

21ST ANNUAL REPORT 2020-2021



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 21ST ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT SHORTER NOTICE ON MONDAY, 29TH DAY OF NOVEMBER, 2021 STARTS AT 12:00 NOON 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, 2021 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 2021-22 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) / 1757, Dated 27.08.2021 appointed M/s. Ramanatham & Rao, (HY0142), Chartered Accountants as Statutory Auditors of the Company for the financial year 2021-22.

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 2021-22 by the Office of the Comptroller and Auditor General of India vide their letter No. CA.V/COY/TELANGANA, CENPOW(1) / 1757, Dated 27.08.2021 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 2021-22 if any.”

SPECIAL BUSINESS:**3. RATIFICATION OF THE REMUNERATION OF THE COST AUDITOR FOR THE F.Y. 2021-22**

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.2021-22 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 2021-22.”

4. APPOINTMENT OF SRI G. RAGHUMA REDDY, CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY WHO ATTAINED THE AGE OF 70 YEARS AS ON 08.11.2021.

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

“**RESOLVED THAT** in pursuant to the provisions of Sections 196, and other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the re-appointment of Sri G. Raghuma Reddy (DIN-02943771) as Managing Director of the Company, who attained the age of 70 years w.e.f 08.11.2021 on such terms and conditions of the orders issued by the Government of Telangana.”

5. ANY OTHER BUSINESS WITH THE PERMISSION OF THE CHAIRMAN

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

**Date: 22.11.2021
Place: Hyderabad**

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

NOTE:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
2. Proxy form (MGT-11) is enclosed. Instrument appointing proxy shall be deposited at the registered office of the company by not less than 48 hours before the commencement of the meeting.
3. Pursuant to section 139 of the Companies Act, 2013 the Auditors of the Company are appointed by the Comptroller and Auditor General of India (C&AG). In terms of Sub-Section (1) of the Section 142 of the Companies Act, 2013 remuneration of Auditors has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in Annual General Meeting may determine.
4. The Comments of the Comptroller and Auditor General of India (C&AG) on the Annual Accounts for the F.Y 2020-21 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. 2021-22**

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.2021-22 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.

APPOINTMENT OF SRI G. RAGHUMA REDDY AS CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY– WHO ATTAINED THE AGE OF 70 YEARS AS ON 08.11.2021.

The Government of Andhra Pradesh (Now Telangana) in the orders vide G.O.Ms. No. 3, dated 28.01.2010 was appointed Sri. G. Raghuma Reddy as a Director and has been extended on the Board of APCPDCL (Now TSSPDCL) vide C.O.O.(CGM-HRD) MS.No.566, dated 17.02.2012 until further orders and vide G.O.Ms.No.44, Energy (Power-III) Department, dated 31.07.2013 for extension of tenure of Sri G. Raghuma Reddy, as a Director (Comml), APCPDCL (Now TSSPDCL) for a period of two years & further the Government of Telangana issued orders vide G.O. Rt. No. 15 Energy (HR) Department, dated 19.07.2014 appointed as a full additional charge of the post of Chairman & Managing Director / TSSPDCL and was extension orders were issued vide G.O. Rt. No. 29, Energy (HR.A1) Department, dated 29.05.2019 until further orders.

Sri G. Raghuma Reddy has attained the age of 70 years on 08.11.2021.

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall appoint or continue the employment of any person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution. Part 1 of Schedule V to the Companies Act 2013.

Sri G. Raghuma Reddy has joined as an Engineering Post Graduate from Osmania University College of Engineering joined in erstwhile APSEB as Assistant Engineer in the year 1978 and rose to the position of Chief General Manager in TSSPDCL and has assumed charge as Chairman & Managing Director of the company on 19.7.2014 and APCPDCL now TSSPDCL.

As Sri G. Raghuma Reddy has attained age of 70 years, the Board of Directors recommends the resolution in relation to his appointment as Chairman and Managing Director as per the terms and conditions of orders issued by the Government of Telangana, for the approval of the shareholders of the Company as required under section 196(3) of the Companies Act, 2013 and Part 1 of Schedule V to the Companies Act 2013. This statement may be treated as justification of above appointment.

Except Sri G. Raghuma Reddy, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item. No. 4. The Board recommends the Resolution for your approval as Special Resolution.

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.

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

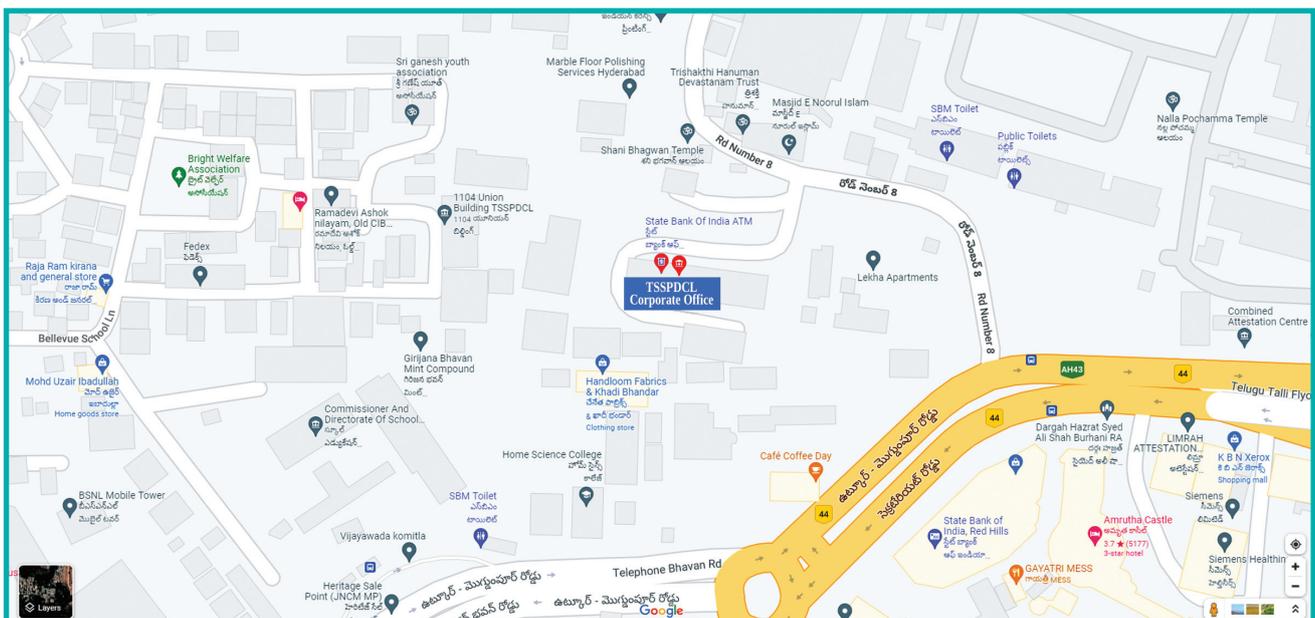
Sd/-

ANIL KUMAR VORUGANTI
COMPANY SECRETARY

Date: 22.11.2021

Place: Hyderabad

Route Map



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.

NOTICE IS HEREBY GIVEN THAT THE EXTRA ORDINARY GENERAL MEETING OF THE COMPANY WILL BE HELD AT SHORTER NOTICE ON SATURDAY THE 30th DAY OF MAY, 2020 AT 03.00 P.M AT THE REGISTERED OFFICE OF THE COMPANY AT 6-1-50, MINT COMPOUND, HYDERABAD TO TRANSACT THE FOLLOWING BUSINESS:

SPECIAL BUSINESS:

1. TO AUTHORISE THE BOARD TO BORROW MONIES UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013

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

“RESOLVED THAT in supersession of the Resolution passed by the Shareholders of the Company at the Extra Ordinary General Meeting held on 20.03.2019 and pursuant to Section 180 (1)(c) of the Companies Act, 2013, the Board of Directors of the Company be and are hereby authorized to borrow money, from time to time at its discretion either from the Company’s bank or any other bank, financial institutions or any other lending institutions or persons on such terms and conditions as may be considered suitable by the Board of Directors up to a limit not exceeding in the aggregate Rs.30,000 Crore [Rupees Thirty Thousand Crore only] notwithstanding that the moneys to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves that it is to say, reserves not set apart for any specific purpose.”

“FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution.”

2. TO AUTHORISE THE BOARD TO CREATE CHARGE / MORTGAGE PROPERTIES OF THE COMPANY UNDER SECTION 180(1)(A) OF THE COMPANIES ACT, 2013

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

“RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other provisions, if any, of the Companies Act, 2013, to mortgaging and/or charging by the Board of Directors of the Company of all or any part of the immovable properties of the Company whatsoever situate both present and future of every nature and kind whatsoever and creating a floating charge on all or any of the movable properties of the Company and the whole of undertaking of the company to or in favour of financial institutions for borrowing from time to time such sums of money as they deem requisite for the purpose of the business of the Company notwithstanding that the money(s) to be borrowed together with the money (s) already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) shall not exceed the sum of rupees Rs.30,000 Crore [Rupees Thirty Thousand Crore only] at any time.”

“FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to decide all terms and conditions in relation to such mortgage, hypothecation, pledge and creation of charge/security, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to this resolution”.

3. ANY OTHER BUSINESS WITH THE PERMISSION OF THE CHAIRMAN

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

Sd/-

ANIL KUMAR VORUGANTI

COMPANY SECRETARY

Date: 28.05.2020.

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 AUTHORISE THE BOARD TO BORROW MONIES UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013

Section 180(1)(C) of the Companies Act, 2013 provides that a Company shall not borrow funds in excess of its paid up share capital and free reserves, except with the approval of the Shareholders by a Special Resolution passed in a General Meeting. Earlier, in the Extra Ordinary General Meeting held on 20.03.2019, consent of the Members has been obtained by the Directors to borrow up to maximum amount of Rs. 15,000 Crore exceeding paid-up share capital and free reserves of the Company. The Company would need substantial amount of funds to meet its various requirements. In view of the above, the borrowing limit may exceed the permissible limits under section 180(1)(c) of the Companies Act, 2013. It is therefore proposed to increase the borrowing limits up to Rs. 30,000 Crore.

The Directors recommends the resolution for your approval as Special Resolution.

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. TO AUTHORISE THE BOARD TO CREATE CHARGE / MORTGAGE PROPERTIES OF THE COMPANY UNDER SECTION 180(1)(A) OF THE COMPANIES ACT, 2013

The borrowings of the Company are in general required to be secured by mortgages/ Charges/hypothecation or encumbrances on all or any of the movable or immovable properties of the Company. Consent of the Members is being sought in terms of Section 180(1)(a) of the Companies Act, 2013, to enable the Company to create charge, hypothecate, mortgage, pledge on any movable, immovable properties of the Company, both present and future and on the whole or substantially the whole of the undertaking or undertakings of the Company and wherever situated and to authorize the Board to take necessary action in this regard shall not exceed the sum of Rupees Rs. 30,000 Crore [Rupees Thirty Thousand Crores only] at any time.

The Directors recommends the resolution for your approval as Special Resolution.

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.

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

Sd/-

ANIL KUMAR VORUGANTI
COMPANY SECRETARY

Date: 28.05.2020.

Place: Hyderabad



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



**BOARD OF
DIRECTORS**

BOARD OF DIRECTORS



SRI G. RAGHUMA REDDY
Chairman & Managing Director



**SRI SANDEEP KUMAR
SULTANIA, IAS**
Secretary to Govt. of TS,
(FAC), Energy Dept.
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

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

REGISTERED OFFICE:

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



**CMD'S LETTER
TO STAKE
HOLDERS**



CHAIRMAN & MANAGING DIRECTOR Letter to Stakeholders

Dear Stakeholders,

I am glad to present the 21st (Twenty First) Annual Report of Southern Power Distribution Company of Telangana Limited, Hyderabad for the Financial Year 2020-21.

About TSSPDCL:

- ❖ F.Y. 2020-21 was our 7th continuous year of operation after the formation of state of Telangana. Being the largest DISCOM, we served 102 Lakh consumers including 12.93 agricultural consumers.
- ❖ We clocked a maximum demand of 8,474 MW and handled 44,493 MUs of energy purchased in F.Y. 2020-21 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. 2020-21 is 2,071 units as against a national average of 1,208 units.

Providing Reliable and uninterrupted Power:

- ❖ 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 prerequisite for ensuring the desired economic growth in the state.
- ❖ The Peak (Maximum) Demand met by TSSPDCL in 2020-21 was 8,474 MW as compared to 7,284 MW in the previous year with an increase of 16.33%.
- ❖ The only Telangana Discom in India is supplying 24*7 power to all consumers including agriculture.

Providing 24 Hrs Power supply to Agl. sector:

- ❖ We have been supplying 24*7 power to agricultural consumers since 1st January, 2018. 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 3 years of this endeavor on 1st January 2021.
- ❖ 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.11,301.5 Crore in the last 7 years after Telangana formation.

Major infrastructure developments after Telangana formation till 31st March, 2021 in TSSPDCL:

- ❖ There are 1,675 Nos. of 33/11 KV substations as on 31st March, 2021, out of which 529 Nos. of substations were charged after Telangana formation.
- ❖ There are 16,196 km of 33 kV lines as on 31st March, 2021, out of which 5,325 km of 33KV (UG+OH) line were commissioned after Telangana formation.
- ❖ There are 1,06,936 km of 11 kV (UG+OH) lines as on 31st March, 2021, out of which 34,542 km lines length were charged after Telangana formation.
- ❖ There are 3,161 Nos. of PTRs as on 31st March, 2021, out of which 1,256 Nos. PTRs were commissioned after Telangana formation.
- ❖ There are 4,57,384 Nos. of DTRs as on 31st March, 2021, out of which 1,95,450 Nos. DTRs were erected and charged after Telangana formation.
- ❖ There are 12,63,706 Nos. of AGL services as on 31st March, 2021, out of which 3,65,314 agricultural services were released after Telangana formation.

Flagship Programs Implemented in TSSPDCL:

Palle Pragathi Programme:

- ❖ The Hon'ble Chief Minister of Telangana State has instructed that the defects in the electrical distribution system in the Gram Panchayats to be set right and instructed to conduct Power week for carrying out the rectification works.

- ❖ Power Week programme first phase commenced on 06.09.2019 and completed on 31.01.2020.
- ❖ TSSPDCL has made an expenditure of Rs. 135.30 Crore for carrying out the rectification works in all 8562 Nos. villages under TSSPDCL jurisdiction.
- ❖ Further 4th phase was commenced on dated 01.07.2021 and Rs.53.64 Crore was allotted to complete the balance works which are under progress.

Pattana Pragathi Programme:

- ❖ The Hon'ble Chief Minister of Telangana State has instructed that the defects in the electrical distribution system in the Municipalities/ Urban Local Bodies (ULBs) to be set right and instructed to conduct "PATTANA PRAGATHI PROGRAMME" for carrying out the rectification works.
- ❖ Pattana Pragathi Programme commenced on 24.02.2020.
- ❖ TSSPDCL has made an expenditure of Rs. 31.82 Crore for carrying out the works under Pattana Pragathi Programme in 87 Nos. ULBs.
- ❖ Further 3rd phase was commenced on dated 01.07.2021 and Rs.38.60 Crore was allotted to complete the balance works which are under progress.

SC / ST Sub Plan:

- ❖ Under SC sub plan, the Govt. of Telangana is reimbursing against the electricity consumption who are consuming (i.e 78,517 consumers) up-to 50 units per month till August, 2018. Later the benefit has been extended to 3,03,116 consumers as on 31st March, 2021 who are consuming electricity up to 101 units per month with an amount of Rs. 175.90 Crore.
- ❖ Under ST sub plan, the Govt. of Telangana is reimbursing against the electricity consumption who are consuming (i.e 26,769 consumers) up-to 50 units per month till August, 2018. Later the benefit has been extended to 1,31,081 consumers as on 31st March, 2021 who are consuming electricity up to 101 units per month with an amount of Rs. 59.51 Crore.

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) to extend the supply to Below Poverty Line (BPL) households with free of cost for 4 Rural districts of TSSPDCL i.e. Mahabubnagar, Nalgonda, Rangareddy and Medak and permitted to execute the works on partial turnkey/departmental basis, with scheme completion period up to dated 30.09.2019.
- ❖ All the works are completed within completion period with an expenditure of Rs.440.86 Crore against the scheme cost of Rs.336.65 Crore with total 48 substations charged, 6,203 Nos. DTRs erected and 3,90,453 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 Nos. 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 and scheme closed for an amount of Rs. 582.43 Crore against the scheme cost of Rs.472.84 Crore to maintain uninterrupted supply in the towns.

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 No.s 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.3.20 Crore with 60% grant, 30% counterpart loan and 10% Discom share.
- ❖ Work awarded to M/s.SCOPE T&M Pvt Ltd, Mumbai and Out of 62 substations, material installation completed in 12 substations and work under progress in 10 substations.

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, NSGM-NPMU with deployment of Single Phase Smart Meters, Distribution Management System (DMS) equipment (ARs, Sectionalizers, RMUs & FPIs), Transformer Monitoring Units (TMUs), Consumer Display Units (CDUs) along with hardware and software.

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 2,673 no.s modems were commissioned.

Ujwal DISCOM Assurance Yojana (UDAY):

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

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.
- ❖ TSSPDCL has reduced the energy losses from 9.41 % in F.Y. 2019-20 to 9.36% in F.Y. 2020-21
- ❖ Total 48,154 Nos. of Agl. Connections were released during 2020-21.

- ❖ Total existing LT consumers were increased from 94,95,626 in F.Y.2019-20 to 98,86,911 in F.Y.2020-21
- ❖ Total existing HT consumers were increased from 9,675 in F.Y.2019-20 to 10,010 in F.Y.2020-21.
- ❖ Duration of interruptions i.e. SAIDI has been reduced from 1890.97 in F.Y.2019-20 to 1500.32 in F.Y.2020-21.
- ❖ Percentage of complaints resolved within the Standard Operating Procedure (SOP) timelines has increased from 83% in F.Y. 2014-15 to 90% in F.Y.2020-21.
- ❖ Percentage of new services released within the SOP stipulated timeline is 90% in F.Y. 2020-21 as against a level of 76% in F.Y. 2014-15.
- ❖ Revenue Demand has increased from 15,324 Crore in F.Y.2013-14 to 20778.12 Crore in F.Y.2020-21.

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 RE Capacity of 4230.51MW by the end of March, 2021, 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 157.07MW of solar rooftop capacity by end of March, 2021.
- ❖ I am happy to note that in a short span, TSSPDCL has been able to show substantial progress in adding solar capacities. This is one of the highest in the country.

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 to improvement in the billing efficiency. This has greatly reduced cases of reading suppression.
- ❖ TSSPDCL has installed IRDA Meters for 69,93,990 consumers as on 31st March, 2021 which is 76.85% of the total metered consumers.

Prepaid Meters:

- ❖ Telangana Discoms has Prepayment mechanism using special type of energy meter which can be installed with a prepayment or pay as you go tariff. As on 31st March, 2021, 14,686 No's of Prepaid meters were installed across Government offices in which 4,344 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 33/11KV Sub-Stations, under DMS operation of all the 156 Nos. 11KV feeders were commissioned in core city of Hyderabad and Communication System under SCADA DMS project has been successfully completed and declared Go-live.

New Technologies in TSSPDCL:

Digitization of consumer services:

- ❖ TSSPDCL is adopted digitization of consumer service transactions. New service connection applications, load addition, commercial complaints received in Integrated Consumer Service Centre (ICSC/CSCs) will be verified in the portals like CSC, SAS by the authorities in a paperless mode. Communication with consumers will be done through email/SMS to reduce manual intervention.

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

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

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. Presently, the Company has 71 Nos. EROs, which are integrated together. Now, the consumers have the facility to pay the Electricity Bills at any nearby ERO Counters, without delay.

Ease of doing business (TS-iPASS):

For entrepreneurs setting up new industries, Telangana Discoms have tied up with 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.

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:

High Tension (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 accountability with the ultimate aim towards better governance and timely compliance to all consumer processes.

Implementation of ERP S/4 HANA:

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

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.2020-21:

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.

ICC- 8th Innovation with Impact Award 2020":

- ❖ Southern Power Distribution Company of Telangana Limited (TSSPDCL) was awarded as the 2 different category like the overall winner of the 8th edition of prestigious ICC Innovation with Impact Award. And also bagged *Quality of Service & Customer Empowerment Award* at the 14th India Energy Summit 2020-2021 on Zoom Platform.

IPPAI Awards 2020:

- ❖ Southern Power Distribution Company of Telangana Limited (TSSPDCL) is awarded under the Category "Best Distribution Company to promote consumer awareness" at 20th Regulators & Policy makers retreat 2020.

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



DIRECTOR'S REPORT

DIRECTOR'S REPORT

To
The Members
Southern Power Distribution Company of Telangana Limited.

The Directors are pleased to present the Twenty First Annual Report on the business and operations of your company together with the Audited Statements of Accounts for the year ended on 31st March, 2021.

1. FINANCIAL RESULTS:

The financial results of the Company for the year ended 31st March 2021 the Company could earn an aggregate income of Rs. 24,144.01 Crore. The financial performance of the Company is as follows:

S.No	Particulars	2020-21 (Rs. in Crore)	2019-20 (Rs. in Crore)
1.	Revenue from Operations	24073.41	24600.86
2.	Other Income	70.60	46.78
	Total Income	24144.01	24647.65
3.	Power Purchase Cost	23703.06	24907.26
4.	Employee Benefit expense	2240.77	2314.44
5.	Operation and Other Expenses	288.47	261.68
6.	Interest and Finance Charges	1905.46	1489.50
7.	Depreciation	1066.58	986.56
8.	Exceptional items	(437.74)	148.66
9.	FSA Written off	-	-
10.	Fixed Assets RESCOs- Write Off	-	-
11.	FSA and Other Provisions	-	-
12.	Provision for Govt. Receivables	-	-
	Total Expenses	28766.61	30108.10
13.	Profit/(Loss) Before Tax	(4622.60)	(5460.45)
14.	Provision for Income Tax	-	-
15.	Deferred Tax Income Provision	376.64	520.20
	Net Profit/(Loss)	(4245.96)	(4940.25)

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 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 were released.

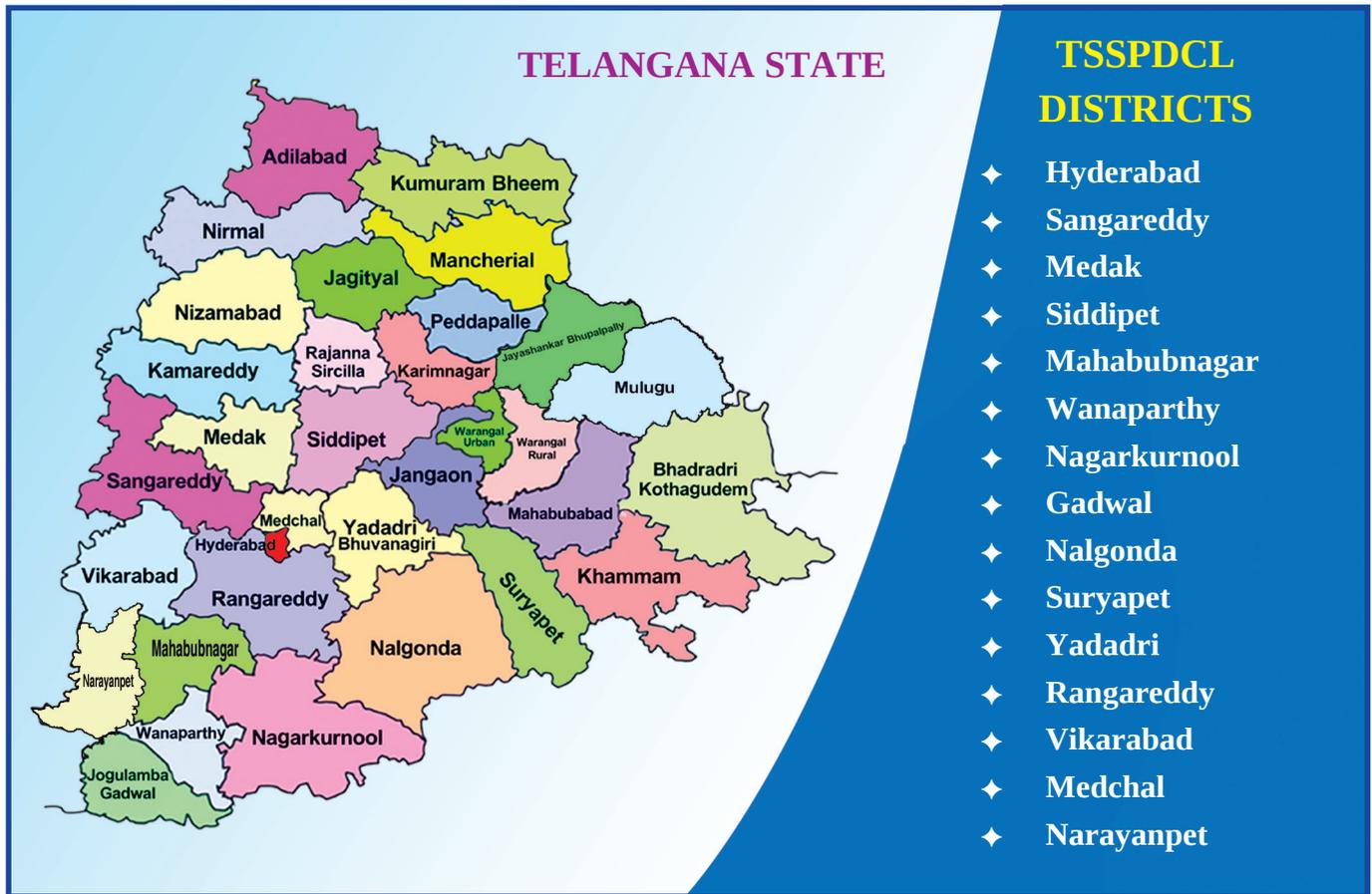
3. STATE OF COMPANY'S AFFAIRS – Section 134(3)(i) OF COMPANIES ACT, 2013

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 9.75 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.2020-21 are given below

- ✦ The Company achieved metered sales of 28585.10 MU in F.Y.2020-21 as against 30162.87 recorded during F.Y.2019-20. The metered sales percentage to energy input was at 64.25% in F.Y.2020-21 as compared to 66.66% in F.Y.2019-20.
- ✦ Energy input was at 44492.99 MU in during 2020-21 as against 45247.02 MU in the Previous Year 2019-20.
- ✦ The peak period demand met in Current Financial Year (CFY) is 8474 MW as against the Previous Financial Year (PFY) 7284 MW.
- ✦ The Company has supplied 11744.84 MU Energy to the Agriculture Sector as against 10818.40 MU against previous year. The energy supplied to agricultural sector constitutes 26.40% of total energy input in F.Y.2020-21. Assessment of agricultural energy is being done by ISI methodology approved by Electricity Regulatory Commission (ERC) from F.Y.2013-14.
- ✦ The maximum consumption on a day was 180.51MU as against 152.38 MU in the previous year.

Reduction of Energy Losses:

During F.Y.2020-21, a number of measures were adopted that contributed to the on-going efforts to reduce energy losses. The initiatives include:

- ❖ Energy Audit of 70 Towns and 157 Mandal Head Quarters.
- ❖ Impact of above measures is apparent. The energy losses in F.Y.2020-21 are lower than the previous year. The Energy Losses percentage decreases to 9.36% in 2020-21 as against 9.43% in F.Y.2019-20.
- ❖ Arrested the theft of power by regular Detection of Pilferage of Energy (DPE) wings by conducting inspections and special intensive inspections with the DPE & Operation Wings of all circles. During the F.Y.2020-21, In both HT & LT connections Total 121291 no. of cases were booked for theft, Unauthorized usage, Back billing/Short billing and non payment of Development Charges.

PROJECTS DATA

During F.Y.2020-21 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 31.03.2020	Achievement in F.Y. 2020-21	Total as on 31.03.2021
1	No. of 33 / 11 KV Substations	1644	31	1675
2	Lines (in KM)			
	33KV	16054.93	141.43	16196.36
	11KV	103353.34	3582.62	106935.96
	Low Tension	227660.86	4820.15	232481.01
3	High Voltage Distribution System (HVDS) for (DTRs)	32669	0	32669
	High Voltage Distribution System (HVDS) for Agriculture Pump Sets	95219	0	95219

Note: Last year Lines data was reconciled and updated figures were taken into consideration

ON GOING PROJECTS & SCHEMES STATUS AS ON 30.08.2021

I. 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 Nos. Detailed Project Reports (DPRs) covering Distribution network strengthening works in 35 Nos. Towns of TSSPDCL for an amount of Rs.472.84 Crore and permission 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 scheme was addressed to the ED/IPDS 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, 106.0 km of 33 KV line, 218.96 km of UG cable, 6470 Nos. DTRs, 599.40 km of new 11 KV line, 325.45 km of Augmentation of 11 KV line 1167.52 km new LT line, 1681.40 km of Bifurcation/Augmentation of LT line, 422.7 km of AB Cable and 159 Nos. RMUs are erected.

- ❖ IPDS scheme is closed for Rs.582.43 crore and the same was approved by State Level Distribution Reforms Committee (SLDRC).
- ❖ The closure report along with final claims of Rs.484.96 crore against scheme cost of Rs.472.84 crore was sent to M/s.PFC/MoP and the same was approved by M/s.PFC/MoP.
- ❖ So far, GoI Grant released from MoP is Rs. 277.46 crore against 60% GoI grant of Rs.283.70 crore. Release of balance grant amount of Rs.6.24 crore is under process by MoP/GoI.

II. 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.
- ❖ Works completed as on 31.03.2019 are as detailed below:
 - ◆ Out of 48 Nos. SS, 48 Nos. SS Charged 1087 km 6.3/11 KV line, 204 km, 33 KV line, 6155 Nos. DTRs are erected. 3,90,252 Nos. BPL HHs services released against target of 2,85,240 Nos. BPL services. Infra works under the scheme are completed.
- ❖ DDUGJY scheme is closed for Rs.444 crore (without overheads) and the same was approved by State Level Standing Committee (SLSC).
- ❖ The closure report along with final claims of Rs.440.86 crore against scheme cost of Rs.336.65 crore was sent to M/s.REC/MoP.
- ❖ So far, grants released from MoP are Rs. 154.85 crore against 60% GoI grant of Rs. 201.99 crore and Release of balance grant amount of Rs.47.14 crore is under process by MoP/GoI.

III. 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.

IV. 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 11 KV feeders in 34 Nos. Non SCADA Urban towns comprising of 62 Nos. substations and 259 Nos. 11 KV feeders.
- ❖ Sanctioned scheme cost is Rs.3.20 crore with 60% grant, 30% counterpart loan and 10% Discom share.
- ❖ Work awarded to M/s. SCOPE T&M Pvt. Ltd, Mumbai on 10.12.2019 for Rs. 2.95 crore.
- ❖ Agreement concluded with M/s Scope T&M(P) Ltd. vide Agt. No.01/2020-21, dated 08.09.2020.
- ❖ M/s. SCOPE T&M Pvt. Ltd. has completed material installation at all 62 Nos. substations as per sanctioned quantity. Further installed Servers, Server panels, Routers, Switches at Control Centre/SCADA. Software integration with substations is under progress.

V. 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 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.

◆ 33/11 KV New Substations:-

Total No. of Substations proposed	Completed	Balance to be completed
14	14.00	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	126.00	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	(Rupees in Crore)
1.	Mahabubnagar	39	19.28
2.	Wanaparthy	16	14.83
3.	Gadwal	2	7.99
4.	Nagarkurnool	11	10.63
5.	Nalgonda	41	30.48
6.	Suryapet	11	7.96
7.	Yadadri	11	1.73
8.	Medak	11	2.71
9.	Siddipet	10	3.58
10.	Sangareddy	18	17.88
11.	Cybercity	1	1.27
12.	Rajendranagar	10	18.78
13.	Vikarabad	15	8.32
14.	Medchal	2	2.02
Total		198	147.45
Amount received 96.09 crore (33.00+13.09+50.00) crore			96.09
Balance Amount to be received			51.36

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 3912.56 MW as on 28.08.2021.

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
- ❖ PCB clearances
- ❖ Provisions under the Factories Act
- ❖ Solar Rooftop Projects

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

ABSTRACT OF INSTALLED CAPACITIES

S.No.	Type of Power/Generating Station	Total Installed Capacity in MW	Telangana Share in MW	TSSPDCL allocation in MW	
1	TS GENCO	Thermal	3772.50	3772.50	2661.50
		Hydel	2572.20	2389.91	1686.08
2	Central Sector	16575.00	2691.66	1917.87	
3*	Joint Sector/ IPPs	0	0	0	
4**	Non Conventional (Sale to Discoms)	3759.30	3759.30	2656.55	
5	Others	3820.00	3589.45	2532.36	
Total		30499.00	16202.82	11454.36	

*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			
	3290.00	100.80	371.29	173.08	3935.17

ROOF TOP SOLAR (RTS)

In order to promote investments and encourage the renewable energy generation in the state, the Government of Telangana has issued the Telangana solar power policy, 2015, wherein it provides attractive incentives and provisions to encourage solar roof top projects (SRP) adoption. Accordingly, the TSERC has issued regulation no.06 of 2016 for Roof top solar photovoltaic systems.

The Roof top solar systems installed capacity up to F.Y.2018-19 is 70.004 MW.

Phase II of Grid connected Rooftop (GCRT) Solar programme

- ❖ Under the phase II of GCRT Solar programme, The MNRE has allocated 10.78MW for F.Y.2019-20 and 20 MW for F.Y.2020-21 for RTS system implementation in residential sector.
- ❖ Accordingly, TSSPDCL has entered Memorandum of Understandings (MoU's) with TSREDCO to take assistance of TSREDCO (State Nodal Agency for the State of Telangana) for implementation of Rooftop solar in residential sector.
- ❖ So far, the phase II programme is under implementation which in turn facilitate for deployment of Rooftop solar systems of 179.61 MW capacity as on 31.08.2021 in TSSPDCL.
- ❖ The following table depicts the progress made in residential sector under Phase II of GCRT solar programme:

Financial Year	Allocation in residential sector	Released capacity (in MW) as on 31.08.2021	Validity
2019-20	10.78 MW	9.187 MW	19.08.2021
2020-21	20.00 MW	0.748 MW	25.02.2022

5. DIVIDEND

As there are no Profits from operations, the Directors do not recommend any dividend in the F.Y.2020-21.

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, 2021.

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. 42

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

The Number of Board Meeting held during the Financial Year and as on 31.03.2021 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.	16.09.2020	11	11	100%
2.	03.11.2020	11	11	100%
3.	31.12.2020	11	11	100%
4.	30.03.2021	11	10	90.9%

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.2020-21 on a going concern basis.
- 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. 67**

Secretarial Auditor Report along with Management Reply is enclosed at Annexure – **C. Page No. 75**

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 financial 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 5th June, 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. (4,245.95) crore was carried to Reserves for the F.Y.2020-21.

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 as TSSPDCL duly excluding the Kurnool and Ananthapur circles which have become part of Residuary State of Andhra Pradesh and merged with the Existing APSPDCL.
2. Since for bifurcation of Assets and Liabilities as on 01.06.2014 in respect of Kurnool and Ananthapur circles between the TSSPDCL and APSPDCL, the Expert Committee was 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. 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 Revenue Mandals under the territorial jurisdiction of TSNPDCL have been merged with Siddipet district of TSSPDCL, 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 TSNPDCL Jurisdiction to TSSPDCL 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 was during the F.Y.2019-20. Accordingly, the assets and liabilities of Gundala are incorporated in the Financial Year 2019-20.
5. AP GENCO has filed the petition before the Hon'ble National Company Law Tribunal (NCLT) for initiating Corporate insolvency process against the company for non- payment of dues. The petition is withdrawn by APGENCO.

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. 76.

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. 4245.96 crore and Total Indebtedness of the company Rs.18,917 crore. 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 Sandeep Kumar Sultania, IAS	Secretary to Government [FAC], 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 162nd Board Meeting held on 03.11.2020.

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. 4,245.95 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 Sandeep Kumar Sultania, IAS	Secretary to Government [FAC], Energy Dept	28.08.2020	NA
Sri Ajay Misra, IAS	Director /(Non-Whole Time)	20.12.2016	31.07.2020
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)

Sri. Ajay Misra, IAS was retired from service on superannuation on dated 31.7.2020 by government of Telangana vide G.O.Ms.No. 9, Energy (HR-A1) Department, dated 28.08.2020 and Sri Sandeep Kumar Sultania, IAS was appointed as Non whole Time Director on the Board of TSSPDCL on dated 28.08.2020.

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 31.03.2021.

(Rs. in Crore)

S.No.	Circle	LT		HT		TOTAL	
		No. of Services	Amount	No. of Services	Amount	No. of Services	Amount
1	BANJARA HILLS	17	-0.06	80	57.67	97	57.60
2	CYBERCITY	0	0	74	21.14	74	21.14
3	GADWAL	0	0	4	0.01	4	0.01
4	HABSIGUDA	36	0.34	125	9.40	161	9.74
5	HYDERABAD CENTRAL	29	0.17	66	22.10	95	22.28
6	HYDERABAD SOUTH	55	0.26	26	2.80	81	3.06
7	MAHABOBNAGAR	0	0	67	32.37	67	32.37
8	MEDAK	0	0	41	46.83	41	46.83
9	MEDCHAL	22	0.02	177	64.26	199	64.28
10	NAGARKURNOOL	0	0	8	2.92	8	2.92
11	NALGONDA	73	0.49	168	75.31	241	75.80
12	RAJENDRA NAGAR	374	3.99	218	131.23	592	135.22
13	SANGAREDDY	0	0	218	137.89	218	137.89
14	SAROORNAGAR	69	0.07	28	8.32	97	8.40
15	SECUNDERABAD	37	-0.01	75	12.41	112	12.40
16	SIDDIPET	0	0	19	14.63	19	14.63
17	SURYAPET	15	0.02	108	54.55	123	54.57
18	VIKARABAD	0	0	10	85.64	10	85.64
19	WANAPARTHY	0	0	5	0.02	5	0.02
20	YADADRI	15	0.07	69	25.77	84	25.84
	Total	742	5.37	1586	805.27	2328	810.64

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 Sandeep Kumar Sultania, IAS	Secretary to Government [FAC], 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 162nd Board Meeting held on 03.11.2020.

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.2020-21.

24. PARTICULARS OF THE EMPLOYEES & EMPLOYEE WELFARE

1. **Manpower:** The manpower (officers and staff) stood at 20,056 for the F.Y.2020-21 when compared to the 19,125 for the F.Y.2019-20.

The category wise employee's filled is indicated below:

Sl. No	Name of the Category	F.Y. 2020-21	F.Y. 2019-20
1	Engineering service	2328	2,280
2	Accounts and P&G service	1,709	1,729
3	O&M and construction service	6,484	5,007
4	Others (including deputations)	85	77
5	Artisans	9,450	10,032
	Total	20,056	19,125

2. **Training to Employees:** During F.Y.2020-21 training has been imparted to 4,482 employees on new technologies in Power sector, IT initiative, HR activities.
3. **Employees welfare:** Total 114 (57 are Regular Employees + 57 are Artisans) dependents of deceased employees have been provided employment in the company under compassionate grounds.

Artisans were regularised with effect from 18.09.2019 and Benefits of Pay Revision (PRC), Annual Grade Increments (AGI) with all other allowances, Leaves, TA, DA and medical facilities were extended to them.

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 Sandeep Kumar Sultania, IAS	Secretary to Government [FAC], 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 162nd Board Meeting held on 03.11.2020.

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 APCPDCL (Now 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.365, dated 17.04.2019 with the members as indicated therein to hold office. Further, complaints committee was re-constituted Vide: SP.O.O.CGM (HRD) Rt.No.561, dated 21.08.2020 shall hold office till 31.12.2020.

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/O/ Medchal	Member
4.	Sri K. Satish Kumar, DE/RAC&IPC	Member
5.	Smt. C. Rama Sree, DE/Planning/HVDS	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.2020-21 at the Board Meeting held on 30.03.2021.

S.No	Circles/set of Circles	Chartered Accountant Firm	L1 Per Month	Vide SP.O.O Order No.	Tenure
1	Medak, Sangareddy & Siddipet	M/s. Nagabhirava & Associates. Chartered Accountants	42,500/-	SP. O.O. (CGM-HRD) Rt. No. 361, dated 04.05.2021	2years
2	Nalgonda, Suryapet & Yadadri	M/s. Y. Tirupathaiiah & Co., Chartered Accountants	42,500/-	SP. O.O. (CGM-HRD) Rt. No. 360, dated 04.05.2021	2years
3	Mahabubnagar, Nagarkurnool Wanaparthy & Gadwal	M/s. SEV & Associates, Chartered Accountants	42,500/-	SP. O.O. (CGM-HRD) Rt. No. 359, dated 04.05.2021	2years
4	Rangareddy- I (Cybercity, Vikarabad & Rajendranagar)	M/s. Komandoor & Co. LLP, Chartered Accountants	35,000/-	SP. O.O. (CGM-HRD) Rt. No. 409, dated 28.05.2021	2years
5	Rangareddy –II (Habsiguda, Medchal & Saroornagar)	I. M/s. Komandoor & Co. LLP, Chartered Accountants II. M/s. PSSB & Associates & Co., Chartered Accountants III. M/s. SEV & Associates, Chartered Accountants	32,000/-	SP. O.O. (CGM-HRD) Rt. No. 761, dated 25.08.2021	2years
6	Banjarahills, Secunderabad & Hyderabad South	M/s. C Ramachandram & Co., Chartered Accountants	35,000/-	SP. O.O. (CGM-HRD) Rt. No. 357, dated 04.05.2021	2years

7	Hyderabad Central, SCADA, Master Plan, Corporate Office, Metro Zone, RR Zone, Rural Zone & Medchal Zone.	M/s. PSSB & Associates & Co., Chartered Accountants	30,000/-	SP. O.O. (CGM-HRD) Rt. No. 356, dated 04.05.2021	2years
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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.2020 -21.

Secretarial Auditor:

M/s. KCC & Associates, Company Secretaries was appointed as Secretarial Auditors of the Company for the F.Y.2020-21.

Cost Auditor:

M/s. B.V.S. & Co, Cost Accountants was appointed as Cost Auditors of the Company for the F.Y.2020-21.

30. ACKNOWLEDGEMENTS

We thank and acknowledge the invaluable support and co-operation of the Chairman & Managing Director, TS TRANSCO and Chairman & Managing Directors of TS GENCO, TS NPDCL, AP TRANSCO, APGENCO & AP DISCOMS.

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 : 06.09.2021

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 31.03.2021

[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 [Pl. tick]	A Government of Telangana Undertaking (State Govt. Company) Unlisted Public Company
Whether shares listed on recognized Stock	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

I. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	Name And Address Of The Company	CIN/GLN	Holding Company/ Subsidiary /Associate
1	Andhra Pradesh Power Development Company Limited. Registered Address: Vidyut Soudha, Khairatabad, Hyderabad. TG-500082. INDIA.	U40105TG2006SGC049354	Associate

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2020]				No. of Shares held at the end of the year[As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	12,01,79,30,297	1,20,17,93,02,970	99.99	0	12,01,79,30,297	1,20,17,93,02,970	99.99	NIL
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	9	90	0.01	0	9	90	0.01	0
Total shareholding of Promoter (A)	0	12,01,79,30,306	1,20,17,93,03,060	99.99	0	12,01,79,30,306	1,20,17,93,03,060	99.99	NIL
B. Public Shareholding	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	12,01,79,30,306	1,20,17,93,03,060	100	0	12,01,79,30,306	1,20,17,93,03,060	100	NIL

B) Shareholding of Promoter -

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

The Government of Telangana issued orders for the allotment vide G.O.Ms. No. 20, Energy (Budget-A1) Department, dated 17.12.2020.

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

S.No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2020)			Shareholding at the end of the year (31.03.2021)			% 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	0	0	0	0
2.	Sri Sandeep Kumar Sultania, IAS, Secretary to Government [FAC], Energy Dept.,	0	0	0	2	0	0	0
3.	Sri D. Prabhakara Rao, Chairman and Managing Director/TSTRANSCO	1	0	0	1	0	0	0
4.	Sri C. Srinivasa Rao, IRAS JMD/TSTRANSCO	1	0	0	1	0	0	0
5.	Sri G. Raghuma Reddy Chairman and Managing Director /TSSPDCL	2	0	0	2	0	0	0
6.	Sri J. Srinivasa Reddy, Director /Operations / TSSPDCL	1	0	0	1	0	0	0
7.	Sri T. Srinivas Director (Projects & IT) /TSSPDCL	1	0	0	1	0	0	0
8.	Sri P. Narasimha Rao Director/Finance/ TSSPDCL	1	0	0	1	0	0	0

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

D) Shareholding Pattern of top ten Shareholders: 31.03.2021

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

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

E) Shareholding of Directors and Key Managerial Personnel: 31.03.2021

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	1	0	1	0
B	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
C	At the end of the year	1	0	1	0
4.	Sri 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	1,12,37,89,98,419	29,29,59,12,704	-	1,41,67,49,11,123
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	1,12,37,89,98,419	29,29,59,12,704	-	1,41,67,49,11,123

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
* Addition	90,03,72,49,763	3,04,82,97,820	-	93,08,55,47,583
* Reduction	30,19,31,44,581	5,25,47,78,246	-	35,44,79,22,827
Net Change	59,84,41,05,182	(2,20,64,80,426)	-	57,63,76,24,756
Indebtedness at the end of the financial year				
i) Principal Amount	1,72,22,31,03,601	27,08,94,32,278	-	19,93,12,53,5879
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	1,72,22,31,03,601	27,08,94,32,278	-	1,99,31,25,35,879

Note: Includes the balances of Anantapur and Kurnool

IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No	Particulars of Remuneration	G. Raghuma Reddy (CMD)	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	38,54,800	35,24,639	33,55,540	24,06,000	54,18,307.91	23,10,000	24,39,000	26,24,222.45
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)	16,82,192	13,59,393	13,20,173	9,58,673	18,80,326	8,63,464	10,87,543	10,59,983
	Total(A)	21,72,608	21,65,246	20,35,367	14,47,327	35,37,982	14,46,536	13,51,457	15,64,240
	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 Sandeep Kumar Sultania, IAS, 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 - Commission - Others, please specify	NA	NA	NA
	Amount	20,000/-	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 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	17,62,867	NA	NA
2.	Stock Option	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA
4.	Commission-as % of profit-others, specify	NA	NA	NA	NA
5.	Others, please specify (deductions Provident Fund & Professional tax)	NA	3,08,897	NA	NA
	Total		14,53,970		

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. 2020-21

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, 2021 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, 2021, its losses and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

STATUTORY AUDITOR'S REPORT

COMPANY'S REPLY

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.82,14,79,357/-, 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.

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>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>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 construction of assets take places on a large scale on a continuation basis with the different sources of finance (ie.) 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>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 and circle level.</p>
<p>2. Consequent to the creation of the State of Telangana, in accordance with the Andhra Pradesh Reorganization Act, 2014, the Ananthapur and Kurnool operating business circles of the company have been reassigned to APSPDCL with effect from 2nd June, 2014 in accordance with G.O.Ms.No.24 dated 29th May 2014 issued by State of Andhra Pradesh. The company has recognized the transfer of assets and liabilities in the financial year 2015-16 of these two Circles in its books of account, as per the “Basis of Apportionment” mentioned in the said G.O. which is approved by the Expert Committee constituted by the Government of India, which is computed under the “pooling of interest” method. The company instead of recognizing the share of the said two Circles in the “Share Capital” of Rs.325,27,89,980/- 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, the Chairperson and Members of the Expert Committee. The bifurcation of Assets and Liabilities was independently audited and certified by M/s. Sharad & Associates. Post bifurcation issues are still pending between Andhra Pradesh and Telangana and moreover as on today employees bifurcation is under subjudice.</p>

- 3) The Company has not recognized the revenue receivable under UDAY scheme (As per Tripartite Memorandum of Understanding) as detailed below:

Financial Year	Rupees in Crore
2018-19	392.48
2019-20	1241.81
2020-21	2470.13
Total	4104.42

This has resulted in understatement of Revenue from Operations and Other Current Assets – Receivable for government by Rs.4,104.42 Crore.

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 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”. For the year 2020-21 the Govt. of TS has issued G.O. No.15 dated 16.11.2020 for 50% of previous year loss Rs.2470.13 crore (i.e. Rs.4940.25 * 50%) duly mentioning the same as “Investment in Discoms”.

As the G.Os for the years from 2018-19 to 2020-21 were issued towards “Investment in Discoms” and pending receipt of the said funds, the same may not be treated as Grant. Since the pending receipt of funds, the same has not been accounted for the year 2018-19 to 2020-21, to present a true and fair view of books of accounts. The same has been disclosed in Note.No.21 of the Financials of 2020-21.

- 4) The Company has made provision for Pension & Gratuity in respect of employees who were on rolls on 31.01.1999 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. 7,967.35 crore.

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. Accordingly, the TSSPDCL is making the payment of 74 % Pension & Gratuity and claiming the reimbursement of same on monthly basis from the TSGENCO Master Trust and the TSGENCO Master Trust is reimbursing the same and as such



	<p>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>5) Amount of Rs.959,54,56,027/- towards surcharge on late payment payable to Singareni Thermal Power Plant (STPP) upto 31st March, 2020 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>Late payment surcharge payable to STPP for the current financial year 2020-21 is not provided and the impact could not be quantified.</p>	<p>The Discom 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. However the SCCL has not raised any surcharge during the year ie, 2020-21.</p>
<p>6) The Company has applied depreciation rates notified by the Ministry of Power (MoP) vide S.O.266 (E) dated 29th 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 31st March, 2021 by Rs.374.06 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 F.Y. 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.</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).

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.

Under the above circumstances, it is to submit that the depreciation rates applied for the financial year 2020-21 are appears to be appropriate and correct. Hence there is no overstatement of Depreciation and Amortization expenses (Note No.11) by Rs. 374.06 crore. However, a view will be taken for the next financial years in regard to implementation of CERC Rates.

7) During the Financial Year 2018-19 the company has forfeited Bank Guarantees of Rs. 52.13 crore and recognised the same as income for that Year. Of which Rs.9.13 crore pertains to Kurnool and Anthapur districts under Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL). This has resulted in Understatement of Provisions and overstatement of Reserves & Surplus by Rs.9.1 crore for the Year ended 31st March, 2021

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.

Further, it is to submit that, as the subject matter falls within the bifurcation issue and Apportionment of Assets and Liabilities in respect of Ananthapur and Kurnool circles is not yet finalized, this element will be considered while arriving the net settlement of Assets and Liabilities.

8) We report that the following accounts have not been reconciled as at 31st March, 2021 and accordingly we are unable to express an opinion on the effect of said un-reconciled amounts on the financials of the company for the year:



<p>a) Inter units accounts with a credit balance of Rs.8,85,11,972/-.</p> <p>b) Amount appearing under loan clearing (CPDCL) account with a debit balance of Rs.3,67,53,367/-.</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. 8.85 Crore (Previous year Rs. 14.70 Crore), out of which an amount o Rs. 2.04 Crore were reconciled and cleared during the current financial year. However, there are few legacy transactions involved in balance. The Company is doing the reconciliation continuously on priority basis.</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>9) Overall impact of the above Qualifications which are quantifiable is as follows:</p> <p>a) Understatement of Current year losses – Rs. 4,457.51 Crore.</p> <p>b) Understatement of Negative Net worth – Rs. 5,505.79 Crore.</p>	<p>Informative only</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 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 No. 27 where in Exceptional Items includes Prior period income which pertains to Reversal of Interest on Loans amounting to Rs.598.29 Crore pertaining to Anathapur and Kurnool form 2014-15 to 2019-20 and transferring the same to Receivables from APSPDCL.</p>	<p>Informative only</p>
<p>4) 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.19,89,34,882/- (of which Rs.1,10,15,115/- 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.31,44,54,023/- as on 31.03.2021.</p>	<p>All efforts are being made continuously for clearing for pending Board and Bank excess. Further it is to stated that, an amount of Rs. 18.79 Crore have been cleared against Rs. 19.89 Crore of Board excess and an amount of Rs. 12.30 Crore have been cleared against Rs. 31.45 Crore of bank excess during the current financial year.</p>
<p>5) 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:</p>	
<p>a) Balances due to/from various vendors for supplies and services, EMDs, SDs, other power distribution companies.</p>	<p>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.</p>



b) Balances due from/to various consumers/customers.

Necessary steps will be taken for the confirmation from power purchases creditors and consumer/customers during the next financial year.

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

Material Uncertainty related to Going Concern

We draw attention to Note No. 38 & Note No. 39 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- ❖ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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.	Informative only
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: 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, 2021.

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 at least for the major assets such as PTR/33Kv 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 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.</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>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.</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 Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.</p>	<p>Informative only</p>



vii) 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 Goods & Service Tax and Electricity Duty which is not paid regularly.

Informative only

Accordingly to the information and explanations given to us, no undisputed amounts are payable in respect of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax or Cess, Goods & Services Tax and other statutory dues which were in arrears as at 31st March, 2021 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
Goods and Services Act, 2017	Goods & Service Tax	F.Y. 2019-20	113.87
		F.Y. 2020-21	59.88
Electricity Duty Act/ State Government	Electricity Duty	F.Y. 2018-19	1344.36
		F.Y. 2019-20	17370.67
		F.Y. 2020-21	7,770.13

b) As 31st March, 2021, 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 except the following:

Informative only

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	206.72*	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	194.53	From July, 2012 to June, 2017	Hon'ble High Court of Telangana
			11.73	From 2012-13 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal
5.	Income Tax Act, 1961	TDS	14.88	Financial Year 2006-07	Hon'ble High Court of Telangana
			78.37	For the Financial Years 2007-08 & 2008-09	Hon'ble Supreme Court of India
6.	EPF Act	EPF	0.14	2017-18	Central Government Industrial Tribunal, Hyderabad
			14.16	From 2014-15 to 2016-17	Hon'ble High Court of Telangana

* Net of deposits made

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



<p>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.</p>	<p>Informative only</p>
<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 during the year has not made preferred allotment of shares. The Company has not issued 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 2020-21, all the accounting transactions have been processed through IT system.</p> <p>However, for preparation of financial statements some manual interventions are carried out.</p>	
		<p>Major discrepancies in certain areas are given hereunder:</p> <p>1. Payroll system module is not fully integrated with finance system module, resulting in a difference of Rs.0.10 Crore excess in finance module, when compared to payroll module for employee loans.</p>	<p>Payroll module has been operational since 2012. The legacy data is yet to be taken into payroll module steps will be taken to reconcile the same.</p>
		<p>2. Inter units’ balances were not properly processed through IT system, which has resulted in uncleared credit balance of Rs.8.85 Crore.</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. 8.85 Crore (Previous year Rs.14.70 Crore), out of which 2.04 crore were reconciled and cleared current financial year. However, there are few legacy transactions involved balance amount. reconciliation continuously on priority basis.</p>



		3. Revenue module is not fully integrated with FICO module and variances are duly adjusted.	All efforts are made to integrate revenue module with FICO Module.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for. (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	During the year under consideration, there is no case of restructuring of any existing loan or case of waiver/write off of debts/loans/interest etc. by a lender to the Company.	Informative only
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions. List the cases of deviation.	According to the information and explanation given to us and on the basis of our verification of the records funds received/receivable from Central/State Governments under various projects/schemes have been properly accounted for and released to the beneficiaries/spent/utilized as per guidelines and terms & conditions as mentioned in the relevant sanction letters.	Informative only

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 31st March, 2021 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 31st March, 2021;

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) 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.
c) 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, 2021, 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, 2021.

For and on behalf of the Company TSSPDCL

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

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

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



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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, 2021** 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, 2021 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.

I further report that

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

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

Sd/-

Name: **KALYANA CHAKRAVARTHI CH.**

FCS. No: 10770

CP No. : 15103

UDIN: F010770C000900241

Place: Hyderabad

Date: 04.09.2021

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



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

ANNEXURE-1A

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

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

Sd/-

Name: **KALYANA CHAKRAVARTHI CH.**
FCS. No: 10770
CP No. : 15103

Place: Hyderabad
Date: 04.09.2021

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>

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.

- 100KW roof top solar power plant at corporate office, Hyderabad. The plant generating an average 500 - 520(KWh) units per day.
- 95,448 Nos High Voltage Distribution System (HVDS) for Agriculture Pump Sets were set up.
- 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;

NA

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.2020-21 are significantly lower than the previous year. The Energy Losses to Energy Input percentage decreases to 9.36% in F.Y.2020-21 as against 9.43% in F.Y.2019-20.

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

<p>B. Technology absorption :</p> <p>e) Efforts made in technology absorption</p>	<ol style="list-style-type: none"> 1. 31 Nos. substations works are completed and charged, 191.13Km of 33 KV OH Line, 3550.46 km 11KV OH line & 4832.95 km LT Line, 22.30 km, 33KV UG cable and 38.75 km 11 KV UG cable is erected. 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 style="text-align: center;">Not Applicable</p> <p style="text-align: center;">NIL</p>

C&AG OF INDIA FINAL COMMENTS AND THE REPLIES OF TSSPDCL FOR THE YEAR 2020-21

Sl. No	Gist of the Final Comment	Reply of the Company
1	<p>Statement of Profit and Loss</p> <p>Expenses</p> <p>Finance Costs (Note 26): Rs.1905.46 crore</p> <p>1. The above does not include Rs. 142.63 crore being guarantee commission payable to the GoT for the year 2020-21 towards Government Guarantee in respect of loans availed by the Company. This resulted in understatement of Finance Cost, Current Liabilities and loss for the year by Rs.142.63 crore.</p>	<p>The Government of India has announced Special Economic Package Covid-19, policy for offering financial assistance under the liquidity infusion scheme. The purpose of financial assistance under this package is for clearance of outstanding dues of CPSE/GENCOs /TRANSCO, IPPs and RE generators.</p> <p>TSDISCOMS have opted for Special Economic Package – Covid-19 wherein TSDISCOMS have to provide un-conditional and irrevocable State Government Guarantee for availing Special Long Term Transition Loan for COVID-19 from M/s PFC, New Delhi & M/s. REC, New Delhi.</p> <p>As per the request of TSDISCOMS, the Government of Telangana has accorded approval providing Government Guarantee for Rs.12,600.00 crore to the TSSPDCL and TSNDPCL as security towards the loan sanctioned by PFC, New Delhi and M/s. REC, New Delhi.</p> <p>Due to prevailing COVID-19 pandemic throughout the State of Telangana, TSDISCOMS have witnessed drastic reduction in Revenue collections due to non-payment of Electricity Bills by its customers. The fiscal position of TSDISCOMS does not leave any scope for surplus funds.</p> <p>However, as advised by the Audit, TSSPDCL will address a Letter to the State Government for making the adjustment of Rs.142.63 Crore towards Guarantee Commission from the amounts receivable by TSSPDCL.</p>

Sl. No	Gist of the Final Comment	Reply of the Company
2	<p>B. Comments on Disclosure</p> <p>The levy of wheeling charges on the non-conventional energy sources and mini-power plants set up by private sector for captive consumption were governed by MoUs / Orders issued by the Government. Based on Aggregate Revenue Requirement (ARR) filed by the then APTRANSCO before the State Electricity Regulatory Commission (the Commission) for the year 2002-03 seeking revision in wheeling charges, the Commission determined that the wheeling charges for the year 2002-03 would be Rs.0.50 paiseper unit (KWH) for energy transmitted and compensation in kind for system losses of 28.4 <i>per cent</i> of energy input by the project developer. The project developers challenged the said order in the Hon'ble High Court of Andhra Pradesh, which set aside the Commission's order in May 2003. Power utilities (DISCOMs) challenged the Court order in the Hon'ble Supreme Court, which stated (29 November 2019) that the Commission constituted under the ElectricityReforms Act, 1998 has the powers to determine the wheeling charges.</p> <p>Based on the judgment of the Hon'ble Supreme Court, the Company issued demand notices for Rs.369.49 crore and Rs.1060.50 crore towards principal for the period from 2002-03 to 2014-15 and delayed payment surcharge up to January 2020 respectively on the scheduled consumers and generators and recognised entire amount (Rs.1429.99 crore) as revenue during 2020-21 (Revenue from Operations-Note 21). Most of the scheduled consumers and generators approached the Hon'ble High Court of Telangana against the demand notices issued by the Company and obtained stay orders. However, these facts were not disclosed in the Financial Statements.</p>	<p>It is to submit that, the difference of Wheeling Charges and Transmission Charges between the MOUs entered with various Third party / Captive Generators and Retail Tariff Orders have been calculated starting from the F.Y.2002-03 as per the Hon'ble Supreme Court of India Final Judgement Dated 29.11.2019.</p> <p>Further, it is to submit that the Hon'ble Supreme Court of India has upheld that the State Electricity Regulatory Commission is the authority to determine the Wheeling Charges Tariff from time to time.</p> <p>Accordingly, the demand notices for collection of difference of Wheeling Charges are prepared and issued in the month of June, 2020 to all the respective HT Consumers who have availed captive/ third party sources in addition to DISCOM power starting from the April, 2002-03. Various petitioners who approached the Hon'ble High court of Telangana and obtained the stay Order, have not questioned the levy of wheeling charges but have raised the question as who should discharge the liability i.e., either Generator or Consumers. Therefore, there is absolute certainty of recovery of dues as per the judgement of Hon'ble Supreme Court of India and hence the same is recognized.</p> <p>In obedience to the Hon'ble Supreme Court of India orders dated: 29.11.2019 the revenue amounting to Rs.1429.99 Crore towards actual difference of Wheeling Charges of Rs. 369.49 Crore and Surcharge for delay in payment amounting to Rs. 1060.50 Crore were recognized as Revenue in the books of accounts for the F.Y.2020-21 as per the provisions of the Electricity Act, 2003 and Tariff Orders approved by the TSERC.</p>



Sl. No	Gist of the Final Comment	Reply of the Company
3	<p>The Company accounted for retirement gratuity liability of Rs.221.89 crore during the year in respect of the employees appointed before and after 01.02.1999 as per actuarial valuation, which considered maximum limit of Rs.12 lakh in respect of employees appointed before 01.02.1999 and Rs.10.00 lakh in respect of employees appointed after 01.02.1999. As per orders issued by GoT in June 2021, maximum limit of retirement gratuity was enhanced from Rs.12 lakh to Rs.16 lakh, which is applicable to all State Government employees from 01.04.2020. Further, as per the Gratuity Act, 1972 (amended) the maximum limit of retirement gratuity was enhanced to Rs. 20.00 lakh with effect from 29.03.2018. However, the Company did not adopt the orders of GoT and Gratuity Act to recalculate gratuity liability based on enhanced limit of Rs.16 lakh and Rs.20.00 lakh. Although the Company adopted gratuity limit different from orders of GoT and Gratuity Act, financial impact could not be quantified as it requires valuation by an expert (Actuary).</p> <p>Further, as per disclosure at Note-24 under Employee Benefit Expenses read with significant accounting policy at 1.11(b) (Employee Benefits), the Company did not disclose the significant accounting assumptions adopted for calculating retirement gratuity liability of different category of employees, applicable gratuity rules, and impact of deviations in Financial Statements.</p>	<p>It is to submit that, the defined benefit obligations on account of post employment benefits and other long term employee benefits are evaluated through an Actuary viz. Sri I. Sambhasiva Rao, FIAI for the year ending 31.3.2021. The Actuary has carried out the Actuarial valuation using the Projected Unit Credit Method as per AS 15 (Revised 2005) to determine the Present Value of Defined Benefit Obligation and the related Service Costs in its report dated 28.06.2021, wherein the Gratuity liability considered the existing maximum limit of Rs.12,00,000/- and Rs.10,00,000 separately in respect of employees appointed before 01.02.1999 and after 01.02.1999 respectively. The Government of Telangana has enhanced the maximum limit of Retirement Gratuity from Rs.12.00 lakh to Rs.16.00 lakh to State Government employees vide G.O. Ms.No.56 dated 11.06.2021 with retrospective effect from 01.04.2020. Since the same was not adopted by TSSPDCL so far, the defined benefit obligation in respect of Gratuity was considered as 12.00 Lakhs while carrying out actuarial valuation as per the prevailing orders issued by the company vide SP.O.O.No. (CGM - HRD) Ms.No. 786, dated: 09.10.2015.</p> <p>Accordingly, the Company has provided the provision for defined benefit obligation towards Gratuity for an amount of Rs. 21.24 Crore in respect of employees recruited on or after 01.02.1999 and an amount of Rs. 272.48 Crore in respect of employee recruited before 01.02.1999 which included pension benefit obligation too.</p> <p>Hence, there is no understatement of employee benefit expenses (Note No.24) and Gratuity Liability (Note No.10) as the said G.O. has not been adopted. It is assured that the maximum ceiling of Rs. 16.00 Lakhs and 20.00 Lakhs will be considered while arriving the defined benefit obligations for the next financial year subject to adoption of said G.Os.</p>

Sl. No	Gist of the Final Comment	Reply of the Company
4	<p>Company extends various medical benefits to its employees and pensioners under four different medical schemes. Accounting Standard 15 – Employee benefits prescribes that Medical care/benefits needs to be valued and should be provided in books of accounts by carrying out actuarial valuation. However, the Company has neither carried out the actuarial valuation nor accounted for liability for medical benefits extended to its employees and pensioners. Further, the Company did not disclose the fact of non-provision of the liability towards Medical care/benefits.</p>	<p>It is to submit that, the Company has extended various medical benefits to its employees and pensioners. The medical benefits includes a) Existing Scheme of Rs.5 Lakh for life time, b) Modified medical Scheme for each spell Rs.4 lakh limited to Rs.12 lakh, c) Additional modified scheme limited to Rs.6 lakh and d) Self-funding scheme limited to Rs.6 lakh per family per annum.</p> <p>Further it is to submit that the company has neither carried out Actuarial Valuation nor accounted for liability for medical benefits to the employees and pensioners so far. It is assured that the same will be bring to the notice of the Management for carrying out the Actuarial Valuation from the financial year 2021-22.</p>
5	<p>Singareni Thermal Power Plant (STPP) claimed an amount of Rs. 31.46 crore towards variation of Gross Calorific Value (GCV) for the year 2019-20 and 2020-21 through monthly energy supply charges bills on ‘as fired GCV’ basis as per Clause 21.10 of SERC tariff order. However, the Company contested the claims while regulating the coal bills ‘as received GCV’ basis in the variable cost (energy charges). The matter was taken up with Telangana State Electricity Regulatory Commission (TSERC) for clarification, which was pending. Hence, the facts should have been disclosed in Financial Statements.</p>	<p>It is submit that the TSERC (Terms & Conditions of Generation tariff) Regulation No. 1 of 2019 issued on 04.01.2019. wherein, a formula has been prescribed at Clause 21.6 to compute ECR for coal based generating stations in which the GCV of coal (primary fuel) CVPF should be considered on “as received” basis, which means the GCV of coal measured at the unloading point of the thermal generating stations (as received) shall be considered as extracted below:</p> <p>TSERC Regulation No. 1 of 2019</p> <p>Further the Clause-21.6: Energy Charge Rate (ECR) in Rupees per kWh on ex-power plant basis shall be determined to three decimal places in accordance with the following formulae</p> <p>21.6.1.For Coal based stations</p> $ECR = \{(GSHR - SFC \times CVSF) \times LPPF / CVPF + SFC \times LPSFi + LC \times LPL\} \times 100 / (100 - AUX).$ <p>21.6.2 For gas and liquid fuel based stations</p> $ECR = GSHR \times LPPF \times 100 / \{CVPF \times (100 - AUS)\}$



Sl. No	Gist of the Final Comment	Reply of the Company
		<p>Where,</p> <p>AUX = Normative Auxiliary Energy Consumption in percentage</p> <p>CVPF= Weighted Average Gross Calorific Value of Coal as received in kCal per kg for coal based stations.</p> <p>Whereas at Clause 21.10 of the said Regulation, it has been stipulated that any variation in fuel price on account of change in GCV of coal shall be adjusted on a monthly basis on the basis of average GCV of coal ‘as fired’ for a station, which is measured at Bunker level before coal is fed into the Boiler and the stipulation is intended to take into account the quantum of coal fired (burnt) during a month but certainly not intended to consider the GCV of coal on “as fired” basis, which runs contrary to Clause 21.6. As such a difficulty has arisen in implementing the said Regulation, since there would be a loss of GCV from Received basis to fired basis due to several factors such as stacking and storage losses in the coal yard etc., and to compensate such GCV loss, additional coal has to be burnt, which translates into higher ECR and consequent burden on DISCOMs/Consumer. Further, even the CERC Tariff Regulations also prescribed to consider GCV of coal on “as received” basis only, which have been adopted the Hon’ble TSERC.</p> <p>In view of the above, a letter has been addressed to, the Hon’ble Commission by CGM (IPC&RAC)/TSSPDCL vide Lr.No:1046/20 dt:16.02.21 being a lead procurer and requested to address/removal of the aforesaid difficulty in terms of Clause 26.3 of the said Tariff Regulation by issuing necessary amendment to the Regulation under the power to amend provision at clause 26.8.</p> <p>The request of TSSPDCL/TSDISCOMs is under active consideration by Hon’ble TSERC.</p> <p>Hence, there is no understatement of PP cost of and current liabilities (Rs.31.46 Crore).</p>

6 STPP submitted (June 2019) power bills for the period from 2016-17 to 2018-19 towards additional coal bills, incentive, water charges and other charges to the Telangana State Power Coordination Committee (TSPCC), which decided to defer the claim till STPP obtains the approval of the TSERC for additional claims amounting to Rs.121.92 crore, being the Company's share of 70.55 per cent of total Rs. 172.81 crore. The facts should have been disclosed in Financial Statements.

It is to submit that the Hon'ble TSERC vide its Order Dt: 28.08.2020 has approved True-Up for F.Y.2016-17 to 2018-19 and Multi Year Tariff for F.Y.2019-20 to F.Y.2023-24. However, in para No. 4.24 with regard to billing items mentioned in the Provisional Comment. TSERC has stated that the commission is not inclined to take up the issues of these billing items in the present proceedings. Further, the Commission directed SCCL to file separate Petition on the said billing items.

As such, TSPCC/TSDISCOMS have not admitted the above bills and decided to defer the claim till Singareni Thermal Power Project (STPP) obtains the approval for the additional items from TSERC. Till date no direction/order is received from Hon'ble TSERC to consider the above claims.

In view of the above and stating the factual position, providing of contingent liability at this stage, without ascertaining the actual liability and Hon'ble TSERC approval, may not be warranted.

However, the action as per accounting practice will be considered based on the disposal of petition filed by M/s Singareni Collieries Company Ltd - (STPP)

For and on behalf of the company TSSPDCL

Sd/-

Sri G. Raghuma Reddy

Chairman & Managing Director

DIN : 02943771



**Sri G. Raghuma Reddy, CMD, TSSPDCL with Sri D. Prabhakar Rao, CMD,
TS TRANSCO & TS GENCO**

The image shows a cover page for financial statements. It features a light teal background with a large, rounded rectangular frame in a slightly darker shade of teal. Inside this frame, the words "FINANCIAL STATEMENTS" are written in a bold, black, sans-serif font, centered horizontally and vertically. The overall design is clean and professional.

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, 2021

(Amount in Rs.)

PARTICULARS	Note No.	As at March 31, 2021	As at March 31, 2020
I EQUITY AND LIABILITIES ఈక్విటీ మరియు అప్పులు			
1 Shareholders' Funds వాటాదారుల నిధి			
(a) Share Capital	2	1,20,17,93,03,060	1,20,17,93,03,060
వాటా మూలధనము (b) Reserves and Surplus	3	(2,90,49,42,53,229)	(2,50,73,75,26,429)
నిధి మరియు మిగులు (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	4	1,56,93,37,23,686	95,87,52,33,480
దీర్ఘకాలిక అప్పులు (b) Deferred tax liabilities (Net)		-	-
వాయిదా వేయబడిన పన్ను (c) Other Long term liabilities	5	3,29,64,59,489	3,23,20,12,904
ఇతర దీర్ఘకాలిక అప్పులు (d) Long-term Provisions	6	23,60,02,24,563	20,79,21,04,130
దీర్ఘకాలిక కేటాయింపులు			
4 Current Liabilities ప్రస్తుత అప్పులు			
(a) Short-term Borrowings	7	6,27,10,37,363	17,18,13,62,053
స్వల్పకాలిక రుణములు (b) Trade Payables	8	1,98,80,67,41,933	1,97,84,92,47,895
వ్యాపార నిమిత్తం చెల్లింపులు (c) Other Current Liabilities	9	86,62,45,59,463	67,69,90,63,436
ఇతర ప్రస్తుత అప్పులు (d) Short-term Provisions	10	4,24,68,93,696	5,94,48,81,447
స్వల్పకాలిక కేటాయింపులు			
TOTAL (మొత్తము)		3,09,46,46,90,025	2,78,01,56,81,976

II ASSETS (ఆస్తులు)			
1 Non-Current Assets			
ప్రస్తుతేతర ఆస్తులు			
(a) Property, Plant And Equipment స్థిర ఆస్తులు			
i) Tangible Assets	11	91,06,14,78,700	89,73,62,47,324
స్పర్శ చరమైన ఆస్తులు			
ii) Intangible Assets		2,73,50,354	4,41,85,557
అస్పృశ్య ఆస్తులు			
iii) Capital Work in Progress		10,36,76,86,742	10,26,41,39,504
జరుగుచున్న పనులపై పెట్టుబడులు			
(b) Non-Current Investments	12	4,56,97,00,000	4,57,43,00,000
ప్రస్తుతేతర పెట్టుబడులు			
(c) Deferred Tax Assets (Net)	13	20,11,57,88,320	16,34,93,49,486
వాయిదా వేయబడిన పన్ను			
(d) Long-term loans and advances	14	1,76,24,12,089	1,80,13,52,201
దీర్ఘకాలిక అప్పులు మరియు బయానాలు			
(e) Other Non-current Assets	15	6,43,70,550	7,04,66,529
ఇతర ప్రస్తుతేతర ఆస్తులు			
2 Current Assets (ప్రస్తుత ఆస్తులు)			
(a) Current Investments		-	-
ప్రస్తుత పెట్టుబడులు			
(b) Inventories	16	1,65,48,98,557	2,22,51,63,553
సరకు నిల్వ			
(c) Trade Receivables	17	1,09,89,61,80,858	86,57,65,05,478
వ్యాపార నిమిత్తం రాబడులు			
(d) Cash and cash equivalents	18	3,36,21,77,140	3,49,19,57,352
సగదు నిల్వ			
(e) Short-term Loans and Advances	19	15,10,51,01,933	14,10,76,39,810
స్వల్పకాలిక అప్పులు మరియు బయానాలు			
(f) Other Current Assets	20	51,47,75,44,782	48,77,43,75,182
ఇతర ప్రస్తుత ఆస్తులు			
TOTAL (మొత్తము)		3,09,46,46,90,025	2,78,01,56,81,976
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 : 06-09-2021
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, 2021 (Amount in Rs.)

	PARTICULARS	Note No.	2020-21	2019-20
I	Revenue from Operations నిర్వహణ ద్వారా రెవిన్యూ	21	2,40,73,40,71,668	2,46,00,86,91,343
II	Other Income ఇతర ఆదాయము	22	70,60,40,532	46,78,45,825
III	Total Revenue మొత్తం రెవిన్యూ		2,41,44,01,12,200	2,46,47,65,37,168
IV	Expenses (వ్యయము)			
	Power Purchase Expense విద్యుత్తు కొనుగోలు	23	2,37,03,06,25,418	2,49,07,26,01,112
	Employee Benefit expense ఉద్యోగుల జీతభత్యాలు	24	22,40,77,03,974	23,14,43,88,541
	Operation and Other Expenses నిర్వహణ మరియు ఇతర ఖర్చులు	25	2,88,47,50,479	2,61,67,83,492
	Finance Costs ఆర్థిక వ్యయములు	26	19,05,46,28,896	14,89,50,74,407
	Depreciation and amortisation expense (తరుగుదల)	11	10,66,58,09,531	9,86,56,00,467
	Total Expenses మొత్తం వ్యయం		2,92,04,35,18,298	2,99,59,44,48,019
V	Profit /(Loss) before exceptional & extraordinary items and tax (III-IV) పన్ను, ఎక్స్‌షన్‌ల్ మరియు అతీతములకు ముందు లాభము		(50,60,34,06,098)	(53,11,79,10,851)
VI	Exceptional Items ఎక్స్‌షన్‌ల్ ఐటమ్స్	27	(4,37,73,76,070)	1,48,66,44,573
VII	Profit /(Loss) before extraordinary items and tax (V-VI)		(46,22,60,30,028)	(54,60,45,55,424)
VIII	Extraordinary Items అతీతములు		-	-
IX	Profit /(Loss) before tax (VII-VIII) పన్నుకు ముందు లాభము		(46,22,60,30,028)	(54,60,45,55,424)
X	Tax Expense: పన్ను వ్యయము			
	(1) Current Tax ప్రస్తుత పన్ను		-	-
	(2) Deferred Tax వాయిదా వేయబడినపన్ను		3,76,64,38,834	5,20,20,70,714

	PARTICULARS	Note No.	2020-21	2019-18
XI	Profit/(Loss) for the period from continuing operations (IX-X) నికర లాభము		(42,45,95,91,194)	(49,40,24,84,710)
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		(42,45,95,91,194)	(49,40,24,84,710)
XVI	Earnings per equity share:			
	(1) Basic		(3.53)	(4.65)
	(2) Diluted		(3.53)	(4.65)
	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 : 06-09-2021
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, 2021 (Amount in Rs.)

PARTICULARS	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
<u>A . Cash flows from operating activities:</u>		
Net Profit before tax	(46,22,60,30,028)	(54,60,45,55,424)
<u>Adjustments :</u>		
Add: Depreciation	10,66,58,09,531	9,86,56,00,467
Add: Interest on Long Term Borrowings	4,49,79,61,811	3,11,69,94,399
Less: Interest on Investments	(5,62,18,297)	(5,88,92,222)
Add: Loss on Sale of Property Plant and Equipment		
Add: Non Cash Expenditure		
Less: Withdrawal of Depreciation on Consumer Contributed Assets	(3,75,44,76,223)	(3,43,74,32,493)
Operating profit before working capital changes	(34,87,29,53,206)	(45,11,82,85,273)
Changes in Working Capital		
Increase/(Decrease) in Non-Current Liabilities		
Other Long Term Liabilities	(35,36,42,025)	29,50,36,097
Long Term Provisions	2,80,81,20,433	2,29,58,58,117
(Increase)/Decrease in Non-Current Assets		
Long-term Loans & Advances	5,74,83,188	(16,90,84,220)
Other Non-current Assets	60,95,979	62,38,143
Increase/(Decrease) in Current Liabilities		
Short Term Borrowings	(10,91,03,24,690)	1,61,90,10,126
Trade Payables	95,74,94,038	27,25,34,29,702
Other Current Liabilities	18,92,54,96,027	8,78,46,68,014
Short Term Provisions	(1,69,79,87,751)	(10,67,75,770)
Increase/(Decrease) in Employee Liability	-	-
(Increase)/Decrease in Current Assets		
Inventories	57,02,64,996	12,97,66,195
Trade Receivables	(23,31,96,75,380)	(17,57,58,03,859)
Short-term Loans & Advances	(99,74,62,123)	(2,42,66,47,385)
Other Current Assets	(2,70,31,69,600)	6,35,81,69,977
Cash generated from operations	(51,53,02,60,114)	(18,65,44,20,136)
Net Cash flow from Operating Activities	(51,53,02,60,114)	(18,65,44,20,136)
<u>B. Cash flows from investing activities:</u>		
Purchases/Investments of Property Plant and Equipment	(11,97,42,05,704)	(22,24,70,89,122)

PARTICULARS	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Purchases/Investments in Capital Work in Progress	(10,35,47,238)	6,03,31,42,160
(Purchase of Investments)/Redemption	46,00,000	4,30,35,149
Interest on Investments	5,62,18,297	5,88,92,222
Investment in Capital Advances	(1,85,43,076)	66,39,87,894
Increase in Other Long Term Liabilities	43,47,61,836	62,94,58,780
Net cash flow from investing activities	(11,60,07,15,885)	(14,81,85,72,917)
C. Cash flows from financing activities:		
Consumer Contributions Received	6,43,57,75,177	7,66,52,35,484
Increase (Decrease) in Long Term Borrowings	61,05,84,90,206	13,84,82,57,155
Interest paid on Long Term Borrowings	(4,49,79,61,811)	(3,11,69,94,399)
Increase in Contingency Reserve	2,15,65,433	3,52,11,630
Increase in GIS Saving Fund	(7,55,899)	15,97,573
Increase in Self Funding Medical Scheme	(1,59,17,320)	11,49,33,507
Funds received in UDAY Scheme	-	-
Investment by Government of Telangana in DISCOM's	-	14,00,00,00,000
Decrease (Increase) in Surplus /retained Earnings	-	(6,83,12,305)
Decrease in Surplus /retained Earnings	-	(27,64,479)
Net cash flow from financing activities	63,00,11,95,786	32,47,71,64,166
Net Increase/ (Decrease) in cash and cash equivalents during the year	(12,97,80,212)	(99,58,28,887)
Cash and cash equivalents at the beginning of the year	3,49,19,57,352	4,48,77,86,239
Cash and cash equivalents at the end of the year	3,36,21,77,140	3,49,19,57,352

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 : 06-09-2021
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, 2021

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 GO 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 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 to the Companies Act, 2013 and thus such information is not furnished for the reporting period.

1.7 Impairment

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

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

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

1.8 Consumers contributions, Grants and Subsidies

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

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

1.9 Investments

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

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

1.10 Inventories

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

1.11 Employee benefits

a) Short Term Employee Benefits

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



b) Long Term Employee Benefits

Defined Contribution Plans

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

Defined Benefit Plans

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

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 GO mentioned above could not followed and another basis was used for bifurcation of Assets and Liabilities and the bifurcation proposals were approved by the Expert committee vide D.O. Lr.No. 5614/Expert committee/2014 dated 15.03.2018. But the net settlement of assets receivable/liabilities payment was not taken place and to that extent balances shared based on the other than geographical basis will be reflected in Financial statements under the various heads namely, in Note No. 3 Capital Reserve for an amount of Rs. 723 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 financial year 2019-20 all the entries relating to acquisition of Assets and taken over of liabilities in respect of Husnabad are settled through Inter Corporate Dues from the 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 GO 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, 2021 ₹	As at March 31, 2020 ₹
Authorised		
2000,00,00,000 Equity shares of ₹ 10 each	2,00,00,00,00,000	2,00,00,00,00,000
Issued, Subscribed And Paid-up		
12,01,79,30,306 Equity shares of ₹ 10 each fully paid up	1,20,17,93,03,060	1,20,17,93,03,060
TOTAL	1,20,17,93,03,060	1,20,17,93,03,060

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

Particulars	As at 31 st March 2021 (As at 31 st March 2020)	
	Number	₹
Outstanding at the beginning 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)
Issued during the year	- (1,40,00,00,000)	- (14,00,00,00,000)
Bought back during the year	-	-
Outstanding at the end of the year	12,01,79,30,306 (12,01,79,30,306)	1,20,17,93,03,060 (1,20,17,93,03,060)

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

Name of Shareholder	As at 31 st March 2021 (As at 31 st March 2020)	
	No. of Shares held	% of Holding
Equity Shares		
Governor of Telangana	12,01,79,30,306 (12,01,79,30,306)	100%* (100%)
TOTAL	12,01,79,30,306	

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

C. Terms/rights attached to Equity Shares

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

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 31.03.2021.

3 RESERVES & SURPLUS

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
a. Consumer Contribution towards capital assets		
Opening Balance	52,61,81,76,835	45,42,60,64,258
(+) Current year Receipts	5,82,82,61,805	7,19,21,12,577
Closing Balance	58,44,64,38,640	52,61,81,76,835
b. Subsidies towards cost of capital assets		
Opening Balance	73,39,97,146	73,22,15,367
(+) Current year Receipts	-	-
Transfer on Merger -Gundala	-	17,81,779
Closing Balance	73,39,97,146	73,39,97,146
c. Grants/Donations towards cost of capital assets		
Opening Balance	6,78,63,75,152	6,31,50,34,024
(+) Current year Receipts	60,75,13,372	47,13,41,128
Closing Balance	7,39,38,88,524	6,78,63,75,152
Total (Closing balance of a+b+c)	66,57,43,24,310	60,13,85,49,133
Less: Withdrawal towards cost of Capital Assets		
Opening Balance	(25,54,32,47,474)	(22,10,58,14,981)
(+) Current year Amortization to Statement of Profit and Loss	(3,75,44,76,223)	(3,43,74,32,492)
Closing Balance	(29,29,77,23,697)	(25,54,32,47,474)
Total	37,27,66,00,613	34,59,53,01,659
d. Statutory Reserves:		
Contingency Reserve Fund		
Opening Balance	53,09,14,478	49,57,02,848
(+) Current year Receipts	2,15,65,433	3,52,11,630
Closing Balance	55,24,79,911	53,09,14,478

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	(2,93,02,55,04,408)	(2,43,62,30,19,705)
(+) Transfers on merger of Gundala	(6,83,12,305)	(6,83,12,305)
(+) Net Profit/(Net Loss) For the Current Year	(42,45,95,91,194)	(49,40,24,84,710)
Closing Balance	(3,35,55,34,07,907)	(2,93,09,38,16,720)
GRAND TOTAL	(2,90,49,42,53,229)	(2,50,73,75,26,429)

- g. During the year 2020-21, the Company has received Consumer Contributions (including Subsidies, Grants and Donations towards Cost of Capital Assets and Grants) amounting to Rs. 643.57 Crore (Previous year Rs.766.34 Crore). In proportion in which depreciation on the concerned assets have been charged during the year 2020-21, for an amount of Rs.375.45 Crore (Previous year Rs.343.74 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.

3.1 Share Application Money Pending For Allotment

Particulars	As at March 31, 2021	As at March 31, 2020
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, 2021	As at March 31,2020
		₹	₹
1.	Bonds	20,24,65,00,000	20,24,65,00,000
2.	Term Loans		
	i) From Banks	1,82,25,83,533	1,82,31,86,898
	ii) From Other Parties	1,34,86,46,40,153	73,80,55,46,582
	TOTAL	1,56,93,37,23,686	95,87,52,33,480

Further Classification into Party Wise

LENDOR No.	LENDOR NAME	Non Current	Non Current
BONDS (under FRP Scheme)			
11224	APCPDCL PF TRUST	57,40,00,000	57,40,00,000
11225	APGENCO	1,76,60,00,000	1,76,60,00,000
11226	APTRANSCO PF TRUST	21,40,00,000	21,40,00,000
11227	SINGARENI COLLERIES	8,00,00,00,000	8,00,00,00,000
11228	APTRANSCO	92,10,00,000	92,10,00,000
11229	UNION BANK OF INDIA	2,62,50,00,000	2,62,50,00,000
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	BANK OF BARODA	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	10,00,00,000
11277	HPVPL Employees Pension Fund Trust	12,00,00,000	12,00,00,000
11278	HPVPL Employees Provident Fund Trust	3,00,00,000	3,00,00,000
11279	HPSEBL - General Provident Fund	5,50,00,000	5,50,00,000
11280	APGENCO Pension & Gratuity Trust	21,00,00,000	21,00,00,000
11281	TSGENCO Pension & Gratuity Trust	29,00,00,000	29,00,00,000
SUB-TOTAL		20,24,65,00,000	20,24,65,00,000
LONG TERM LOANS FROM BANKS (Under FRP Scheme)			
11240	UNION BANK OF INDIA	41,32,77,129	41,36,09,043
11241	BANK OF INDIA	27,62,97,912	27,62,40,636
11242	CENTRAL BANK OF INDIA	19,73,24,462	19,73,11,924
11243	THE FEDERAL BANK	5,83,22,505	5,83,21,064
11244	INDIAN OVERSEAS BANK	20,65,06,215	20,65,57,483
11245	INDIAN BANK	27,62,42,055	27,63,70,338
11246	PUNJAB & SINDH BANK	15,79,37,434	15,79,33,554
11247	BANK OF BARODA	23,66,75,821	23,68,42,856
SUB-TOTAL		1,82,25,83,533	1,82,31,86,898

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	80,86,48,411
11007	RURAL ELECTRICAL CORPORATION	8,08,97,43,720	11,36,44,13,900
11008	POWER FINANCE CORPORATION	4,34,04,30,000	4,23,90,30,000
11011	GOVT. LOANS	20,55,53,775	20,55,53,775
11128	IE:DISTRIBUTION & RENOVATION	1,27,52,63,800	1,27,52,63,800
11251	REC-MEDIUM TERM LOAN	1,33,95,83,335	5,63,75,00,000
11252	Japan International Cooperation Agency (JICA)	3,72,11,33,869	3,16,98,74,000
11253	REC - 9 HRS POWER SUPPLY	2,29,94,66,469	2,78,20,85,575
11254	REC - BULK 2015-16	3,69,35,92,382	4,47,83,91,998
11255	REC - SPA:PE 2015-16	1,47,37,68,628	1,68,95,62,836
11257	PFS LIMITED	3,18,34,31,965	3,47,75,00,031
11258	PFC-IPDS Scheme	1,07,42,83,659	1,15,98,50,582
11259	REC - IE:DISTRIBUTION 2016-17	2,58,53,70,624	2,77,17,65,813
11266	REC - IE:DISTRIBUTION & BULK	6,49,21,86,261	6,87,89,88,201
11267	REC - SPECIAL LOAN	3,79,79,16,675	9,32,50,00,006
11268	PFC - MEDIUM TERM LOAN	5,95,52,25,872	10,85,26,68,647
11269	PFC - Term Loan	4,89,22,77,759	8,05,55,55,556
11270	IE:Distribution & Bulk (F.Y.2018-19)	1,44,64,01,500	1,44,64,01,500
11272	REC - IE:DISTRIBUTION (F.Y.2019-20)	56,05,90,800	56,05,90,800
11273	REC - BULK SCHEME (F.Y.2019-20)	4,42,94,63,000	4,42,94,63,000
11274	REC - BULK SCHEME (F.Y.2019-20)	1,00,18,03,700	50,17,91,500
11275	M/S. IREDA LIMITED	3,92,50,00,000	4,50,00,00,000
11282	Moratorium Loan - Capitalization - Capex	3,39,10,58,259	-
11283	Moratorium Loan - Capitalization - WC	2,66,68,38,116	-
11284	REC - SLTTL - Covid 19	35,46,50,00,000	-
11285	PFC - SLTTL - Covid 19	35,85,43,43,840	-
	SUB-TOTAL	1,44,99,95,36,769	90,64,10,60,281
LESS	Kurnool and Anantapur circles	10,13,48,96,616	16,83,55,13,699
Net off Kurnool and Anantapur		1,34,86,46,40,153	73,80,55,46,582
	GRAND TOTAL	1,56,93,37,23,686	95,87,52,33,480

An amount of Rs.670.06 Crore were repaid against Loans pertains to Anantapur and Kurnool by the TSSPDCL from 2014-15, the same was transferred as receivable from APSPDCL.

Further Classification into Secured and Unsecured

LENDOR No.	LENDOR NAME	31.03.2021	31.03.2020
Secured			
i) From Banks			
11240	UNION BANK OF INDIA	41,32,77,129	41,36,09,043
11241	BANK OF INDIA	27,62,97,912	27,62,40,636
11242	CENTRAL BANK OF INDIA	19,73,24,462	19,73,11,924
11243	THE FEDERAL BANK	5,83,22,505	5,83,21,064
11244	INDIAN OVERSEAS BANK	20,65,06,215	20,65,57,483
11245	INDIAN BANK	27,62,42,055	27,63,70,338
11246	PUNJAB & SINDH BANK	15,79,37,434	15,79,33,554
11247	BANK OF BARODA	23,66,75,821	23,68,42,856
Banks Sub-Total		1,82,25,83,533	1,82,31,86,898
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	80,86,48,411
11007	RURAL ELECTRICAL CORPORATION	8,08,97,43,720	11,36,44,13,900
11008	POWER FINANCE CORPORATION	4,34,04,30,000	4,23,90,30,000
11128	IE:DISTRIBUTION & RENOVATION	1,27,52,63,800	1,27,52,63,800
11251	REC-MEDIUM TERM LOAN	1,33,95,83,335	5,63,75,00,000
11253	REC - 9 HRS POWER SUPPLY	2,29,94,66,469	2,78,20,85,575
11254	REC - BULK 2015-16	3,69,35,92,382	4,47,83,91,998
11255	REC - SPA:PE 2015-16	1,47,37,68,628	1,68,95,62,836
11257	PFS LIMITED	3,18,34,31,965	3,47,75,00,031
11258	PFC - IPDS	1,07,42,83,659	1,15,98,50,582
11259	REC - IE:DISTRIBUTION 2016-17	2,58,53,70,624	2,77,17,65,813
11266	REC - IE:DISTRIBUTION & BULK	6,49,21,86,261	6,87,89,88,201
11267	REC - SPECIAL LOAN	3,79,79,16,675	9,32,50,00,006
11268	PFC - MEDIUM TERM LOAN	5,95,52,25,872	10,85,26,68,647
11269	PFC - Term Loan	4,89,22,77,759	8,05,55,55,556
11270	IE:Distribution & Bulk (F.Y.2018-19)	1,44,64,01,500	1,44,64,01,500
11272	REC - IE:DISTRIBUTION (F.Y.2019-20)	56,05,90,800	56,05,90,800
11273	REC - BULK SCHEME (F.Y.2019-20)	4,42,94,63,000	4,42,94,63,000

11274	REC - BULK SCHEME (FY2019-20)	1,00,18,03,700	50,17,91,500
11275	M/S. IREDA LIMITED	3,92,50,00,000	4,50,00,00,000
11282	Moratorium Loan - Capitalization - Capex	3,39,10,58,259	-
11283	Moratorium Loan - Capitalization - WC	2,66,68,38,116	-
Others Sub - Total		69,75,35,05,285	87,26,56,32,507
Total Secured Loans		71,57,60,88,818	89,08,88,19,405
LESS	Kurnool and Anantapur	10,13,48,96,616	16,83,55,13,699
Net Off Kurnool and Anantapur		61,44,11,92,202	72,25,33,05,706

Unsecured - Bonds

LENDOR No.	LENDOR NAME	31.03.2021	31.03.2020
11224	APCPDCL PF TRUST	57,40,00,000	57,40,00,000
11225	APGENCO	1,76,60,00,000	1,76,60,00,000
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	UNION BANK OF INDIA	2,62,50,00,000	2,62,50,00,000
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	BANK OF BARODA	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	10,00,00,000
11277	HPVPLN Employees Pension Fund Trust	12,00,00,000	12,00,00,000
11278	HPVPLN Employees Provident Fund Trust	3,00,00,000	3,00,00,000
11279	HPSEBL - General Provident Fund	5,50,00,000	5,50,00,000
11280	APGENCO Pension & Gratuity Trust	21,00,00,000	21,00,00,000
11281	TSGENCO Pension & Gratuity Trust	29,00,00,000	29,00,00,000
SUB-TOTAL		20,24,65,00,000	20,24,65,00,000

UNSECURED - OTHERS			
11252	Japan International Cooperation Agency (JICA)	3,72,11,33,869	3,16,98,74,000
11011	GOVT. LOANS	20,55,53,775	20,55,53,775
11284	REC - SLTTL - Covid 19	35,46,50,00,000	-
11285	PFC - SLTTL - Covid 19	35,85,43,43,840	-
SUB-TOTAL		75,24,60,31,484	3,37,54,27,775
GRAND TOTAL OF SECURED AND UNSECURED LOANS		1,56,93,37,23,686	95,87,52,33,481

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, 2021	As at March 31, 2020
Term Loans from Others	₹	₹
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.	38,57,85,17,904	40,01,85,27,685
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.	7,80,43,38,126	14,96,25,00,006
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.	4,34,04,30,000	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/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.	10,84,75,03,631	18,90,82,24,203
iii. 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.	1,07,42,83,659	1,15,98,50,582

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.)

3,18,34,31,965

3,47,75,00,031

4. Loans from Indian Renewable Energy Development Agency Limited (IREDA), New Delhi.

Secured by default escrow mechanism for entire IREDA loan amount of Rs.450.00 Crores to the satisfaction of IREDA.

3,92,50,00,000

4,50,00,00,000

TOTAL

69,75,35,05,285

87,26,56,32,507

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

LENDOR No.	LENDOR NAME	31.03.2021	31.03.2020
BONDS			
11224	APCPDCL PF TRUST	57,40,00,000	57,40,00,000
11225	APGENCO	1,76,60,00,000	1,76,60,00,000
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	UNION BANK OF INDIA	2,62,50,00,000	2,62,50,00,000
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	BANK OF BARODA	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	10,00,00,000
11277	HPVPLN Employees Pension Fund Trust	12,00,00,000	12,00,00,000

11278	HPVPLN Employees Provident Fund Trust	3,00,00,000	3,00,00,000
11279	HPSEBL - General Provident Fund	5,50,00,000	5,50,00,000
11280	APGENCO Pension & Gratuity Trust	21,00,00,000	21,00,00,000
11281	TSGENCO Pension & Gratuity Trust	29,00,00,000	29,00,00,000
Bonds Sub-Total		20,24,65,00,000	20,24,65,00,000
BANKS			
11013	STATE BANK OF INDIA	98,09,32,861	2,73,92,26,447
11240	UNION BANK OF INDIA	41,69,15,717	41,72,47,631
11241	BANK OF INDIA	27,88,15,196	27,87,57,920
11242	CENTRAL BANK OF INDIA	19,92,55,869	19,92,43,331
11243	THE FEDERAL BANK	5,88,67,757	5,88,66,316
11244	INDIAN OVERSEAS BANK	20,84,79,541	20,85,30,809
11245	INDIAN BANK	27,88,48,447	27,89,25,578
11246	PUNJAB & SINDH BANK	15,94,09,933	15,94,06,053
11247	BANK OF BARODA	23,87,42,540	23,89,09,575
Banks Sub-Total		2,82,02,67,861	4,57,91,13,660
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	80,86,48,411
11007	RURAL ELECTRICAL CORPORAT	10,38,21,74,580	12,74,26,85,025
11008	POWER FINANCE CORPORATION	4,34,04,30,000	4,23,90,30,000
11011	GOVT. LOANS	20,55,53,775	20,55,53,775
11014	SHORT TERM LOANS ALL BANK & FIs	2,79,01,04,502	5,67,39,84,929
11128	IE:DISTRIBUTION & RENOVATION	1,27,52,63,800	1,27,52,63,800
11251	REC-MEDIUM TERM LOAN	3,88,95,83,335	7,56,25,00,000
11252	Japan International Cooperation Agency (JICA)	3,84,72,74,000	3,16,98,74,000
11253	REC - 9 HRS POWER SUPPLY	2,64,01,38,765	2,98,08,11,081
11254	REC - BULK 2015-16	4,24,75,68,566	4,80,15,44,772
11255	REC - SPA:PE 2015-16	1,62,53,16,160	1,76,64,29,766
11257	PFS LIMITED	3,61,34,31,949	3,72,83,33,355
11258	PFC - IPDS	1,16,00,79,751	1,24,58,75,842
11259	REC - IE:DISTRIBUTION 2016-17	2,71,44,58,068	2,83,47,42,237
11264	PFC - SHORT TERM LOAN	2,50,00,00,000	3,76,81,50,677
11265	PFC - FLEXI LINE OF CREDIT	-	5,00,00,00,000
11266	REC - IE:DISTRIBUTION & BULK	6,75,00,54,225	6,87,89,88,201
11267	REC - SPECIAL LOAN	7,52,29,16,679	11,49,79,16,675

11268	PFC - MEDIUM TERM LOAN	11,77,90,59,860	14,16,79,46,425
11269	PFC - Term Loan	8,22,56,11,095	10,00,00,00,000
11270	IE:Distribution & Bulk (F.Y. 2018-19)	1,44,64,01,500	1,44,64,01,500
11271	PFC - SGPP Scheme	57,78,567	45,69,342
11272	REC - IE:DISTRIBUTION (F.Y.2019-20)	56,05,90,800	56,05,90,800
11273	REC - BULK SCHEME (F.Y.2019-20)	4,42,94,63,000	4,42,94,63,000
11274	REC - BULK SCHEME (F.Y.2019-20)	1,00,18,03,700	50,17,91,500
11275	M/S. IREDA LIMITED	8,42,50,00,000	4,50,00,00,000
11282	Moratorium Loan - Capitalization - Capex	3,39,10,58,259	-
11283	Moratorium Loan - Capitalization - WC	4,31,75,00,480	-
11284	REC - SLTTL - Covid 19	35,46,50,00,000	-
11285	PFC - SLTTL - Covid 19	35,85,43,43,840	-
	Others Sub-Total	1,76,24,57,68,017	1,16,82,22,55,464
LESS	Kurnool and Anantapur	10,13,48,96,616	16,83,55,13,699
	NET OFF OTHERS	1,66,11,08,71,401	99,98,67,41,765
	Net Off Of Kurnool and Anantapur	1,89,17,76,39,262	1,24,81,23,55,425

5 Other Long Term Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
Vendor Deposits	1,54,41,61,307	1,84,03,71,427
Contribution Works	35,06,67,232	40,80,99,137
Other Liabilities	1,17,91,79,863	74,44,18,027
GIS - Insurance & Saving Fund	4,91,35,554	4,98,91,450
Self Funding Medical Scheme	17,19,77,963	18,92,32,863
Accidental Risk Self Funding Scheme	13,37,570	-
TOTAL	3,29,64,59,489	3,23,20,12,904

- 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 31.03.2021 is Rs. 4.45 Crore (Previous Year Rs.4.53 Crore). The Closing balance of GIS Insurance Fund as at 31.03.2021 is Rs. 0.46 Crore (Previous year Rs.0.46 Crore). During the year the Interest on Savings Fund for an amount of Rs. 0.31 Crore (Previous Year Rs. 0.35 Crore) have been debited and is shown under the Head 'Interest and Finance Charges'.
- The TSSPDCL has introduced the Self Funding Scheme towards coverage of accidental risk for a maximum amount of Rs.5.00 lakhs in case of accidents occurred to the employees working in TSSPDCL for a period of one year with contribution of Rs.155/- per employee.

6 Long Term Provisions

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Provision for employee benefits		
Gratuity (unfunded)	2,14,36,73,950	1,49,98,86,726
Leave Encashment (unfunded)	9,94,36,27,395	8,02,42,76,468
TSSPDCL Pension and Gratuity Trust(Funded)	11,51,29,23,218	11,26,79,40,936
TOTAL	23,60,02,24,563	20,79,21,04,130

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 31.03.2021 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 31.03.2021 is Rs. 173.18 Crore (Previous Year Rs. 156.20 Crore). Expenditure recognised under the head “Employee Benefit Expense” to the extent of Rs. 21.24 Crore after paying benefits during the year to the extent of Rs. 4.26 Crore. The funding status of the same is unfunded. As per the actuarial valuation report the current liability portion for an amount of RS. 0.79 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. 172.39 Crore was shown under this head of Long Term provisions.

b. Artisans who have joined in the Company

The Artisans who joined the Company are covered under Employees Provident Fund & Miscellaneous Provisions Act 1952, Employees Provident Fund Scheme, 1952 and The Payment of Gratuity Act, 1972. The Company has carried out the actuarial valuation as at 31.03.2021 for the first time as per Accounting Standard 15 to arrive at the present value of future obligations of the company and provided for current year provision. As per the said valuation reports, the required provision for Gratuity for the year ended 31.03.2021 is Rs.42.03 Crore. The same is recognised as Expenditure under the head “Employee Benefit Expense” to the extent of Rs.42.03 Crore. The funding status of the same is unfunded. As per the actuarial valuation report the current liability portion for an amount of RS.0.05 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.41.98 Crore was shown under this head of Long Term provisions.

c. The Company has carried out actuarial valuation as at 31.03.2021 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.1048.47 Crore (Previous Year Rs.913.99 Crore) and During the Year Rs.59.51 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.193.98 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.54.10 Crore was shown under the head of Short term Provisions note no. 10 and non current portion liability for an amount of Rs. 994.36 Crore was shown under this head of Long term provision.

- d. The Company has carried out actuarial valuation as at 31.03.2021 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 31.03.2021 the actuarial valuation report given for providing the liability for the year ended 31.03.2021 is Rs 2799.34 Crore and of which, the existing plan assets for an amount of Rs.1648.05 the existing liability in the books of account before making new provision is for an amount of Rs.878.81 Crore and for the balance amount of Rs.272.48 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 nil and the total amount of Rs.1151.29 Crore is shown under this head of Long term provision.

7 Short Term Borrowings

S.No	Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
1	Loans Repayable on Demand		
	i) From Banks	98,09,32,861	2,73,92,26,447
	ii) From Other Parties	5,29,01,04,502	14,44,21,35,606
	Total	6,27,10,37,363	17,18,13,62,053
	Further Classification into Party Wise		
11013	i) From SBI Banks	98,09,32,861	2,73,92,26,447
	ii) From Other Parties		
11264	PFC - SHORT TERM LOAN	2,50,00,00,000	3,76,81,50,677
11265	PFC - FLEXI LINE OF CREDIT	-	5,00,00,00,000
11014	SHORT TERM LOANS FROM TS TRANSCO	2,79,01,04,502	5,67,39,84,929
	Total	6,27,10,37,363	17,18,13,62,053
	Further Classification into Secured and Unsecured		
1	Secured		
	(a) Loans repayable on demand		
	i) From Banks		
11013	STATE BANK OF INDIA	98,09,32,861	2,73,92,26,447
	ii) From Others		
11264	PFC - SHORT TERM LOAN	2,50,00,00,000	3,76,81,50,677
11265	PFC - FLEXI LINE OF CREDIT	-	5,00,00,00,000
	Sub-Total	2,50,00,00,000	8,76,81,50,677
	Secured Total	3,48,09,32,861	11,50,73,77,124
2	Unsecured		
	(a) Loans repayable on demand		
	From banks	-	-
	From other parties	-	-
11014	SHORT TERM LOANS FROM TS TRANSCO	2,79,01,04,502	5,67,39,84,929
	TOTAL	6,27,10,37,363	17,18,13,62,053

Note 7A Securities offered for the above secured Loans

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Short Term Loan		
1. Banks	98,09,32,861	2,73,92,26,447
STATE BANK OF INDIA (Secured by receivables specifically Hypothecated)		
2. Power Finance Corporation Short Term Loan	2,50,00,00,000	3,76,81,50,677
Secured by creating a first charge by way of hypothecation of Movable assets (except book debts)		
3. Power Finance Corporation Flexi Line of Credit	-	5,00,00,00,000
Secured by creating a first charge by way of hypothecation of Movable assets (except book debts)		
TOTAL	3,48,09,32,861	11,50,73,77,124

8 Trade Payables

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Unsecured		
A. Micro, Small and Medium Enterprises (MSMEs)	6,18,42,973	8,55,95,953
B. Other than MSME		
APEPDCL	9,91,12,89,138	9,92,60,69,849
APSPDCL	(12,53,68,37,751)	1,11,34,51,901
TSNPDCL	(8,83,05,81,898)	(34,98,57,46,638)
TSGENCO	(14,77,28,47,678)	(21,59,75,21,785)
APGENCO	88,45,72,36,694	88,45,72,36,694
APTRANSCO	5,76,71,132	5,76,71,132
TSTRANSCO	9,86,52,06,341	4,80,20,83,808
Other Power Purchase Creditors	1,21,81,81,33,847	1,44,69,51,23,715
Other Payables	4,74,78,72,392	5,26,75,26,523
Trade Payables transfer on Merger- Gundala	2,77,56,743	2,77,56,743
TOTAL	1,98,80,67,41,933	1,97,84,92,47,895

- 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 reconciliation.
- 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:

- d. Since the provision for Power Purchase cost is short term in nature, the same has been shown in Note no.10 under Short Term Provisions. Accordingly last year's provision of Rs.53.46 Crore is also regrouped and disclosed in Schedule No.10 under Provision for Power Purchase Cost.

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Principle and amount remaining unpaid	6,18,42,973	8,55,95,953
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, 2021 ₹	As at March 31, 2020 ₹
Current maturities of long-term debt	25,97,28,78,213	11,75,57,59,891
Employee related liabilities	1,57,18,00,629	1,57,46,99,871
Statutory Liability	4,05,33,03,800	2,29,01,49,041
Advance from Customers	78,25,09,810	64,54,70,301
Consumer Deposits	37,41,47,47,178	35,02,66,99,209
Gov. of AP SC/ST Payable	3,47,35,553	3,47,35,553
Inter Unit Accounts	8,85,11,972	14,70,35,738
Interest Payable on Consumer Deposit	1,42,98,07,943	1,70,62,72,048
Interest Accrued and due	3,44,87,73,331	2,54,58,51,400
Other Liabilities	11,51,46,82,260	11,52,93,73,784
Artisans Salaries Payable	23,36,99,958	21,30,30,640
GST Liabilities	7,91,08,816	22,99,85,960
TOTAL	86,62,45,59,463	67,69,90,63,436

Statement showing the Current Maturities of Long Term Debts

Lender No.	NAME OF LENDOR	31.03.2021	31.03.2020
11007	RURAL ELECTRICAL CORPORATION	2,29,24,30,860	1,37,82,71,125
11240	UNION BANK OF INDIA	36,38,588	36,38,588
11241	BANK OF INDIA	25,17,284	25,17,284
11242	CENTRAL BANK OF INDIA	19,31,407	19,31,407
11243	THE FEDERAL BANK	5,45,252	5,45,252
11244	INDIAN OVERSEAS BANK	19,73,326	19,73,326
11245	INDIAN BANK	26,06,392	25,55,240
11246	PUNJAB & SINDH BANK	14,72,499	14,72,499
11247	BANK OF BARODA	20,66,719	20,66,719
11251	REC-MEDIUM TERM LOAN	2,55,00,00,000	1,92,50,00,000
11252	Loan from Govt. of Telangana - JICA Funding	12,61,40,131	-
11253	REC - 9 HRS POWER SUPPLY	34,06,72,296	19,87,25,506
11254	REC - BULK 2015-16	55,39,76,184	32,31,52,774
11255	REC - SPA:PE 2015-16	15,15,47,532	7,68,66,930
11257	PFS LIMITED	42,99,99,984	25,08,33,324
11258	PFC-IPDS Scheme	8,57,96,092	8,60,25,260
11259	REC - IE:DISTRIBUTION 2016-17	12,90,87,444	6,29,76,424
11266	IE:Distribution & Bulk (F.Y.2017-18)	25,78,67,964	-
11267	REC - SPECIAL LOAN	3,72,50,00,004	2,17,29,16,669
11268	PFC - MEDIUM TERM LOAN	5,82,38,33,988	3,31,52,77,778
11269	PFC - TERM LOAN	3,33,33,33,336	1,94,44,44,444
11271	PFC - SGPP Scheme	57,78,567	45,69,342
11275	Term Loans -IREDA	4,50,00,00,000	-
11283	Moratorium Loan - Capitalization - WC	1,65,06,62,364	-
	GRAND TOTAL	25,97,28,78,213	11,75,57,59,891

- 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.8.85 Crore (Previous Year - Rs. 14.70 Crore).
- Other Liabilities includes an amount of Rs.773.74 Crore (Previous Year 771.22 Crore) from TSTRANSCO which was taken on emergency basis and Unspent Specific Grant of Rs.5.24 Crore which was shown in Current maturities of long-term debt in 2019-20 for Rs.15.34 Crore.

10 Short Term Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
Provision for Employee cost	29,62,10,165	28,89,84,676
RPF Fund	64,506	64,506
Provision for Admin Expenses	14,02,11,317	16,03,23,324
Provision for CWIP	82,18,502	4,47,90,532
Provision for Interest	2,69,83,08,052	2,91,95,28,600
Provision for O&M works	1,51,28,211	1,39,15,992
Provision for R & C Penalties	10,21,595	10,21,595
Provision for Power Purchase Cost	53,82,73,311	53,45,51,568
Gratuity (unfunded)	84,31,097	6,21,27,850
Leave Encashment (unfunded)	54,10,26,940	1,11,56,48,130
TSSPDCL Pension & Gratuity Trust	-	80,39,24,674
TOTAL	4,24,68,93,696	5,94,48,81,447

It is to state that Provision for Interest includes interest payable on FRP bonds Rs.100.87 Crore, Working Capital Loans Rs.30.37 Crore, Japan International Cooperation Agency (JICA) loan Rs.2.11 Crore and PFC loan Rs. 2.47 Crore.

Note No.11 - Property Plant and Equipment

S.No.	Particulars	Gross Carrying Values					Depreciation & Amortisation					Net Carrying Values	
		As at 1 st April, 2020	Additions	Deletions/ Adjustments	Acquired through business Combinations	As at 31 st March 2021	As at 1 st April 2020	Depreciation charge for the year	Deletions/ Adjustments	Additions through business combinations	As at 31 st March 2021	As at 31 st March 2021	As at 31 st March 2020
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
a	TANGIBLE ASSETS												
	Land	8,63,51,009	-	-	-	8,63,51,009	-	-	-	-	8,63,51,009	8,63,51,009	
	Buildings	3,26,55,54,508	21,84,42,937			3,48,39,97,445	85,84,20,937	10,09,77,654		95,93,98,591	2,52,45,98,854	2,40,71,33,571	
	Other Civil Works	1,88,05,06,313	9,17,80,368			1,97,22,88,671	25,17,30,784	5,81,78,655		30,99,09,439	1,66,23,79,232	1,62,87,77,529	
	Plant and Machinery	74,41,48,95,088	4,02,16,50,712	74,60,243,86		78,42,90,85,556	33,98,28,36,741	4,84,24,56,371	47,71,488	38,82,05,21,624	39,60,85,63,932	40,43,20,58,347	
	Lines and Cable Network	67,31,89,76,132	6,11,97,23,763			73,43,86,99,895	28,79,00,51,433	4,30,44,74,353		33,09,45,25,786	40,34,41,74,109	38,52,89,24,699	
	Meters and Metering equipment	14,53,14,01,621	1,42,68,64,279	1,73,25,758,61		15,94,09,40,141	8,70,76,15,774	1,18,13,66,537	1,47,97,066	9,87,41,85,245	6,06,67,54,896	5,82,37,85,847	
	Vehicles	7,08,84,833	-	1,04,826,00		7,07,80,007	6,35,80,438	1,76,196	94,343	6,36,62,291	71,17,716	73,04,395	
	Furniture and Fixtures	14,34,96,100	84,30,495			15,19,26,595	8,87,60,774	1,02,20,089		9,89,80,863	5,29,45,732	5,47,35,326	
	Office Equipment	42,18,45,801	1,75,84,948			43,94,30,749	24,20,82,124	3,35,16,144		27,55,98,268	16,38,32,481	17,97,63,677	
	Air Conditioners	2,13,29,258	7,29,318			2,20,58,576	1,41,52,321	11,00,364		1,52,62,665	68,05,891	71,76,937	
	Computer & IT Equipment	1,57,58,87,873	7,42,26,825			1,65,01,14,698	99,56,51,866	11,65,07,964		1,11,21,59,850	53,79,54,848	58,02,35,987	
	Sub Total	1,63,73,11,30,536	11,97,94,33,634	2,48,90,828	-	1,75,68,56,73,342	73,99,48,83,212	10,64,89,74,328	1,96,62,898	84,62,41,94,642	91,06,14,78,700	89,73,62,47,324	
b	INTANGIBLE ASSETS												
	Computer Software	44,25,65,006	-			44,25,65,006	39,83,79,449	1,68,35,203		41,52,14,652	2,73,50,354	4,41,85,557	
	Sub Total	44,25,65,006	-	-	-	44,25,65,006	39,83,79,449	1,68,35,203	-	41,52,14,652	2,73,50,354	4,41,85,557	
c	Capital Work in Progress	10,26,41,39,504	12,44,05,93,769	12,33,70,46,531		10,36,76,86,742	-	-		-	10,36,76,86,742	10,26,41,39,504	
	Sub Total	10,26,41,39,504	12,44,05,93,769	12,33,70,46,531	-	10,36,76,86,742	-	-	-	-	10,36,76,86,742	10,26,41,39,504	
d	GRAND TOTAL (a+b+c)	1,74,43,78,35,046	24,42,00,27,403	12,36,19,97,359	-	1,86,49,59,25,090	74,39,32,62,661	10,66,58,09,531	1,96,62,898	85,03,94,09,294	1,01,45,65,15,796	1,00,04,45,72,385	
	Grand Total of Previous Year	1,58,21,84,15,670	38,34,37,62,834	22,33,38,03,192	20,94,59,734	1,74,43,78,35,046	64,52,21,89,780	9,86,56,00,467	10,42,53,290	74,39,32,62,661	1,00,04,45,72,385	93,69,62,25,890	

Note No. 12 Non Current Investments (At Cost)

A. Details of Trade Investments

S. 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 st March 2021	As at 31 st March 2020			As at 31 st March 2021	As at 31 st March 2020
(1)	(2)	(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

S.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 st March 2021	As at 31 st March 2020			As at 31 st March 2021	As at 31 st March 2020
1	Investments in Government or Trust securities							
200021	AP TRANSOCO - 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	56,00,000	84,00,000
200036	MAH SLD @ 9.25%	Others	180	180	Unquoted	Fully Paid	1,80,00,000	1,80,00,000
200030	APSFC SERIES VIII/2014 FRO (Face Value Rs.1,00,000/- per Bond)	Others	9	9	Unquoted	Fully Paid	54,00,000	72,00,000
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)						30,96,00,000	31,42,00,000
	GRAND TOTAL (A+B)						4,56,97,00,000	4,57,43,00,000

* 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, 2021 ₹	As at March 31, 2020 ₹
Deferred Tax Liabilities		
A i) Opening Balance	7,62,45,42,989	9,98,10,42,251
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	6,64,92,244	(2,35,64,99,262)
iii) Gross deferred tax liability (i+ii)	7,69,10,35,233	7,62,45,42,989
Deferred Tax Asset		
B i) Opening Balance	23,97,38,92,475	21,12,55,56,541
ii) Deferred tax asset on timing difference	3,83,29,31,078	2,84,83,35,934
iii) Gross deferred tax asset (i+ii)	27,80,68,23,553	23,97,38,92,475
iv) Net Deferred Tax Asset/ (Liability) (Biii-Aiii)	20,11,57,88,320	16,34,93,49,486

The Deferred Tax Liability assumed on merger of Husnabad is net settled and adjusted in previous year i.e. 2019-20

13 A - Deferred Tax Calculations

1. Deferred Tax Liability

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
i) WDV as per Companies Act 2013	91,08,88,29,054	89,78,04,32,881
ii) WDV as per Income Tax Act	65,45,20,44,944	64,36,52,89,584
iii) WDV Timing Differences (i-ii)	25,63,67,84,110	25,41,51,43,297
iv) Deferred Tax Liability (iii *30%)	7,69,10,35,233	7,62,45,42,989

2. Deferred Tax Asset

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deferred Tax Assets on Timing Differences		
i. Unabsorbed Depreciation	64,43,27,77,917	53,56,94,10,803
ii. 43B Disallowances		
a. Provision for gratuity [Sec. 43B(b)]	11,66,15,00,042	12,12,07,56,550
b. Provision for leave encashment [Sec. 43B(f)]	10,44,80,52,502	8,75,74,27,565
c. Interest [Sec. 43B(d) & (e)]	6,14,70,81,383	5,46,53,80,000
Total Timing Difference	92,68,94,11,844	79,91,29,74,918
Deferred Tax Assets	27,80,68,23,553	23,97,38,92,475

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 carried forward without any limit.

13 B. Deferred Tax Income Calculation

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
1. Deferred Tax Liability	7,69,10,35,233	7,62,45,42,989
2. Deferred Tax Asset	27,80,68,23,553	23,97,38,92,475
3. Net Deferred Tax Asset of Current year (2-1)	20,11,57,88,320	16,34,93,49,487
4. Net Deferred Tax Asset of Previous year	16,34,93,49,487	11,14,45,14,290
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))	3,76,64,38,833	5,20,20,70,714

14 Long Term Loans & Advances

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
a. Secured, Considered good		
Loans & Advances to employees	36,15,82,686	42,41,89,560
b. Unsecured, Considered good		
Loans & Advances to employees	2,99,99,123	4,15,00,973
Deposits with Courts, Telecom and Local Authorities	94,66,10,846	92,99,85,310
Capital Advances	42,42,19,434	40,56,76,358
Total	1,76,24,12,089	1,80,13,52,201

c. Secured Long Term Loans & Advances to employees includes

Particulars	As at March 31,2021	As at March 31,2020
	₹	₹
Housing Loan - Secured against House	16,90,59,106	18,74,32,575
Four Wheeler Loan - Hypothecation of Four Wheeler	19,25,23,580	23,67,56,985
TOTAL	36,15,82,686	42,41,89,560

d. Unsecured Long term Loans & Advances to employees includes

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
Two Wheeler Loan	1,38,09,600	1,89,08,682
Computer Loans	1,41,92,024	1,92,69,530
Marriage Advance	19,97,499	33,22,761
TOTAL	2,99,99,123	4,15,00,973

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

f. Unsecured Deposits Includes

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
Court Authorities	70,22,07,223	69,01,69,625
Telephone Authorities	7,71,761	7,71,761
Deposits with Local Authorities and Resco	24,36,31,862	23,90,43,924
TOTAL	94,66,10,846	92,99,85,310

g. Deposits with Court Authorities includes Rs.63.08 Crore (Previous Year Rs.62.13 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, 2021	As at March 31, 2020
	₹	₹
(a) Secured, considered good		
Long Term Receivables from Employees	5,95,10,102	6,57,03,185
(b) Unsecured, considered good		
Receivable from ITI, Chennai	48,60,448	47,63,344
TOTAL	6,43,70,550	7,04,66,529

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 31,2021	As at March 31,2020
	₹	₹
Stores and Spares	1,69,31,05,449	2,25,03,88,416
Less: Provision for Recovery/Write Off of Cost Materials	3,82,06,892	2,52,24,863
TOTAL	1,65,48,98,557	2,22,51,63,553

Provision for Obsolete Items:

As per the physical verification report for the year ended 31st March, 2021 an amount of Rs. 3,82,06,892 is noticed as obsolete stock, but the provision for obsolete stock is available for an amount of Rs. 2,52,24,863 is existing and the Provision for Obsolete Stock is restated to Rs. 3,82,06,892.

17 Trade Receivables

Particulars	As at March 31,2021	As at March 31,2020
	₹	₹
i) Trade Receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	12,86,05,43,312	15,51,17,08,547
Unsecured, considered good	24,15,72,10,427	8,99,95,89,467
Sub Total	37,01,77,53,739	24,51,12,98,014
ii) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	16,79,16,22,547	14,92,75,36,951
Unsecured, considered good	56,34,70,53,539	47,39,79,19,480
Unsecured, considered doubtful	7,65,94,33,073	6,15,05,88,776
Less: Provision for doubtful debts	(7,65,94,33,073)	(6,15,05,88,776)
Less: Provision for doubtful debts FSA	(26,02,48,967)	(26,02,48,967)
Sub Total	72,87,84,27,119	62,06,52,07,464
Total (i + ii)	1,09,89,61,80,858	86,57,65,05,478

- The above trade receivables includes, Court Cases of Rs.887.85 Crore (Previous Year Rs.685.62 Crore), R.R.Act Cases Rs.4.57 Crore (Previous Year Rs.0.05 Crore), Bill Stopped/Disconnected Services Rs.972.87 Crore (Previous Year Rs.794.50 Crore).
- The Above trade receivables includes Debtors balances received on Merger of Gundala Mandal is for an amount of Rs.0.03 Crore.



18 Cash & Cash Equivalents

Particulars	As at March 31,2021 ₹	As at March 31,2020 ₹
Cash and Cash Equivalents		
a. Balances with banks		
In Current Accounts	2,41,78,50,306	3,03,80,44,751
Remittance in Transit	21,42,73,037	(2,52,68,615)
In Deposits with Original Maturity less than 3 Months	51,21,95,615	39,77,56,396
b. Cash on hand	21,78,58,182	8,14,24,820
TOTAL	3,36,21,77,140	3,49,19,57,352

19 Short Term Loans & Advances

Particulars	As at March 31,2021 ₹	As at March 31,2020 ₹
a. Secured, considered good		
Recoverable from employees (Cell phone)	6,09,049	7,93,041
b. Unsecured, considered good		
Loans & Advances to employees	4,86,18,048	8,46,07,510
Income Tax Refunds	3,64,58,633	4,38,00,100
Advance to O&M Suppliers	2,18,65,646	2,18,65,646
Government Receivables	53,77,20,54,297	52,72,92,56,951
Provision for Government Receivables - Additional Power	(38,77,87,39,156)	(38,77,87,39,156)
Other Loans & Advances	42,35,416	60,55,718
TOTAL	15,10,51,01,933	14,10,76,39,810

20 Other Current Assets

Particulars	As at March 31,2021 ₹	As at March 31,2020 ₹
Fixed asset retired from active use and held for disposal	6,72,296	6,72,296
Interest Accrued on Fixed Deposits	26,525	26,524
Interest Accrued on Investments	5,62,18,297	5,88,92,222
Unbilled Revenue - Trade Receivables	23,39,66,29,000	20,14,52,63,525
FSA Revenue - Receivables	5,51,36,41,199	5,51,36,41,199
TSGENCO Master P & G Trust	85,11,77,693	77,91,68,311
Receivable on Demerger of Kurnool and Anantapur	20,96,57,28,272	20,96,57,28,272
TSSPDCL GPF Trust	49,45,782	5,50,24,560
Other Receivables	66,65,06,446	1,23,39,59,001
Net Receivable on Merger - Gundala	2,19,99,272	2,19,99,272
TOTAL	51,47,75,44,782	48,77,43,75,182

TSGENCO Master P & G Trust owes to the company to the tune of Rs.85.12 Crore (Previous year Rs.77.92 Crore).

21 Revenue From Operations

Particulars	2020-21	2019-20
(a) Sale of energy		
LT Supply	73,17,18,45,260	78,03,51,87,637
HT Supply	1,17,23,15,88,419	1,26,98,40,78,968
Interstate Sales	1,91,95,06,631	12,42,76,87,801
Fuel Surcharge Adjustment	1,57,71,723	2,11,88,079
Tariff Subsidy	13,97,50,00,000	13,97,50,00,000
Revenue grant under UDAY Scheme	-	(3,92,48,00,000)
Customer Charges	4,56,26,99,882	4,47,16,61,193
Theft of Power	22,52,41,106	34,86,36,861
Delayed Payment Surcharge - Income	12,51,77,92,876	11,35,73,50,822
R & C Penalties	(16,46,855)	84,46,768
(b) Other Operating Revenues		
Amortization of Consumer Contribution, Subsidies & Grants towards Property Plant and Equipment	3,75,44,76,223	3,43,74,32,493
Others - Wheeling, Unscheduled Interchange, Capacitor Surcharge etc..	14,91,92,68,673	60,38,88,008
Less: Electricity Duty	(1,55,74,72,270)	(1,73,70,67,288)
TOTAL	2,40,73,40,71,668	2,46,00,86,91,343

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 2020-21 the Tariff Subsidy is accounted for Rs.1397.50 Crore out of which an amount of Rs.1397.50 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.

For the F.Y.2019-20, losses of the company is for an amount of Rs.4940.25 Crore and as per the clauses under the UDAY scheme, the Government of Telangana has issued the G.O.No. 15, dated 16.11.2020 towards the take over of 50% of Losses 2470.13 (Rs.4940.25*50%). Since the pending receipt of funds, the same has not been accounted during the F.Y.2020-21.

22 Other Income

Particulars	2020-21 ₹	2019-20 ₹
Interest Income		
Bank	8,17,51,222	7,50,12,681
Staff	58,59,317	43,82,237
Others	5,65,93,489	8,04,29,841
Rent from Company's Property Plant and Equipment	44,26,671	34,27,546
Sale of Scrap	4,45,36,400	1,90,72,117
Penalties from Suppliers	3,65,05,382	5,78,02,699
Other Income	47,63,68,051	22,77,18,704
TOTAL	70,60,40,532	46,78,45,825

- 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 CC Charges of Rs. (-) 4.57 Crores, income in respect of Incidental charges for an amount of Rs. 44.68 Crores and forfeiture of Bank Guarantees of Rs. 1.33 Crores.

23 Power Purchase Cost

Particulars	2020-21 ₹	2019-20 ₹
Purchase of Power - Fixed Cost	80,35,47,46,558	76,05,42,85,615
Purchase of Power - Variable Cost	1,36,62,47,07,751	1,43,16,75,11,812
Transmission Charges	25,65,35,73,271	19,93,99,31,388
Other Power Purchase Costs	(5,60,24,02,162)	9,91,08,72,297
TOTAL	2,37,03,06,25,418	2,49,07,26,01,112

24 Employee Benefit Expense

Particulars	2020-21 ₹	2019-20 ₹
Salaries and incentives	13,47,98,23,522	13,00,86,50,903
Artisans Remuneration	3,02,92,27,427	3,13,27,78,689
Contributions to Employees Provident Fund 1952	68,57,14,298	59,85,25,443
Artisans EPF and ESI Contributions	19,99,55,078	22,59,62,320
Pension Benefits	5,42,68,37,341	6,82,52,80,969
Director's Remuneration & Allowances	2,60,89,421	2,45,68,301
Director's Sitting Fees	1,01,800	1,06,890
Staff welfare expenses	25,87,21,564	22,36,53,350
Less: Employee Cost Capitalised	(69,87,66,477)	(89,51,38,324)
TOTAL	22,40,77,03,974	23,14,43,88,541

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. Accordingly, the TSSPDCL is making the payment of 74 % Pension & Gratuity and claiming the reimbursement of same on monthly basis from the TSGENCO 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 31.03.2021)

Annexure 1: Funded status of the plan

Particulars	As at March 31,2021 ₹	As at March 31,2020 ₹
Present value of unfunded obligations	-	-
Present value of funded obligations	27,99,34,14,674	25,60,76,11,977
Fair value of plan assets	16,48,04,91,456	13,53,57,46,367
Net Liability (Asset)	11,51,29,23,218	12,07,18,65,610

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2021 ₹	As at March 31,2020 ₹
Current service cost	69,81,70,358	13,39,47,559
Interest on obligation	1,64,16,52,661	1,78,89,29,375
Expected return on plan assets	(99,72,23,649)	(78,15,95,851)
Net actuarial loss/(gain)	3,13,22,17,632	1,95,37,52,047
Contributions to the Fund	1,75,00,00,000	-



Past service cost	-	(38,59,01,286)
Adjustment to the Opening Fund	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	2,72,48,17,002	2,70,91,31,844
Expenses deducted from the fund		
Total Charge to P&L	2,72,48,17,002	2,70,91,31,844
Loss/(Gain) on obligation as per Annexure 3	3,32,97,39,073	1,99,37,46,627
Loss/(Gain) on assets as per Annexure 4	(19,75,21,440)	(3,99,94,577)
Net actuarial Loss/(Gain)	3,13,22,17,632	1,95,37,52,047

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2021	As at March 31,2020
	₹	₹
Opening Defined Benefit Obligation	25,60,76,11,977	23,38,46,97,709
Current service cost	69,81,70,358	13,39,47,559
Interest cost	1,64,16,52,661	1,78,89,29,375
Actuarial loss (gain)	3,32,97,39,073	1,99,37,46,624
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	(3,28,37,59,395)	(1,30,78,08,004)
Benefits payable		
Closing Defined Benefit Obligation	27,99,34,14,674	25,60,76,11,977

Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2021	As at March 31,2020
	₹	₹
Opening value of plan assets	13,53,57,46,367	10,28,41,55,939
Transfer in/(out) plan assets		
Expenses deducted from the fund		
Expected return	99,72,23,649	78,15,95,851
Actuarial gain and (loss)	5,03,37,59,395	3,99,94,577
Assets distributed on settlements		
Contributions by employer	19,75,21,440	2,43,00,00,000
Assets acquired in an amalgamation in the nature of purchase		
Exchange differences on foreign plans		
Benefits paid	(3,28,37,59,395)	
Adjustment to the Opening Fund		
Closing value of plan assets	16,48,04,91,456	13,53,57,46,367

Annexure 5: Reconciliation of net defined benefit liability

Particulars	As at March 31,2021	As at March 31,2020
	₹	₹
Net opening provision in books of accounts	12,07,18,65,610	13,10,05,41,770
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	2,72,48,17,002	2,70,91,31,844
Sub- Total	14,79,66,82,612	15,80,96,73,614
Benefits paid by the Company	(3,28,37,59,395)	(1,30,78,08,004)
Amounts transferred to 'payable account'		
Contributions to plan assets	19,75,21,440	(2,43,00,00,000)
Closing provision in books of accounts	11,51,29,23,218	12,07,18,65,610

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2021	As at March 31,2020
	%	%
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 31,2021	As at March 31,2020
	₹	₹
Current Liability*	-	80,39,24,674
Non-Current Liability	11,51,29,23,218	11,26,79,40,936
Net Liability	11,51,29,23,218	12,07,18,65,610

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



Annexure 8: Table of experience adjustments

Particulars	As at March 31,2021	As at March 31,2020
	₹	₹
Defined Benefit Obligation	27,99,34,14,674	25,60,76,11,977
Plan Assets	16,48,04,91,456	13,53,57,46,367
Surplus/(Deficit)	(11,51,29,23,218)	(12,07,18,65,610)
Experience adjustments on plan liabilities	2,92,22,38,739	(33,40,34,358)
Actuarial loss/ (gain) due to change in demographic assumption	(9,85,50,177)	(15,04,02,744)
Actuarial loss/(gain) due to change in financial assumptions	(91,77,423)	2,47,81,83,726
Experience adjustments on plan assets	(19,75,21,440)	(3,99,94,577)
Net actuarial loss/ (gain) for the year	2,61,69,89,699	1,95,37,52,047

Annexure 9: Principle Actuarial Assumptions

Particulars	As at March 31,2021	As at March 31,2020
Discount Rate for Gratuity and Pension	6.91% - Gratuity & 6.41%	6.85 %
Expected Return on Plan Assets	Not available	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 31.03.2021

Annexure 1: Funded status of the plan

Particulars	As at March 31,2021	As at March 31,2020
Present value of unfunded obligations	10,48,46,54,335	9,13,99,24,598
Present value of funded obligations		
Fair value of plan assets		
Net Liability (Asset)	10,48,46,54,335	9,13,99,24,598

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2021	As at March 31,2020
Current service cost	30,68,20,778	41,64,61,186
Interest on obligation	60,57,04,214	62,21,92,417
Expected return on plan assets	-	-
Net actuarial loss/(gain)	1,02,72,59,383	(17,26,97,007)
Past service cost		
Losses/(gains) on curtailments and settlement		
Total included in 'Employee Benefit Expense'	1,93,97,84,374	86,59,56,596
Expenses deducted from the fund		
Total Charge to P&L	1,93,97,84,374	86,59,56,596
Loss/(Gain) on obligation as per annexure 3		(17,26,97,007)
Loss/(Gain) on assets as per annexure 4		-
Net actuarial Loss/(Gain)		(17,26,97,007)

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2021	As at March 31,2020
Opening Defined Benefit Obligation	9,13,99,24,598	8,71,84,79,966
Transfer in/(out) obligation	-	-
Current service cost	30,68,20,778	41,64,61,186
Interest cost	60,57,04,214	62,21,92,417
Actuarial losses/ (gains)	1,02,72,59,383	(17,26,97,007)
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	59,50,54,637	(44,45,11,964)
Closing Defined Benefit Obligation	10,48,46,54,336	9,13,99,24,598

* 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 31,2021	As at March 31,2020
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 31,2021	As at March 31,2020
Net opening provision in books of accounts	9,13,99,24,598	8,71,84,79,966
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee benefit expense as per annexure 2	1,93,97,84,374	86,59,56,596
	11,07,97,08,972	9,58,44,36,562
Benefits paid by the company	(59,50,54,637)	(44,45,11,964)
Contributions to plan assets	-	-
Closing provision in books of accounts	10,48,46,54,335	9,13,99,24,598

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2021	As at March 31,2020
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 31,2021	As at March 31,2020
Current Liability*	54,10,26,940	1,11,56,48,130
Non-Current Liability	9,94,36,27,396	8,02,42,76,468
Net Liability	10,48,46,54,336	9,13,99,24,598

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2021	As at March 31,2020
Defined Benefit Obligation	10,48,46,54,335	9,13,99,24,598
Plan Assets	-	-
Surplus/(Deficit)	(10,48,46,54,335)	(9,13,99,24,598)
Experience adjustments on plan liabilities	91,40,22,757	(72,42,36,209)
Actuarial loss/(gain) due to change in financial assumptions	(6,16,34,649)	54,99,40,854
Actuarial loss/ (gain) due to change in demographic assumption	17,48,71,274	15,98,348
Experience adjustments on plan assets		
Net actuarial loss/ (gain) for the year	1,02,72,59,383	(17,26,97,007)

Annexure 9: Principle Actuarial Assumptions

Particulars	As at March 31,2021	As at March 31,2020
Discount Rate	6.91%	6.85%
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	9.00%	9.00%
Withdrawal Rates	0%	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 31,2021	As at March 31,2020
Present value of unfunded obligations	1,73,17,84,501	1,56,20,14,576
Present value of funded obligations		
Fair value of plan assets		
Net Liability (Asset)	1,73,17,84,501	1,56,20,14,576

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2021	As at March 31,2020
Current service cost	3,52,40,609	11,63,68,025
Interest on obligation	10,55,37,436	8,96,87,542
Expected return on plan assets	-	-
Net actuarial loss/(gain)	7,16,36,030	19,75,78,058
Recognised Past Service Cost	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	21,24,14,075	40,36,33,625
Expenses deducted from the fund		
Total Charge to P&L		
Loss/(gain) on obligation as per Annexure 3	7,16,36,030	19,75,78,058
Loss/(gain) on assets as per Annexure 4	-	-
Net actuarial loss/(gain)	7,16,36,030	19,75,78,058

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2021	As at March 31,2020
Opening Defined Benefit Obligation	1,56,20,14,576	1,19,81,42,412
Transfer in/(out) obligation	-	-
Current service cost	3,52,40,609	11,63,68,025
Interest cost	10,55,37,436	8,96,87,542
Actuarial loss (gain)	7,16,36,030	19,75,78,058
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)
Closing Defined Benefit Obligation	1,73,17,84,501	1,56,20,14,576

Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2021	As at March 31,2020
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 31,2021	As at March 31,2020
Net opening provision in books of accounts	1,56,20,14,576	1,19,81,42,412
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Annexure 2	21,24,14,075	40,36,33,625
	1,73,17,84,501	1,60,17,76,037
Benefits paid by the Company	-	(3,97,61,461)
Contributions to plan assets	-	-
Closing provision in books of accounts	1,73,17,84,501	1,56,20,14,576

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2021 %	As at March 31,2020 %
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 31,2021	As at March 31,2020
Current Liability*	79,28,746	6,21,27,850
Non-Current Liability	1,72,38,55,755	1,49,98,86,726
Net Liability	1,73,17,84,501	1,56,20,14,576

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2021	As at March 31,2020
Defined Benefit Obligation	1,73,17,84,501	1,56,20,14,576
Plan Assets	-	-
Surplus/(Deficit)	(1,73,17,84,501)	(1,56,20,14,576)
Experience adjustments on plan liabilities	22,71,70,132	6,81,15,958
Actuarial loss/(gain) due to change in financial assumptions	(1,84,00,507)	13,32,04,993
Actuarial loss/ (gain) due to change in demographic assumption	(13,71,33,595)	(37,42,893)
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	7,16,36,030	19,75,78,058

Annexure 9: Principle actuarial assumptions

Particulars	As at March 31,2021	As at March 31,2020
Discount Rate	0	6.85%
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	9.00%	9.00%
Withdrawal Rates	0%	1% at younger ages reducing to 2% at older ages

Gratuity for Artisans Recruited after 01.02.1999

Annexure 1: Funded status of the plan

Particulars	As at March 31,2021	As at March 31,2020
Present value of unfunded obligations	42,03,20,546	-
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Liability (Asset)	42,03,20,546	-

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2021	As at March 31,2020
Current service cost	10,53,07,158	-
Interest on obligation	-	-
Expected return on plan assets	-	-
Net actuarial loss/(gain)	-	-
Recognised Past Service Cost	31,50,13,388	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	-	-
Expenses deducted from the fund	-	-
Total Charge to P&L	42,03,20,546	-
Loss/(gain) on obligation as per Annexure 3	-	-
Loss/(gain) on assets as per Annexure 4	-	-
Net actuarial loss/(gain)	42,03,20,546	-

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2021	As at March 31,2020
Opening Defined Benefit Obligation	-	-
Transfer in/(out) obligation	-	-
Current service cost	10,53,07,158	-
Interest cost	-	-
Actuarial loss (gain)	-	-
Past service cost	31,50,13,388	-
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	-	-
Closing Defined Benefit Obligation	42,03,20,546	-



Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2021	As at March 31,2020
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 31,2021	As at March 31,2020
Net opening provision in books of accounts	-	-
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Annexure 2	42,03,20,546	-
	-	-
Benefits paid by the Company	-	-
Contributions to plan assets	-	-
Closing provision in books of accounts	42,03,20,546	-

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2021 %	As at March 31,2020 %
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 31,2021	As at March 31,2020
Current Liability*	5,02,351	-
Non-Current Liability	41,98,18,195	-
Net Liability	42,03,20,546	-

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2021	As at March 31,2020
Defined Benefit Obligation	42,03,20,546	-
Plan Assets	-	-
Surplus/(Deficit)	(42,03,20,546)	-
Experience adjustments on plan liabilities	-	-
Actuarial loss/(gain) due to change in financial assumptions	-	-
Actuarial loss/ (gain) due to change in demographic assumption	-	-
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	42,03,20,546	-

Annexure 9: Principle actuarial assumptions

Particulars	As at March 31,2021	As at March 31,2020
Discount Rate	6.91%	-
Expected Return on Plan Assets	Not Applicable	-
Salary Growth Rate	9.00%	-
Withdrawal Rates	0%	-

25 Operation & Other Expenses

Particulars	2020-21 ₹	2019-20 ₹
Advertisement	45,58,137	1,75,69,117
Consultancy Charges	3,50,99,970	5,93,85,467
Contract Labour Charges	16,11,19,042	13,18,80,313
Electricity Charges	7,65,70,782	8,19,06,836
Insurance	21,88,383	4,04,141
Inventories Handling Charges	67,86,396	1,67,87,782
Legal Charges	1,76,64,308	1,91,38,010
License fees - TSERC	5,93,20,710	5,93,20,710
Office Maintenance	1,65,57,552	1,45,97,945
Other Expenses	10,50,32,311	10,35,13,474
Postage & Telegrams	12,51,470	17,36,330
Printing & Stationery	4,76,28,501	6,75,57,033
Professional Charges	28,64,04,938	31,31,50,213
R&M - Others	5,35,74,370	6,67,87,591
Rates & taxes	3,62,71,305	4,81,10,159
Rent	37,54,016	43,88,406
Repairs to Buildings & Civil works	5,44,29,924	4,36,02,073
Repairs to Plant and Machinery	1,34,29,90,536	1,01,13,59,084
Repairs to Vehicles	2,26,13,328	2,71,98,217
Telephone & Communication	6,31,59,209	4,58,46,133
Training Exp	18,01,550	17,69,550
Travelling Expense	17,65,03,200	20,11,64,301
Vehicle Hire charges	39,56,72,665	38,12,58,092
Vidyut Ombudsman Exp	52,20,500	51,93,092
Payments to the auditor	16,35,480	16,35,480
Office Maintenance Tea Snacks	1,00,19,228	1,75,23,861
Office Maintenance Other expenses	1,88,45,739	3,11,67,024
Office Maintenance Cleaning expenses	7,89,809	3,11,110
Less: Administration & General Exp Capitalised	(12,27,12,880)	(15,74,78,052)
TOTAL	2,88,47,50,479	2,61,67,83,492

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	2020-21 ₹	2019-20 ₹
Interest expense		
Long Term Loans	4,61,06,38,775	3,27,85,29,954
Short Term Loans	10,65,57,27,838	7,45,90,19,425
Consumption Deposits	1,48,06,02,278	1,69,34,83,052
Others		
On FRP Bonds	1,52,83,22,475	2,01,73,50,000
On Other Liabilities	41,01,309	36,55,784
Bank Charges	88,79,13,185	60,45,71,747
Less: Interest Capitalised	(11,26,76,964)	(16,15,35,555)
TOTAL	19,05,46,28,896	14,89,50,74,407

27 Exceptional Items

Particulars	2020-21 ₹	2019-20 ₹
Assets Scrapped	52,27,930	2,25,82,815
Provision for Bad Debts	1,50,88,19,027	1,30,24,76,535
Compensation Paid to Electrical Accidents	11,52,74,805	13,50,06,615
Others	(2,39,72,946)	(1,37,36,834)
Price Variation	1,52,406	4,03,15,442
Prior Period Items	(5,98,28,77,292)	-
TOTAL	(4,37,73,76,070)	1,48,66,44,573

The payment of Interest of Rs.598.29 Crore against loans transferred to APSPDCL on account of bifurcation of Anantapur and Kurnol from 2014-15 to 2019-20 is transferred as receivables from APSPDCL and shown in prior period items.

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

Particulars	As at March 31,2021 (Rs. in crore)	As at March 31,2020 (Rs. in crore)
(i) Contingent Liabilities		
(a) Entry Tax	207.70	203.78
(b) Sales tax Penalty against G Form (Cement purchases)	1.34	1.34
(c) Liability under AP VAT Act 2005 (April 2005 to 2009-10)	86.92	86.92
(d) Income Tax (TDS)	93.25	93.25
(e) Service Tax	206.26	195.00
(f) Employee Provident Fund	14.30	0.00
Sub Total (i)	609.77	580.29
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	304.21	195.40
Sub Total (ii)	304.21	195.40
GRAND TOTAL (i+ii)	913.98	775.69

29. The Entry Tax demand is amounting to 286.68 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 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. Further an amount of Rs.12.68 Crore raised against 2012-13 to 2015-16 out of which Rs.0.95 Crore deposited and petition filed in Customs Excise and Service Tax Tribunal (CESTAT).
32. An amount of Rs.14.30 Crore was raised by the EPFO towards Employee Provident Fund for the periods from April, 2014 to August, 2018 and the same was challenged before the Hon'ble High Court of Telangana.

33. APTRANSCO 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, APTRANSCO claims are not accounted in the books. In view of this, there is no mandate to APTRANSCO to claim any Transmission and SLDC charges beyond the direction of Hon'ble Commission.
34. 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.
35. 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.
36. VAT audit completed up to 06/2017. Sales Tax assessment for the Financial Year 2017-18 is in progress.
37. The company has appointed Cost auditor and Cost Audit is completed up to the financial year 2019-20.
38. 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.
39. Though the Company has negative net worth as at 31.03.2021, 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.
40. 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 and for the F.Y.2020-21 no surcharge has been raised.

41. Quantitative Information

Particulars	2020-21	2019-20
Energy Input (Discom) (KWH in MU)	44,492.99	45,247.02
Sale of Energy (KWH in MUs)	40,329.94	40,981.27

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

AS 7 Construction Contracts

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



AS 18 Related Party Disclosures since the Company is a State Government Company and falls within the designation of 'State Controlled Enterprise'

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

AS 23 Accounting for Investments in Associates in Consolidated Financial Statements

AS 25 Interim Financial Reporting

AS 27 Financial Reporting of Interest in Joint Ventures

43. Previous year figures have been regrouped wherever necessary.

44. 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 : 06.09.2021
Place: Hyderabad

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Qualified Opinion:

We have audited the accompanying financial statements of **Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited)** (“the company”), Hyderabad, which comprise the Balance Sheet as at 31st March, 2021 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 give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014, of the state of affairs of the Company as at 31st March, 2021, 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.82.15 Crore is not in accordance with Accounting Standard-10: “Property Plant and Equipment”, as the same is not attributable as expenditure incurred directly to bring the said assets to working condition.



- b) As stated in Accounting Policy No.1.8, recognition of the contributions received from consumers and specific grants from the State/Central Governments or their Agencies for creation of tangible assets as “Reserves” on receipt basis, even before the creation of the said assets and adjustment of the same against depreciation on the proportionate value of the assets built out of the said Contributions and Grants, instead of the specific assets created with the said contributions/grants, which is contrary to Accounting Standard 12 “Accounting for Government Grants”.
- c) Non-recognition of the “parcels of land” received at free of cost from State Government and its agencies in the books of account, as required by Accounting Standard 12 “Accounting for Government Grants”.
2. Consequent to the creation of the State of Telangana, in accordance with the Andhra Pradesh Reorganization Act, 2014, the 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.325.28 Crore as a reduction in the share capital, recognized Rs.723.01 Crore as “Capital Reserve” resulting in understatement of its negative net-worth by Rs.1,048.29 Crore and consequential overstatement of “Receivables.”
3. The Company has not recognized the revenue receivable under UDAY scheme (As per Tripartite Memorandum of Understanding) as detailed below:

Financial Year	Amount (Rs. Crores)
2018-19	392.48
2019-20	1,241.81
2020-21	2,470.13
Total	4,104.42

This has resulted in understatement of Revenue from Operations and Other Current Assets – Receivable for government by Rs.4,104.42 Crore.

4. The Company has made provision for Pension & Gratuity in respect of employees who were on rolls on 31.01.1999 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.7,967.35 Crore.
5. (a) Amount of Rs.959.55 Crore towards surcharge on late payment payable to Singareni Thermal Power Plant (STPP) upto 31st March, 2020 is neither paid nor provided in the books of account resulting in understatement of Reserves & Surplus and Trade Payables to the same extent.
- (b) The company has neither quantified nor provided late payment surcharge payable to STPP for the financial year 2020-21. Hence, the impact of the same on the financial statements could not be ascertained.



6. The Company has applied depreciation rates notified by the Ministry of Power (MoP) vide S.O.266 (E) dated 29th 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 of the Company Act, 2013. This has resulted in overstatement of depreciation and amortization expenses and understatement of Tangible Assets as at 31st March, 2021 by Rs.374.06 Crore. Consequently, loss for the year is also overstated by the same amount.
7. During the Financial Year 2018-19 the company has forfeited Bank Guarantees of Rs.52.13 Crore and recognised the same as income for that year. This amount includes Rs.9.13 Crore pertaining to Kurnool and Anantapur districts under Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL). This has resulted in understatement of Provisions and overstatement of Reserves & Surplus by Rs.9.13 Crore for the Year ended 31st March, 2021.
8. We report that the following accounts have not been reconciled as at 31st March, 2021 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.8,85,11,972/-.
 - b) Amount appearing under loan clearing (CPDCL) account with a debit balance of Rs.3,67,53,367/.
9. Overall impact of the above Qualifications which are quantifiable is as follows:
 - a) Understatement of Net loss for the year – Rs. 4,457.55 Crore.
 - b) Understatement of Negative Net worth – Rs. 5,505.84 Crore.

Emphasis of Matters:

1. Consequent to the amendment brought in vide G.O.Ms.396 dated 09.06.2005 to the second transfer scheme notified vide G.O.Ms. 142 dated 29.09.2001, the Company has incorporated in its books of account as on 01.04.2010, various assets, including fixed assets and liabilities towards power purchase, supplies & services received and balances outstanding in respect of the loans, representing term loans, cash credits, working capital loans received from various banks and financial institutions, other receivables from the State Government of AP, of the amounts mentioned in the two notifications referred to above. We understand that the above amounts, at which the various assets and liabilities are recognized in the books of account as on that date, are provisional and accordingly are subject to further adjustments as may be determined by the State Government.
2. We draw your attention to Note No. 1.16 (a) (ii) wherein, the State Government of Andhra Pradesh amended retrospectively with effect from 09.06.2005, the share of each DISCOM in various bulk supply power purchase agreements vide its notification No.53 Energy (Power III) dated 28.04.2008. We are informed that the company has made a representation to give effect to the said revised sharing prospectively. Pending disposal of the company's representation, the contingent liability/receivables, if any, due to the said retrospective amendment of the share of the company in various bulk supply of power purchase agreements has not been disclosed in the books of account.

3. We draw your attention to Note No. 27 where in Exceptional Items includes Prior period income which pertains to Reversal of Interest on Loans amounting to Rs.598.29 Crore pertaining to Anantapur and Kurnool from F.Y.2014-15 to F.Y.2019-20 and transferring the same to Receivables from APSPDCL.
4. 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.19,89,34,882/- (of which Rs.1,10,15,115/- 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.31,44,54,023/- as on 31.03.2021.
5. 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. 38 & Note No. 39 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- ❖ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 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 remuneration to Directors vide Notification GSR- 463 (E), dated 5th June, 2015 issued by Government of India, Ministry of Corporate Affairs.
- i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - 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.
 - iii. 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: 21212851AAAACU5454

Place: Hyderabad

Date: 06.09.2021

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 31stMarch, 2021.

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 Goods & Service Tax and Electricity Duty which are not paid regularly.

Accordingly to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess, Goods & Services tax and other statutory dues which were in arrears as at 31st March, 2021 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
Goods and Services Act, 2017	Goods & Service Tax	FY 2019-20	113.87
		FY 2020-21	59.88
Electricity Duty Act/ State Government	Electricity Duty	FY 2018-19	1,344.36
		FY 2019-20	17,370.67
		FY 2020-21	7,770.13

- b) As on 31st March, 2021, there have been no disputed dues, which have not been deposited with the respective of income tax, service tax, duty of customs, and duty of excise, value added tax, Goods & Services tax and Cess except the following:

S.No.	Name of the Statute	Nature of the Dues	Amount (Rs. In Crore)	Period to which the amount relates	Forum where dispute is pending
1.	A.P. Tax on entry of goods in local area Act, 2001	Entry tax on goods purchased from outside state	207.7*	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 (including penalty)	86.48*	For the financial year from 2008-09 to 2012-13	Hon'ble High Court of Telangana
			0.44	Financial Years 2008-09 & 2009-10	Appellate Deputy Commissioner, Commercial Taxes Hyderabad.
4.	Finance Act, 1994	Service Tax (including penalty)	194.53	From July, 2012 to June, 2017	Hon'ble High Court of Telangana
			11.73	From 2012-13 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal



5.	Income Tax Act, 1961	TDS	14.88	Financial Year 2006-07	Hon'ble High Court of Telangana
			78.37	For the Financial Years 2007-08 & 2008-09	Hon'ble Supreme Court of India
6.	EPF Act	EPF	0.14	2017-18	Central Government Industrial Tribunal, Hyderabad
			14.16	From 2014-15 to 2016-17	Hon'ble High Court of Telangana

* Net of deposits made

- 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/provided 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) During the year the Company has not made preferred allotment of shares. The Company has not issued fully/partly convertible debentures during the year under review. Consequently, the clause 3 (xiv) of the order is not applicable.
- 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.

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

Sd/-

L. MAHESH KUMAR

Partner

Membership Number: 212851
UDIN: 21212851AAAACU5454

Place: Hyderabad

Date: 06.09.2021

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 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 2020-21, 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.0.10 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.8.85 Crore. 3. 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. Whether such cases are properly accounted for. (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	<p>During the year under consideration, there is no case of restructuring of any existing loan or case of waiver/write off of debts/loans/interest etc. by a lender to the Company.</p>



3 Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions. List the cases of deviation.

According to the information and explanation given to us and on the basis of our verification of the records funds received/receivable from Central/State Governments 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.

Place: Hyderabad

Date: 06.09.2021

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

Sd/-
L. MAHESH KUMAR
Partner
Membership Number: 212851
UDIN: 21212851AAAACU5454

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) (“the company”), 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 31st March, 2021 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. 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 31st March, 2021;
8. Absence of control in respect of:
 - a. Seeking balance confirmations and performing periodical reconciliations of various receivables, payables, deposits, advances etc.
 - b. Capitalization of capital work orders without work order completion certificates and non-closure of work orders.
 - c. 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, 2021, 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, 2021.

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

Place: Hyderabad

Date: 06.09.2021

Sd/-
L. MAHESH KUMAR
Partner
Membership Number: 212851
UDIN: 21212851AAAACU5454

The image shows the cover of a report. The background is a light teal color. A large, white, rounded rectangular shape is centered on the page, with a thin white border. Inside this white shape is a solid green rounded rectangle. The text 'C & AG REPORT' is centered within the green rectangle in a bold, black, sans-serif font. There are also some teal and green decorative shapes in the corners and bottom of the page.

**C & AG
REPORT**



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

Lr.No.AG (Audit)/TSC/AA/TSSPDCL/2020-21/140

Dated: 24.11.2021.

To
The Chairman and Managing Director,
Southern Power Distribution Company of Telangana Limited,
6-1-150, 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 the Southern Power Distribution Company of Telangana Limited for the year ended 31 March 2021.



Sir,

I am forwarding 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 2021 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 2020-21 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 2020-21 are to be furnished in due course without fail.

Yours faithfully,

Encl: As above

Sd/-

(Rohit M. Gutte)

Deputy Accountant General/AMG-II



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

The preparation of the financial statements of Southern Power Distribution Company of Telangana Limited for the year ended 31 March, 2021 in accordance with the financial reporting framework prescribed under Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing an 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 06.09.2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of the Southern Power Distribution Company of Telangana Limited for the year ended 31 March, 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company's personnel and a selective examination of some of the accounting records.

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

A. Comments on Profitability:

Statement of Profit & Loss

Expenses

Finance Costs (Note 26): Rs.1905.46 crore

1. The above does not include Rs.142.63 crore being guarantee commission payable to the GoT for the year 2020-21 towards Government Guarantee in respect of loans availed by the Company. This resulted in understatement of Finance Cost, Current Liabilities and loss for the year by Rs.142.63 crore.

B. Comments on Disclosure:

- 2 The levy of wheeling charges on the non-conventional energy sources and mini-power plants set up by private sector for captive consumption were governed by MoUs / Orders issued by the Government. Based on Aggregate Revenue Requirement (ARR) filed by the then APTRANSCO before the State Electricity Regulatory Commission (the Commission) for the year 2002-03 seeking revision in wheeling charges, the Commission determined that the wheeling charges for the year 2002-03 would be Rs.0.50 paise per unit (KWH) for energy transmitted and compensation in kind for system losses of 28.4 per

cent of energy input by the project developer. The project developers challenged the said order in the Hon'ble High Court of Andhra Pradesh, which set aside the Commission's order in May 2003. Power utilities (DISCOMs) challenged the Court order in the Hon'ble Supreme Court, which stated (29 November 2019) that the Commission constituted under the Electricity Reforms Act, 1998 has the powers to determine the wheeling charges.

Based on the judgment of the Hon'ble Supreme Court, the Company issued demand notices for Rs.369.49 crore and Rs.1060.50 crore towards principal for the period from 2002-03 to 2014-15 and delayed payment surcharge up to January 2020 respectively on the scheduled consumers and generators and recognised entire amount (Rs.1429.99 crore) as revenue during 2020-21 (Revenue from Operations-Note 21). Most of the scheduled consumers and generators approached the Hon'ble High Court of Telangana against the demand notices issued by the Company and obtained stay orders. However, these facts were not disclosed in the Financial Statements.

3. The Company accounted for retirement gratuity liability of Rs.221.89 crore during the year in respect of the employees appointed before and after 01.02.1999 as per actuarial valuation, which considered maximum limit of Rs.12 lakh in respect of employees appointed before 01.02.1999 and Rs.10.00 lakh in respect of employees appointed after 01.02.1999. As per orders issued by GoT in June 2021, maximum limit of retirement gratuity was enhanced from Rs.12 lakh to Rs.16 lakh, which is applicable to all State Government employees from 01.04.2020. Further, as per the Gratuity Act, 1972 (amended) the maximum limit of retirement gratuity was enhanced to Rs. 20.00 lakh with effect from 29.03.2018. However, the Company did not adopt the orders of GoT and Gratuity Act to recalculate gratuity liability based on enhanced limit of Rs.16 lakh and Rs.20.00 lakh. Although the Company adopted gratuity limit different from orders of GoT and Gratuity Act, financial impact could not be quantified as it requires valuation by an expert (Actuary).

Further, as per disclosure at Note-24 under Employee Benefit Expenses read with significant accounting policy at 1.11 (b) (Employee Benefits), the Company did not disclose the significant accounting assumptions adopted for calculating retirement gratuity liability of different category of employees, applicable gratuity rules, and impact of deviations in Financial Statements.

4. Company extends various medical benefits to its employees and pensioners under four different medical schemes. Accounting Standard 15 – Employee benefits prescribes that Medical care/benefits needs to be valued and should be provided in books of accounts by carrying out actuarial valuation. However, the Company has neither carried out the actuarial valuation nor accounted for liability for medical benefits extended to its employees and pensioners. Further, the Company did not disclose the fact of non-provision of the liability towards Medical care/benefits.
5. Singareni Thermal Power Plant (STPP) claimed an amount of Rs. 31.46 crore towards variation of Gross Calorific Value (GCV) for the year 2019-20 and 2020-21 through monthly energy supply charges bills on 'as fired GCV' basis as per Clause 21.10 of SERC tariff order. However, the Company contested the claims while regulating the coal bills 'as received GCV' basis in the variable cost (energy charges). The matter was taken up with Telangana State Electricity Regulatory Commission (TSERC) for clarification, which was pending. Hence, the facts should have been disclosed in Financial Statements.



6. STPP submitted (June 2019) power bills for the period from 2016-17 to 2018-19 towards additional coal bills, incentive, water charges and other charges to the Telangana State Power Coordination Committee (TSPCC), which decided to defer the claim till STPP obtains the approval of the TSERC for additional claims amounting to Rs.121.92 crore, being the Company's share of 70.55 per cent of total Rs. 172.81 crore. The facts should have been disclosed in Financial Statements.

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

Sd/-

(CHANDA PANDIT)

Prl. Accountant General (Audit)

Place: Hyderabad.

Date: 24.11.2021

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at theAnnual General Meeting/extra ordinary 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.

-
-
-

Signed this day of

Signature of shareholder

Signature of Proxy holder(s)

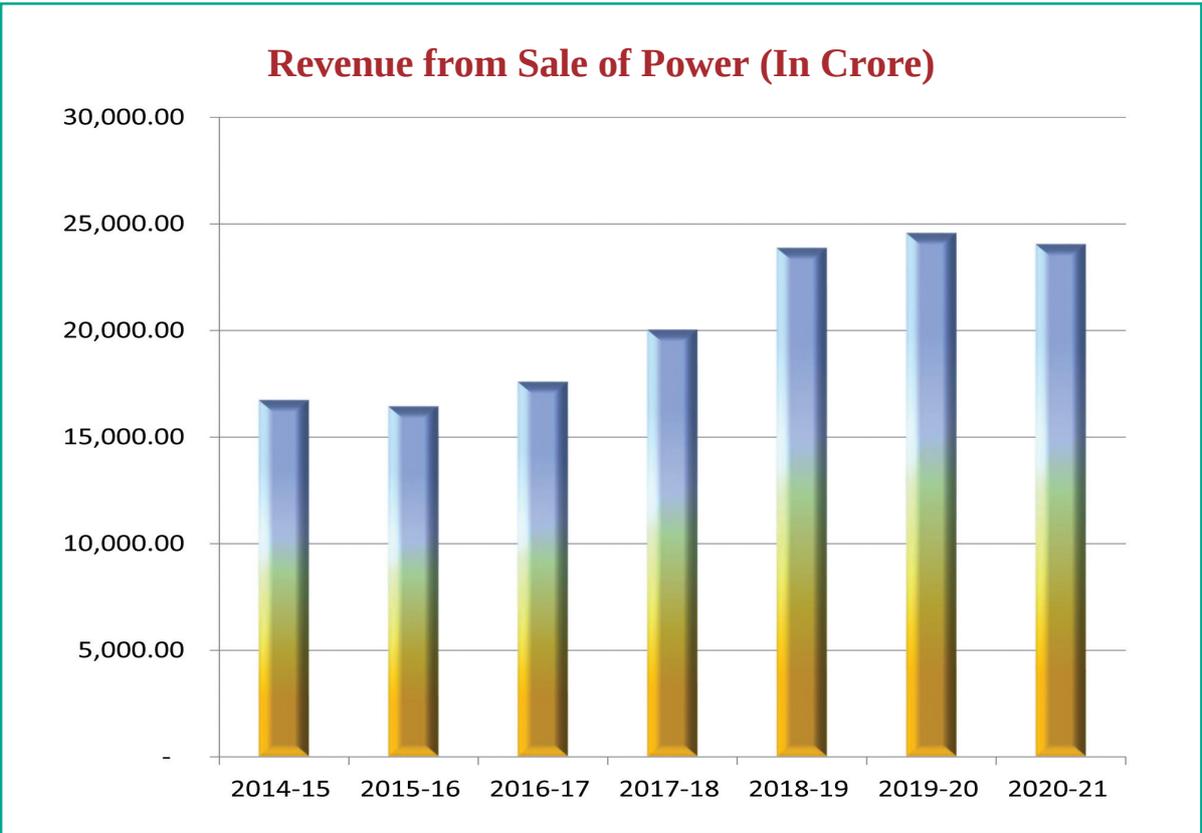
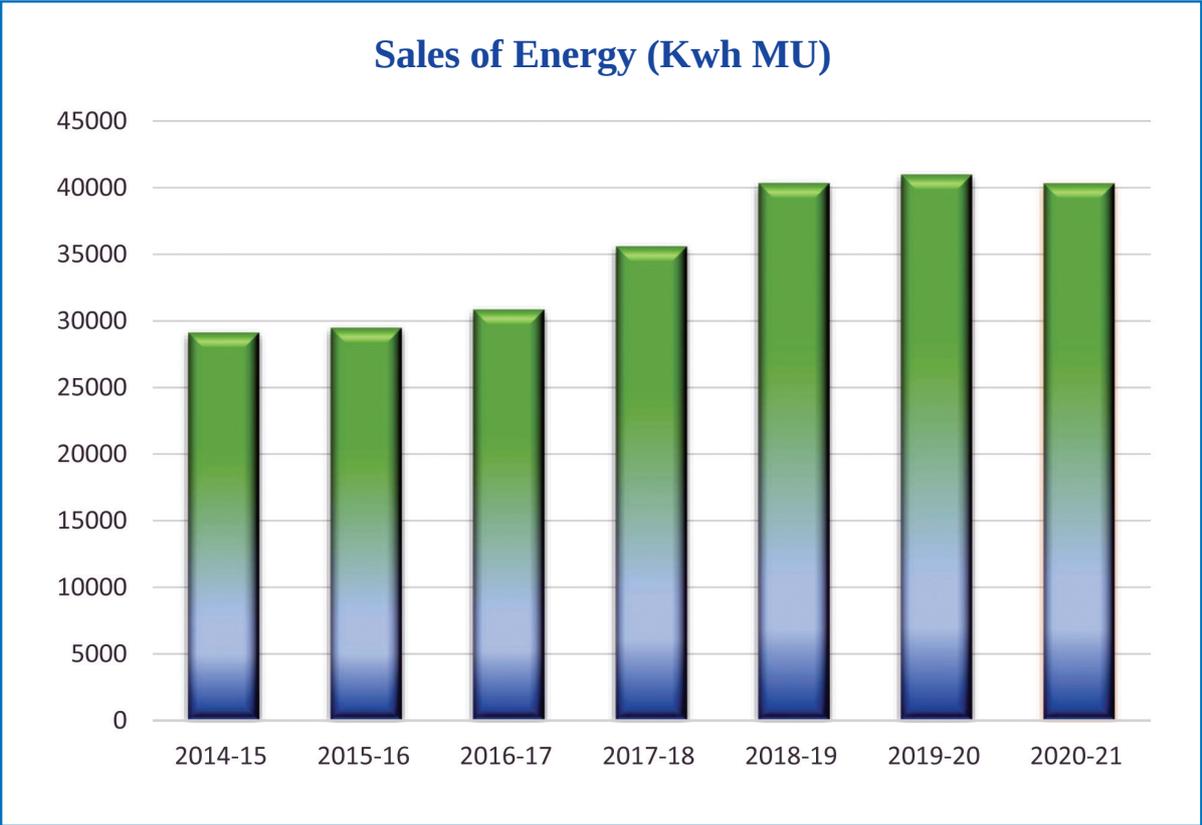
Affix
Revenue
Stamp

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

AVERAGE REALISATION FROM SALE OF POWER

Average Realisation from sale of power Schedule - 3 for F.Y. 2020-21

Consumer Category	No. of Consumers (Excluding Bill Stopped)	KWH Sales (MU)	KVAH		Revenue (Rs.Crore)	% of Units Sold on kvah	Average Realisation	2019-20 Average Realisation
	Sales (MU)		Revenue (Rs.Crore)	(Rs/Unit)			(Rs/Unit)	
L.T. Cat.-I Domestic	6817306	8911.84	8912.15	4,210.03	23.10	4.72	4.78	
L.T. Cat.-II Non-Domestic	904559	2160.57	2194.70	2,285.20	5.69	10.41	10.43	
L..T.Cat-III Industrial	44492	880.01	926.89	732.38	2.40	7.90	8.05	
L.T. Cat-IV Cottage Industries	4354	9.58	9.58	4.36	0.02	4.55	4.69	
L.T. Cat-V Agriculture	1190930	11744.84	11744.84	43.07	30.44	0.04	0.04	
L.T. Cat-VI Street Lights	104891	478.23	478.12	304.80	1.24	6.37	6.48	
L.T. Cat-VII General Purpose	23176	47.69	47.69	37.13	0.12	7.79	7.74	
L.T. Cat-VIII Temporary Supply	7589	53.43	53.51	64.80	0.14	12.11	12.44	
L.T. Cat-IX EVC	19	0.02	0.02	0.01	0.00	7.60		
L.T. Total	9097316	24286.21	24367.50	7681.78	63.15	3.15	3.44	
H.T. Cat.I Industrial	5435	9403.82	9512.39	7,707.28	24.65	8.10	7.47	
H.T. Cat.II Others	3748	1844.96	1892.77	1,934.63	4.91	10.22	9.09	
H.T. Cat.III Aviation	11	52.73	52.66	40.15	0.14	7.62	7.22	
H.T. Cat.IV Agricultural	315	2129.38	2191.59	1,501.88	5.68	6.85	6.42	
H.T. Cat.V Railway Traction	13	239.37	241.51	164.14	0.63	6.80	6.29	
H.T. Cat.VI Residential	187	212.75	214.46	141.31	0.56	6.59	6.36	
H.T. Temp.	298	103.85	113.36	168.69	0.29	14.88	13.49	
H.T. Cat-IX EVC	3	1.60	1.61	1.01	0.00	6.25	2.02	
H.T. Total	10010	13988.46	14220.35	11659.08	36.85	8.20	7.59	
L.T. + H.T. Total	9107326	38274.67	38587.85	19,340.87	100.00	5.01	5.15	
Add: Electricity Duty				155.75				
Gross Revenue				19,496.61				



TELANGANA STATE



*8th Innovation with Impact Awards for
Discoms 2020*

This certificate is hereby awarded to :

*Southern Power Distribution Company of
Telangana Limited (TSPDCL)*

Overall Innovation with Impact Award (General States)

14th India Energy Summit 2021

24th & 25th February 2021

February 25, 2021

Rajeev Singh

Dr. Rajeev Singh
Director General
Indian Chamber of Commerce



**Sri G. Raghuma Reddy, CMD, TSSPDCL received
“8th Innovation with Impact Awards for Discoms 2020”**

Gadadri Temple





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COMPANY OF TELANGANA LIMITED**

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