
11254	REC - BULK 2015-16	4,47,83,91,998	4,62,01,85,779
11255	REC - SPA:PE 2015-16	1,68,95,62,836	1,59,93,37,505
11257	PFS LIMITED	3,47,75,00,031	3,69,25,00,007
11258	PFC-IPDS Scheme	1,15,98,50,582	1,07,72,00,000
11259	REC - IE:DISTRIBUTION 201	2,77,17,65,813	2,12,68,32,300
11266	REC - IE:DISTRIBUTION & B	6,87,89,88,201	5,36,09,94,201
11267	REC - SPECIAL LOAN	9,32,50,00,006	11,18,75,00,002
11268	PFC - MEDIUM TERM LOAN	10,85,26,68,647	10,00,00,00,000
11269	PFC - TERM LOAN	8,05,55,55,556	10,00,00,00,000
11270	IE:Distribution & Bulk (FY 2018-19)	1,44,64,01,500	49,23,38,700
11272	REC - IE:DISTRIBUTION (FY 2019-20)	56,05,90,800	-
11273	REC - BULK SCHEME (FY2019-20)	4,42,94,63,000	-
11274	REC - BULK SCHEME (FY2019-20)	50, 17,91,500	-
11275	M/S. IREDA LIMITED	4,50,00,00,000	-
	SUB-TOTAL	90,64,10,60,281	75,53,29,89,426
LESS	Kurnool and Anantapur circles	16,83,55,13,699	16,83,55,13,699
	Net off Kurnool and Anantapur	73,80,55,46,582	58,69,74,75,727
3	Loans assumed in Merger- Husnabad	-	1,25,98,69,572
	Grand Total	95,87,52,33,480	82,02,69,76,325

Further Classification into Secured and Unsecured

LENDOR No.	LENDOR NAME	31.03.2020	31.03.2019
	Secured		
	i) From Banks		
11240	ANDHRA BANK	41,36,09,043	41,36,04,323
11241	BANK OF INDIA	27,62,40,636	27,62,40,636
11242	CENTRAL BANK OF INDIA	19,73,11,924	19,73,11,924
11243	THE FEDERAL BANK	5,83,21,064	5,83,21,064
11244	INDIAN OVERSEAS BANK	20,65,57,483	20,65,57,483
11245	INDIAN BANK	27,63,70,338	27,63,19,186
11246	PUNJAB & SINDH BANK	15,79,33,554	15,79,33,554
11247	VIJAYA BANK	23,68,42,856	23,68,42,856
	Banks Sub-Total	1,82,31,86,898	1,82,31,31,026

	ii) From Others		
11001	12689055 SPA:PE REC	1,38,44,86,830	1,38,44,86,830
11002	13127123 P:SI REC	(35,33,26,480)	(35,33,26,480)
11003	REC - DDUGJY SCHEME	80,86,48,411	33,15,27,311
11007	RURAL ELECTRICAL CORPORAT	11,36,44,13,900	12,20,31,26,339
11008	POWER FINANCE CORPORATION	4,23,90,30,000	4,23,90,30,000
11128	IE:DISTRIBUTION & RENOVAT	1,27,52,63,800	-
11251	REC-MEDIUM TERM LOAN	5,63,75,00,000	1,93,75,00,000
11253	REC - 9 HRS POWER SUPPLY	2,78,20,85,575	2,83,31,54,157
11254	REC - BULK 2015-16	4,47,83,91,998	4,62,01,85,779
11255	REC - SPA:PE 2015-16	1,68,95,62,836	1,59,93,37,505
11257	PFS LIMITED	3,47,75,00,031	3,69,25,00,007
11258	PFC - IPDS	1,15,98,50,582	1,07,72,00,000
11259	REC - IE:DISTRIBUTION 201	2,77,17,65,813	2,12,68,32,300
11266	REC - IE:DISTRIBUTION & B	6,87,89,88,201	5,36,09,94,201
11267	REC - SPECIAL LOAN	9,32,50,00,006	11,18,75,00,002
11268	PFC - MEDIUM TERM LOAN	10,85,26,68,647	10,00,00,00,000
11269	PFC - Term Loan	8,05,55,55,556	10,00,00,00,000
11270	IE:Distribution & Bulk	1,44,64,01,500	49,23,38,700
11272	REC - IE:DISTRIBUTION	56,05,90,800	-
11273	REC - BULK SCHEME	4,42,94,63,000	-
11274	REC - BULK SCHEME	50,17,91,500	-
11275	M/S. IREDA LIMITED	4,50,00,00,000	-
	Others Sub - Total	87,26,56,32,507	72,73,23,86,651
	Total Secured Loans	89,08,88,19,405	74,55,55,17,677
LESS	KURNOOL AND ANANTAPUR	16,83,55,13,699	16,83,55,13,699
	NET OFF KURNOOL AND ANANTAPUR	72,25,33,05,706	57,72,00,03,978

Unsecured - Bonds

LENDOR No.	LENDOR NAME	31.03.2020	31.03.2019
11224	APCPDCL PF TRUST	57,40,00,000	57,40,00,000
11225	APGENCO	1,76,60,00,000	2,26,60,00,000
11226	APTRANSCO PF TRUST	21,40,00,000	21,40,00,000
11227	SINGARENI COLLIERIES	8,00,00,00,000	8,00,00,00,000
11228	APTRANSCO	92,10,00,000	92,10,00,000
11229	ANDHRA BANK	2,62,50,00,000	2,62,50,00,000
11230	SYNDICATE BANK	-	30,50,00,000
11231	THE FEDERAL BANK	6,50,00,000	6,50,00,000
11232	STATE BANK OF INDIA	10,80,00,000	10,80,00,000
11233	STATE BANK OF INDIA	13,10,00,000	13,10,00,000
11234	VIJAYA BANK	59,00,00,000	59,00,00,000
11235	INDIAN OVERSEAS BANK	21,80,00,000	21,80,00,000
11236	CENTRAL BANK OF INDIA	21,80,00,000	21,80,00,000

11237	INDIAN BANK	1,75,00,00,000	1,75,00,00,000
11238	PUNJAB & SINDH BANK	17,40,00,000	17,40,00,000
11239	BANK OF INDIA	30,50,00,000	30,50,00,000
11248	APTRANSCO Tranch-2	1,78,25,00,000	1,78,25,00,000
11276	HPGCL Employees Pension Fund Trust	10,00,00,000	-
11277	HPVPLN Employees Pension Fund Trust	12,00,00,000	-
11278	HPVPLN Employees Provident Fund Trust	3,00,00,000	-
11279	HPSEBL - General Provident Fund	5,50,00,000	-
11280	APGENCO Pension & Gratuity Trust	21,00,00,000	-
11281	TGENCO Pension & Gratuity Trust	29,00,00,000	-
	SUB-TOTAL	20,24,65,00,000	20,24,65,00,000
	UNSECURED - OTHERS		
11252	Japan International Cooperation Agency (JICA)	3,16,98,74,000	2,59,50,49,000
11011	GOVT. LOANS	20,55,53,775	20,55,53,775
	SUB-TOTAL	3,37,54,27,775	2,80,06,02,775
GRAND TOTAL OF SECURED AND UNSECURED LOANS		95,87,52,33,481	80,76,71,06,753
Loans taken over on Merger of Husnabad		-	1,25,98,69,572
Total Loans		95,87,52,33,481	82,02,69,76,325

Securities Charged For The Loans

- a. Term Loans on FRP Scheme are guaranteed by Government vide G.O.Ms. 11 dated 18.02.2014.

Note 4A: Securities offered for the Long Term Loans

Particulars	As at March 31, 2020	As at March 31, 2019
1. Loans from Rural Electrification Corporation Limited, New Delhi.		
i. Secured by the hypothecation of all the future Movable and Stocks to be created under respective schemes of the project out of the loan amount.	40,01,85,27,685	30,59,86,56,642
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.	14,96,25,00,006	13,12,50,00,002
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.	4,23,90,30,000	4,23,90,30,000
ii. Charge is created on company movable assets (unencumbered assets) including PTR Augmentation, Addl PTRs/DTRs/Addl bays/LT/HT AB Cable/	18,90,82,24,203	20,00,00,00,000

Reconductoring/Capacitor Bank/VCB/R&C Works/ Renovation & Modernisation works etc.. to be created in following areas of utility located at Nalgonda, Hyd Central, Master Plan, Hyd East, Hyd West towns of TSSPDCL in the state of Telangana.	1,15,98,50,582	1,07,72,00,000
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.		
3. Loans from Power Trading Corporation - Financial Services Limited (PFS), New Delhi. (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.)	3,47,75,00,031	3,69,25,00,007
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.	4,50,00,00,000	-
Total	87,26,56,32,507	72,73,23,86,651

Total Long Term And Short Term For The Year Ended

LENDOR No.	LENDOR NAME	31.03.2020	31.03.2019
	BONDS		
11224	APCPDCL PF TRUST	57,40,00,000	57,40,00,000
11225	APGENCO	1,76,60,00,000	2,26,60,00,000
11226	APTRANSCO PF TRUST	21,40,00,000	21,40,00,000
11227	SINGARENI COLLIERIES	8,00,00,00,000	8,00,00,00,000
11228	APTRANSCO	92,10,00,000	92,10,00,000
11229	ANDHRA BANK	2,62,50,00,000	2,62,50,00,000
11230	SYNDICATE BANK	-	30,50,00,000
11231	THE FEDERAL BANK	6,50,00,000	6,50,00,000
11232	STATE BANK OF INDIA	10,80,00,000	10,80,00,000

11233	STATE BANK OF INDIA	13,10,00,000	13,10,00,000
11234	VIJAYA BANK	59,00,00,000	59,00,00,000
11235	INDIAN OVERSEAS BANK	21,80,00,000	21,80,00,000
11236	CENTRAL BANK OF INDIA	21,80,00,000	21,80,00,000
11237	INDIAN BANK	1,75,00,00,000	1,75,00,00,000
11238	PUNJAB & SINDH BANK	17,40,00,000	17,40,00,000
11239	BANK OF INDIA	30,50,00,000	30,50,00,000
11248	APTRANSCO TRENCH 2	1,78,25,00,000	1,78,25,00,000
11276	HPGCL Employees Pension Fund Trust	10,00,00,000	-
11277	HPVPL Employees Pension Fund Trust	12,00,00,000	-
11278	HPVPL Employees Provident Fund Trust	3,00,00,000	-
11279	HPSEBL - General Provident Fund	5,50,00,000	-
11280	APGENCO Pension & Gratuity Trust	21,00,00,000	-
11281	TGENCO Pension & Gratuity Trust	29,00,00,000	-
Bonds Sub-Total		20,24,65,00,000	20,24,65,00,000
BANKS			
11013	STATE BANK OF INDIA	2,73,92,26,447	2,61,19,52,361
11240	ANDHRA BANK	41,72,47,631	41,72,72,217
11241	BANK OF INDIA	27,87,57,920	27,87,60,192
11242	CENTRAL BANK OF INDIA	19,92,43,331	19,94,02,399
11243	THE FEDERAL BANK	5,88,66,316	5,88,65,974
11244	INDIAN OVERSEAS BANK	20,85,30,809	20,85,34,958
11245	INDIAN BANK	27,89,25,578	27,89,03,863
11246	PUNJAB & SINDH BANK	15,94,06,053	15,94,05,131
11247	VIJAYA BANK	23,89,09,575	23,90,09,305
Banks Sub-Total		4,57,91,13,660	4,45,21,06,400
OTHERS			
11001	12689055 SPA:PE REC	1,38,44,86,830	1,38,44,86,830
11002	13127123 P:SI REC	(35,33,26,480)	(35,33,26,480)
11003	REC - DDUGJY SCHEME	80,86,48,411	33,15,27,311
11007	RURAL ELECTRICAL CORPORAT	12,74,26,85,025	14,45,18,75,078
11008	POWER FINANCE CORPORATION	4,23,90,30,000	4,23,90,30,000
11011	GOVT. LOANS	20,55,53,775	20,55,53,775
11014	SHORT TERM LOANS ALL BANK & FI	5,67,39,84,929	5,85,56,49,998
11128	IE:DISTRIBUTION & RENOVAT	1,27,52,63,800	-
11251	REC-MEDIUM TERM LOAN	7,56,25,00,000	2,93,75,00,000
11252	Japan International Cooperation Agency (JICA)	3,16,98,74,000	2,59,50,49,000
11253	REC - 9 HRS POWER SUPPLY	2,98,08,11,081	3,15,69,51,381
11254	REC - BULK 2015-16	4,80,15,44,772	4,79,11,41,238
11255	REC - SPA:PE 2015-16	1,76,64,29,766	1,66,83,59,549
11257	PFS LIMITED	3,72,83,33,355	4,12,25,00,007
11258	PFC - IPDS	1,24,58,75,842	1,07,74,29,172
11259	REC - IE:DISTRIBUTION 201	2,83,47,42,237	2,12,68,32,300
11261	GRANT UNDER IPDS SCHEME	1,16,00,000	-

11262	GRANT UNDER DDUGJY SCHEME	14,18,13,372	-
11264	PFC - SHORT TERM LOAN	3,76,81,50,677	1,71,14,52,385
11265	PFC - FLEXI LINE OF CREDI	5,00,00,00,000	5,00,00,00,000
11266	REC - IE:DISTRIBUTION & B	6,87,89,88,201	5,36,09,94,201
11267	REC - SPECIAL LOAN	11,49,79,16,675	14,28,75,00,002
11268	PFC - MEDIUM TERM LOAN	14,16,79,46,425	10,00,00,00,000
11269	PFC - Term Loan	10,00,00,00,000	10,00,00,00,000
11270	IE:Distribution & Bulk	1,44,64,01,500	49,23,38,700
11271	PFC - SGPP Scheme	45,69,342	30,15,217
11272	REC - IE:DISTRIBUTION	56,05,90,800	-
11273	REC - BULK SCHEME	4,42,94,63,000	-
11274	REC - BULK SCHEME	50,17,91,500	-
11275	M/S. IREDA LIMITED	4,50,00,00,000	-
Others Sub-Total		1,16,97,56,68,836	95,44,58,59,664
LESS	KURNOOL AND ANANTAPUR	16,83,55,13,699	16,83,55,13,699
	NET OFF OTHERS	1,00,14,01,55,137	78,61,03,45,965
Grand Total of all loans Gross		1,24,96,57,68,797	1,03,30,89,52,365
ADD	LOANS TAKEN OVER IN MERGER - HUSNABAD	-	1,64,31,66,755
Net off of Kurnool and Anantapur and husnabad		1,24,96,57,68,797	1,04,95,21,19,120

5 Other Long Term Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
Vendor Deposits	1,84,03,71,427	1,57,93,98,076
Contribution Works	40,80,99,137	37,40,36,391
Other Liabilities	74,44,18,027	11,49,59,247
GIS - Insurance & Saving Fund	4,98,91,450	4,82,93,874
Self Funding Medical Scheme	18,92,32,863	7,42,99,356
TOTAL	3,23,20,12,904	2,19,09,86,944

Since the “GIS Insurance & Savings Fund” and “Self Funding Medical Scheme” are pertains to employee related long term liabilities, the same are degrouped from Note No. 3 “Reserves and Surplus” and presented in Note no. 5 under the head of “Other Long Term Liabilities” from the present financial year i.e. 2019-20. For better presentation, the related amounts in previous year are also regrouped in the same notes.

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 31.03.2020 is Rs. 4.53 Crore (Previous Year Rs. 4.39 Crore). The Closing balance of GIS Insurance Fund as at 31.03.2020 is Rs. 0.46 Crore (Previous year Rs .0.44 Crore). During the year the Interest on Savings Fund for an amount of Rs. 0.35 Crore (Previous Year Rs. 0.33 Crore) have been debited and is shown under the head ‘Interest and Finance Charges’.

6 Long Term Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
Provision for employee benefits		
Gratuity (unfunded)	1,49,98,86,726	1,14,66,29,940
Leave Encashment (unfunded)	8,02,42,76,468	6,52,01,83,279
TSSPDCL Pension and Gratuity Trust(Funded)	11,26,79,40,936	10,82,94,32,794
TOTAL	20,79,21,04,130	18,49,62,46,013

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 31.03.2020 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 31.03.2020 is Rs. 156.20 Crore (Previous Year Rs. 119.81 Crore). Expenditure recognised under the head “Employee Benefit Expense “ to the extent of Rs. 40.36 Crore after paying benefits during the year to the extent of Rs. 3.97 Crore. The funding status of the same is unfunded. As per the actuarial valuation report the current liability portion for an amount of Rs. 6.21 Crore 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. 149.99 Crore was shown under this head of Long Term provisions.

b. The Company has carried out actuarial valuation as at 31.03.2020 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. 913.99 Crore (Previous Year Rs.769.07 Crore) and during the year Rs. 48.43 Crore 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.193.36 Crore 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. 111.56 Crore was shown under the head of Short term Provisions note no. 10 and non current portion liability for an amount of Rs. 802.43 Crore was shown under this head of Long Term Provision. The Earned Leave Encashment provision deferred in the F.Y. 2018-19 has been considered in the current financial year.

c. The Company has carried out actuarial valuation as at 31.03.2020 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 31.03.2020 the actuarial valuation report given for providing the liability for the year ended 31.03.2020 is Rs. 2560.76 Crore and of which, the existing plan assets for an amount of Rs.1353.57 Crore the existing liability in the books of account before making new provision is for an amount of Rs. 771.31 Crore and for the balance amount of Rs. 435.88 Crore is debited to statement of Profit and Loss under the head of “ Employee Benefit Expenses”. As per the actuarial valuations, the current liability is for an amount of Rs. 80.39 Crore shown under the Short Term provisions note no 10 and the balance amount of Rs. 1126.79 Crore is shown under this head of Long Term Provision. The Pension and Gratuity provision deferred in the F.Y. 2018-19 has been considered in the current financial year.

7 Short Term Borrowings

S.No	Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
1	Loans Repayable on Demand		
	i) From Banks	2,73,92,26,447	2,61,19,52,361
	ii) From Other Parties	14,44,21,35,606	12,56,71,02,383
2	Loans received on merger- Husnabad	-	38,32,97,183
	Total	17,18,13,62,053	15,56,23,51,927
	Further Classification into Party Wise		
11013	i) From Banks	2,73,92,26,447	2,61,19,52,361
	ii) From Other Parties		
11264	PFC - Short Term Loan	3,76,81,50,677	1,71,14,52,385
11265	PFC - Flexi Lne of Credit	5,00,00,00,000	5,00,00,00,000
11014	Short Term Loans from TS Transco	5,67,39,84,929	5,85,56,49,998
	Loans received on merger- Husnabad	-	38,32,97,183
	Total	17,18,13,62,053	15,56,23,51,927
	Further Classification into Secured and Unsecured		
1	Secured		
	(a) Loans repayable on demand		
	i) From Banks		
11013	STATE BANK OF INDIA	2,73,92,26,447	2,61,19,52,361
	ii) From Others		
11264	PFC - SHORT TERM LOAN	3,76,81,50,677	1,71,14,52,385
11265	PFC - FLEXI LINE OF CREDIT	5,00,00,00,000	5,00,00,00,000
	Sub-Total	8,76,81,50,677	6,71,14,52,385
	Secured Total	11,50,73,77,124	9,32,34,04,746
2	Unsecured		
	(a) Loans repayable on demand		
	from banks	-	-
	from other parties	-	-
11014	SHORT TERM LOANS FROM TS TRANSCO	5,67,39,84,929	5,85,56,49,998
3	Loans received on merger- Husnabad	-	38,32,97,183
	TOTAL	17,18,13,62,053	15,56,23,51,927

Note 7A Securities offered for the above secured Loans

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
Short Term Loan		
1. Banks		
State Bank Of India (Secured by receivables specifically Hypothecated)	2,73,92,26,447	2,61,19,52,361

2. Power Finance Corporation Short Term Loan (Secured by creating a first charge by way of hypothecation of Movable assets(except book debts)	3,76,81,50,677	1,71,14,52,385
3. Power Finance Corporation Flexi Line of Credit (Secured by creating a first charge by way of hypothecation of Movable assets (except book debts)	5,00,00,00,000	5,00,00,00,000
TOTAL	11,50,73,77,124	9,32,34,04,746

8 Trade Payables

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
Unsecured		
A. Micro, Small and Medium Enterprises (MSMEs)	8,55,95,953	5,25,29,402
B. Other than MSME		
APEPDCL	9,92,60,69,849	9,95,49,50,549
APSPDCL	1,11,34,51,901	(13,34,58,171)
TSNPDCL	(34,98,57,46,638)	(18,97,38,20,013)
TSGENCO	(21,59,75,21,785)	(25,89,35,02,652)
APGENCO	88,45,72,36,694	88,45,72,36,694
APTRANSCO	5,76,71,132	5,76,71,133
TGTRANSCO	4,80,20,83,808	2,15,40,71,662
Other Power Purchase Creditors	1,45,22,96,75,283	1,09,35,25,86,777
Other Payables	5,26,75,26,523	5,27,91,87,249
Trade Payables transfer on Merger- Husnabad	-	84,28,12,835
Trade Payables transfer on Merger- Gundala	2,77,56,743	(1,98,95,704)
Total	1,98,38,37,99,463	1,71,13,03,69,761

- Balances from other Discoms', GENCOs', TRANSCO's' are subject to confirmation and reconciliations.
- Balances from other power purchase creditors and other payables are subject to confirmations and reconciliations.
- Trade payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the company and the required disclosures are given below:

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
Principle and amount remaining unpaid	8,55,95,953	5,25,29,402
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.	-	-

9 Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
Current maturities of long-term debt	11,90,91,73,263	7,36,27,90,868
Employee related liabilities	1,57,46,99,871	1,55,58,29,326
Statutory Liability	2,29,01,49,041	62,21,44,721
Advance from Customers	64,54,70,301	58,75,53,826
Consumer Deposits	35,01,97,38,336	31,17,66,17,970
Govt. of AP SC/ST Payable	3,47,35,553	3,47,35,553
Inter Unit Accounts	14,70,35,738	38,04,06,102
Interest Payable on Consumer Deposit	1,70,62,72,048	1,83,63,82,727
Interest Accrued and due	2,54,58,51,400	2,96,32,92,550
Other Liabilities	11,37,59,60,412	11,74,30,53,579
Artisans Salaries Payable	21,30,30,640	22,65,07,929
GST Liabilities	22,99,85,960	35,68,48,987
Transfer on Merger - Husnabad		
Other Liabilities	-	6,51,54,338
Consumer Deposits	36,28,778	36,28,778
Transfer of Consumer Deposits on Merger - Gundala	33,32,095	(5,51,832)
Total	67,69,90,63,436	58,91,43,95,422

Statement showing the Current Maturities of Long Term Debts

LENDOR No.	LENDOR NAME	31.03.2020	31.03.2019
11007	RURAL ELECTRICAL CORPORAT	1,37,82,71,125	2,24,87,48,739
11240	ANDHRA BANK	36,38,588	36,67,894
11241	BANK OF INDIA	25,17,284	25,19,556
11242	CENTRAL BANK OF INDIA	19,31,407	20,90,475
11243	THE FEDERAL BANK	5,45,252	5,44,910
11244	INDIAN OVERSEAS BANK	19,73,326	19,77,475
11245	INDIAN BANK	25,55,240	25,84,677
11246	PUNJAB & SINDH BANK	14,72,499	14,71,577
11247	VIJAYA BANK	20,66,719	21,66,449
11251	REC-MEDIUM TERM LOAN	1,92,50,00,000	1,00,00,00,000
11253	REC - 9 HRS POWER SUPPLY	19,87,25,506	32,37,97,224
11254	REC - BULK 2015-16	32,31,52,774	17,09,55,459
11255	REC - SPA:PE 2015-16	7,68,66,930	6,90,22,044
11257	PFS LIMITED	25,08,33,324	43,00,00,000
11258	PFC-IPDS Scheme	8,60,25,260	2,29,172
11259	REC - IE:DISTRIBUTION 201	6,29,76,424	-
11261	GRANT UNDER IPDS SCHEME	1,16,00,000	-
11262	GRANT UNDER DDUGJY	14,18,13,372	-
11267	REC - SPECIAL LOAN	2,17,29,16,669	3,10,00,00,000
11268	PFC - MEDIUM TERM LOAN	3,31,52,77,778	-
11269	PFC - TERM LOAN	1,94,44,44,444	-
11271	PFC - SGPP SCHEME	45,69,342	30,15,217
	Grand Total	11,90,91,73,263	7,36,27,90,868

- 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.
- Inter Unit Accounts shows a credit balance of Rs. 14.70 Crore (Previous Year - Rs. 38.05 Crore)
- Other Liabilities includes an amount of Rs. 771.22 Crore (Previous Year 819.60 Crore) to TSTRANSCO which was taken on emergency basis.

The above balance is subject to confirmation and reconciliation.

10 Short Term Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
Provision for Employee cost	28,89,84,676	31,10,94,779
RPF Fund	64,506	64,506
Provision for Administration Expenses	16,03,23,324	14,68,98,945
Provision for CWIP	4,47,90,532	4,61,62,394
Provision for Interest	2,91,95,28,600	3,14,65,84,058
Provision for O&M works	1,39,15,992	2,18,40,508
Provision for R & C Penalties	10,21,595	10,21,595
Gratuity (unfunded)	6,21,27,850	5,15,12,472
Leave Encashment (unfunded)	1,11,56,48,130	1,17,04,91,505
TSSPDCL Pension & Gratuity Trust	80,39,24,674	62,14,34,887
Total	5,41,03,29,879	5,51,71,05,649

It is to state that Provision for Interest includes interest payable on FRP bonds Rs. 100.86 Crore, Working Capital Loans Rs. 58.61 Crore, Japan International Co-operation Agency (JICA) loan Rs. 5.94 Crore and PFC loan Rs. 2.57 Crore.

Note No.11 - Property Plant and Equipment

S.No.	Particulars	Gross Carrying Values					Depreciation & Amortisation					Net Carrying Values			
		As at April 1, 2019	Additions	Deletions/ Adjustments	Acquired through business Combinations	Deletions Through Business Combinations	As at 31 st March 2020	As at 1 st April 2019	Depreciation charge for the year	Deletions/ Adjustments	Additions through business combinations	Deletions through business combinations	As at 31 st March 2020	As at 31 st March 2020	As at 31 st March 2019
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
a	TANGIBLE ASSETS														
	Land	7,65,41,605	98,08,812	-	592	-	-	-	-	-	-	-	-	8,63,51,009	7,65,41,605
	Buildings	3,04,68,23,199	21,85,09,253	-	2,22,056	-	76,21,06,936	9,61,92,851	121,150	-	-	85,84,20,937	2,40,71,33,571	2,28,47,16,263	
	Other Civil Works	1,54,13,65,187	33,59,90,035	-	31,53,091	-	19,88,02,598	5,19,83,521	9,44,665	-	-	25,17,30,784	1,62,87,77,529	1,34,25,62,589	
	Plant and Machinery	65,85,68,06,171	8,45,34,02,714	1,63,77,426,49	12,10,63,629	74,41,48,95,088	29,31,49,01,888	4,61,80,62,979	63,89,606	-	-	33,98,28,36,741	40,43,20,58,347	36,54,19,04,283	
	Lines and Cable Network	56,41,40,76,796	10,82,49,04,616	-	7,99,94,720	67,31,89,76,132	24,90,60,87,453	3,84,85,10,064	35,45,316	-	-	28,79,00,51,433	39,52,89,24,699	31,50,79,89,343	
	Meters and Metering Equipment	12,49,69,34,792	2,13,43,20,301	10,48,46,712,34	49,83,240	14,53,14,01,621	7,73,97,36,604	1,04,87,01,741	3,80,756	-	-	8,70,76,15,774	5,82,37,85,847	4,75,71,98,188	
	Vehicles	7,10,24,386	-	1,39,553	-	7,08,84,833	6,34,91,783	2,14,252	1,25,597	-	-	6,35,80,438	73,04,395	75,32,603	
	Furniture and Fixtures	13,05,88,998	1,29,07,102	-	-	14,34,96,100	7,88,56,519	99,04,255	-	-	-	8,87,60,774	5,47,35,326	5,17,32,479	
	Office Equipment	34,36,36,290	7,82,09,511	-	-	42,18,45,801	21,05,63,554	3,15,18,570	-	-	-	24,20,82,124	17,97,63,677	13,30,72,736	
	Air Conditioners	1,85,61,627	27,67,631	-	-	2,13,29,258	1,27,53,665	13,98,656	-	-	-	1,41,52,321	71,76,937	58,07,962	
	Computer & IT Equipment	1,48,53,09,833	9,05,46,534	-	32,406	1,57,58,87,873	87,77,28,814	11,78,94,095	28,977	-	-	99,56,51,886	58,02,35,987	60,75,81,019	
	Sub Total	1,41,48,16,68,884	22,16,13,65,610	12,13,63,692	20,94,69,734	1,63,73,11,30,536	64,16,50,29,814	9,82,43,80,984	10,42,53,290	-	-	73,99,48,83,212	88,73,62,47,324	77,31,66,39,070	
b	INTANGIBLE ASSETS														
	Computer Software	43,94,65,122	30,99,894	-	-	44,25,65,006	35,71,59,966	4,12,19,483	-	-	-	39,83,79,449	4,41,85,557	8,23,05,156	
	Sub Total	43,94,65,122	30,99,894	-	-	44,25,65,006	35,71,59,966	4,12,19,483	-	-	-	39,83,79,449	4,41,85,557	8,23,05,156	
c	Capital Work in Progress														
	Sub Total	16,29,72,81,664	16,17,92,97,340	22,21,24,39,900	-	10,26,41,39,504	-	-	-	-	-	-	-	10,26,41,39,504	16,29,72,81,664
d	GRAND TOTAL (a+b+c)														
	Grand Total of Previous Year	1,36,52,50,95,534	34,09,84,13,168	12,40,50,93,032	-	1,58,21,84,15,670	56,03,53,76,173	8,55,80,50,759	7,12,37,152	-	-	64,52,21,89,780	93,69,62,25,990	80,48,97,19,361	

Note No. 12 Non Current Investments (At Cost)

A. Details of Trade Investments									
Sl. No	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹)		
			As at 31 March 2020	As at 31 March 2019			As at 31 March 2020	As at 31 March 2019	
(1)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	
a)	Andhra Pradesh Power Development Company Ltd. (APPDCL)	Others	42,60,10,000	42,60,10,000	Unquoted	Fully Paid	4,26,01,00,000	4,26,01,00,000	
	Total						4,26,01,00,000	4,26,01,00,000	
B. Details of Other Investments									
Sr.No	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹)		
			As at 31 March 2020	As at 31 March 2019			As at 31 March 2020	As at 31 March 2019	
1	Investments in Government or Trust securities								
200021	AP TRANSCO - VIDYUT BONDS (Face Value Rs. 10,00,000/- per Bond)	Others	132	132	Quoted	Fully Paid	13,20,00,000	13,20,00,000	
200013	8.74% APPFC Bonds (Face Value Rs. 10,00,000/- per Bond)	Others	47	47	Quoted	Fully Paid	4,70,00,000	4,70,00,000	
200013	9.97% APPFC Bonds (Face Value Rs. 10,00,000/- per Bond)	Others	24	24	Quoted	Fully Paid	2,40,00,000	2,40,00,000	
200013	9.64% APPFC Bonds (Face Value Rs. 10,00,000/- per Bond)	Others	22	22	Quoted	Fully Paid	2,20,00,000	2,20,00,000	
200011	5.64% Govt of India Securities	Others	200000	200000	Unquoted	Fully Paid	-	-	
200014	8.35% Govt of India Securities	Others	172000	172000	Unquoted	Fully Paid	1,72,00,000	1,72,00,000	
200030	9.15% APSFC - Unsecured, Redeemable, Non Convertible, Non SLR Bonds Series VI-2013 (Face Value Rs. 10,00,000/- per Bond)	Others	14	14	Unquoted	Fully Paid	84,00,000	1,12,00,000	
200036	MAH SLD @ 9.25%	Others	180	180	Unquoted	Fully Paid	1,80,00,000	1,80,00,000	
200030	APSFC SERIES VII/2014 FRO (Face Value Rs. 1,00,000/- per Bond)	Others	9	9	Unquoted	Fully Paid	72,00,000	90,00,000	
200038	9.2% GOVERNMENT OF INDIA - 2030 SECURITIES	Others	194	194	Unquoted	Fully Paid	1,94,00,000	1,94,00,000	
200037	8.4% GOVERNMENT OF INDIA - 2024 SECURITIES	Others	190	190	Unquoted	Fully Paid	1,90,00,000	1,90,00,000	
	Sub Total (B)						31,42,00,000	31,88,00,000	
C	Transfer on Merger - Husnabad						-	3,84,35,149	
	Grand Total (A+B+C)						4,57,43,00,000	4,61,73,35,149	

* During the year an amount of Rs.46.00 Lakhs has matured in 9.15% APSFC - Non SLR Bonds Series VI-2013 and APSFC SERIES VII/2014 FRO.

13 Deferred Tax

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
Deferred Tax Liabilities		
A i) Opening Balance	9,98,10,42,251	9,07,17,54,056
Less : Adjustment against Merger of Husnabad	27,64,483	
ii) Fixed Assets : Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	(2,35,64,99,262)	90,92,88,195
iii) Gross deferred tax liability (i+ii)	7,62,45,42,989	9,98,10,42,251
Deferred Tax Asset		
B i) Opening Balance	21,12,55,56,541	17,09,78,90,358
ii) Deferred tax asset on timing difference	2,84,83,35,934	4,02,76,66,183
iii) Gross deferred tax asset (i+ii)	23,97,38,92,475	21,12,55,56,541
iv) Net Deferred Tax Asset/ (Liability) (Biii-Aiii)	16,34,93,49,486	11,14,45,14,290

The Deferred Tax Liability assumed on merger of Husnabad is net settled and adjusted in F.Y. 2019-20

13A - Deferred Tax Calculations

1. Deferred Tax Liability

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
i) WDV as per Companies Act 2013	89,78,04,32,881	77,32,24,02,621
ii) WDV as per Income Tax Act	64,36,52,89,584	45,33,18,82,586
iii) WDV Timing Differences (i-ii)	25,41,51,43,297	31,99,05,20,035
iv) Deferred Tax Liability (iii *30%)	7,62,45,42,989	9,98,10,42,251

2. Deferred Tax Asset

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
Deferred Tax Assets on Timing Differences		
i. Unabsorbed Depreciation	53,56,94,10,803	42,78,25,19,230
ii. 43B Disallowances		
a. Provision for gratuity [Section 43B(b)]	12,12,07,56,550	11,40,31,81,290
b. Provision for leave encashment [Section 43B(f)]	8,75,74,27,565	7,41,45,39,991
c. Interest [Section 43B(d) & (e)]	5,46,53,80,000	6,10,98,76,608
Total Timing Difference	79,91,29,74,918	67,71,01,17,119
Deferred Tax Assets	23,97,38,92,475	21,12,55,56,541

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. However, timings difference on unabsorbed depreciation has been considered, as the same can be carry forward without any limit.

13 B. Deferred Tax Income Calculation

Particulars	As at March 31,2020 ₹	As at March 31,2019 ₹
1. Deferred Tax Liability	7,62,45,42,989	9,98,10,42,251
2. Deferred Tax Asset	23,97,38,92,475	21,12,55,56,541
3. Net Deferred Tax Asset of Current year (2-1)	16,34,93,49,486	11,14,45,14,290
4. Net Deferred Tax Asset of Previous year	11,14,45,14,290	8,02,61,36,301
5. Deferred Tax on account of Merger - Husnabad	27,64,483	-
6. Net Deferred Tax Income credit to P&L A/c (3-(4+5))	5,20,20,70,713	3,11,83,77,988

14 Long Term Loans & Advances

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
a. Secured, Considered good		
Loans & Advances to employees	42,41,89,560	37,87,07,234
b. Unsecured, Considered good		
Loans & Advances to employees	4,15,00,973	3,97,76,058
Deposits with Courts, Telecom and Local Authorities	92,99,85,310	80,81,08,331
Capital Advances	40,56,76,358	1,06,96,64,252
Total	1,80,13,52,201	2,29,62,55,875
c. Secured Long term Loans & Advances to employees includes		
Particulars	As at March 31,2020 ₹	As at March 31,2019 ₹
Housing Loan - Secured against House	18,74,32,575	19,62,38,079
Four Wheeler Loan - Hypothecation of Four Wheeler	23,67,56,985	18,24,69,155
Total	42,41,89,560	37,87,07,234

d. Unsecured Long term Loans & Advances to employees includes

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
Education Loans	(6,66,087)	(6,10,387)
Two Wheeler Loan	1,89,08,682	1,67,31,960
Computer Loans	1,99,35,617	1,96,02,991
Marriage Advance	33,22,761	40,51,494
Total	4,15,00,973	3,97,76,058

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

f. Unsecured Deposits Includes

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
Court Authorities	69,01,69,625	56,85,38,487
Telephone Authorities	7,71,761	7,30,401
Deposits with Local Authorities and Resco	23,90,43,924	23,88,39,443
Total	92,99,85,310	80,81,08,331

g. Deposits with Court Authorities includes ₹ 62.13 Crore (Previous Year ₹ 50.14 Crore) 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, 2020	As at March 31, 2019
	₹	₹
(a) Secured, considered good		
Long Term Receivables from Employees	6,57,03,185	7,24,33,500
(b) Unsecured, considered good		
Receivable from ITI, Chennai	47,63,344	42,71,172
Total	7,04,66,529	7,67,04,672

a. Receivable from ITI represents 50% apprentice salaries paid by the company.

b. Long Term Receivables from Employees includes amount recoverable on account of Work Orders and Excess Medical Bills.

16 Inventories

Particulars	As at March 31,2020	As at March 31,2019
	₹	₹
Stores and Spares	2,25,03,88,416	2,37,27,44,001
Less: Provision for Recovery/Write Off of Cost Materials	2,52,24,863	1,78,14,253
Total	2,22,51,63,553	2,35,49,29,748

Provision for Obsolete Items:

As per the physical verification report for the year ended 31st March, 2020 an amount of Rs. 2,52,24,863 is noticed as obsolete stock, but the provision for obsolete stock is available for an amount of Rs. 1,78,14,253 is existing and the Provision for Obsolete Stock is restated to Rs. 2,52,24,863.

17 Trade Receivables

Particulars	As at March 31,2020	As at March 31,2019
	₹	₹
i) Trade Receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	15,51,17,08,547	5,07,37,05,000
Unsecured, considered good	8,99,95,89,467	8,09,28,55,000
Sub Total	24,51,12,98,014	13,16,65,60,000
ii) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	14,92,75,36,951	9,89,19,21,000
Unsecured, considered good	47,39,79,19,480	46,20,24,69,586
Unsecured, considered doubtful	6,15,05,88,776	4,84,81,12,241
Less: Provision for doubtful debts	(6,15,05,88,776)	(4,84,81,12,241)
Less: Provision for doubtful debts FSA	(26,02,48,967)	(26,02,48,967)
Sub Total	62,06,52,07,464	55,83,41,41,619
Total (i + ii)	86,57,65,05,478	69,00,07,01,619

- The above trade receivables includes, Court Cases of ₹ 685.62 Crore (Previous Year ₹ 638.76 Crore), R.R.Act Cases ₹ 0.05 Crore (Previous Year ₹ 4.85 Crore), Bill Stopped/Disconnected Services ₹ 794.50 Crore (Previous Year ₹ 685.65 Crore).
- The Above trade receivables includes Debtors balances received on Merger of Gundala Mandal is for an amount of Rs.6.78 Crore.

18 Cash & Cash Equivalents

Particulars	As at March 31,2020 ₹	As at March 31,2019 ₹
1. Cash and Cash Equivalents		
a. Balances with banks		
In Current Accounts	3,03,80,44,751	3,43,73,15,538
Remittance in Transit	(2,52,68,615)	(2,04,27,543)
In Deposits with Original Maturity less than 3 Months	39,77,56,396	79,62,08,174
b. Cash on hand	8,14,24,820	27,46,90,070
Total	3,49,19,57,352	4,48,77,86,239

19 - Short Term Loans & Advances

Particulars	As at March 31,2020 ₹	As at March 31,2019 ₹
a. Secured, considered good		
Recoverable from employees (Cell phone)	7,93,041	11,14,167
b. Unsecured, considered good		
Loans & Advances to employees	8,46,07,510	6,00,02,155
Income Tax Refunds	4,38,00,100	6,18,56,727
Advance to O&M Suppliers	2,18,65,646	1,54,22,422
Government Receivables	52,72,92,56,951	50,31,52,93,576
Provision for Government Receivables - Additional Power	(38,77,87,39,156)	(38,77,87,39,156)
Other Loans & Advances	60,55,718	60,42,534
Total	14,10,76,39,810	11,68,09,92,425

20 - Other Current Assets

Particulars	As at March 31,2020 ₹	As at March 31,2019 ₹
Fixed asset retired from active use and held for disposal	6,72,296	6,72,296
Interest Accrued on Fixed Deposits	26,524	1,32,202
Interest Accrued on Investments	5,88,92,222	4,30,98,533
Unbilled Revenue - Trade Receivables	20,14,52,63,525	22,80,17,24,381
FSA Revenue - Receivables	5,51,36,41,199	5,51,36,41,199
TSGENCO Master P & G Trust	77,91,68,311	53,09,57,829
Receivable on Demerger of Kurnool and Anantapur	20,96,57,28,272	20,96,57,28,272
Receivable on Merger of Husnabad (Govt. Receivable)	-	27,74,05,752
TSSPDCL GPF Trust	5,50,24,560	7,42,22,256
Other Receivables	1,23,39,59,001	70,16,30,671
Receivable from Govt under UDAY for Losses	-	3,92,48,00,000
Net Receivable on Merger - Husnabad	-	20,61,08,747
Net Receivable on Merger - Gundala	2,19,99,272	9,24,23,021
Total	48,77,43,75,182	55,13,25,45,159

TSGENCO Master P & G Trust owes to the company to the tune of Rs. 77.92 Crore (Previous year Rs. 53.10 Crore).

21 - Revenue From Operations

Particulars	2019-20	2018-19
(a) Sale of Energy		
LT Supply	78,03,51,87,637	73,31,48,51,989
HT Supply	1,26,98,40,78,968	1,24,54,07,71,619
Interstate Sales	12,42,76,87,801	7,72,97,70,287
Fuel Surcharge Adjustment	2,11,88,079	9,61,57,329
Tariff Subsidy	13,97,50,00,000	13,97,50,00,000
Revenue grant under UDAY Scheme	(3,92,48,00,000)	3,92,48,00,000
Customer Charges	4,47,16,61,193	4,14,17,00,477
Theft of Power	34,86,36,861	28,40,47,669
Delayed Payment Surcharge - Income	11,35,73,50,822	8,84,06,85,529
R & C Penalties	84,46,768	28,25,653
(b) Other Operating Revenues		
Amortization of Consumer Contribution, Subsidies & Grants towards Property Plant and Equipment	3,43,74,32,493	3,11,49,05,793
Others - Wheeling, Unscheduled Interchange, Capacitor Surcharge etc..	60,38,88,008	66,55,13,595
Less: Electricity Duty	(1,73,70,67,288)	(1,63,34,01,168)
Total	2,46,00,86,91,343	2,38,99,76,28,772

21 (a) 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 2019-20 the Tariff Subsidy is accounted for Rs.1397.50 Crore out of which an amount of Rs.1172.00 Crore received from Govt. of Telangana.

21 (b) (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 Ministry of Power, Government of India vide Notification No. S.O.266 (E) dated 29th March, 1994. In view of this, Management is opined that Schedule II to the Companies Act, 2013 is not mandatorily applicable to the Company. For the ARR filing, the company is claiming depreciation as per rates notified by the Hon'ble TSERC.

ii) The Depreciation on Consumer Contributions have been withdrawn on 90 % of the values.

For the F.Y. 2016-17, losses of the company is for an amount of Rs. 4700.22 Crore and as per the clauses under the UDAY scheme the Government of Telangana has sanctioned and released the funds @5% of Losses i.e., Rs. 235 Crore (Rs. 4700.22*5%) and the same is accounted as Revenue grant under UDAY scheme during the F.Y 2017-18.

For the F.Y. 2017-18, losses of the company is for an amount of Rs. 3924.78 Crore and as per the clauses under the UDAY scheme, the Government of Telangana has issued the G.O.No. 57, dated 24.08.2018 and 87, dated 20.12.2018 towards the take over of 10% of Losses 392.48 (Rs. 3924.78*10%) and the same is accounted as per the accounting policy of the company i.e., mercantile/accrual system of accounting as

Revenue Grant under UDAY scheme during the F.Y. 2018-19. But the said funds sanctioned under “Investments in the Discoms” and not been received up to the year ending of 2019-20. So the revenue recognised under “Grants Receivable from Government under UDAY Scheme” in 2018-19 is reversed in 2019-20.

For the F.Y. 2018-19, losses of the company is for an amount of Rs. 4967.27 Crore and as per the clauses under the UDAY scheme, the Government of Telangana has issued the G.O.No. 13, dated 08.08.2019 towards the take over of 25% of Losses 1241.81 (Rs. 4967.27*25%). Since the pending receipt of funds, the same has not been accounted during the F.Y. 2019-20.

22 Other Income

Particulars	2019-20 ₹	2018-19 ₹
Interest Income		
Bank	7,50,12,681	7,55,77,875
Staff	43,82,237	28,53,798
Others	8,04,29,841	6,27,36,016
Rent from Company’s Property Plant and Equipment	34,27,546	30,95,352
Sale of Scrap	1,90,72,117	4,17,88,427
Penalties from Suppliers	5,78,02,699	12,46,53,655
Miscellaneous Income	-	26,29,202
Other Income	22,77,18,704	1,99,98,80,952
Total	46,78,45,825	2,31,32,15,277

- As per the Company’s Policy, interest on loans given to employees is recovered after repayment of the principal loan amount.
- Other Income includes prior period loss for an amount of Rs. 2.26 Crore, income in respect of Incidental charges for an amount of Rs. 55.97 Crore and release of forfeited Bank Guarantees of Rs. 35.40 Crore.

23 Power Purchase Cost

Particulars	2019-20 ₹	2018-19 ₹
Purchase of Power - Fixed Cost	76,05,42,85,615	73,35,34,64,920
Purchase of Power - Variable Cost	1,43,16,75,11,812	1,51,74,35,07,710
Transmission Charges	19,93,99,31,388	18,90,52,93,456
Other Power Purchase Costs	9,91,08,72,297	4,37,10,37,902
Total	2,49,07,26,01,112	2,48,37,33,03,988

24 Employee Benefit Expense

Particulars	2019-20 ₹	2018-19 ₹
Salaries and incentives	13,00,86,50,903	12,40,79,29,928
Artisans Remuneration	3,13,27,78,689	2,66,86,51,722
Contributions to Employees Provident Fund 1952	59,85,25,443	52,86,69,697
Artisans EPF and ESI Contributions	22,59,62,320	29,50,48,358
Pension Benefits	6,82,52,80,969	6,38,56,57,302
Director's Remuneration & Allowances	2,45,68,301	1,86,55,953
Director's Sitting Fees	1,06,890	1,21,890
Staff welfare expenses	22,36,53,350	18,56,63,876
Less: Employee Cost Capitalised	(89,51,38,324)	(1,14,18,10,855)
Total	23,14,43,88,541	21,34,85,87,871

The Company is making the Provision for Pension & Gratuity in respect of employees who were on rolls as on 31.01.1999 and retired thereafter in the ratio of 26 % and providing the balance 74% is the responsibility of the TSGENCO Master Trust. And accordingly, the TSSPDCL is making the payment of 74% Pension & Gratuity and claiming the reimbursement of same on monthly basis from the TS GENCO Master Trust and the TS GENCO Master Trust is reimbursing the same and as such the Provision of maintaining 74% of Pension & Liability is not required to provide in the books of accounts.

Disclosures for the DISCOM P & G Trust (Employees recruited prior to 01.02.1999 and on roll as on 31.03.2020)

Annexure 1: Funded status of the plan

Particulars	As at March 31,2020 ₹	As at March 31,2019 ₹
Present value of unfunded obligations	-	-
Present value of funded obligations	25,60,76,11,977	23,38,46,97,709
Fair value of plan assets	13,53,57,46,367	10,28,41,35,939
Net Liability (Asset)	12,07,18,65,610	13,10,05,61,770

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2020 ₹	As at March 31,2019 ₹
Current service cost	13,39,47,559	18,67,29,869
Interest on obligation	1,78,89,29,375	1,34,63,02,443
Expected return on plan assets	(78,15,95,851)	(55,19,84,439)
Net actuarial loss/(gain)	1,95,37,52,047	5,35,95,25,111
Past service cost	(38,59,01,286)	

Adjustment to the Opening Fund	-	(84,16,59,353)
Loss/(gain) on curtailments and settlement		
Total included in 'Employee Benefit Expense'	2,70,91,31,844	5,49,89,13,631
Expenses deducted from the fund		
Total Charge to P&L	2,70,91,31,844	5,49,89,13,631
Loss/(Gain) on obligation as per Annexure 3	1,99,37,46,627	5,35,70,84,113
Loss/(Gain) on assets as per Annexure 4	(3,99,94,577)	24,40,998
Net actuarial Loss/(Gain)	1,95,37,52,047	5,35,95,25,111

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2020	As at March 31,2019
	₹	₹
Opening Defined Benefit Obligation	23,38,46,97,709	17,71,45,05,823
Current service cost	13,39,47,559	18,67,29,869
Interest cost	1,78,89,29,375	1,34,63,02,443
Actuarial loss (gain)	1,99,37,46,624	5,35,70,84,113
Past service cost	(38,59,01,286)	
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	(1,30,78,08,004)	(1,21,99,24,539)
Benefits payable		
Closing Defined Benefit Obligation	25,60,76,11,977	23,38,46,97,709

Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2020	As at March 31,2019
	₹	₹
Opening value of plan assets	10,28,41,55,939	7,26,29,53,145
Transfer in/(out) plan assets		
Expenses deducted from the fund		
Expected return	78,15,95,851	55,19,84,439
Actuarial gain and (loss)	3,99,94,577	(24,40,998)
Assets distributed on settlements		
Contributions by employer	2,43,00,00,000	1,63,00,00,000
Assets acquired in an amalgamation in the nature of purchase		
Exchange differences on foreign plans		
Benefits paid		
Adjustment to the Opening Fund		84,16,59,353
Closing value of plan assets	13,53,57,46,367	10,28,41,55,939

Annexure 5: Reconciliation of net defined benefit liability

Particulars	As at March 31,2020	As at March 31,2019
	₹	₹
Net opening provision in books of accounts	13,10,05,41,770	10,45,15,52,678
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	2,70,91,31,844	5,49,89,13,631
Sub- Total	15,80,96,73,614	15,95,04,66,309
Benefits paid by the Company	(1,30,78,08,004)	(1,21,99,24,539)
Amounts transferred to 'payable account'		
Contributions to plan assets	(2,43,00,00,000)	(1,63,00,00,000)
Closing provision in books of accounts	12,07,18,65,610	13,10,05,41,770

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2020	As at March 31,2019
	%	%
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 31,2020	As at March 31,2019
	₹	₹
Current Liability*	80,39,24,674	62,14,34,887
Non-Current Liability	11,26,79,40,936	12,47,91,06,883
Net Liability	12,07,18,65,610	13,10,05,41,770

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2020	As at March 31,2019
	₹	₹
Defined Benefit Obligation	25,60,76,11,977	23,38,46,97,709
Plan Assets	13,53,57,46,367	10,28,41,55,939
Surplus/(Deficit)	(12,07,18,65,610)	(13,10,05,41,770)
Experience adjustments on plan liabilities	(33,40,34,358)	40,16,30,402
Actuarial loss/(gain) due to change in demographic assumption	(15,04,02,744)	40,47,213
Actuarial loss/(gain) due to change in financial assumptions	2,47,81,83,726	4,95,14,06,498
Experience adjustments on plan assets	(3,99,94,577)	24,40,998
Net actuarial loss/ (gain) for the year	1,95,37,52,047	5,35,95,25,111

Annexure 9: Principle actuarial assumptions

Particulars	As at March 31,2020	As at March 31,2019
Discount Rate for Gratuity and Pension	6.85 %	7.65% - Gratuity & 7.75% - Pension
Expected Return on Plan Assets	7.60 %	7.60 %
Salary Growth Rate	9.00 %	9.00 %
Pension Growth Rate	4.00 %	4.00 %

Earned Leave Encashment for all Employees on roll as on 31.03.2020
Annexure 1: Funded status of the plan

Particulars	As at March 31,2020	As at March 31,2019
Present value of unfunded obligations	9,13,99,24,598	8,71,84,79,966
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Liability (Asset)	9,13,99,24,598	8,71,84,79,966

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2020	As at March 31,2019
Current service cost	41,64,61,186	34,38,56,343
Interest on obligation	62,21,92,417	40,32,47,673
Expected return on plan assets	-	-
Net actuarial loss/(gain)	(17,26,97,007)	2,67,89,13,258
Past service cost		
Losses/(gains) on curtailments and settlement		
Total included in 'Employee Benefit Expense'	86,59,56,596	3,42,60,17,274
Expenses deducted from the fund		
Total Charge to P&L	86,59,56,596	3,42,60,17,274
Loss/(Gain) on obligation as per annexure 3	(17,26,97,007)	2,67,89,13,258
Loss/(Gain) on assets as per annexure 4	-	-
Net actuarial Loss/(Gain)	(17,26,97,007)	2,67,89,13,258

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2020	As at March 31,2019
Opening Defined Benefit Obligation	8,71,84,79,966	5,68,75,52,270
Transfer in/(out) obligation	-	-
Current service cost	41,64,61,186	34,38,56,343
Interest cost	62,21,92,417	40,32,47,673
Actuarial losses/ (gains)	(17,26,97,007)	2,67,89,13,258
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	(44,45,11,964)	(39,50,89,578)
Closing Defined Benefit Obligation	9,13,99,24,598	8,71,84,79,966

* 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 31,2020	As at March 31,2019
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 31,2020	As at March 31,2019
Net opening provision in books of accounts	8,71,84,79,966	5,68,75,52,270
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee benefit expense as per annexure 2	86,59,56,596	3,42,60,17,274
	9,58,44,36,562	9,11,35,69,544
Benefits paid by the company	(44,45,11,964)	(39,50,89,578)
Contributions to plan assets	-	-
Closing provision in books of accounts	9,13,99,24,598	8,71,84,79,966

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2020	As at March 31,2019
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 31,2020	As at March 31,2019
Current Liability*	1,11,56,48,130	1,17,04,91,505
Non-Current Liability	8,02,42,76,468	7,54,79,88,461
Net Liability	9,13,99,24,598	8,71,84,79,966

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2020	As at March 31,2019
Defined Benefit Obligation	9,13,99,24,598	8,71,84,79,966
Plan Assets	-	-
Surplus/(Deficit)	(9,13,99,24,598)	(8,71,84,79,966)
Experience adjustments on plan liabilities	(72,42,36,209)	2,71,20,59,076
Actuarial loss/(gain) due to change in financial assumptions	54,99,40,854	(3,31,45,818)
Actuarial loss/ (gain) due to change in demographic assumption	15,98,348	
Experience adjustments on plan assets		
Net actuarial loss/ (gain) for the year	(17,26,97,007)	2,67,89,13,258

Annexure 9: Principle Actuarial Assumptions

Particulars	As at March 31,2020	As at March 31,2019
Discount Rate	6.85%	7.605%
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	9.00%	9.00%
Withdrawal Rates	1% at younger ages reducing to 0% at older ages	1% at younger ages reducing to 0% at older ages
Leave Availment Rate	5% p.a.	5% p.a.
Leave Encashment Rate	0% p.a.	0% p.a.

Gratuity for Employees Recruited after 01.02.1999

Annexure 1: Funded status of the plan

Particulars	As at March 31,2020	As at March 31,2019
Present value of unfunded obligations	1,56,20,14,576	1,19,81,42,412
Present value of funded obligations		
Fair value of plan assets		
Net Liability (Asset)	1,56,20,14,576	1,19,81,42,412

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2020	As at March 31,2019
Current service cost	11,63,68,025	11,55,46,378
Interest on obligation	8,96,87,542	9,17,48,803
Expected return on plan assets	-	-
Net actuarial loss/(gain)	19,75,78,058	(19,61,47,190)
Recognised Past Service Cost	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	40,36,33,625	1,11,47,991
Expenses deducted from the fund		
Total Charge to P&L	40,36,33,625	1,11,47,991
Loss/(gain) on obligation as per Annexure 3	19,75,78,058	(19,61,47,190)
Loss/(gain) on assets as per Annexure 4	-	
Net actuarial loss/(gain)	19,75,78,058	(19,61,47,190)

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2020	As at March 31,2019
Opening Defined Benefit Obligation	1,19,81,42,412	1,20,72,21,098
Transfer in/(out) obligation	-	-
Current service cost	11,63,68,025	11,55,46,378
Interest cost	8,96,87,542	9,17,48,803
Actuarial loss (gain)	19,75,78,058	(19,61,47,190)
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	(3,97,61,461)	(2,02,26,677)
Closing Defined Benefit Obligation	1,56,20,14,576	1,19,81,42,412

Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2020	As at March 31,2019
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 31,2020	As at March 31,2019
Net opening provision in books of accounts	1,19,81,42,412	1,20,72,21,098
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Annexure 2	40,36,33,625	1,11,47,991
Sub-Total	1,60,17,76,037	1,21,83,69,089
Benefits paid by the Company	(3,97,61,461)	(2,02,26,677)
Contributions to plan assets	-	-
Closing provision in books of accounts	1,56,20,14,576	1,19,81,42,412

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2020	As at March 31,2019
	%	%
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 31,2020	As at March 31,2019
Current Liability*	6,21,27,850	5,15,12,472
Non-Current Liability	1,49,98,86,726	1,14,66,29,940
Net Liability	1,56,20,14,576	1,19,81,42,412

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2020	As at March 31,2019
Defined Benefit Obligation	1,56,20,14,576	1,19,81,42,412
Plan Assets	-	-
Surplus/(Deficit)	(1,56,20,14,576)	(1,19,81,42,412)
Experience adjustments on plan liabilities	6,81,15,958	(18,92,42,173)
Actuarial loss/(gain) due to change in financial assumptions	13,32,04,993	(69,05,017)
Actuarial loss/ (gain) due to change in demographic assumption	(37,42,893)	-
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	19,75,78,058	(19,61,47,190)

Annexure 9: Principle actuarial assumptions

Particulars	As at March 31,2020	As at March 31,2019
Discount Rate	6.85%	7.65%
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	9.00%	9.00%
Withdrawal Rates	1% at younger ages reducing to 2% at older ages	1% at younger ages reducing to 2% at older ages

25 Operation & Other Expenses

Particulars	As at March 31,2020	As at March 31,2019
	₹	₹
Advertisement	1,75,69,117	1,46,07,983
Consultancy Charges	5,93,85,467	10,10,53,223
Contract Labour Charges	13,18,80,313	14,56,05,334
Electricity Charges	8,19,06,836	8,22,27,166
Insurance	4,04,141	6,09,709
Inventories Handling Charges	1,67,87,782	3,53,96,421
Legal Charges	1,91,38,010	1,64,22,050
License fees - TSERC	5,93,20,710	5,93,20,710
Office Maintenance	1,45,97,945	1,67,98,262
Other Expenses	10,35,13,474	15,66,34,766
Postage & Telegrams	17,36,330	15,77,360
Printing & Stationery	6,75,57,033	5,02,53,216
Professional Charges	31,31,50,213	24,25,98,846
R&M - Others	6,67,87,591	4,81,09,171
Rates & Taxes	4,81,10,159	2,14,13,313
Rent	43,88,406	54,46,973
Repairs to Buildings & Civil works	4,36,02,073	6,35,54,940
Repairs to Plant and Machinery	1,01,13,59,084	1,13,49,86,771
Repairs to Vehicles	2,71,98,217	1,99,06,112
Telephone & Communication	4,58,46,133	4,42,61,364
Training Expenses	17,69,550	27,49,199
Travelling Expenses	20,11,64,301	22,47,56,400
Vehicle Hire charges	38,12,58,092	38,17,05,178
Vidyut Ombudsman Expenses	51,93,092	58,70,800
Payments to the auditor	16,35,480	17,21,985
Office Maintenance Tea Snacks	1,75,23,861	79,12,395
Office Maintenance other Expenses	3,11,67,024	67,31,787
Office Maintenance Cleaning Expenses	3,11,110	18,000
Less: Administration & General Expenses Capitalised	(15,74,78,052)	(20,06,39,378)
Total	2,61,67,83,492	2,69,16,10,056

Payments to the Auditor includes an amount of Rs.1.20 Lakhs towards out of pocket expenses and GST there on.

26 Finance Costs

Particulars	As at March 31,2020	As at March 31,2019
	₹	₹
Interest expense		
Long Term Loans	3,27,85,29,954	2,91,61,41,804
Short Term Loans	7,45,90,19,425	6,29,58,15,975
Consumption Deposits	1,69,34,83,052	1,92,94,63,717
Others		
On FRP Bonds	2,01,73,50,000	2,01,73,50,000
On Other Liabilities	36,55,784	72,03,737
Bank Charges	60,45,71,747	3,94,83,745
Less: Interest Capitalised	(16,15,35,555)	(24,44,93,170)
Total	14,89,50,74,407	12,96,09,65,808

27 Exceptional Items

Particulars	As at March 31,2020	As at March 31,2019
	₹	₹
Assets Scrapped	2,25,82,815	93,59,543
Provision for Bad Debts	1,30,24,76,535	(2,64,14,203)
Compensation Paid to Electrical Accidents	13,50,06,615	14,07,94,269
Others	(1,37,36,834)	(1,99,14,976)
Price Variation	4,03,15,442	6,55,53,247
Total	1,48,66,44,573	16,93,77,880

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

Particulars	As at March 31,2020 ₹ (in crore)	As at March 31,2019 ₹ (in crore)
(i) Contingent Liabilities		
(a) Entry Tax	203.78	234.96
(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	91.00
(d) Income Tax (TDS)	93.25	93.25
(e) Service Tax	195.00	195.00
Sub Total (i)	580.29	615.55
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	195.40	137.66
Sub Total (ii)	195.40	137.66
Grand Total (i+ii)	775.69	753.21

29. The Entry Tax demand is amounting to 248.36 Crore was raised by the Commercial Tax Department and the same was challenged before the Hon'ble High Court of Telangana. As per the directions of the Court, 25 % of Disputed Tax viz Rs. 62.13 Crore was deposited under protest with the Tax Authorities and the same was not charged to the Profit and Loss account
30. Income-tax assessments for the Assessment Year 2019-20 is pending. 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 Crore 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.
31. The Director General of GST Intelligence, Hyderabad zonal unit has raised the Service Tax demand for Rs. 97.26 Crore and the penalty for an amount of Rs. 97.26 Crore and aggrieved by the order, the TSSPDCL has preferred appeal before the Hon'ble High Court of Telangana and the case is still pending in the Court.
32. AP Transco claimed transmission charges, SLDC Operating Charges and Annual Fee for the period from 01st June, 2014 to 30th October, 2016. As decided by management of TSPCC, AP Transco claims are not accounted in the books. In view of this, there is no mandate to AP Transco to claim any transmission and SLDC charges beyond the direction of Hon'ble Commission.
33. The company has identified the vendors under "The Micro, Small and Medium Enterprises Development Act, 2006" and disclosed trade payables under MSME's. However, confirmation of balances are pending from the above vendors.

- a) With regard to the FCA claimed by the Chhattisgarh State Power Distribution Company Limited, TSDISCOMS 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 TSDISCOMS is well within the limits proposed in CSERC orders. Therefore, there is no understatement of the Power Purchase cost.
34. VAT audit completed up to 06/2017. Sales Tax assessment for the Financial Year 2016-17 is in progress.
35. Cost Audit has become mandatory for the company from Financial year 2011-12 onwards. The company has appointed Cost auditor and cost audit is completed up to the financial year 2018-19.
36. AP Genco has filed the petition before the Honorable National Company Law Tribunal for initiating Corporate Insolvency process against the company for non-payment of dues. The petition is still pending with the Hon'ble National Company Law Tribunal for Disposal.
37. Though the Company has negative net worth as at 31.03.2020, the State 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.
38. TS DISCOMS Power purchase dues accumulated to NTPC. The NTPC has discounted their bills with Canara Bank for Rs. 1000.00 Crore @ 8.45% p.a. and Oriental Bank of Commerce for Rs.700.00 Crore @ 8.5% p.a. The Discounting charges have to be paid upfront by TS DISCOMS. This arrangement has reduced the Delayed Payment Surcharge (DPS) by 10% per annum. The due date for the payment of Rs. 1000.00 Crore on 16.09.2019 and Rs.700.00 Crore on 23.09.2019 respectively. And out of which an amount of Rs. 1199.35 Crore were payable by TSSPDCL to NTPC. Accordingly the TSSPDCL has paid the dues along with discounting charges to respective banks during the F.Y. of 2019-20.
39. In respect of provision for surcharge of M/s. Singareni Collieries Company Ltd. (SCCL), as the DISCOM and SCCL are Government companies, the DISCOM is taking up the issue with SCCL 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 ARR order. The late payment surcharge levied as at 31.03.2020 is Rs. 959.55 Crore.

40. Quantitative Information

Particulars	As at March 31,2020	As at March 31,2019
Energy Input (Discom) (KWH in MU)	45,247.02	44,997.11
Sale of Energy (KWH in MUs)	40,981.27	40,342.50

41. 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'
- 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
42. Previous year figures have been regrouped wherever necessary.
43. Amounts represented in the financial statements have been rounded off to the nearest rupee.

As per our report of even date

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

For M/s. Ramanatham & Rao
Chartered Accountants
FR No. 002934 S

Sd/-
Sri P. Narasimha Rao
Director Finance / CFO
DIN : 08242557

Sd/-
Sri G. Raghuma Reddy
Chairman & Managing Director
DIN : 02943771

Sd/-
L. Mahesh Kumar
Partner
M. No 212851
Date : 03.11.2020
Place: Hyderabad

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

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



On the Occasion of “Koti Vruksha Archana” Programme participated Sri G. Raghuma Reddy, CMD/TSSPDCL, Directors of TSSPDCL, Sri P. Narasimha Rao, Sri T. Srinivas, Sri J. Srinivasa Reddy, Sri G. Parvatham, Sri Ch. Madan Mohan Rao, Sri S. Swamy Reddy, Sri K. Ramulu & K. Muralidhar Rao, CVO



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 (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited)** (“the company”), Hyderabad, which comprise the Balance Sheet as at 31st March, 2020 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraphs, the aforesaid financial statements given 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, 2020, its losses 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 Policy No.1.5(c), amounting to Rs.105,26,16,376/-, 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 Anantapur 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.3,25,27,89,980/- as a reduction in the share capital, recognized Rs.7,23,00,74,154/- as “Capital Reserve” resulting in understatement of its negative net-worth by Rs.10,48,28,64,134/- and consequential overstatement of “Receivables.”
3. Amount of Rs.9,59,54,56,027/- towards surcharge on late payment payable to Singareni Thermal Power Plant (STPP) is neither paid nor provided in the books of account resulting in understatement of Finance Cost and Trade Payables to the same extent.
4. We report that the following accounts have not been reconciled as at 31st March, 2020 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.14,70,35,738/-.
 - b) Amount appearing under “Debt Servicing Clearing A/c” with a debit balance of Rs.9,49,63,693/- and under loan clearing (CPDCL) account with a debit balance of Rs.3,67,53,367/-.
5. The Company has made provision for Pension & Gratuity in respect of employees who were on rolls on 30.11.1999 and retired thereafter to the extent of 26% only of the total amount as arrived as per actuarial valuation. This has resulted in understatement of Provision for employee liabilities and understatement of Loss for the year to the extent of Rs. 7588.32 Crores.

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.1.14 (iv), wherein during the Financial Year 2018-19, State Government of Telangana vide G.O.Ms.No.20 dated 23.02.2019, has issued orders for reorganization of districts in the State of Telangana. Accordingly, Gundala Mandal of Jangaon District under the territorial jurisdiction of TSNPDCL has been Demerged/Hived off and merged with Bhongir revenue division which is under the territorial jurisdiction of TSSPDCL. TSSPDCL has taken over the Network of Gundala Mandal w.e.f. 01.04.2019, accordingly, the transfer of assets and liabilities relating to Gundala Mandal have been incorporated in the current financial year.
4. We draw your attention to Note No: 21(a)(i), wherein Revenue from Operations includes Tariff Subsidy from Government amounting to Rs.224,94,00,000/- accrued based on approval of TSERC. However, the amount is not received and is not backed by budgetary allocation.
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.1,18,10,730/- (of which Rs.61,48,104/- is outstanding for more than three months) and Bank excess, representing amounts credited by banks but not appearing in the books of account of the company of Rs.26,98,14,127/- as on 31.03.2020.
6. Letters of confirmation of balances have not been provided for our verification in respect of the following, the impact that may result on reconciliation and review of the same cannot be ascertained:
 - a. Balances due to/from various vendors for supplies and services, EMDs, SDs, other power distribution companies.
 - b. Balances due from/to various consumers/customers.

Our opinion is not modified in respect of the aforesaid matters

Material Uncertainty related to Going Concern

We draw attention to Note No. 36 & Note No. 37 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 Statements and Auditor's Report Thereon

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



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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 system 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 evaluate 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 the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) 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 B**.
- 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) Except for the matters described in the Basis for Qualified Opinion Paragraphs, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matters described in the Basis for Qualified Opinion 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) of 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C” to this report.
- 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 disqualification of 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - 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.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For RAMANATHAM & RAO
Chartered Accountants
Firm Registration Number: S-2934

Sd/-

L. MAHESH KUMAR

Partner

Membership Number: 212851
UDIN: 20212851AAAACG2397

Place: Hyderabad

Date: 03.11.2020

Annexure A to the Independent Auditor's Report:

The **Annexure A** 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 (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited) (“the company”)**, Hyderabad for the year ended 31st March, 2020.

We report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) We are informed by the Company that no physical verification of fixed assets 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) We are informed by the company that purchase/gift/lease deeds are generally executed in respect of “parcels of land” purchased/gifted/given on long term lease upto 99 years to the company by private parties, which are generally kept at various field offices of the company and accordingly complete details along with the said deeds could not be provided to us, except a very few deeds executed during the year under audit. 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 and that the said letters are available with various field offices of the company and accordingly complete details along with the said letters could not be provided to us, except a few letters executed. Accordingly, we are unable to report whether appropriate legal documents evidencing the title of the company in respect of all the immovable properties owned by the company are available with the company.
- ii) Physical verification of inventory has been conducted during the year by the management at reasonable intervals. The discrepancies noticed on such verification between the physical stocks and the book records were not material.
- iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, Consequently, clauses 3 (iii) (a), (b) and (c) of the Order are not applicable.
- iv) The company has neither given any loans to the directors or any other persons in whom the director is interested nor given/provided any guarantee/security in connection with any loan taken by directors or such other persons as per the provisions of section 185 of the Companies Act, 2013.
- v) The Company has not accepted any 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) 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, sales-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 Electricity Duty which is 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, 2020 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 Lakhs)
Central Sales Tax Act, 1956	Central Sales Tax	From F.Y. 2012-13 to 2015-16	0.97
Electricity duty	Electricity duty	From F.Y. 2018-19	1344.36
		From F.Y. 2019-20	8933.91

- b) As 31st March, 2020, there have been no disputed dues, which have not been deposited with the respective of income tax, service tax, duty of customs, duty of excise, value added tax, Goods & Services tax and Cess (excluding penalties). 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 state	203.78*	For the financial year from 2002-03 to 2016-17	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	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	97.26	From July, 2012 to June, 2017	Hon'ble High court of Telangana
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



- viii) 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.
- ix) In our opinion and according to the information and explanations given to us, the Term Loans obtained during the financial year under report and in earlier years have been applied for the purposes for which they were raised.
- x) According to the information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provident for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion, the company is not a Nidhi Company, Consequently, the 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 as required by relevant Accounting Standards are disclosed in the financial statements.
- xiv) The Company during the year has made preferred allotment or private placement of shares and the terms and conditions of allotment are prejudicial to the company. The Company has not issued fully/partly convertible debentures during the year under review.
- xv) The Company has not entered into any non cash transactions with the directors or persons connected with them during the year under report. Consequently, the clause 3 (xv) of the order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Consequently, the clause 3 (xvi) of the order is not applicable.

Place: Hyderabad

Date: 03.11.2020

For RAMANATHAM & RAO
Chartered Accountants
Firm Registration Number: S-2934

Sd/-
L. MAHESH KUMAR
Partner
Membership Number: 212851
UDIN: 20212851AAAACG2397



The **Annexure B** 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 (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited) (“the company”)**, Hyderabad.

We report that:

S.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 in 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. During Financial Year 2019-20, all the accounting transactions have been processed through IT system.</p> <p>However, for preparation of financial statements some manual interventions are carried out.</p> <p>Major discrepancies in certain areas are given here under:</p> <ol style="list-style-type: none">1. Payroll system module is not fully integrated with finance system module, resulting in a difference of Rs.2.57 Crore excess in finance module, when compared to payroll module for employee loans.2. Inter units’ balances were not properly processed through IT system, which has resulted in uncleared credit balance of Rs.14.70 Crore.3. Bank Loans clearing accounts were not properly processed through IT system, which has resulted in uncleared debit balance of Rs.13.17 Crore.4. Revenue module is not fully integrated with FICO module and variances are duly adjusted.
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.	<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 received/receivable for specific schemes from Central/ State agencies were properly accounted for/utilized as per its term and conditions. List the cases of deviation.	According to the information and explanation given to us and on the basis of our verification of the records funds received/receivable from Central/State Governments under various projects/schemes have been properly accounted for and released to the beneficiaries/ spent/utilized as per guidelines and terms & conditions as mentioned in the relevant sanction letters.
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Place: Hyderabad

Date: 03.11.2020

For RAMANATHAM & RAO
Chartered Accountants
Firm Registration Number: S-2934

Sd/-
L. MAHESH KUMAR
Partner
Membership Number: 212851
UDIN: 20212851AAAACG2397



The **Annexure C** referred to in “Report on Other Legal and Regulatory Requirements” paragraph of our Independent Auditor’s report of even date on the financial statements of **Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited), Hyderabad.**

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 over financial reporting of Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited) (“the Company”), Hyderabad, as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

A. Management’s Responsibility for Internal Financial Controls

1. 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 Companies Act, 2013.

B. Auditors’ Responsibility

2. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial over financial reporting was established and maintained and if such controls operated effectively in all material respects.
3. An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



4. 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 over financial reporting.

C. Meaning of Internal Financial Controls over Financial Reporting

5. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
 - i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly 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.

D. Inherent Limitations of Internal Financial Controls over Financial Reporting

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

E. Qualified Opinion

7. 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 over financial reporting as at March, 2020;
8. Absence of control in respect of:
 - a. Seeking balance confirmations and performing periodical reconciliations of various receivables, payables, deposits, advances etc.
 - b. Conducting bank reconciliation of bank pool account operated by TSPCC.
 - c. Capitalization of capital work orders without work order completion certificates and non-closure of work orders.
 - d. Reconciliation of various modules information with Finance module in SAP.



9. A material weakness is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, 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.
10. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, 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 achievement of the objectives of the control criteria, the company's internal financial controls over financial reporting were operating effectively as at 31st March, 2020.

For RAMANATHAM & RAO
Chartered Accountants
Firm Registration Number: S-2934

Place: Hyderabad

Date: 03.11.2020

Sd/-
L. MAHESH KUMAR
Partner
Membership Number: 212851
UDIN: 20212851AAAACG2397



C & AG REPORT





**OFFICE OF THE ACCOUNTANT GENERAL (Audit)
Telangana, Hyderabad**

Lr.No.AG (AUDIT)/TS/TSC//AA/TSSPDCL/2019-20/50 Dated: 31.12.2020.

To
The Chairman and Managing Director,
Southern Power Distribution Company of Telangana Limited,
Mint Compound, Hyderabad - 500063.

Sub:- Comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the financial statements of Southern Power Distribution Company of Telangana Limited, for the year ended 31st March, 2020.



Sir,

I am to forward herewith Comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the financial statements of your Company for the year ended 31 March, 2020 for necessary action.

2. The date of placing of Comments along with Financial Statements and Auditors' Report before the Shareholders of the Company may please be intimated and a copy of the proceedings of the meeting furnished.
3. The date of forwarding the annual report and financial statements of the Company together with the Auditors' Report and Comments of the Comptroller and Auditor General of India to the State Government for the year 2019-20 for being placed before the Legislature may also be intimated. The date on which Annual Report is tabled in the Legislature may also be intimated.
4. Ten copies of the Annual Report for the year 2019-20 are to be furnished in due course without fail.

Yours Faithfully,

Sd/-

(Rohit M. Gutte)

Deputy Accountant General/AMG-II

Encl: As above

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of financial statements of Southern Power Distribution Company of Telangana Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on Independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 03.11.2020.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of financial statements of the Southern Power Distribution Company of Telangana Limited for the year ended 31 March, 2020 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors, company personnel and a selective examination of some of the accounting records.

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

A. Comments on Profitability:

Statement of Profit & Loss

Revenue from Operations – (Note-21) – Rs.24600.87 Crore

1. As per the Tripartite Memorandum of Understanding, the company recognized Rs. 392.48 crore as Revenue from Operation-Additional Subsidies from State Government (State Government support against previous year losses under UDAY scheme) in 2018-19. However, the amount was written back in 2019-20 due to non-receipt of the same during the year stating that it would be accounted for as investment on receipt basis. Since, the Government has sanctioned the said amount in line with the tripartite Memorandum of Understanding and there was no uncertainty in the realization of the amount, the write back has resulted in understatement of Revenue from Operations and Other Current Assets – Receivables from State Government by Rs. 392.48 Crore. Consequently, the loss for the year was overstated by the same amount.

Expenses

Depreciation and Amortisation expenses (Note No.11) – Rs. 986.56 Crore

- The Company has applied depreciation rates notified by the Ministry of Power (MoP) vide S.O.266 (E) dated 29 March, 1994 in respect of the Tangible Assets instead of adopting the depreciation rates notified by CERC vide its notification No.L-1/236/2018/CERC dated 7th March, 2019 as required by Schedule II Part B, Para 4 of the Company Act,2013. This has resulted in overstatement of depreciation and amortization expenses and understatement of Tangible Assets as at 31, March, 2020 by Rs. 335.54 Crore. Consequently, loss for the year is also overstated by same amount.

Power Purchase Cost: (Note 23) – Rs. 24907.6 Crore

Variable Cost Rs. 14316.75 Crore

- The above does not include Rs. 4.40 Crore being the delayed payment surcharge payable to M/s PTC India Limited as per the provisions of the Purchase Orders for the period from April, 2017 to June 2019 & November 2019. The Telangana State Power Co-ordination Committee (TSPCC) agreed to release the said amount in its meeting held in August, 2020. The same should have been accounted for as per Accounting Standard 4 as the amount was known before the finalization of accounts. This has resulted in understatement of Power Purchase Cost and Trade Payables by Rs. 4.40 crore. Consequently, the loss for the year was also understated by the same amount.

B. Comments of Financial Position:

Balance Sheet

Equity and Liabilities

Current Liabilities

1. Short-term Provisions: Note - 10 – Rs. 541.03 Crore

The above is understated by Rs. 9.13 Crore being amount payable to Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL) as a share of Ananthapur and Kurnool circles out of forfeited Bank Guarantee of Rs. 52.13 Crore by the Company from a customer (2018-19) and recognized as other income. This has resulted in understatement of Provisions and overstatement of Reserves and Surplus by Rs. 9.10 crore for the year ended 31 March, 2020.

Assets:

Current assets

2. Other current assets (Note-20) – Rs.4877.44 Crore

The above does not include Rs.1241.82 crore being 25 per cent loss of the company (Rs. 4967.27 crore) in 2018-19 funded by the State Government as “ Investment in DISCOMs under UDAY scheme in 2019-20 vide sanction orders of August 2019 and January 2020 as per the Tripartite Memorandum of Understanding in this regard. This has resulted in understatement of Other current assets – Receivable from State Govt. and Reserves and surplus by Rs. 1241.82 Crore.

C. Comments on Disclosure

Non-provision of Gratuity and leave liability in respect of Artisans.

The Company has not disclosed the non-provision of the additional liability which could occur to the company owing to the engagement of outsourced personnel as artisans and application of leave and gratuity to them as per 'Artisans Service Rules and Regulations' which provides for leave and gratuity benefits provisions as per Factories Act, 1948. The fact should have been adequately disclosed in the Notes to accounts

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

Sd/-

(SUDHA RAJAN)

Accountant General (Audit)

Place: Hyderabad.

Date: 31.12.2020



PROXY FORM



PROXY FORM

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (Formerly Central Power Distribution Company of Andhra Pradesh Ltd)

Form No. MGT -11

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

CIN :	U40109TS2000SGC034116
Name of the Company :	SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED
Registered Office :	6-1-50, Mint Compound, Hyderabad – 63
Name of the Member(s) :	
Registered Address :	
E-Mail Id :	
Folio. No/Client Id :	
DP ID :	

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

1. Name :
- Address :
- E-Mail Id :
- Signature :, or failing him
2. Name :
- Address :
- E-Mail Id :
- Signature :, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the Company, to be held on the **the** **at** the Registered office of the company at 6-1-50, Mint Compound, Hyderabad-63 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.
2.
3.

Signed this day of, 20..

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

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

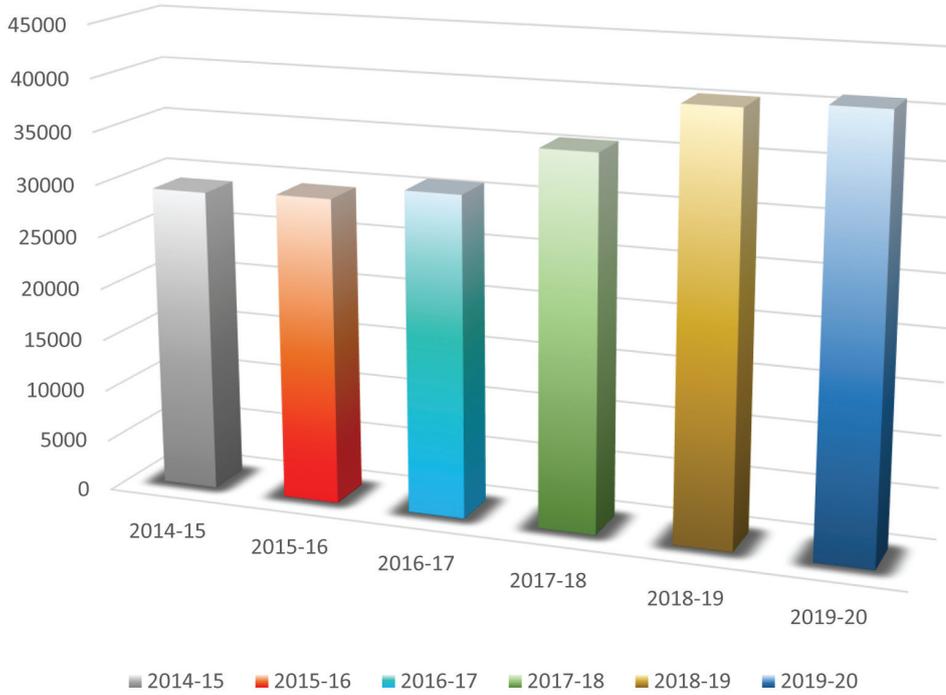
AVERAGE REALISATION FROM SALE OF POWER

Average Realisation from sale of power Schedule - 3 for F.Y. 2019-20

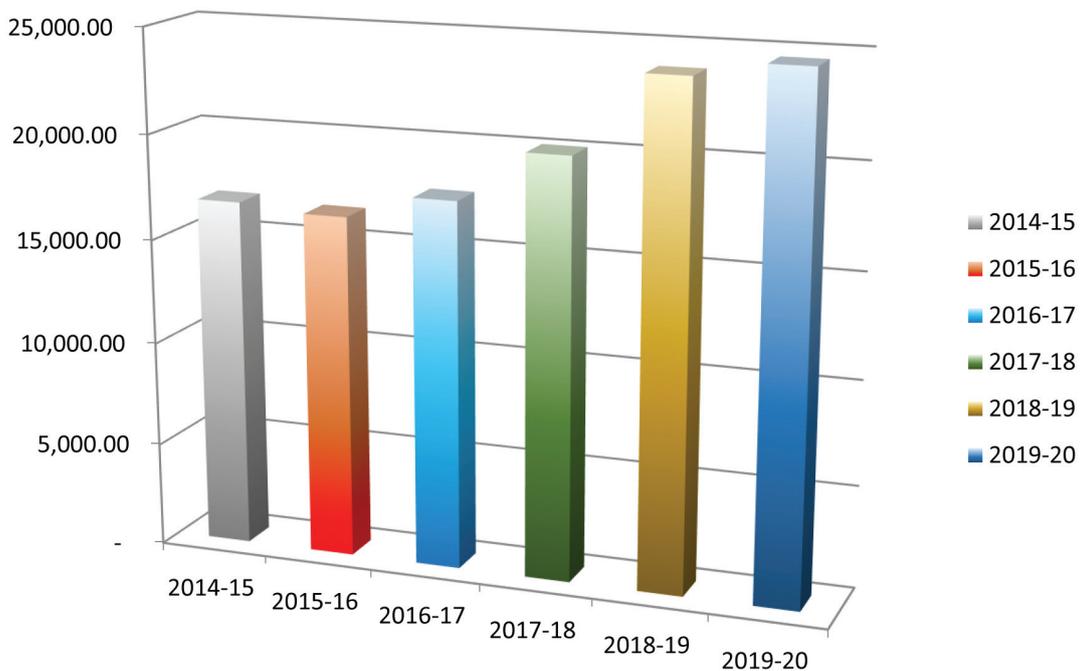
Consumer Category	No. of Consumers (Excluding Bill Stopped)	KWH Sales (MU)	KVAH Sales (MU)	Revenue (Rs.Crs)	% of Units Sold on kvah	Average Realisation (Rs/Unit) kvah	2018-19 Average Realisation (Rs/Unit) (kvah)
L.T. Cat.-I Domestic	6543235	8709.65	8710.09	4,163.93	36.72	4.78	4.67
L.T. Cat.-II Non-Domestic	873636	2582.08	2664.67	2,778.93	11.23	10.43	10.15
L..T.Cat-III Industrial	43779	846.82	916.82	737.63	3.86	8.05	7.73
L.T. Cat-IV Cottage Industries	4243	9.08	9.08	4.25	0.04	4.69	4.55
L.T. Cat-V Agriculture	1145031	10818.40	10818.40	41.57	45.60	0.04	0.03
L.T. Cat-VI Street Lights	105305	484.05	483.80	313.68	2.04	6.48	6.32
L.T. Cat-VII General Purpose	22942	76.53	76.54	59.28	0.32	7.74	7.57
L.T. Cat-VIII Temporary Supply	4272	42.86	42.95	53.43	0.18	12.44	13.09
L.T. Cat-IX EVC	3	0.00	0.00	0.00			
L.T. Total	8742446	23569.46	23722.34	8152.70	100.00	3.44	3.07
H.T. Cat.I Industrial	5262	10621.65	10774.48	8,052.26	64.79	7.47	7.64
H.T. Cat.II Others	3645	2582.91	2652.30	2,410.23	15.95	9.09	9.78
H.T. Cat.III Aviation	11	90.76	91.07	65.71	0.55	7.22	7.62
H.T. Cat.IV Agricultural	319	2380.04	2431.52	1,561.06	14.62	6.42	6.19
H.T. Cat.V Railway Traction	13	331.01	333.66	209.72	2.01	6.29	6.08
H.T. Cat.VI Residential	173	195.09	198.01	125.87	1.19	6.36	6.81
H.T. Temp.	250	135.96	146.32	197.35	0.88	13.49	14.54
H.T. Cat-IX EVC	2	2.43	2.44	0.49	0.01	2.02	
H.T. Total	9675	16339.85	16629.80	12622.69	99.99	7.59	7.81
L.T. + H.T. Total	8752121	39909.31	40352.14	20,775.39		5.15	4.91
Add: Electricity Duty				173.71			
Gross Revenue				20,949.09			

LT + HT + Customer Charges (Tariff Revenue)

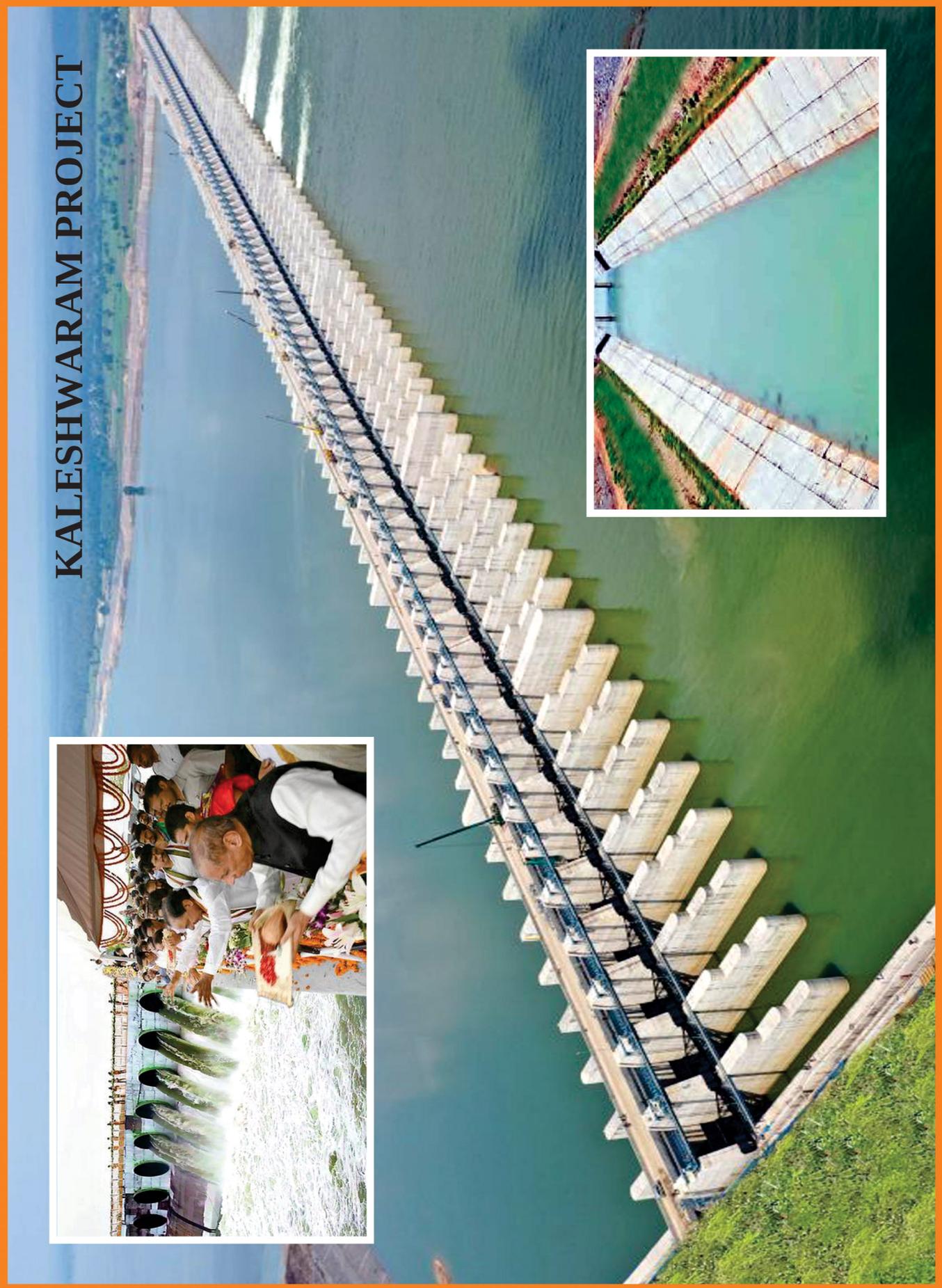
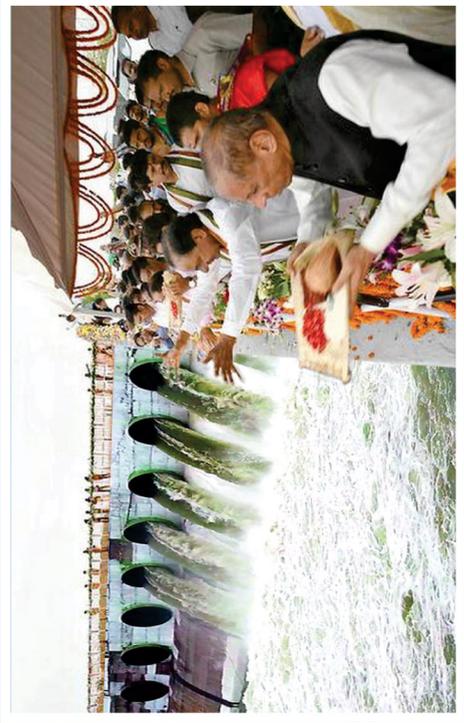
Sales of Energy (Kwh MU)

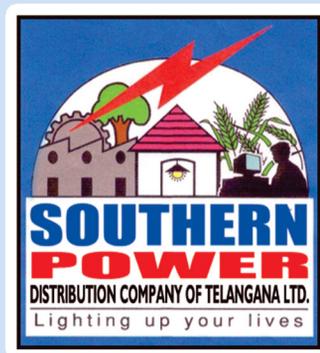


Revenue from Sale of Power (In Crore)



KALESHWARAM PROJECT





**ENERGY SAVED IS
ENERGY PRODUCED**

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

(A Govt. of Telangana Undertaking)

CIN No. U40109TG200SGC034116

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

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