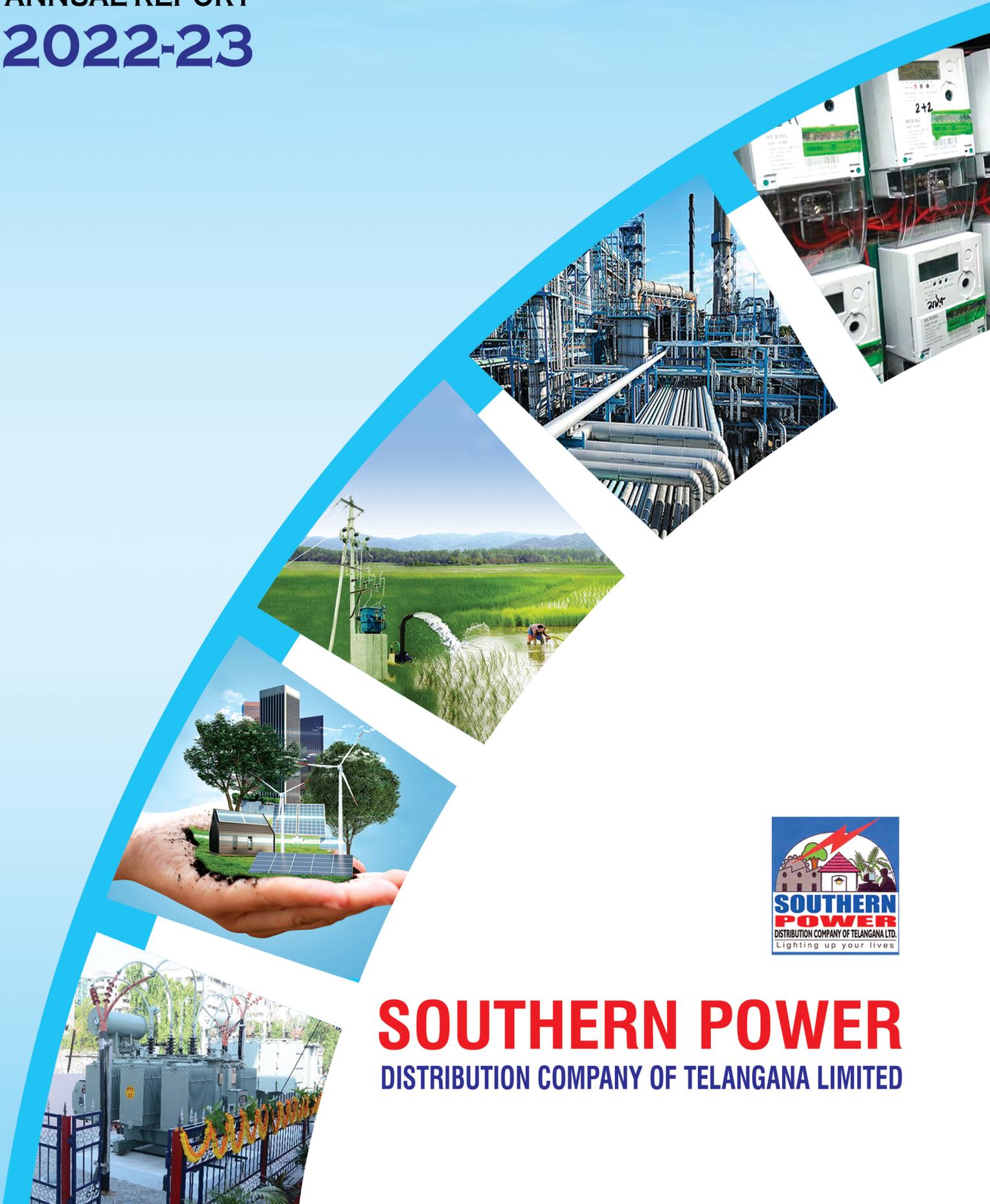


23RD
ANNUAL REPORT
2022-23



SOUTHERN POWER
DISTRIBUTION COMPANY OF TELANGANA LIMITED



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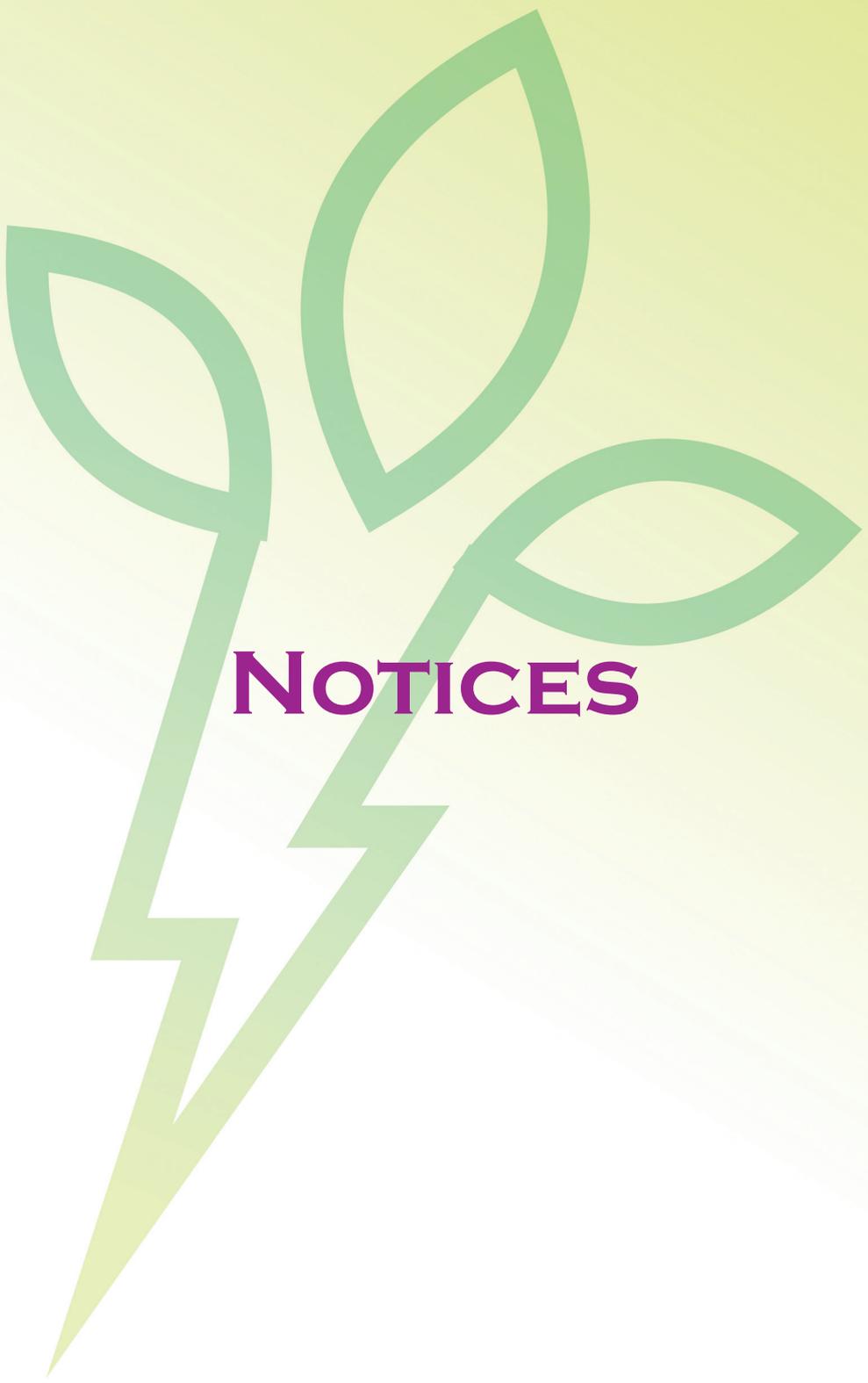
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NOTICES



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

NOTE OF THE ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN THAT THE 23rd ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT SHORTER NOTICE ON SATURDAY, 30TH DAY OF SEPTEMBER, 2023 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, 2023 along with Statutory Auditors Report, Secretarial Audit Report, Director's Report and along with the comments of the Comptroller and Auditor General of India thereon.
2. To take note on appointment of M/s. V.N.Purohit & Co (CA0159), Chartered Accountants, as Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India for the Financial Year 2023-24 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)/62, Dated: 12.09.2023. appointed M/s. V.N.Purohit & Co (CA0159), Chartered Accountants as Statutory Auditors of the Company for the financial year 2023-24.

Draft resolution

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

“RESOLVED THAT the appointment of M/s. V.N.Purohit & Co (CA0159), Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2023-24 by the Office of the Comptroller and Auditor General of India vide their letter No. CA.V/COY/TELANGANA, CENPOW(1)/62, Dated: 12.09.2023 be noted.”

“FURTHER RESOLVED THAT the pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies act, 2013, the Board of Directors of the Company be and are hereby authorized to fix the remuneration payable to Statutory Auditors M/s. V.N.Purohit & Co (CA0159), Chartered Accountants and to provide for reimbursement of their actual out-of-pocket expenses for the Financial Year 2023-24 if any.”



SPECIAL BUSINESS:

3. RATIFICATION OF THE REMUNERATION OF THE COST AUDITOR FOR THE F.Y. 2023-24

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. 2023-24 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 2023-24.”

4. ANY OTHER BUSINESS WITH THE PERMISSION OF THE CHAIRMAN

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

**Date: 30.09.2023
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. 2022-23 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. 2023-24

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. 2023-24 and it was decided to pay the remuneration of Rs.60,000 (all inclusive).

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

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

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

Sd/-

ANIL KUMAR VORUGANTI
COMPANY SECRETARY

Date: 30.09.2023
Place: Hyderabad

Route Map





**BOARD OF
DIRECTORS**

BOARD OF DIRECTORS



SRI G. RAGHUMA REDDY
Chairman & Managing Director

NON-WHOLE TIME DIRECTORS



SRI SUNIL SHARMA, IAS
Special Chief Secretary to
Government, Energy
Department, Govt. of TS.



SRI C. SRINIVAS RAO
Joint Managing Director, HRD,
Finance, Comml.
& Vigilance Director, TS Transco



SRI P. SHYAM SUNDER
Assistant Secretary to Government.,
Finance Department, Govt. of TS.

WHOLE TIME DIRECTORS



SRI T. SRINIVAS
Director (Projects & IT)



SRI P. NARASIMHA RAO
Director (Finance)



SRI J. SRINIVASA REDDY
Director (Operations)

WHOLE TIME DIRECTORS



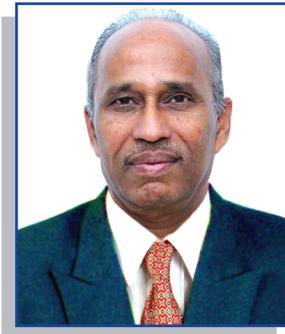
SRI G. PARVATHAM
Director (HR & IR)



SRI K. RAMULU
Director (Commercial)



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



SRI S. SWAMY REDDY
Director (IPC & RAC)



SRI G. GOPAL
Director (Energy Audit, DPE
& Assessment)

COMPANY SECRETARY
STATUTORY AUDITORS
BANKERS
FINANCIAL INSTITUTIONS

SRI. V. ANIL KUMAR
M/S. RAMANATHAM & RAO., CHARTERED ACCOUNTANTS
STATE BANK OF INDIA
RURAL ELECTRIFICATION CORPORATION LIMITED
POWER FINANCE CORPORATION LIMITED (PFC)
PTC INDIA FINANCIAL SERVICES LTD.
INDIAN RENEWABLE ENERGY DEVELOPEMENT AGENCY LTD.

REGISTERED OFFICE:

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



**CMD'S LETTER
TO STAKE HOLDERS**



CHAIRMAN & MANAGING DIRECTOR

Letter to Stakeholders

“

Dear Stakeholders,

I am glad to present the 23rd (Twenty Third) Annual Report of Southern Power Distribution Company of Telangana Limited, Hyderabad for the Financial Year 2022-23.

”

- ★ F.Y. 2022-23 was our 9th continuous year of operation after the formation of state of Telangana. Being the largest DISCOM, we served 109 Lakh consumers including 13.87 Lakh agricultural consumers.
- ★ We clocked a maximum demand of 9,360MW and handled 55,156 MUs of energy purchased in F.Y. 2022-23 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%.

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 pre-requisite for ensuring the desired economic growth in the state.
- ★ The Peak (Maximum) Demand met by TSSPDCL in 2022-23 was 9,360 MW as compared to 8,792 MW in the previous year with an increase of 6.46%.
- ★ The only Telangana Discom in India is supplying 24*7 power to all consumers including agriculture.

Providing 24 Hrs Power supply to Agriculture Sector:

- ★ We have been supplying 24*7 free power to agricultural consumers since 1st January, 2018. The success of this motivated us to take on the mammoth task of 24*7 free power to agricultural consumers. Due to our tireless efforts, we have successfully completed 5 years of this endeavor on 1st January, 2023.
- ★ 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.13,962.81 Crore in the last 9 years after Telangana formation.

Major infrastructure developments after Telangana formation till 31st March, 2023 in TSSPDCL:

- ★ There are 1,721 No.s of 33/11 kV substations as on 31st March, 2023, out of which 575 No.s of substations were charged after Telangana formation.
- ★ There are 16,629.11 km of 33 kV lines as on 31st March, 2023, out of which 5,757 Km of 33 kV (UG+OH) line were commissioned after Telangana formation.
- ★ There are 1,14,604 Km of 11 kV (UG+OH) lines as on 31st March, 2023, out of which 42,210 Km lines length were charged after Telangana formation.
- ★ There are 3,266 No.s of PTRs as on 31st March, 2023, out of which 1,361 No.s PTRs were commissioned after Telangana formation.
- ★ There are 5,29,172 No.s of DTRs as on 31st March, 2023, out of which 2,67,238 No.s DTRs were erected and charged after Telangana formation.
- ★ There are 13,87,116 No.s of Agriculture Services as on 31st March, 2023, out of which 4,90,019 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.

- ★ TSSPDCL has made an expenditure of Rs.166.35 Crore for carrying out the rectification works in all 8562 Nos. villages under TSSPDCL jurisdiction
- ★ Power Week programme first phase commenced on 06.09.2019 and completed on 31.01.2020.
- ★ Further 4th phase was commenced on Dated: 01.07.2021 and completed in the month of October 2021.

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.
- ★ TSSPDCL has made an expenditure of Rs.45.11 Crore for carrying out the works under Pattana Pragathi Programme in 87 Nos. ULBs.
- ★ Pattana Pragathi 1st Phase Programme commenced on 24.02.2020 and completed in the month of November, 2020.
- ★ Further 3rd phase was commenced on Dated: 01.07.2021 and completed in the month of October, 2021.

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 3,15,636 consumers as on 31st March, 2023 who are consuming electricity up to 101 units per month with an amount of Rs.245.55 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 1,40,838 consumers as on 31st March, 2023 who are consuming electricity up to 101 units per month with an amount of Rs.88.39 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, 6,155Nos. DTRs erected and 3,90,252 Nos. BPL House hold services released.

Integrated Power Development Scheme (IPDS):

- ★ Power Finance Corporation (PFC) vide letters Crore 16.03.2016, Dated: 20.07.2017 & 28.03.2018 has communicated the approval of 6 no's Detailed Project Reports (DPRs) covering Distribution network strengthening works in 35 no's towns of TSSPDCL. The declaration of completion of IPDS scheme was addressed to the ED/IPDS on Dated: 30.03.2019 stating that 100% works were completed 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 RT-DAS (Real Time Data Acquisition System) scheme on 13.12.2018 to measure SAIFI, SAIDI and AT&C loss for 11KV feeders in 34 No.s 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 on 10.12.2019 for Rs. 2.95 Crore and concluded the Agreement vide No.01/2020-21, Dated: 08.09.2020.
- ★ All the works are completed as per scope of work and submitted Closure Reports to M/s.PFC on 25.02.2022 for an amount of Rs.2.95 Crore M/s.PFC approved the closure reports submitted by TSSPDCL and released final tranche amount of Rs.0.18 Crore.
- ★ Total Grant of Rs.1.77 Crore (60% of awarded cost) has been released from M/s.PFC.

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.
- ★ 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.
- ★ A letter was addressed to the Director, National Smart Grid Mission - National Programme Management Unit (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), TMUs (Transformer Monitoring Units), CDUs (Consumer Display Units) along with hardware and software.
- ★ The Ministry of Power, GOI, vide letter dated 02nd June, 2021 has extended the timeline for submission of financial closure of the Smart Grid Pilot Project up to 30th September, 2021.
- ★ The financial closure of the Jeedimetla Smart Grid Pilot Project with a final revised project cost of Rs.31.68 Crore (Limited to Single Phase Smart Meters & DMS equipment) was submitted to the Director/NPMU-NSGM vide letter Dated: 29.01.2022 and also requested to release the final tranche of MoP grant.
- ★ Final Closure cost approved by NSGM/MoP for an amount of Rs.29.86 Crore GoI Grant (50% of final closure cost) is Rs.14.93 Crore and also released Rs.14.93 Crore.

Rural feeder Monitoring Scheme:

- ★ Main objective of the scheme is to have an access to real time rural feeder-wise information on key parameters of power supply hours, Energy, Voltage, Current, power Outages etc.,.

- ★ Rural feeder monitoring projects are awarded covering 2,989 11kV & 33kV feeders in TSSPDCL, out of which a total of 2,733 no.s modems for 11KV Rural feeders were commissioned.

Ujwal Discom Assurance Yojana (UDAY):

- ★ MOU was entered between Ministry of Power, Central Government, Government of Telangana State and TS Discoms on 4th January, 2017. According to the MOU the total debts taken over under UDAY Scheme was Rs.8,923 Crore (being 75% of total outstanding loans as on 30th September, 2015 of TSSPDCL (5,550 Crore) and TSNPDCL (3,373 Crore) put together).
- ★ The Government of Telangana taken over the Loans for an amount of Rs.5,550 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 9.14% in F.Y. 2021-22 to 8.53% in F.Y. 2022-23.
- ★ Total 49,740 no's of Agricultural Connections were released during 2022-23.
- ★ Total existing LT consumers were increased from 1,04,25,904 in F.Y. 2021-22 to 1,08,85,941 in F.Y. 2022-23.
- ★ Total existing HT consumers were increased from 10,685 in F.Y. 2021-22 to 11,510 in F.Y. 2022-23.
- ★ Duration of interruptions i.e. System Average Interruption Duration Index (SAIDI) has been reduced from 1000.96 in F.Y. 2021-22 to 788.05 in F.Y. 2022-23.
- ★ Percentage of complaints resolved within the Standard Operating Procedure (SOP) timelines has increased from 83% in F.Y. 2014-15 to 89% in F.Y. 2022-23.
- ★ Percentage of new services released within the SOP stipulated timeline is 98% in F.Y. 2022-23 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 31,573.71 Crore in F.Y. 2022-23.

Promotion of Solar Energy:

- ★ TSSPDCL has taken proactive measures in harnessing the solar potential in the state including the notification of forward looking solar policy in June, 2015. This has created a stable and a conducive environment for expedited addition of solar capacities in the state.
- ★ Telangana has a total installed Renewable Energy Capacity of 6322.07 MW by the end of March, 2023, 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 272.07 MW of solar rooftop capacity by end of March, 2023.
- ★ 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.

Renewable Purchase Obligation (RPO):

- ★ TSSPDCL has consistently surpassed the RPO targets set by the TSERC, as shown below:

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
RPO Target (in %)	6.50%	7.00%	8.00%	8.50%
RPO Achieved (in %)	10.63%	10.11%	9.63%	14.76%

Key Initiatives in Operations:

IRDA port meters:

- ★ Telangana State Discoms have also installed IRDA Meters, the Discoms have realized substantial benefits upon installing IRDA port meters due improvement in the billing efficiency. This has greatly reduced cases of reading suppression.
- ★ TSSPDCL has installed IRDA Meters for 80,44,526 consumers as on 31st March, 2023 which is 80.13% 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, 2023, 15,300 No's of Prepaid meters were installed across Government offices in which 10,324 services were declared as Go-live from 01.07.2019 and are running successfully.

SCADA/DMS Project:

- ★ Supervisory Control and Data Acquisition (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 228Nos. of 33/11 kV Sub-Stations, under Distribution Management System (DMS) operation of all the 156 Nos. 11 kV feeders were commissioned in core city of Hyderabad and Communication System under SCADA, DMS project has been successfully completed and declared Go-live.

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 18 No.s Integrated Consumer Service Centres/73 No.s Consumer Service Centres 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 App (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 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 87.39% 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.

Auto Generation of Estimate:

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

URJA Mitra app:

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

Ease in HT Consumer billing:

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. In near future TSSPDCL is aiming towards implementation of E-office at section level also.

Implementation of ERP S/4 HANA:

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

CGRF Portal:

The Online CGRF Portal was developed and made live on 28.03.2022, to facilitate the consumers to lodge grievances to CGRF through online web-portal, without physical approach and thereby providing better services to consumers.

Quality Control Application:

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

HT CSC Application:

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

Online Payment of MATS Case Amounts:

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

Medical Credit Card Management System:

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

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

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

Online Legal Case Management System:

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

Property Returns Portal:

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

Employee Portal:

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

Self Billing Mobile App:

Provision is given to the consumers for self billing of their individual services through TSSPDCL Mobile App to ensure timely generation of the consumer bills during the pandemic times, when the department meter reader fails to generate the bills at the consumer premises.

Meter Billing App Using Android Mobile:

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

Outage Management System (OMS) Portal:

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

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. 2022-23:

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 nine years, TSSPDCL has been conferred with the following awards.

Rated 'A' Grade by Ministry of Power for F.Y. 2021-22:

The Ministry of Power has given a rating of "A" to TSSPDCL on Consumer Service Rating of DISCOMs 2021-22 which was formally unveiled by the Hon'ble Power Minister, Shri R.K. Singh, which make TSSPDCL one of the top Discom in the Country, recognizing the consistent & sustainable improvements that the Discom has shown in operational Reliability, Connection & Other services, Metering, Billing & Collections and Fault rectification & Grievance Redressal parameters during F.Y. 2021-22.

Independent Power Producers Association of India (IPPAI) Awards 2022:

Southern power Distribution Company of Telangana Limited (TSSPDCL) is the winner in IPPAI Awards 2022 under the categories "Best Distribution Company to promote consumer awareness" and "Best Performing Distribution Company (DISCOM)" at Karnataka at 23rd Regulators & Policy makers retreat 2023.

ICC - 11th Green Energy Summit & 3rd Edition of Green Urja and Energy Efficiency Award 2022":

TSSPDCL has won the award in "ICC – 3rd Edition of Green Urja and Energy Efficiency Award 2022 for discoms at New Delhi at the 11th Green Energy Summit 2022" for the following category

1. Winner (Silver) in Category – Top Roof Top Solar

ICC – 10th Innovation with Impact Award 2022:

TSSPDCL has won two awards in “ICC - 10th edition of Innovation with Impact Awards 2022 for discoms at New Delhi at the 16th edition of India Energy Summit 2022” for the categories like

1. 1st in Category – Technology Adoption
2. 3rd in Category – Performance Improvement

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 Special Chief Secretary, Energy Department, Government of Telangana, Chairman & Managing Director, TSTRANSCO & TSGENCO, Chairman & Managing Director of TSNPDCL, Secretary of TSERC, the other officials of the Govt. of Telangana, the Office of the Comptroller & Auditor General of India, the Bankers and the Financial Institutions and look forward to their continued support in the future.

Thank You,

Sd/-

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 Third Annual Report on the business and operations of your company together with the Audited Statements of Accounts for the year ended on 31st March, 2023.

1. Financial Results:

The financial results of the Company for the year ended 31st March, 2023 the Company could earn an aggregate income of Rs.34,254.70 Crore. The financial performance of the Company is as follows:

S.No	Particulars	2022-23 (in Crore)	2021-22 (in Crore)
1.	Revenue from Operations	33,957.03	29,045.55
2.	Other Income	297.67	127.41
	Total Income	34,254.70	29,172.96
3.	Power Purchase Cost	35,510.71	28,029.68
4.	Employee Benefit expense	3,081.10	1,994.96
5.	Operation and Other Expenses	348.71	312.77
6.	Interest and Finance Charges	2,500.58	2,345.77
7.	Depreciation	801.90	1,126.23
8.	Exceptional items	1.72	(4,217.55)
	Total Expenses	42,244.72	29,591.86
9.	Profit/(Loss) Before Tax	(7,990.02)	(418.90)
10.	Provision for Income Tax	-	-
11.	Deferred Tax Income Provision	(157.46)	(207.90)
	Net Profit/(Loss)	(8,147.48)	(626.80)

Note:- Previous year's figures have been re-grouped, wherever necessary.

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.5,550.21Crore (being 75% of total outstanding loans as on 30th September, 2015 of TSSPDCL).

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

The Government of Telangana has issued the G.O.No.15, Dated.18.06.2022 towards the takeover of Losses of 2017-18 to 2020-21 as per the clauses under the UDAY scheme for an amount of Rs.8,925.00 Crore for TS Discoms, out of which TSSPDCL share is of Rs.6,228.00 Crore (i.e. Rs.392.00 Crore towards 10% loss of 2017-18, Rs.1,242.00 Crore towards 25% loss of 2018-19, Rs.2,470.00 Crore towards 50% loss of 2019-20 and Rs.2,124 Crore towards 50% loss of 2020-21). The same is recognised during F.Y. 2021-22 under Revenue from Operations as the funds received from GoTS in the F.Y. 2022-23 before closure of financials for 2021-22.

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

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

Introduction

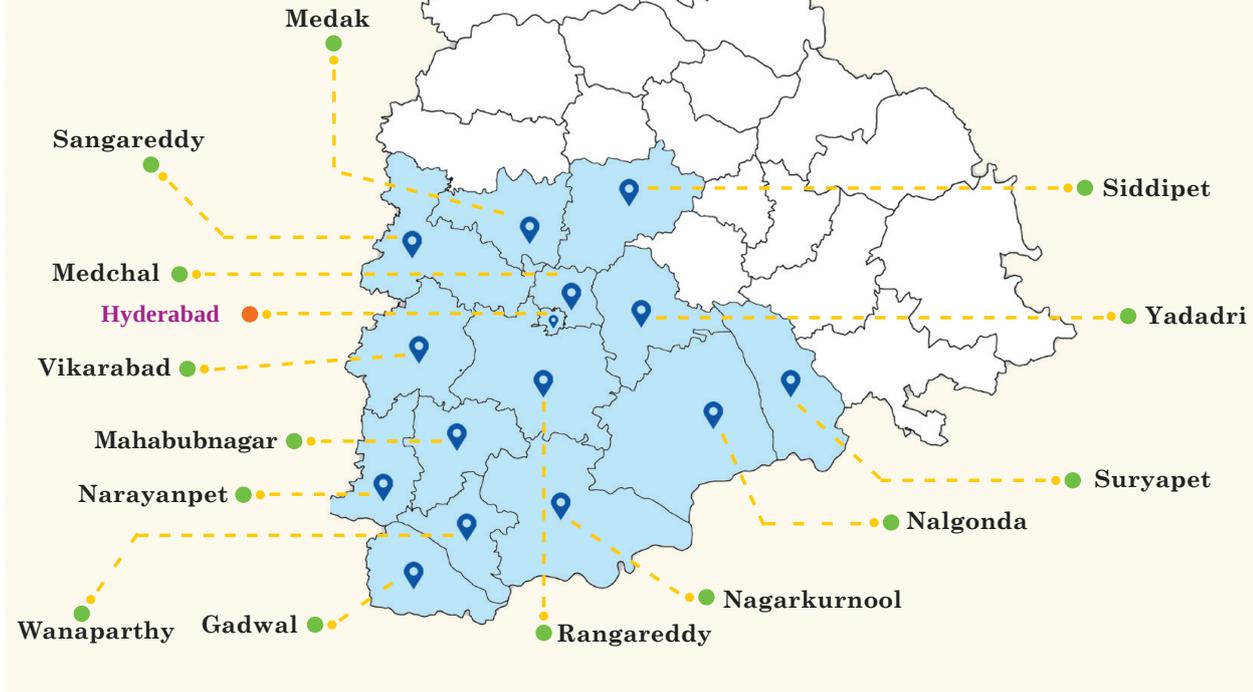
In exercise of the powers conferred under section 3 of the Telangana Districts (Formation) Act, 1974, the Governor of Telangana, in the interests of better administration and development of the area concerned, after taking into consideration of the objections and suggestions received from various people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

With a vision to fulfill the expectations of the Telangana Government Southern Power Distribution Company of Telangana Limited which came into being on 2nd June, 2014, with an objective of providing Electricity to the people at an affordable prices. TSSPDCL has 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 10.05 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.

TELANGANA STATE

TSSPDCL DISTRIBUTION



Operational Performance

Significant achievements during F.Y. 2022-23 are given below

- ★ The Company achieved metered sales of 34760.32 MU in F.Y. 2022-23 as against 30859.96 recorded during F.Y. 2021-22. The metered sales percentage to energy input was at 67.83% in F.Y. 2022-23 as compared to 65.95% in F.Y. 2021-22.
- ★ Energy input was at 51242.69 MU in during 2022-23 as against 46793.72 MU in the Previous Year (2021-22).
- ★ The peak period demand met in F.Y. 2022-23 is 9360 MW as against the Previous Financial Year 8792 MW.
- ★ The Company has supplied 12127.22 MU Energy to the Agriculture Sector as against 11724.6 MU previous year. The energy supplied to agricultural sector constitutes 23.67% of total energy input in F.Y. 2022-23. 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 in F.Y. 2022-23 was 188.60 MU as against 178.43 MU in the previous financial year.

Reduction of Energy Losses:

During F.Y. 2022-23, a number of measures were adopted that contributed to the on-going efforts to reduce energy losses. The initiatives include:

- ★ Energy Audit of 104 Towns and 172 Mandal Head Quarters. F.Y. 2022-23.
- ★ Impact of above measures is apparent. The energy losses in F.Y. 2022-23 are lower than the previous year. The Energy Losses percentage decreases to 8.50% in 2022-23 as against 9.00% in F.Y. 2021-22.
- ★ Arrested theft of power by regular Detection of Pilferage of Energy (DPE) wings by conducting inspections and special intensive inspections with the DPE & Operation Wings of all circles, during the F.Y. 2022-23, in both HT & LT connections Total 1,97,392 no. of cases were booked (as per dash Board) for various type of irregularities namely theft, Unauthorized Development Charges and back billing cases.

Projects Data

During F.Y. 2022-23 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 31.03.2022	Achievement in F.Y. 2022-23	Total as on 31.03.2023
1	No. of 33 / 11 KV Substations	1699	22	1721
2	Lines (in Km)			
	33KV	16424.19	204.92	16629.11
	11KV	111317.75	3827.20	114604.95
	Low Tension	238697.62	4426.30	243123.92
3	High Voltage Distribution System (HVDS) for (DTRs)	32669	0	32669
	High Voltage Distribution System (HVDS) for Agriculture Pump Sets	95219	0	95219

4. Telangana Solar Power Policy 2015:

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

This policy of 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 Value added tax (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	4042.50	4042.50	2851.98
	Hydel	2572.20	2389.91	1686.08
2	Central Sector	19129.00	3228.90	2296.89
3*	Non Conventional (Sale to Discoms)	5299.55	5299.55	3714.41
4	Others	3270.00	3039.45	2144.41
Total		34313.25	18000.30	12693.69

* Synchronized to grid values.

Solar and Wind Power Projects Synchronized to the grid

Solar Power Projects	Sale to DISCOM in MW		Third Party & Captive in MW	Solar Net Meter (Roof Top) in MW	Total (MW)
	Solar PPA	Wind PPA			
	4992.00	128.10	518.29	295.60	5933.99

Long Term Power Procurement through competitive Bidding

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

Roof Top Solar (RTS)

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

The Roof top solar systems installed capacity up to F.Y. 2022-23 is 267.96 MW

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

- ★ Under the phase II of GCRT Solar programme, The MNRE has allocated 10.78 MW for F.Y. 2019-20 and 20 MW for F.Y. 2020-21 and 40 MW for F.Y. 2021-22 for RTS system implementation in residential sector.
- ★ Accordingly, TSSPDCL has entered Memorandum of Understandings (MoU) 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 284.36 MW capacity as on 01.06.2023 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	9.483 MW	25.02.2022
2021-22	40.00 MW	4.374 MW	19.01.2024

5. Dividend

As there are no Profits from operations, the Directors do not recommend any dividend in the F.Y. 2022-23.

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, 2023.

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. 41.**

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

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

S. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1.	30.05.2022	12	12	100
2.	27.07.2022	12	12	100
3.	27.08.2022	12	11	91.66
4.	29.09.2022	12	11	91.66
5.	28.11.2022	12	11	91.66
6.	25.02.2023	12	12	100

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

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

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

During the year, no corporate insolvency resolution process was initiated under the Insolvency and Bankruptcy Code, 2016, either by or against the Company, before National Company Law Tribunal. The details of TSSPDCL claims in NCLT as on 31.03.2023 are as follows:-

TSSPDCL - NCLT CASES as on 31.03.2023

Sl. No	Circle Name	Company Name & CP(IB) No.	Dues/Claim Amt (in Lakhs)	Status
1	Cybercity	M/s. Saptarishi Hotels Pvt Ltd CP(IB) No.599/7/HDB/2019	8.26	Under Liquidation
2	Central Circle	M/s.Talwalkars Better value Fitness Pvt.Ltd 1056/NCLT/MB/C-IV/2020	7.63	Under Liquidation
3	Central Circle	M/s.IVRCL Limited.IA No. 435/2018 in CP(IB) No. 294/7/HDB/2017	21.54	Under Liquidation

4	Habsiguda	M/S.kadevi Engineering Company10/7/HDB/2017	17.79	Under Liquidation
5	Habsiguda	M/S.galada Continuous Castings384/7/HDB/2018	58.34	Under Liquidation
6	Rajendra Nagar	M/s. Ennar Steels & Alloys Pvt. Ltd. 39/10/HYD/2022	1608.15	CIRP Process
7	Rajendra Nagar	M/s. Suryajyothi Spinning Mills Ltd 166/7/HDB/2019	3330.46	Under Liquidation
8	Mahboobnagar	M/s. Btt Industries Ltd. 341/7/HDB/2019	2387.64	CIRP Process
9	Mahboobnagar	M/s. B&A Best Health Care Pvt. Ltd. 243/7/HDB/2021	2.77	CIRP Process
10	Mahboobnagar	Shree Rangam Ispath Pvt Ltd 325/7/HDB/2021	1101.41	CIRP Process
11	Medchal	M/s.Leo Meridian Infrastructure 43/7/HDB/2018	106.09	CIRP Process
12	Medchal	M/s. B.S Transcom Ltd 278/7/HDB/2018	32.09	Under Liquidation
13	Nalgonda	M/s. Coastal Power Projects Ltd.593/KB/2017	21.99	CIRP Process
14	Nalgonda		20.90	
15	Nalgonda	M/s. Kamineni Steel and Power 11/10/HDB/2017	2055.64	Under Liquidation
16	Sangareddy	M/s.Shivani Alloys Steels Casting Ltd 206/10/HDB/2019	250.47	CIRP Process
17	Sangareddy	M/s.Sujana Towers Ltd.679/7/HDB/2018	12.94	CIRP Process
18	Sangareddy	M/s.Fenoplast Limited. 10/2022	89.53	CIRP Process
19	Vikarabad	M/s.Rajveer Industries Ltd. IA No. 788 of 2021 in CP.No. 747 of 2019	918.76	CIRP Process
20	Vikarabad	M/s. Golconda Textiles Ltd. 94/7/2022	186.00	CIRPProcess
21	Yadadri	M/s. Sri Ramagiri Spinning Mill 145/7/HDB/2018	42.71	Under Liquidation
22	Cybercity	M/s.IVRCL Limited IA No.1112/2022 in CP(IB) No. 294/7 HDB/2017	112.38	Under Liquidation
23	Rajendra Nagar	M/S Millenium Appliances 509/ 2018	29.15	CIRP Process
24	Sangareddy	M/s.Reliance Communication Ltd 1385/2018	116.55	CIRP Process
25	Rajendra Nagar	M/s IL & FS Environmental I&S Ltd.	38.19	CIRP Process
26	Mahoobnagar	M/s.Rajveer Industries Ltd 747/7/HDB/2019	418.42	CIRP Process
27	Sangareddy	M/s.Priyadarshini Spinning Mills Ltd. 369/10/HDB/2019	3187.16	Under Liquidation
TOTAL			16182.96	

The details of TSSPDCL appeals in NCLAT, Chennai as on 31.03.2023 are as follows:-

Sl.No	Circle Name	Company Name & Case No.CA. No.lakh	Amt for Appeal Rs. in
1	Rajendra Nagar	M/s Vaksh Steel Ltd.,177/2021	3123.27
2	Rajendra Nagar	M/s. Glade Steels Pvt. Ltd.108/2022	1609.96
3	Sangareddy	M/s.SujanaMetals Products Ltd.	
4	Sangareddy	M/s.Techtron Polylenses Ltd192/2021	94.47
5	Suryapet	M/s. Sri MATA Infrastructure Ltd.	151.47
TOTAL			4979.17

The details of TSSPDCL appeals in NCLAT , appeals in Supreme Court against NCLAT orders as on 31.03.2023.

Sl.No	Circle Name	Company Name	Dues/Claim Rs. in lakh
1	Suryapet	M/s.Bheema Cements Ltd. 4587/2022	3620.19
2	Sangareddy	Omicron Biogenesis Ltd. (Tradeinox Industries Ltd.) Dairy No. 14245 of 2023	711.50
TOTAL			4331.69

11. 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. 2022-23 on a going concern basis; and
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. 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 **Page No. 52.**

Secretarial Auditor Report along with Management Reply is enclosed at Annexure – **C. Page No. 83.**

13. 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.

14. 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).

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

Rs. (8,147.48) Crore has been carried to Reserves for the F.Y. 2022-23.

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

NIL

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

Statement is enclosed at Annexure–D. Page No. 84.

18. 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. 8,147.48 Crore and Total Indebtedness of the company Rs.22,116.73 Crore. Ujwal Discom Assurance Yojana (UDAY), a Scheme for the Financial Turnaround of the Power Distribution Companies (DISCOMs) was announced/approved vide Ministry of Power, Government of India; details are mentioned in Item No. 2 of the Directors Report.

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

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

The Corporate Social Responsibility (CSR) Committee composition as on 31.03.2023 as follows:

SL. No	Name	Designation
1	Sri Sunil Sharma, IAS.,	Special Chief Secretary to Government, Energy Department
2	Sri C. Srinivasa Rao, IRAS (Retd.)	JMD/TSTransco
3	Sri P. Shyam Sunder	Assistant Secretary to Government., Finance Department
4	Sri P. Narasimha Rao, IRS	Director/Finance/TSSPDCL

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

The Borrowing Committee composition as on 31.03.2023 is as follows:

SL. No	Name	Designation
1	Sri G. Raghuma Reddy	Chairman and Managing Director/TSSPDCL
2	Sri P. Narasimha Rao, IRS	Director/Finance/TSSPDCL
3	Sri T. Srinivas	Director Projects & IT/TSSPDCL
4	Sri P. Shyam Sunder	Assistant Secretary to Government., Finance Department
5	Sri V. Anil Kumar	Company Secretary/TSSPDCL - Convener

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

The Present constitution of Nomination and Remuneration Committee composition as on 31.03.2023 is as follows:

SL. No	Name	Designation
1	Sri Sunil Sharma, IAS.,	Special Chief Secretary to Government, Energy Department
2	Sri C. Srinivasa Rao, IRAS (Retd.)	JMD/TSTransco
3	Sri P. Shyam Sunder	Assistant Secretary to Government., Finance Department
4	Sri P. Narasimha Rao, IRS	Director/Finance/TSSPDCL

22. 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. 8,147.48 Crore, the Company couldn't spend any amount on CSR. Hence this clause is not applicable.

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

23. Details of the Directors/ KMP – Appointed and Resigned – Rule 8(5)(III) for F.Y. 2022-23

Name of the Director	Disignation	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	05.09.2018	NA
Sri K. Ramulu	Director/Commercial	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 G. Gopal	Director/(Energy Audit, DPE & Assessment)	13.07.2021	
Sri Sunil Sharma, IAS	Special Chief Secretary to Government, Energy Department (Nominee Director)	22.10.2021	NA
Sri P. Shyam Sunder	Assistant Secretary to Government, Finance Department (Non-whole time Director)	08.09.2021	NA
Sri C. Srinivasa Rao, IRAS (Retd.)	Nominee Director	04.03.2017	NA
Sri V. Anil Kumar	Company Secretary	21.07.2015	NA

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

NIL

25. 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.,

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

Statement showing the Circle wise details of court cases amount pending as on dated 31.03.2023.

(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	-0.07	84	181.40	101	181.33
2	Cybercity	0	0.00	74	26.82	74	26.82
3	Gadwal	0	0.00	3	0.01	3	0.01
4	Habsiguda	36	0.35	131	52.43	167	52.78
5	Hyderabad Central	29	0.16	65	129.03	94	129.18
6	Hyderabad South	54	0.22	26	39.01	80	39.22
7	Mahaboobnagar	0	0.00	64	35.44	64	35.44
8	Medak	0	0.00	25	58.81	25	58.81
9	Medchal	22	0.02	178	139.04	200	139.06
10	Nagarkurnool	0	0.00	7	3.17	7	3.17
11	Nalgonda	65	0.32	168	202.59	233	202.91
12	Narayanpet	0	0.00	3	3.00	3	3.00
13	Rajendra Nagar	326	3.26	222	312.76	548	316.01
14	Sangareddy	0	0.00	218	358.91	218	358.91
15	Saroornagar	55	0.05	28	69.20	83	69.24
16	Secunderabad	37	-0.01	77	37.82	114	37.82
17	Siddipet	0	0.00	18	14.63	18	14.63
18	Suryapet	11	0.03	109	275.78	120	275.81
19	Vikarabad	0	0.00	10	191.35	10	191.35
20	Wanaparthy	0	0.00	5	0.02	5	0.02
21	Yadadri	9	0.01	67	37.50	76	37.50
Total		661	4.33	1582	2168.70	2243	2173.03

27. 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 as on 31-03-2023.

SL. No	Name	Designation
1	Sri Sunil Sharma, IAS	Special Chief Secretary to Government, Energy Dept.,
2	Sri C. Srinivasa Rao, IRAS (Retd.)	JMD/TSTransco
3	Sri P. Shyam Sunder	Assistant Secretary to Govt., Finance Department
4	Sri P. Narasimha Rao, IRS	Director/Finance/TSSPDCL

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. 2022-23.

28. Particulars of the Employees & Employee Welfare

1. Manpower: The manpower (officers and staff) stood at 20,836 for the F.Y. 2022-23 when compared to the 19,844 for the F.Y. 2021-22.

The category wise employee's filled is indicated below:

Sl. No	Name of the Category	F.Y. 2022-23	F.Y. 2021-22
1	Engineering service	2,655	2,376
2	Accounts and P&G service	2,111	1,726
3	O&M and construction service	6,390	6,391
4	Others (including deputations)	97	91
5	Artisan's	9,133	9,260
Total		20,386	19,844

2. Training to Employees: During F.Y. 2022-23 training has been imparted to 3,161 employees on new technologies in Power sector, IT initiative, HR activities.

3. Employees welfare: Total 153 (100 are Regular Employees + 53 are Artisans) dependents of deceased employees have been provided employment in the Company under compassionate grounds.

29. 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.

The Vigil Mechanism Committee composition as on 31.03.2023 as follows:

SL.No	Name	Designation
1	Sri Sunil Sharma, IAS.,	Special Chief Secretary to Government, Energy Department
2	Sri C. Srinivasa Rao, IRAS (Retd.)	JMD/TSTransco
3	Sri P. Shyam Sunder	Assistant Secretary to Government., Finance Department
4	Sri P. Narasimha Rao, IRS	Director/Finance/TSSPDCL

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

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

SI. No	Name	Designation
1.	Smt. K. Sudha Madhuri, Chief General Manager/Revenue/ TSSPDCL	Chairperson
2.	Smt. G. Satyamma, Now DE/Construction/ Habsiguda	Member
3.	Sri P Srinath Reddy, DE/OP/ Medchal	Member
4.	Sri K. Satish Kumar, Ex- DE/TSERC	Member
5.	Smt. C. Rama Sree, DE/CSC/Corporate office	Member
6.	Kum. P.A. Jyothirmayi, DE/IT Wing/Corp. Office	Member

31. Internal Audit

The Board approved the following firms as Internal Auditors for the F.Y. 2021-22 and 2022-23 at the Board Meeting held on 30.03.2021.

S.No	Circles/set of Circles	Chartered Accountant Firm	L1 Per Months(Rs)	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. Tirupathaiah & 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

32. Legal Entity Identifier (LEI)

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

33. 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. 2022 -23.

Secretarial Auditor:

M/s. KCC & Associates, Company Secretaries was appointed as Secretarial Auditors of the Company for the F.Y. 2022-23.

Cost Auditor:

M/s. B.V.S. & Co, Cost Accountants was appointed as Cost Auditors of the Company for the F.Y. 2022-23.

34. Acknowledgements

We thank and acknowledge the invaluable support and co-operation of the Chairman & Managing Directors, TS Transco and TSGenco, TSNPDCL, 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

Sd/-

Sri T. Srinivas
Director Project & IT
Director (Finance) FAC
DIN: 0666674

Sd/-

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

Place : Hyderabad
Date : 30.09.2023

ANNEXURE A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2023

[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-2022]				No. of Shares held at the end of the year [As on 31-March-2023]				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	12,01,79,30,297	1,20,17,93,02,970	99.99%	0	12,01,79,30,297	1,20,17,93,02,970	99.99%	Nil
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	9	90	0.01%	0	9	90	0.01%	0
Total shareholding of Promoter (A)	0	12,01,79,30,306	1,20,17,93,03,060	99.99%	0	12,01,79,30,306	1,20,17,93,03,060	99.99%	Nil
B. Public Shareholding	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	12,01,79,30,306	1,20,17,93,03,060	100%	0	12,01,79,30,306	1,20,17,93,03,060	100%	Nil

B) Shareholding of Promoter -

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

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

S.No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2022)			Shareholding at the end of the year (31.03.2023)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	
1.	Sri Sunil Sharma, IAS, Special Chief Secretary to Government, Energy Dept., Director/ (Non-Whole Time)/TSSPDCL	2	0	0	2	0	0	0
2.	Sri D. Prabhakara Rao, Chairman and Managing Director/TSTransco & TSGenco	1	0	0	1	0	0	0
3.	Sri C. Srinivasa Rao, IRAS (Retd.) JMD/TSTransco	1	0	0	1	0	0	0
4.	Sri G. Raghuma Reddy Chairman and Managing Director /TSSPDCL	2	0	0	2	0	0	0
5.	Sri J. Srinivasa Reddy, Director /Operations / TSSPDCL	1	0	0	1	0	0	0
6.	Sri T. Srinivas Director (Projects & IT) /TSSPDCL	1	0	0	1	0	0	0
7.	Sri P. Narasimha Rao Director/Finance/ TSSPDCL	1	0	0	1	0	0	0

8.	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: 31.03.2023
(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: 31.03.2023

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	1,55,10,33,67,292	29,83,57,92,979	-	1,84,93,91,60,271
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	1,55,10,33,67,292	29,83,57,92,979	-	1,84,93,91,60,271

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
* Addition	5,51,35,83,000	66,99,39,69,588	-	72,50,75,52,588
* Reduction	26,68,75,53,141	1,85,33,25,477	-	28,54,08,78,618
Net Change	21,17,39,70,141	65,14,06,44,111	-	43,96,66,73,970
Indebtedness at the end of the financial year				
i) Principal Amount	1,33,92,93,97,151	94,97,64,37,090	-	2,28,90,58,34,241
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	1,33,92,93,97,151	94,97,64,37,090	-	2,28,90,58,34,241

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	Gampa Gopal Director
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	48,10,361	42,18,432	40,13,822	28,55,625	60,78,411	28,37,475	28,95,555	31,82,565	22,84,355
2.	Stock Option	NA	NA	NA	NA	NA	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA	NA	NA	NA	NA	NA
4.	Commission - as % of profit - others, specify...	NA	NA	NA	NA	NA	NA	NA	NA	NA

5.	Others, please specify (Total deductions Professional Tax & Income Tax)	14,23,422	10,28,236	9,94,316	7,20,456	17,88,662	7,51,934	7,55,486	7,41,049	4,37,571
Total (A)		33,86,939	31,90,196	30,19,506	21,35,169	42,89,749	20,85,541	21,39,709	24,41,516	18,46,784
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 Sunil Sharma, IAS, Special Chief Secretary to Govt., Energy Dept., Director (Non Whole Time) /TSSPDCL	Sri P. Shyam Sunder, Assistant Secretary to Govt., Finance Dept., Director (Non Whole Time) /TSSPDCL	Sri C. Srinivasa Rao, IRAS(Retd), 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
	Total Amount	60,000/-	60,000/-	50,000/-
	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	20,16,690	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	2,38,826	NA	NA
	Total		17,77,864		

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 & REPLIES OF TSSPDCL FOR F.Y. 2022-23

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, 2023 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, 2023, 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.115.01 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.

Ten percent of the cost of capital works is capitalized towards Employee cost and Administrative & General Expenses, as the operation circles are executing both capital works and operation & maintenance works, and it is not practicable to maintain records to identify the man hours spent by the staff on capital works.

<p>b) As stated in Accounting Policy No.1.8, recognition of the contributions received from consumers and specific grants from the State/ Central governments or their agencies for creation of tangible assets as “Reserves” on receipt basis, even before the creation of the said assets and adjustment of the same against depreciation on the proportionate value of the assets built out of the said contributions and grants, instead of the specific assets created with the said contributions/grants, which is contrary to Accounting Standard 12 “Accounting for Government Grants”.</p>	<p>The construction of assets takes place on a large scale on a continuation basis with the different sources of finance (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>c) Non-recognition of the “parcels of land” received at free of cost from State Government and its agencies in the books of account, as required by Accounting Standard 12 “Accounting for Government Grants”.</p>	<p>The Land and parcels available at various field units have been received; however some of the land and parcels of land are yet to be received. The records pertaining to these are being maintained at respective division and circle level.</p>
<p>2) Consequent to the creation of the State of Telangana, in accordance with the Andhra Pradesh Reorganization Act, 2014, the Ananthapur and Kurnool operating business circles of the company have been reassigned to APSPDCL with effect from 2nd June, 2014 in accordance with G.O.Ms.No.24 dated 29th May, 2014 issued by State of Andhra Pradesh. The company has recognized the transfer of assets and liabilities in the financial year 2015-16 of these two Circles in its books of account, as per the “Basis of Apportionment” mentioned in the said G.O. which is approved by the Expert Committee constituted by the Government of India, which is computed under the “pooling of interest” method. The company instead of recognizing the share of the said two Circles in the “Share Capital” of Rs.325.28 Crore as a reduction in the share capital, recognized Rs.723.01 Crore as “Capital Reserve” resulting in understatement of its negative net-worth by Rs.1,048.29 Crore and consequential overstatement of “Receivables.”</p>	<p>The Expert Committee appointed by the Government of India has finalized the bifurcation of Assets and Liabilities between the APSPDCL and TSSPDCL and approved the same on 15.03.2018 duly signed by the CMDs of both the Discoms, the Chairperson and Members of the Expert Committee. The bifurcation of Assets and Liabilities was independently audited and certified by M/s. Sharad & Associates. Post bifurcation issues are still pending between Andhra Pradesh and Telangana.</p>

<p>3) Amount of Rs.3,459.65 Crore towards surcharge on late payment payable to Singareni Thermal Power Plant (STPP) for the financial years 2019-20, 2020-21, 2021-22 & 2022-23 is neither paid nor provided in the books of account but disclosed under Contingent liabilities, resulting in understatement of Reserves & Surplus and Trade Payables to the same extent.</p>	<p>Singareni Thermal Power Plant (STPP) has raised Late Payment Surcharge (LPS) to the extent of Rs. 3,459.65 Crore against TSSPDCL to the end of F.Y. 2022-23.</p> <p>The Hon'ble TSERC does not allow the Late Payment Surcharge (LPS) in the Aggregate Revenue Return (ARR) filed by TSSPDCL and there is no matching Cash Inflows to pay the LPS to M/s. Singareni Thermal Power Plant (STPP). Further, any additional expenditure incurred by TSSPDCL over and above the ARR will be an additional cost & financial burden to the consumer of the TSDisocms.</p> <p>TSPCC/TSSPDCL and STTP are both the State owned Government Organizations and any additional expenditure in the form of Late payment Surcharge (LPS) will only burden to the consumers of Telangana State.</p> <p>Therefore, a letter was addressed to CMD/STTP to consider the request to TSDCOMS for waiver of the LPS claimed in the larger interest of the State.</p>
<p>4) Short term Borrowings include working capital loan from TSTransco and balance carried in books is Rs.1,318.82 Crore. However, balance as per the confirmation letter from the party is Rs.1,303.11 Crore reflecting a difference of Rs.15.70 Crore. Pending reconciliation of the difference amount, correctness of the balance in the financial statements could not be ascertained and consequent impact on the financial statements could not arrived at.</p>	<p>Due to data migration certain differences were arising in short term borrowing for an amount of Rs.15.70 Crore and the same will be reconciled and cleared in next financial year.</p>
<p>5) During the Financial Year 2018-19 the company has forfeited Bank Guarantees of Rs.52.13 Crore and recognised the same as income for that Year. This amount includes Rs.9.13 Crore pertaining to Kurnool and Ananthapur districts under Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL). This has resulted in understatement of Provisions and</p>	<p>It is to submit that, out of forfeited Bank Guarantee of Rs.52.13 Crore, the share of Ananthapur and Kurnool circles is Rs.9.13 Crores which is to be payable to APSPDCL as the said two circles are merged with APSPDCL consequent on Bifurcation of State from 02.06.2014 and to this effect a letter dated 7th June, 2019 has received from APSPDCL requesting to transfer the said amount.</p>

<p>overstatement of Reserves & Surplus by Rs.9.13 Crore for the Year ended 31st March, 2023.</p>	<p>Further, it is to submit that, as the subject matter falls within the bifurcation issue and Apportionment of Assets and Liabilities in respect of Ananthapur and Kurnool circles is not yet finalized, this element will be considered while arriving the net settlement of Assets and Liabilities.</p>
<p>6) We are informed by the Company that no physical verification of Property, Plant and Equipment has been carried-out during the year under report. Accordingly, we are unable to comment regarding any material discrepancies between the fixed assets register and the assets physically available.</p>	<p>To the extent possible at lease major assets such as PTR/33 kV lines proposed to be taken up physical verification.</p>
<p>7) The cost of Lands as per Books of accounts as on the 31.03.2023 is amounting to Rs.8.64 Crore. As per the information provided there are 1781 properties held by the Company. However, title deeds including letters of alienation/allotment/physical handing over of the property are available only for 527 properties and not available for the rest of 1254 land properties. Due to lack of information the impact on the books of accounts was not ascertained.</p>	<p>The parcels of Land and property held by the company and its title deeds including letters of alienation/allotment /physical which are available were furnished; however some of the land and parcels of land are yet to be received from the field officers. The records pertaining to lands and land rights are being maintained at respective division and circle level.</p>
<p>8) Actuarial valuation carried to arrive at Gratuity liability as on 31.03.2023 and as on 31.03.2022 was made on the assumption that the maximum limit for gratuity payment is Rs.16,00,000/- and Rs.12,00,000/- respectively. However, limit as per The Payment of Gratuity Act, 1972 is Rs.20,00,000/-. The impact of variance in the assumption could not be quantified as the same has to be arrived at through actuarial valuation.</p>	<p>As per AS 15 (Revised 2005), to determine the Present Value of Defined Benefit Obligation and the related Service Costs in the Gratuity liability the maximum limit of Rs.16,00,000/- is considered. The Government of Telangana has enhanced the maximum limit of Retirement Gratuity from Rs.12.00 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 adopted by TSSPDCL, the defined benefit obligation in respect of Gratuity was considered as 16.00 Lakhs while carrying out actuarial valuation as per the prevailing orders issued by the company vide SP.O.O. JS (IR&L) Ms.No.731 Dated: 21.04.2023.</p>

	<p>Accordingly, the Company has provided the provision for defined benefit obligation towards Gratuity for an amount of Rs.97.42 Crore in respect of employees recruited on or after 01.02.1999.</p> <p>Hence, there is no understatement of employee benefit expenses. The maximum ceiling of Rs. 20.00 Lakhs will be consider while arriving the defined benefit obligations for the next financial year subject to issue of GOs.</p>
<p>9) Long Term Investments in the Balance Sheet are carried at cost at Rs.426.01 Crore. The management has not accounted for the permanent diminution in the value of investments amounting as on 31.03.2023 as per the requirement of Accounting Standard - 13 “Accounting for Investments”. Due to non-availability of audited financial statements of APPDCL for F.Y. 2022-2023, we are unable to ascertain its impact on the financial statements.</p>	<p>TSSPDCL (Erstwhile APCPDCL) has invested an amount of Rs.426.01 Crore in the Andhra Pradesh Power Development Company Limited (APPDCL) during the financial years from 2009-10 to 2014-15 for which the APPDCL has issued No. of equity share of 42,60,10,000 of Rs.10 each.</p> <p>Further it is to submit that, as per A.P. Re-organization Act, 2014, two districts of Ananthapur and Kurnool were demerged from TSSPDCL to APSPDCL. As per G.O.M.s No. 24 Dated: 29.05.2014, the share of investment of APPDCL of Rs.74.34 Crore was transferred to APSPDCL in energy ratio. But the final Apportionment of Assets and Liabilities in respect of Ananthapur and Kurnool is not yet finalized. The revaluation of investment in APPDCL as per the Accounting Standard-13 will be considered duly arriving actual share of TSSPDCL after final settlement.</p>
<p>10) We report that the following accounts have not been reconciled as at 31st March, 2023 and accordingly we are unable to express an opinion on the effect of said un-reconciled amounts on the financials of the company for the year:</p>	
<p>a) Inter units’ accounts with a credit balance of Rs.114.7 Crore.</p>	<p>The Company is making all efforts in clearing the balance in this account. During the year the company has reconciled all balances and the balance existing of Rs.114.70 Crore (Previous year Rs.23.62 Crore), out of which an amount of Rs.106.24 Crore were reconciled and cleared during the F.Y. 2023-24. However, there are few legacy transactions involved in balance and the Company is doing the reconciliation for clearing all pending items.</p>

<p>b) Amount appearing under loan clearing (CPDCL) account with a debit balance of Rs. 3.68 Crore)</p>	<p>During the year under review, the balance in this account has been made Zero. However certain items of previous year still exists efforts will be made to clear the same.</p>
<p>11) Overall impact of the above Qualifications which are quantifiable is as follows:</p> <p>a) Understatement of Net loss for the year – Rs.3,467.85 Crore.</p> <p>b) Understatement of Negative Net worth – Rs.4,516.14 Crore.</p>	<p>Informative only</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</p>	<p>Informative only</p>

<p>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>3) We draw your attention to Note No. 24 where in Employee benefit expenses does not include provision for Pension & Gratuity liability of Rs.7,819.05 Crore pertaining to 76% of employees who were on rolls as on 31.01.1999 as the liability of the same is met by TSGenco Master Trust over the years as per the tripartite agreement.</p>	<p>Informative only</p>
<p>4) We draw your attention to Note No. 21 (b) (ii) – Revenue from Operations, wherein the Electricity duty of Rs.205.50 Crore is collected from customers and remitted the government is not reflected under “Revenue from operations”.</p>	<p>It is to submit that, sub-section (1) of section 3 of Electricity Duty Act read with Amendment Act no. 1 of 1994, provides for levy of Electricity Duty to the consumers and payable to the State Government every month at the rate of six paise per unit on energy sold to the consumers by the licensee other than Railways and Central Government.</p> <p>Electricity Duty raised and collected from consumer is being paid to the Government. The same is neither revenue not expenditure to the licensee. Hence, Electricity Duty is excluded completely from the revenue from operation.</p>
<p>5) We draw your attention to Note No. 1.6 under Significant accounting policies and Note No. 11 – Depreciation, wherein the company has re-evaluated “Useful life” of Plant Property & Equipment to align with depreciation rates as prescribed by Central Electricity Regulatory Commission (CERC) from earlier rates as prescribed by Ministry of Power.</p>	<p>Depreciation on Property Plant and Equipment is provided under the ‘Straight Line Method’ up to 90% of the original cost of assets, at the rates Notified by the Hon’ble Central Electricity Regulatory Commission (CERC) which is mandatory for Licensees, Accordingly, the rates of Depreciation as per the CERC Notification were adopted during the current financial year i.e. 2022-23. The Same is disclosed in Note No. 1.6 under Significant accounting policies and Note No.11 Property Plant, Equipment and Intangibles.</p>

6) We draw your attention to Note No. 1.16 (b) under Significant accounting policies and Note No. 23-Power Purchase cost, which also includes payments made towards prior periods with respect to Late Payment Surcharges, adjustment of banking energy units, Compensation amounts and adjustment of excess energy units supplied over and above agreed quantity of energy under the PPAs based on final decision taken TSPCC during the year.

The issues referred to TSPCC and decisions taken at TSPCC are generally applicable to both Telangana Discoms in order to have uniform procedure including significant accounting policies. TSPCC decisions are adopted at TSSPDCL for implementation and practice.

TSSPDCL has closed the Accounts based on the cut-off date fixed for F.Y. 2022-23. Therefore, Late Payment Surcharges, adjustment of banking energy units, Compensation amounts and adjustment of excess energy units supplied over the cost is considered in subsequent years. However, it is assured that, the audit observation will be complied in future.

7) 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.23,64,48,074/- and Bank excess, representing amounts credited by banks but not appearing in the books of account of the company of Rs.42,47,57,520/- as 31st March, 2023. It is observed that these balances are long pending for reconciliation resulting in mis-statement Trade receivables. Year wise particulars are given under:

(Amount in Rs.)

F.Y. Year	Baord Excess	Bank Excess
2009-10	19,87,018	5
2010-11	43,212	-
2011-12	88,915	-
2012-13	77,721	54,40,467
2013-14	34,869	1,21,59,092
2014-15	26,510	33,44,547
2015-16	11,819	34,43,626
2016-17	12,283	1,18,80,570
2017-18	74,686	1,83,16,409
2018-19	28,62,657	1,22,48,471
2019-20	57,708	92,93,671
2020-21	58,320	1,16,24,737
2021-22	7,29,600	2,39,13,111
2022-23	23,03,82,756	31,30,92,814
Total	23,64,48,074	42,47,57,520

All efforts are being made continuously for clearing of pending Board and Bank excess. Further it is to stated that, an amount of Rs.22.31 Crore have been cleared against Rs.23.64 Crore of Board excess and Bank excess of Rs. 23.13 Crores against the Rs.42.47 Crore cleared during the current financial year (2023-24). For Balance of Board Excess amount of Rs.1.33 Crore and bank excess for an amount of Rs.19.34 Crore will be cleared consequently.

8) 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>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's and widely scattered, the balance appearing in SAP may be treated as final.</p>
<p>b) Balances due from/to various consumers/ customers.</p>	<p>Necessary steps will be taken for the confirmation from power purchase creditors and consumer/ customers during the next financial year.</p>

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

Material Uncertainty related to Going Concern

We draw attention to Note No. 42 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to (standalone) financial statements in place and the operating effectiveness of such controls.

- ★ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- ★ Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ★ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to 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 Section 143(5) of the Act, we have considered the directions/ sub-directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the financial statements of the Company are given in the Annexure A .	Informative only
2) As required by 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 with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B .	Informative only
<p>h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:</p> <p>Being a Government company, the company is exempted from the provisions of section 197 (16) of the Act regarding remuneration to Directors vide Notification GSR- 463 (E), dated 5th June, 2015 issued by Government of India, Ministry of Corporate Affairs.</p>	Informative only
i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:	

<p>i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.</p>	<p>Informative only</p>
<p>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.</p>	<p>Informative only</p>
<p>iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.</p>	<p>Informative only</p>
<p>iv) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;</p>	<p>Informative only</p>
<p>b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;</p>	<p>Informative only</p>

<p>c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.</p>	<p>Informative only</p>
<p>v) The Company has not declared dividends during the financial year under audit.</p>	<p>Informative only</p>
<p>3) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure C, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.</p>	<p>Informative only</p>

The **ANNEXURE A** referred to in “Report on Other Legal and Regulatory Requirements” paragraphs of our Independent Auditor’s report of even date on the financial statements of members Southern Power Distribution Company of Telangana Limited (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 in the integrity of the accounts along with the financial implications, if any, may be stated.	<p>Yes, the Company has a system in place to process all the accounting transactions through SAP IT system. During Financial Year 2022-23, all the accounting transactions have been processed through IT system.</p> <p>However, for preparation of financial statements some manual interventions are carried out.</p>	
		<p>Major discrepancies in certain areas are given hereunder:</p> <ol style="list-style-type: none"> 1. Payroll system module is not fully integrated with finance system module, resulting in a difference of Rs.3.63 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 un-cleared credit balance of Rs.114.70 Crore. 	<p>Payroll module has been operational since 2012. The legacy data is yet to be taken into payroll module, steps will be taken to reconcile the same.</p> <p>The company is making all efforts in clearing the balance in this account. During the year the company has reconciled to certain extent of Rs.114.70 Crore (Previous year Rs.8.85 Crore), out of which 106.24 crore were</p>

		<p>3. Revenue module is not fully integrated with FICO module and Revenue module but the variances are reconciled.</p>	<p>reconciled and cleared in current F.Y. 2023-24. However, there are few legacy amounts involved in the balance, same will be reconciled and cleared on priority basis.</p> <p>All efforts are made to integrate revenue module with FICO Module.</p>
2	<p>Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).</p>	<p>During the year under consideration, there is no case of restructuring of any existing loan or case of waiver/write off of debts/loans/interest etc. by a lender to the Company except in the case of conversion loan into Grants as detailed under;</p> <p>a) Part-A SCADA Government of India loan under R-APDRP amounting to Rs.22.66 Crore along with accrued interest of Rs.11.45 Crore into Grants.</p> <p>b) Part-B Government of India loan under R-APDRP amounting to Rs.193.03 Crore along with accrued interest of Rs.64.24 Crore into Grants.</p> <p>The same are properly accounted in the books.</p>	<p>Informative only</p>
3	<p>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.</p>	<p>According to the information and explanation given to us and on the basis of our verification of the records funds received/receivable from Central/State Governments or its agencies under various projects/schemes have been properly accounted for and released to the beneficiaries/spent/utilized as per guidelines and terms & conditions as mentioned in the relevant sanction letters.</p>	<p>Informative only</p>

The **ANNEXURE B** 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 with reference to the Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to Financial Statements of Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited) (“the Company”), Hyderabad, as of 31st March, 2023 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 with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards 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 with reference to these financial statements were 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
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 with reference to these financial statements.

C. Meaning of Internal Financial Controls over Financial Reporting

5. A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the financial statements includes those policies and procedures that:
- i) Pertain to the maintenance of records that, in reasonable detail, accurately 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 with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal control with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or 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 with reference to the financial statements as at 31st March, 2023;
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) Not carrying out periodic physical verification of Plant, Property and Equipment and also not having any policy with regard.	It is to inform that, physical verification of Property, Plant and Equipment was not carried-out by the field officers. Discoms was providing the electricity to the 15 districts and covering vast area of distribution activity and the assets were commissioned and scattered in remote area. It is assure that, to the extent possible at lease major assets such as PTR/33 kV lines proposed to be taken up physical verification.

<p>c) Not in possession of valid title deeds of many of the land properties held by 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>d) Capitalization of capital work orders without work order completion certificates and non-closure of work orders.</p>	<p>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.</p>
<p>e) Reconciliation of various modules information with Finance module in SAP.</p>	<p>Efforts will be made to integrate various modules with finance module in SAP.</p>

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

10. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31st March, 2023, 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 with reference to the financial statements were operating effectively as at 31st March, 2023.

The **ANNEXURE C** 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, 2023.

We report that:

<p>i) a) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:</p> <p>i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p>	<p>Informative only</p>
<p>ii) The company is maintaining proper records showing full particulars of intangible assets.</p>	<p>Informative only</p>
<p>b) We are informed by the Company that no physical verification of 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) As per the information given there are 1781 properties held by the Company. However, title deeds including letters of alienation/allotment/physical handing over of the property are available only for 527 properties and not available for the rest of 1254 land properties. We are also informed by the company that in respect of the “parcels of land” alienated to it by the State Government or its agencies other than the letters of alienation/allotment/physical handing over, no other legal documents are generally executed.</p>	<p>The Land and parcels available at various field units have been received; however some of the records pertaining to lands and parcels of land are yet to be received. The records pertaining to these assets are being maintained at respective division level.</p>
<p>d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.</p>	<p>Informative only</p>

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.	Informative only
ii) a) 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.	Informative only
b) The Company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements of the current assets are filed by the company with such banks or financial institutions. Following are the details of variances noticed between stock statements/ receivables statements and the books of account;	The quarterly information was furnished before the closure of quarter financials and annual accounts as the receivables information has to be submitted in timelines.

(Rs. in Crore)

Particulars	As per Current Assets statement	As per the Books of A/c	Variance
As on June 30th			
i) Stocks	209.53	261.52	(51.99)
ii) Receivables	13,112.68	12,723.39	389.29
As on Sep 30th			
i) Stocks	173.67	233.18	(59.51)
ii) Receivables	14,303.71	14,288.42	15.29
As on Dec 31st			
i) Stocks	186.84	239.97	(53.13)
ii) Receivables	15,598.42	15,326.57	271.85
As on March 31st			
i) Stocks	184.53	228.04	(43.51)
ii) Receivables	16,613.35	16,044.09	569.26

iii) During the year the Company has made a Investments amounting to Rs.51.17 Crore as part of Contingency Reserve Investments (Refer Note: 12).

During the year the company has not provided any guarantee or security or granted any loans or advances in the nature of loans to companies, firms, Limited liability partnerships or other parties, except loans granted to staff.

- a) The Company has granted loans or advances in the nature of loans to employees during the year, and following are the details;

	Rs. in Crore	
Aggregate amount of loans granted/ provided to the employees during the year	3.91	Informative only
Balance outstanding as at balance sheet date in respect of above cases	36.84	
b) In our opinion, the investments made and the terms and conditions of the grant of loans to the employees, during the year are, prima facie, not prejudicial to the Company's interest.		Informative only
c) In respect of loans granted to the employees by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.		Informative only
d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.		Informative only
e) No loan granted to the employees by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.		Informative only
f) The Company has not granted any loans or advances in the nature of loans to the employees either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.		Informative only
iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments or provided securities to companies and other parties listed under section 185 and 186 of the Companies Act, 2013.		Informative only
v) The Company has not accepted any deposits or the amounts which are deemed to be deposits from public. Consequently, the clause 3(v) of the order is not applicable to the Company.		Informative only

<p>vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.</p>	<p>Informative only</p>
<p>vii) In respect of statutory dues:</p> <p>a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, 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 Employee State Insurance (ESI) which are not paid regularly.</p>	<p>Informative only</p>

Accordingly to the information and explanations given to us, no undisputed amounts are payable in respect of Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax or cess, Goods & Services tax and other statutory dues which were in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable, except the following:

Name of the Statute/Authority	Nature of Dues	Period to which the amount relates	Amount (Rs. In Crore)
Central Sales Tax Act, 1956	Central Sales Tax	From F.Y. 2012-13 to 2015-16	0.01
Goods and Services Act, 2017	Goods & Service Tax	F.Y. 2019-20	0.57
		F.Y. 2020-21	1.18
		F.Y. 2021-22	0.16
Employee State Insurance Act, 1948	Employee State Insurance	F.Y. 2018-19	1.42

b) As on 31st March, 2023, there have been no disputed dues, which have not been deposited with the respective of Income Tax, Service Tax, Duty of Customs, and Duty of Excise, Value Added Tax, Goods & Services Tax and Cess except the following:

S.No.	Name of the Statute	Nature of the Dues	Amount (Rs. In Crore)	Period to which the amount relates	Forum where dispute is pending
1.	A.P. Tax on entry of goods in local area Act, 2001	Entry tax on goods purchased from outside	206.72*	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 (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, 1962	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
		Income Tax* (Including Penalty)	245.04	F.Y. 2017-18	Income Tax Commissioner (Appeals)
6.	EPF Act	EPF	0.14	F.Y. 2017-18	Central Government Industrial Tribunal, Hyderabad
			11.33*	From 2014-15 to 2016-17	Hon'ble High Court of Telangana

* Net of deposits made

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

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

<p>xvi) c) In our opinion, the Company is not a Core Investment company, as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 regulations of the Reserve Bank of India. Hence, reporting under clause 3(xvi) (c) of the Order is not applicable.</p>	<p>Informative only</p>
<p>xvi) d) In our opinion, the Company is not a Core Investment company and there are no Core Investment companies in the group. Hence, reporting under clause 3(xvi) (d) of the Order is not applicable</p>	<p>Informative only</p>
<p>xvii) The Company has incurred cash loss of Rs.7,516.28 Crore during the financial year covered by our audit and however the Company has not incurred cash loss during the immediately preceding financial year.</p>	<p>Informative only</p>
<p>xviii) There has been no resignation of the statutory auditors of the Company during the year.</p>	<p>Informative only</p>
<p>xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due</p>	<p>Informative only</p>

<p>xx) Provisions of Corporate Social Responsibility (CSR) are not applicable to the company, hence clauses 3 (xx) (a) & 3 (xx) (b) are not applicable to the Company as the Company has incurred losses during the financial year under audit and also during the preceding two financial years.</p>	<p>Informative only</p>
<p>xxi) The reporting under clause (xxi) of the order is not applicable in respect of the audit of standalone financial statements of the company. Accordingly, no comment has been included in respect of the said clause under this report.</p>	<p>Informative only</p>

For Ramanatham & Rao

Chartered Accountants

Firm Registration Number: S-2934

Sd/-

L Mahesh Kumar

Partner

M.No. 212851

UDIN: 23212851BGWJRQ2968

Sd/-

Sri G. Raghuma Reddy

Chairman & Managing

Director DIN : 02943771



FORM NO. MR-3

DRAFT SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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 beginning from April 1,2022 and ended on **31st March, 2023** ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Southern Power Distribution Company of Telangana Limited ("the Company") for the financial year ended on 31st March, 2023 according to the provisions of:

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



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

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

I further report that

Subject to the Paragraph Nos. 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
Peer-Review No.1767/2022
UDIN: F010770E000936838

Place: Hyderabad

Date: 04.09.2023

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





ANNEXURE-1A

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

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

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

Sd/-

Name: **KALYANA CHAKRAVARTHI CH.**

FCS. No: 10770

CP No. : 15103

Peer-Review No.1767/2022

UDIN: F010770E000936838

Place: Hyderabad

Date: 04.09.2023

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>Hence the matter is being followed up rigorously with the Energy Department and Several Letters were addressed to Energy Department, Government of Telangana to expedite the process of Appointment of Independent directors & Women Director on the Board to comply with Section 149 of the Companies act, 2013 and awaiting for the orders.</p>

ANNEXURE 'D' TO DIRECTORS REPORT

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

<p>A. Conservation of Energy:</p> <p>a) Energy conservation measures.</p>	<ol style="list-style-type: none"> 100KW roof top solar power plant at corporate office, Hyderabad. The plant generating an average 125-140 (KWh) units per day. 95,219 Nos High Voltage Distribution System (HVDS) for Agriculture Pump Sets were set up.
<p>b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy;</p>	<p>Nil</p>
<p>c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;</p>	<p>The energy losses in F.Y. 2022-23 are lower than the previous year. The Energy Losses to Energy Input percentage decreases to 8.50% in F.Y. 2022-23 as against 9.00% in F.Y. 2021-22.</p>
<p>d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto.</p>	<p>Not Applicable</p>
<p>B. Technology absorption :</p> <p>e) Efforts made in technology absorption</p>	<ol style="list-style-type: none"> Implementing AMR for HT Services and monitoring 11 KV Feeders. Meter Data Acquisition System (MDAS) is being implemented. SCADA control for 33/11kV Sub-Stations, Distribution Management System (DMS) for operation of 11kV feeders in core city of Hyderabad & Communication System.

C. Foreign exchange earnings and outgo:

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

COMMENTS OF THE C&AG OF INDIA

For the Financial Year 2022-23 and Replies of TSSPDCL

Sl. No	Comment	Reply of the Company	Reply of the Statutory Auditors
1(a)	<p>A. Comments on Profitability.</p> <p>Statement of Profit and Loss for the year ended 31 March, 2023</p> <p>IV. Expenses</p> <p>Power Purchase Expense (Note 23) – Rs.35,510.71 Crore</p> <p>The above is overstated by Rs.76.59 Crore (TSSPDCL share 70.55 per cent of Rs 108.57 Crore) on account of provision made towards payment of the Actual metered energy supplied to TSDiscoms by Singareni Thermal Power Plant (STPP) during the period 2018-19 to 2022-23. TSDiscoms for the period 2018-19 to 2022-23 had not paid the energy charges as per the actual energy recorded in the Joint Meter Reading (JMR) and allowed the energy charges only as per the scheduling given by the TSLDC to STPP. This matter was challenged by STPP before the Telangana State Electricity Regulatory Commission (TSERC). The claim of the STPP made on TSDISCOMs was disallowed</p>	<p>It is to submit that, as per the request of M/s. SCCL to consider the JMR energy instead of scheduled energy for the period from F.Y. 2018-19 to 2020-21, TSPCC accepted the request of M/s. SCCL and communicated the same to M/s. SCCL, as both the utilities are owned by the State Government, mutual co-operation and trust between the two utilities will benefit the power consumers at large throughout the State of Telangana. M/s. SCCL waived the LSPC to TSGENCO which is indirectly benefitted the State DISCOMs in reducing the Power purchase cost and ultimately reducing the financial burden on the consumers.</p> <p>Therefore, tentatively a provision was created for the period from F.Y. 2018-19 to 2020-21 as per the decision of TSPCC. As there is ambiguity for further period and to maintain consistency in accounts, similar provision was made tentatively for the period from F.Y. 2021-22 & 2022-23. However, the provision is reversed in the F.Y. 2023-24 and the actual commitment, if any will be booked in F.Y. 2023-24 after approval of the Management.</p> <p>The commitment shown in the Audit reply to AE No.9 is arrived for the period from F.Y. 2018-19 to 2020-21 only.</p>	<p>We agree with the view of the Management</p>

Sl. No	Comment	Reply of the Company	Reply of the Statutory Auditors
	<p>by TSERC vide order dated 21.11.2022. However, the Company has made a provision for an amount of Rs 76.59 crore against an element which was disallowed by the TSERC. Resultantly, Expenses (Power Purchase expense - Note 23) and Current liabilities (Provision for Power purchase cost – Note 10) were overstated by Rs 76.59 Crore during the current year with consequent over statement of loss for the year.</p>		
1(b)	<p>The above does not include Rs.2.41 Crore (TSSPDCL share 70.55 per cent of Rs.3.42 Crore) towards reimbursement of Water charges claimed by STPP for the energy supplies made to the TSDiscoms during the period 2016 to 2019. TSERC vide order Dated 21.11.2022 had allowed the claim of water charges by STPP on TSDiscoms. However, the Company has not made necessary provision towards the same. This has resulted in the understatement of Expenses (Power Purchase expense - Note 23) and Current liabilities (Provision for Power purchase cost – Note 10) by Rs. 2.41 crore with consequent understatement of loss for the year.</p>	<p>It is to submit that, Hon'ble TSERC has issued the order Dated: 21.11.2022 in respect of OP No: 8 of 2021 filed by M/s. Singareni-STPP allowing the water charges and Thermal incentive based on scheduled energy for the period from 2016-19. However, TSDiscoms have already made provision in the books for thermal incentive and other Miscellaneous expenses. Subsequently, Hon'ble TSERC has disposed the secondary petition in OP.No. 25 of 2021 disallowing the other Miscellaneous expenses were already taken in the books of accounts.</p> <p>M/s. SCCL-STPP misinterpreting the TSERC Order has preferred consolidated claim including charges which was disallowed by TSERC. Therefore, the total claim was rejected with a request to claim water charges and incentive separately. Separate provision was not made towards water charges as provision for miscellaneous expenses more or less compensates the provision for water charges.</p> <p>However, the actual water charges will be taken into books of accounts of TSDiscoms in 2023-24 duly setting off against the provision already made.</p>	<p>We agree with the view of the Management</p>

Sl. No	Comment	Reply of the Company	Reply of the Statutory Auditors									
2 1(a)	<p>Comments of Financial Position.</p> <p>Balance Sheet :</p> <p>Equity and Liabilities</p> <p>Current Liabilities</p> <p>Short Term Provisions (Note 10) - Rs.2781.53 Crore.</p> <p>Japan Industrial Cooperation Agency (JICA) has extended (June 2011) a loan to Govt of India for Andhra Pradesh Rural high Voltage Distribution Project. The company is one of the executing agencies. Under this arrangement the Company received funds received through Government of Telangana (GOT) under back-to-back arrangement with Govt of India (GoI), which in turn obtained funds through Japan, in foreign currency (Japanese YEN). The total loan disbursed by GoT to the company was Rs.384.73 Crore. As per the Amortisation Schedule communicated, the payment of interest (@ 0.65 % on half yearly basis) starts from 20th June, 2019 & that of principal from June 2021. So far, the company has not received any demand from GOT for repayment of principal & interest. Since the Agreement was between Government of India and JICA, the Company should have suitably disclosed the</p>	<p>It is to submit that, TSSPDCL has availed the JICA (Japan International Cooperation Agency) Loan through Government of Telangana (GoTS) under back-to-back arrangement with Government of India (GoI) for the conversion of Low Voltage Distribution System (LVDS) to High Voltage Distribution System (HVDS) in both the Discoms of Telangana State.</p> <p>Further it is to submit that, the Government of Telangana has disbursed an amount of Rs.384.73 Crore till date and as per the amortization schedule of JICA, the Interest payment started from December, 2019 and Principal repayment from June, 2021.</p> <p>The Government of India is repaying the EMI's (Principal and Interest) to JICA on half yearly basis as per the amortization schedule and adjusting the same under back-to-back arrangement with Govt. of Telangana. However, GoTS is not raising demand on the Discoms to repay the installments, even after repeated follow ups by TSSPDCL. The copies of correspondence are here with enclosed for ready reference please.</p> <p>Further it is to submit that, principal amount repayable to GoTS in respect of JICA loan was disclosed under the head "Current Maturities of Long Term Debts" in Schedule No. 07 – Short Term Borrowings for the following years as shown below:</p> <table border="1"> <thead> <tr> <th>Financial Year</th> <th>Principal Provision made (Rs. In Crore)</th> <th>Reference</th> </tr> </thead> <tbody> <tr> <td>2020 - 21</td> <td>12.61</td> <td>Page No.114 of Annual Report 2020-21</td> </tr> <tr> <td>2021 - 22</td> <td>25.23</td> <td>Page No.120 of Annual Report 2021-22</td> </tr> </tbody> </table>	Financial Year	Principal Provision made (Rs. In Crore)	Reference	2020 - 21	12.61	Page No.114 of Annual Report 2020-21	2021 - 22	25.23	Page No.120 of Annual Report 2021-22	<p>We agree with the view of the Management</p>
Financial Year	Principal Provision made (Rs. In Crore)	Reference										
2020 - 21	12.61	Page No.114 of Annual Report 2020-21										
2021 - 22	25.23	Page No.120 of Annual Report 2021-22										

Sl. No	Comment	Reply of the Company	Reply of the Statutory Auditors
	financing arrangements & the accounting treatment followed in this regard in the notes to the financial statements which was not done.	Further the provision for repayment of principal amount of Rs.37.86 Crore during the financial year 2022-23 was not disclosed by oversight. However, it is ensured that the findings of the AG Audit will be considered in the next Financial Year 2023-24 onwards.	
2 (b)	<p>As per the loan agreement (article II), the interest is leviable at the rate of 0.65 <i>per cent</i> half yearly every year in June and December, on the outstanding loan amount. The due date of first installment was 20th June 2019. However, Company had accounted interest payable (half yearly) from 2015-16 onwards (31.03.2016) instead from 20th June, 2019 onwards. The total provision made in the Company's books as of March, 2023 was Rs.13.06 Crore. In the absence of demand for additional interest from GOT, the Company should have restricted the provision towards interest as per the Schedule given in the Loan Agreement which was not done. This has resulted in overstatement of Current Liabilities (short term provisions) and consequent overstatement of Loss for the current year by Rs.4.52 Crore.</p>	<p>It is to submit that TSSPDCL had availed the JICA (Japan International Cooperation Agency) Loan through Government of Telangana (GoTS) under back-to-back arrangement with Government of India (GoI) for the conversion of Low Voltage Distribution System (LVDS) to High Voltage Distribution System (HVDS) in both the DISCOMs of Telangana State. The Government of Telangana has disbursed an amount of Rs.384.73 Crore till date to TSSPDCL (52.30 percent of total loan disbursed).</p> <p>Further, Article II of the loan agreement states that the interest is leviable at the rate of 0.65 percent p.a on half yearly basis in June and December, on the outstanding loan amount. Furthermore, Interest payment started from December, 2019 and Principal repayment from June, 2021.</p> <p>Accordingly, the Government of India is repaying the EMI's (Principal and Interest) to JICA on half yearly basis as per the amortization schedule and adjusting the same under back-to-back arrangement with GoTS. But, the GoTS is not raising any demand on the Discom to repay the installments, even after repeated follow ups by TSSPDCL. As such <i>the outstanding loan in the books of TSSPDCL in respect of JICA Loan is Rs.384.73 Crore to the end of 31st March, 2023.</i></p> <p><i>In the absence of demand from the State Government and as per the advice of the then Statutory Auditors, TSSPDCL has been making interest provision @ 0.65 percent every year starting from the F.Y. 2015-16 onwards</i></p>	We agree with the view of the Management

Sl. No	Comment	Reply of the Company	Reply of the Statutory Auditors																																								
		<p><i>on the outstanding loan amount duly complying with the Accrual Concept of Accounting.</i> The detailed calculation is tabulated hereunder:</p> <table border="1"> <thead> <tr> <th style="text-align: center;">F.Y.</th> <th style="text-align: center;">O/s. Loan Bal</th> <th style="text-align: center;">Interest Rate</th> <th style="text-align: center;">Int. Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2015-16</td> <td style="text-align: center;">41.55</td> <td style="text-align: center;">0.65</td> <td style="text-align: center;">0.12</td> </tr> <tr> <td style="text-align: center;">2016-17</td> <td style="text-align: center;">167.61</td> <td style="text-align: center;">0.65</td> <td style="text-align: center;">0.85</td> </tr> <tr> <td style="text-align: center;">2017-18</td> <td style="text-align: center;">259.50</td> <td style="text-align: center;">0.65</td> <td style="text-align: center;">1.60</td> </tr> <tr> <td style="text-align: center;">2018-19</td> <td style="text-align: center;">259.50</td> <td style="text-align: center;">0.65</td> <td style="text-align: center;">1.69</td> </tr> <tr> <td style="text-align: center;">2019-20</td> <td style="text-align: center;">259.50</td> <td style="text-align: center;">0.65</td> <td style="text-align: center;">1.69</td> </tr> <tr> <td style="text-align: center;">2020-21</td> <td style="text-align: center;">384.73</td> <td style="text-align: center;">0.65</td> <td style="text-align: center;">2.11</td> </tr> <tr> <td style="text-align: center;">2021-22</td> <td style="text-align: center;">384.73</td> <td style="text-align: center;">0.65</td> <td style="text-align: center;">2.50</td> </tr> <tr> <td style="text-align: center;">2022-23</td> <td style="text-align: center;">384.73</td> <td style="text-align: center;">0.65</td> <td style="text-align: center;">2.50</td> </tr> <tr> <td colspan="3" style="text-align: center;">Total</td> <td style="text-align: center;">13.06</td> </tr> </tbody> </table> <p>The interest provision made is being disclosed under the head of “Interest Expense in Schedule No. 26 – Finance Cost”.</p> <p>Further, it is to submit that upon receipt of demand notices from the State Government, the excess interest provision if any, will be reversed in the financial year in which the demand notice is received from the State Government.</p> <p>Hence, as per the advice of the then Statutory Auditors, the interest provision of Rs.13.06 Crore made till 31.03.2023 neither resulted in overstatement of Current Liabilities (Short term Provisions) by Rs.4.52 Crore nor resulted in overstatement of Loss for the year 2022-23.</p> <p>Hence, the interest provision of Rs.13.06 Crore made till 31.03.2023 neither resulted in overstatement of Current Liabilities (Short term Provisions) by Rs.4.52 Crore nor resulted in overstatement of Loss for the year 2022-23. And the Statutory auditors have agreed with our opinion.</p>	F.Y.	O/s. Loan Bal	Interest Rate	Int. Amount	2015-16	41.55	0.65	0.12	2016-17	167.61	0.65	0.85	2017-18	259.50	0.65	1.60	2018-19	259.50	0.65	1.69	2019-20	259.50	0.65	1.69	2020-21	384.73	0.65	2.11	2021-22	384.73	0.65	2.50	2022-23	384.73	0.65	2.50	Total			13.06	
F.Y.	O/s. Loan Bal	Interest Rate	Int. Amount																																								
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Sl. No	Comment	Reply of the Company	Reply of the Statutory Auditors
3 (a)	<p>Assets</p> <p>Non-Current Assets</p> <p>Property Plant and Equipment (Note 11) - Rs.11,216.54 crore.</p> <p>The Company has revised the depreciation rates from hitherto adopted depreciation rates prescribed by the Ministry of Power (MoP) to the depreciation rates as prescribed by CERC. Accordingly, the depreciation for the year 2022-23 was computed.</p> <p>As per the significant accounting policies of the Company (no.1.6), depreciation on Property, Plant & Equipment is provided under the Straight line Method up to 90 <i>per cent</i> of the original cost of the assets. However, during the year, 100 <i>per cent</i> depreciation was provided in respect of Computer & IT equipment. This has resulted in overstatement of Expenses (Depreciation and amortization expense – Note 11) and understatement of Assets (Plant, Property and Equipment and intangible assets - Note 11) by Rs.9.39 Crore during the current year. Consequently, loss for the year is also overstated by the same extent. Though the Company has not adhered to its own adopted accounting</p>	<p>It is to submit that, the Management has given the consent for adopting the depreciation rates on assets as notified by the Hon'ble Central Electricity Regulatory Commission (CERC) for the financial year 2022-23, which was assured to the C&AG Audit Officers during the previous financial years.</p> <p>Further it is to submit that, for computation the depreciation, all assets were classified in to 12 groups. Tangible assets except for Computer & IT equipment are depreciable up to 90% of the value of assets and balance 10 percent is retained as salvage value for control purpose. Computer & IT equipment assets were allotted to depreciate 100% without any salvage value. Low value assets are being depreciated 100% in the year in which they were charged with no salvage value.</p> <p>Further it is to submit that, it is a fact that the salvage value was considered as ZERO for Computer and IT Equipments as the Management felt that the estimated amount obtained from the disposal of the asset were lesser than the estimated costs of disposal. Further, as per the AS-10 "<i>The residual value of an asset is the estimated amount that an enterprise would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.</i>" However a view will be taken in the next financial year to reassess/examine the estimated realisation and disposal costs of the Computers and IT Equipments and decision will be taken accordingly.</p> <p>Further, the salvage value in respect of Intangible assets, it is assured that the same will be considered as Zero in the next financial year.</p>	<p>We agree with the view of the Management</p>

Sl. No	Comment	Reply of the Company	Reply of the Statutory Auditors
	<p>policy, the reasons and impact of the deviation was not stated in the notes to the financial statements.</p>		<p>We agree with the view of the Management</p>
<p>3(b)</p>	<p>As per Para 75 of AS 26, the residual value of an intangible asset should be assumed to be zero unless there is a commitment by a third party to purchase the asset at the end of its useful life or there is an active market for the asset. However, the Company without assessing the requirements of AS 26 has retained 10 percent as residual value for Intangible assets which has resulted in charging of incorrect depreciation during the year.</p>	<p>It is to submit that, the Management has given the consent for adopting the depreciation rates on assets as notified by the Hon'ble Central Electricity Regulatory Commission (CERC) for the financial year 2022-23, which was assured to the C&AG Audit Officers during the previous financial years.</p> <p>Further it is to submit that, for computation the depreciation, all assets were classified in to 12 groups. Tangible assets except for Computer & IT equipment are depreciable up to 90% of the value of assets and balance 10 percent is retained as salvage value for control purpose. Computer & IT equipment assets were allotted to depreciate 100% without any salvage value. Low value assets are being depreciated 100% in the year in which they were charged with no salvage value.</p> <p>Further it is to submit that, it is a fact that the salvage value was considered as ZERO for Computer and IT Equipments as the Management felt that the estimated amount obtained from the disposal of the asset were lesser than the estimated costs of disposal. Further, as per the AS-10 "The residual value of an asset is the estimated amount that an enterprise would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life." However a view will be taken in the next financial year to reassess/examine the estimated realisation and disposal costs of the Computers and IT Equipments and decision will be taken accordingly.</p> <p>Further, the salvage value in respect of Intangible assets, it is assured that the same will be considered as Zero in the next financial year.</p>	<p>We agree with the view of the Management</p>

Sl. No	Comment	Reply of the Company	Reply of the Statutory Auditors
3(c)	<p>The Company has not disclosed the useful lives or amortization rates for the intangible assets as required under AS 26.</p>	<p>It is to submit that, the Management has given the consent for adopting the depreciation rates as per the notification issued by the Hon'ble Central Electricity Regulatory Commission (CERC) for the financial year from 2022-23, which was assured to the C&AG Audit Team during the previous financial years. Accordingly, necessary changes were incorporated in SAP in accordance with guidelines notified by the CERC.</p> <p>Further it is to submit that, Schedule II Part B of the Companies Act, 2013 defines that <i>“the useful life or residual value of any specific asset, as notified for accounting purposes by a Regulatory Authority constituted under an Act of Parliament or by the Central Government shall be applied in calculating the depreciation to be provided for such asset irrespective of the requirements of this Schedule.”</i> As such TSSPDCL has adopted and applied the depreciation rates as per the CERC notification.</p> <p>The rates of depreciation adopted against Intangible Assets and Low value assets was not disclosed in Note 1.6. The rate of depreciation for Intangible Assets and Low Value Assets will be incorporated in the next financial year ie. 2023-24.</p>	<p>We agree with the view of the Management</p>
4(a)	<p>Comments on Disclosure</p> <p>Notes forming part of the financial statements</p> <p>Based on the true-up petitions filed by the Company, TSERC has approved (24.03.2023) Rs.9,360.35 Crore towards the Power Purchase True-ups for the period F.Y. 2016-17 to 2021-22 and provisional true-</p>	<p>It is to submit that, the Board of TSSPDCL in its 18th Annual Report for the financial year 2017-18 has noted the 24 Hrs. Power supply to the Agriculture Consumers from 1st January, 2018 in Page No. 31 of the Director's report and the same was also mentioned in CMD's letter to stake holders every year and the same is noted in the subsequent Annual Reports.</p> <p>Further, it is to submit that, Power purchase cost is a part of financial statement and it will be reviewed by the full board of TSSPDCL in quarterly and annual basis. However, the Government of Telangana is extending its full</p>	<p>We agree with the view of the Management</p>

Sl. No	Comment	Reply of the Company	Reply of the Statutory Auditors															
	<p>up for F.Y. 2022-23. Further, an amount of Rs 312.65 Crore towards true up of expenses and revenue for distribution business for the 1st, 2nd and 3rd control periods was also approved. The amount so approved was to be recovered from the consumers. However, the Government of Telangana (GoT) gave an assurance (16.03.2023) to TSERC that it was committed to extend the necessary financial support to the State Power utilities towards true-up of wheeling charges and power purchase true ups for the distribution business and retail supply business respectively as finalized by the TSERC over a period of 5 years. Further communication regarding the form and amount of assistance is pending from the GoT. These facts were not disclosed in the notes to the financial statements.</p>	<p>support in extending the 24 Hrs uninterrupted power supply to the categories of Consumers including Agriculture.</p> <p>Further, it is to submit that, Minutes of Meeting of TSPCC dated 18.10.2017 on Power supply position in view of the State Govt. directions to extend 24 Hrs supply to Agriculture sector.</p> <p>The year wise details of additional Power Purchase cost incurred by TSSPDCL to meet the Additional Power requirement due to 24 Hrs supply to Agriculture sector is as follows:</p> <table border="1" data-bbox="624 762 1278 1089"> <thead> <tr> <th>Year</th> <th>Additional Quantity of Power purchase (MUs)</th> <th>Additional Cost incurred (Rs. Crore)</th> </tr> </thead> <tbody> <tr> <td>2018-19</td> <td>4,366.12</td> <td>2632</td> </tr> <tr> <td>2019-20</td> <td>2,546.73</td> <td>1553</td> </tr> <tr> <td>2020-21</td> <td>3,473.18</td> <td>1850</td> </tr> <tr> <td>2021-22</td> <td>3,452.70</td> <td>1240</td> </tr> </tbody> </table>	Year	Additional Quantity of Power purchase (MUs)	Additional Cost incurred (Rs. Crore)	2018-19	4,366.12	2632	2019-20	2,546.73	1553	2020-21	3,473.18	1850	2021-22	3,452.70	1240	<p>We agree with the view of the Management</p>
Year	Additional Quantity of Power purchase (MUs)	Additional Cost incurred (Rs. Crore)																
2018-19	4,366.12	2632																
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4(b)	<p>Ministry of Power had allocated (November, 2014) 50 MW unallocated power of second unit of Kudanakulam Atomic Power Plant to the State of Telangana. Nuclear Power Corporation of India Limited, raised claims towards Late Payment Surcharge (LPS) of Rs.13.28 Crore (being 70.55 percent of total amount of Rs.18.83</p>	<p>It is to submit that, the Ministry of Power, Government of India vide its Letter Dated 10.11.2014 addressed to the Central Electricity Authority(CEA),New Delhi allocating 50MW unallocated power from second unit(1000MW) of Kudankulam Nuclear Power Plant(KKNPP) to Telangana State with a direction to the CEA to get the order implemented. In the said order, it was also communicated that the beneficiary would be required to maintain Letter of Credit(LC) commensurate with the allocated power.</p>	<p>We agree with the view of the Management</p>															

Sl. No	Comment	Reply of the Company	Reply of the Statutory Auditors
	<p>Crore) due to delay in payment of bills in respect of Kudanakulam Atomic Power Plant. However, the LPS claim was not admitted by the Company on the grounds that there are no agreed provision mandating LPS. The facts should have been disclosed in the Notes to the financial statements.</p>	<p>Since the power allocation was made by MOP GOI from un-allocated quota and there being no subsisting PPA, the power allocated can be surrendered with advance notice for reallocation of the same to other beneficiaries.</p> <p>The Tariff being payable to KKNPP is only single tariff as per Department of Atomic Energy (DAE) notification. Since the power is scheduled by SRLDC to Telangana and the energy is admitted as per REA issued by SRPC/ Bangalore, the Tariff is being paid as per DAE notification which is similar to the tariff determined to other nuclear power plants.</p> <p>LPS is being admitted in case of other nuclear power plants as stipulated in PPA. However, in the instant case, there is no PPA with NPC(KKNPP). Hence the LPS claim (Rs.13.28 Crore) of NPC KKNPP has not been considered by TSPCC/TSDiscs while admitting the bills as there is no contractual obligation/agreed provisions mandating LPS.</p>	
4(c)	<p>An amount of Rs 22.84 Crore was raised on the Discoms (TSSPDCL & TSNPDCL) by M/s. Neyveli Lignite Corporation India Limited (NLCIL) vide debit notes towards the additional taxes paid under the Direct Taxes Vivad se Vishwas Act, 2020 for the control periods 2001-2004, 2004-2009, 2009-14 and 2014-19. The Company's portion amounted to Rs 16.11 crore. The Discoms disputed the demand and challenged it in the Hon'ble High Court of Telangana and obtained an interim order not to suspend the grid connectivity for non-payment of Rs. 22.84</p>	<p>It is to submit that, M/s. NLC India Ltd has claimed the Additional Taxes paid under the Direct Taxes Vivad se Viswas Act, 2020 for the control periods 2001-04, 2004-09 and 2009-14 to tune of Rs.22.84 Crore, out of which TSSPDCL portion is Rs.16.12 Crore. The subject matter was not in the knowledge of TSDiscs as M/s. NLCIL has not disclosed the pending liability of income tax or the details such as the grounds on which the tax liability has arisen. Further, there is no reference to CERC Orders or legal back ground of the cases. Besides, NLC India Ltd has paid these amounts without intimating the TSDiscs that there is a liability of such long period.</p> <p>Hence the claim is not accepted by the TSDiscs and not provided in the books of Accounts for the F.Y. 2022-23.</p>	<p>We agree with the view of the Management</p>

Sl. No	Comment	Reply of the Company	Reply of the Statutory Auditors
	Crore. Pending final orders, the facts should have been disclosed in the Notes forming part of the financial statements.		
4(d)	<p>Government of India (GoI), Ministry of Power (MoP) issued (August 2022) orders directing the Government of Telangana State to pay Rs.6,756.92 Crore (comprising of Rs.3,441.78 Crore towards power dues and Rs.3,315.15 Crore towards late payment surcharge) to Government of Andhra Pradesh towards the power supplies made between 02nd June, 2014 and 10th June, 2017 including the surcharge for the delayed payment. Aggrieved by the impugned orders passed by the GoI, MoP, the TSDiscoms and TSPCC have filed a Writ Petition (WP No 37555 of 2022) in September 2022 in the Hon'ble High Court of Telangana. However, the fact of filing a Writ Petition by the Company along with TSNPDCL and TSPCC in the above said matter in the Hon'ble High Court of Telangana was not disclosed in the notes forming part of the financial statements for the year 2022-23. Thus, the disclosure made in the Notes forming part of financial statements regarding the pending legal disputes was deficient to that extent.</p>	<p>It is to submit that, the principal amount due on account of power purchase cost is accounted for in the Books of Accounts in the relevant financial years of incurring the cost.</p> <p>The interest on this amount does not arise as Telangana Power Utilities have also to get principal amount from AP Power utilities. If the principal amounts of both States are set off, there will not be any liability on account of interest.</p> <p>Since the above issue is before the Hon'ble High Court of Telangana and is subjudice at this stage, it is not essential to report the matter.</p> <p>However, as suggested by the Audit, the legal disputes will be given in notes to Accounts in succeeding years and the progress of the case will be intimated to the Audit.</p>	We agree with the view of the Management



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, 2023

(Rs. in Crore)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I EQUITY AND LIABILITIES ఈక్విటీ మరియు అప్పులు			
1 Shareholders' Funds వాటాదారుల నిధి			
(a) Share Capital	2	12,017.93	12,017.93
వాటా మూలధనము			
(b) Reserves and Surplus	3	(36,255.32)	(29,077.71)
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	15,410.12	14,310.43
దీర్ఘకాలిక అప్పులు			
(b) Deferred tax liabilities (Net)		-	-
వాయిదా వేయబడిన పన్ను			
(c) Other Long term liabilities	5	323.88	309.37
ఇతర దీర్ఘకాలిక అప్పులు			
(d) Long-term Provisions	6	2,288.75	1,917.33
దీర్ఘకాలిక కేటాయింపులు			
4 Current Liabilities ప్రస్తుత అప్పులు			
(a) Short-term Borrowings	7	6,706.63	3,224.67
స్వల్పకాలిక రుణములు			
(b) Trade Payables	8		
i) MSMEs		12.01	2.41
ii) Other than MSMEs		30,027.55	30,663.67
వ్యాపార నిమిత్తం చెల్లింపులు			
(c) Other Current Liabilities	9	6,512.08	6,200.26
ఇతర ప్రస్తుత అప్పులు			
(d) Short-term Provisions	10	2,781.53	521.68
స్వల్పకాలిక కేటాయింపులు			
TOTAL (మొత్తము)		39,825.16	40,090.04

II ASSETS (ఆస్తులు)			
1 Non-Current Assets			
ప్రస్తుతేతర ఆస్తులు			
(a) Property, Plant And Equipment, Intangible Assets	11		
స్థిర ఆస్తులు, స్పర్శ చరమైన ఆస్తులు			
i) Plant, Property and Equipment		9,987.88	9,365.17
ii) Intangible Assets		21.69	24.18
అప్పుశ్య ఆస్తులు			
iii) Capital Work in Progress		1,206.97	1,087.92
జరుగుచున్న పనులపై పెట్టుబడులు			
(b) Non-Current Investments	12	487.60	456.51
ప్రస్తుతేతర పెట్టుబడులు			
(c) Deferred Tax Assets (Net)	13	1,646.22	1,803.68
వాయిదా వేయబడిన పన్ను			
(d) Long-term loans and advances	14	254.81	190.37
దీర్ఘకాలిక అప్పులు మరియు బయోనాలు			
(e) Other Non-current Assets	15	5.10	5.72
ఇతర ప్రస్తుతేతర ఆస్తులు			
2 Current Assets (ప్రస్తుత ఆస్తులు)			
(a) Current Investments		-	-
ప్రస్తుత పెట్టుబడులు			
(b) Inventories	16	228.04	222.82
సరకు నిల్వ			
(c) Trade Receivables	17	16,044.09	11,791.28
వ్యాపార నిమిత్తం రాబడులు			
(d) Cash and cash equivalents	18	132.21	176.55
నగదు నిల్వ			
(e) Short-term Loans and Advances	19	1,437.59	1,431.61
స్వల్పకాలిక అప్పులు మరియు బయోనాలు			
(f) Other Current Assets	20	8,372.96	13,534.23
ఇతర ప్రస్తుత ఆస్తులు			
TOTAL (మొత్తము)		39,825.16	40,090.04
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 : 26-07-2023
Place: Hyderabad

Sd/-

Sri T. Srinivas
Director Finance (FAC) / CFO
DIN : 06666974

Sd/-

P. Krishna Reddy
Chief General Manager
(Finance)

Sd/-

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

Sd/-

Ravi Kumar Suluva
Company Secretary
F.No. 8247

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, 2023 (Rs. in Crore)

Particulars		Note No.	2022-23	2021-22
I	Revenue from Operations నిర్వహణ ద్వారా రెవిన్యూ	21	33,957.03	29,045.55
II	Other Income ఇతర ఆదాయము	22	297.67	127.41
III	Total Income మొత్తం ఆదాయము		34,254.70	29,172.96
IV	Expenses (వ్యయము)			
	Power Purchase Expense విద్యుత్తు కొనుగోలు	23	35,510.71	28,029.68
	Employee Benefit expense ఉద్యోగుల జీతభత్యాలు	24	3,081.10	1,994.96
	Operating and Other Expenses నిర్వహణ మరియు ఇతర ఖర్చులు	25	348.71	312.77
	Finance Costs ఆర్థిక వ్యయములు	26	2,500.58	2,345.77
	Depreciation and amortisation expense (తరుగుదల)	11	801.90	1,126.23
	Total Expenses మొత్తం వ్యయం		42,243.00	33,809.41
V	Profit /(Loss) before exceptional & extraordinary items and tax (III-IV) పన్ను ఎక్స్‌ప్లెస్‌నల్ మరియు అతీతములకు ముందు లాభము		(7,988.30)	(4,636.45)
VI	Exceptional Items ఎక్స్‌ప్లెస్‌నల్ ఐటమ్స్	27	1.72	(4217.55)
VII	Profit /(Loss) before extraordinary items and tax (V-VI)		(7,990.02)	(418.90)
VIII	Extraordinary Items అతీతములు		-	-
IX	Profit /(Loss) before tax (VII-VIII) పన్నుకు ముందు లాభము		(7,990.02)	(418.90)
X	Tax Expense: పన్ను వ్యయము			
	(1) Current Tax ప్రస్తుత పన్ను		-	-
	(2) Deferred Tax వాయిదా వేయబడిన పన్ను	13	(157.46)	(207.90)

	PARTICULARS	Note No.	2022-23	2021-22
XI	Profit/(Loss) for the period from continuing operations (IX-X) నికర లాభము		(8,147.48)	(626.80)
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		(8,147.48)	(626.80)
XVI	Earnings per equity share (Amount in Rs.)			
	(1) Basic		(6.78)	(0.52)
	(2) Diluted		(6.78)	(0.52)
	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 T. Srinivas
Director Finance (FAC) / CFO
DIN : 06666974

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

Sd/-
L. Mahesh Kumar
Partner
M. No 212851
Date : 26-07-2023
Place: Hyderabad

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

Sd/-
Ravi Kumar Suluva
Company Secretary
F.No. 8247

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, 2023 (Rs. in Crore)**

PARTICULARS	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
<u>A . Cash flows from operating activities:</u>		
Net Profit before tax	(7,990.02)	(418.90)
<u>Adjustments :</u>		
Add: Depreciation	801.90	1,126.23
Add: Interest on Long Term Borrowings	360.71	420.67
Less: Interest on Investments	(3.86)	(5.08)
Add: Loss on Sale of Property Plant and Equipment		
Add: Non Cash Expenditure		
Less: Withdrawal of Depreciation on Consumer Contributed Assets	(328.16)	(415.16)
Operating profit before working capital changes	(7,159.43)	707.76
Changes in Working Capital		
Increase/(Decrease) in Non-Current Liabilities		
Other Long Term Liabilities	(0.34)	(8.56)
Long Term Provisions	371.42	(442.69)
(Increase)/Decrease in Non-Current Assets		
Long-tem Loans & Advances	5.21	(4.47)
Other Non-current Assets	0.62	0.72
Increase/(Decrease) in Current Liabilities		
Short Term Borrowings	3,481.96	0.28
Trade Payables	(626.52)	8,912.14
Other Current Liabilities	311.82	135.09
Short Term Provisions	2,259.85	96.99
Increase/(Decrease) in Employee Liability	-	-
(Increase)/Decrease in Current Assets		
Inventories	(5.22)	(57.33)
Trade Receivables	(4,252.81)	(801.66)
Short-term Loans & Advances	(5.98)	78.90
Other Current Assets	5,161.27	(6,513.21)
Cash generated from operations	(458.15)	2,103.96
Net Cash flow from Operating Activities	(458.15)	2,103.96
<u>B. Cash flows from investing activities:</u>		
Purchases/Investments of Property Plant and Equipment	(1,422.12)	(1,406.70)
Purchases/Investments in Capital Work in Progress	(119.05)	(51.15)

PARTICULARS	Year Ended 31 st March, 2023		Year Ended 31 st March, 2022	
(Purchase of Investments)/Redemption	(31.09)		0.46	
Interest on Investments	3.86		5.08	
Investment in Capital Advances	(69.65)		(9.66)	
Increase in Other Long Term Liabilities	18.65		(3.37)	
Net cash flow from investing activities		(1,619.40)		(1,465.34)
C. Cash flows from financing activities:				
Consumer Contributions Received	1,291.55		1,011.16	
Increase (Decrease) in Long Term Borrowings	1,099.69		(1,382.94)	
Interest paid on Long Term Borrowings	(360.71)		(420.67)	
Increase in Contingency Reserve	6.48		2.51	
Increase in GIS Saving Fund	0.70		0.45	
Increase in Self Funding Medical Scheme	(4.50)		(8.80)	
Funds received in UDAY Scheme	-		-	
Investment by Government of Telangana in DISCOM's	-		-	
Decrease (Increase) in Surplus /retained Earnings	-		-	
Decrease in Surplus /retained Earnings	-		-	
Net cash flow from financing activities		2,033.21		(798.29)
Net Increase/ (Decrease) in cash and cash equivalents during the year		(44.34)		(159.67)
Cash and cash equivalents at the beginning of the year		176.55		336.22
Cash and cash equivalents at the end of the year		132.21		176.55

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 T. Srinivas
Director Finance (FAC) / CFO
DIN : 06666974

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Sd/-
L. Mahesh Kumar
Partner
M. No 212851
Date : 26-07-2023
Place: Hyderabad

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

Sd/-
Ravi Kumar Suluva
Company Secretary
F.No. 8247

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2023

1 Company Overview

Southern Power Distribution Company of Telangana Limited (Formerly Central Power Distribution Company of Andhra Pradesh Limited)[The Company] was incorporated under the Companies Act, 1956 as a public limited company under the second transfer scheme notified by the Government of Andhra Pradesh (GoAP) (vide G.O.Ms.No.35, Energy (Power-II) Dated: 31.03.2000), 30.03.2000 to carry on the business of distribution and retail supply of power in the geographical spread of districts in Telangana and commenced commercial operations from 01.04.2000. Company is a government company as defined under section 2(45) of the Companies Act, 2013 and company is not listed under in any stock exchange.

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

Significant accounting policies

1.1a. 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 in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

b. Functional and Presentation of Currency

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

1.2 Use of estimates

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

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

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

1.3 Cash flow statement

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

1.4 Revenue recognition

a) Sale of Power:

- i) Revenue from Sale of Power is accounted for based on demand raised on consumers. Tariff rates for sale of power are as per Tariff Order of the Telangana State Electricity Regulatory Commission as approved for the reporting period.
- ii) Unbilled Revenue is recognised in the books of accounts on 'accrual basis', considering the events occurring after balance sheet date.
- iii) Bills raised for theft of energy, whether on a consumer or an outsider are not recognized in full until the final assessment order is received from the competent authority of the Company. The amount received against initial assessment is treated as "Other Deposits".
- iv) Sale of Power under open access mechanism is entered into by 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 from employees or outsiders are accounted as and when collected.
- iii) Interest accrued on long term investment during the reporting period is credited to 'Contingency Reserve'.

1.5 Property, Plant And Equipment

a) Tangible Assets

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

b) Intangible Assets

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

c) Capital work in progress

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

- ★ Ten percent of the cost of capital works capitalized to capital works towards employee cost and administration & general expenses (8.5% on employees cost and 1.5% on administration & general expenses), as the operation circles are executing both capital works and operation & maintenance works and it is not practicable to maintain records to identify the man hours spent by the staff on capital works.
- ★ Interest relating to construction period is calculated based on the average interest rate of loans drawn under a Scheme and capitalized. The interest is calculated from the date of expenditure incurred on respective work orders of the scheme.

1.6 Depreciation

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

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

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 had undergone demergers on the event of State Bifurcation and settlement between the Telangana Government and Andhra Pradesh Government is yet to be finalised.

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.773.85 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.4230.74 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 G.O.Ms.No. 20 Dated: 23.02.2019 has re-transferred the Gundala Mandal from the TSNPDCL Jurisdiction to TSSPDCL and the said Mandal was earlier transferred from the TSSPDCL to TSNPDCL and with regard to the transfer of assets and liabilities, the TSSPDCL has taken over the Network of Gundala Mandal w.e.f. 01.04.2019, accordingly the assets and liabilities of Gundala have been incorporated in the Financial Year 2019-20.

1.15 Earnings per Share

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

1.16 Third Transfer Scheme Balances

- (a) (i) The then Government of Andhra Pradesh (GoAP) vide G.O.Ms. No.58, Energy (Power-III), Dated: 07.06.2005 notified the transfer of Bulk Supply Undertaking and Power Purchase Agreements from Transmission Corporation of Andhra Pradesh Limited (APTransco) to the four Distribution Companies (Discoms), in specified ratios, as on 09.06.2005. The share of the Company in generation capacities of all generating stations allocated to the four Discoms is 43.48%.
- (ii) The GOAP has, vide G.O.Ms No.53, Energy (Power-III), Dated: 28.04.2008, amended the share of four Discoms in the Generating Stations as per which the revised share of APCPDL is 46.06%. This G.O. shall be deemed to have come into force with retrospective effect from 09.06.2005. The retrospective implementation of the G.O. involves many calculations, revisions, etc. The Andhra Pradesh Power Co-ordination Committee (APPCC) has requested the GoAP to amend the date of implementation from April, 2008 onwards.
- (iii) The Accounting of Purchase of Power as disclosed in the Note No. 23 is based on the revised share of 46.06% and consequent to enactment of AP Reorganisation Bill, 2014 the Power Purchase ratio has been further revised vide G.O.Ms. No.20 dated 08.05.2014 w.e.f. 02.06.2014 viz., 38.02%, 15.87%, 15.80 % and 30.31% in respect of TSSPDCL, TSNDPDCL, APEPDCL and APSPDCL respective. And considering (38.02 Plus 15.87%) as equal to 100% of Both Discoms TSSPDCL and TSNDPDCL, the proportionate percentage of TSSPDCL comes to $(38.02/53.89)*100$ is equal to 70.55% and similarly in respect of TSNDPDCL $(15.87/53.89)*100$ is equal to 29.45%. Accordingly, TSPCC has allocated power purchase cost between the TSSPDCL and TSNDPDCL 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, 2023 (Rs. in Crore)	As at March 31, 2022 (Rs. in Crore)
Authorised		
2000,00,00,000 Equity shares of ₹ 10 each	20,000.00	20,000.00
Issued, Subscribed And Paid-up		
12,01,79,30,306 Equity shares of ₹ 10 each fully paid up	12,017.93	12,017.93
TOTAL	12,017.93	12,017.93

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

Particulars	As at 31 st March 2023 (As at 31 st March 2022)	
	Number	(Rs. in Crore)
Outstanding at the beginning of the year	12,01,79,30,306	12,017.93
	(12,01,79,30,306)	(12,017.93)
Issued during the year	-	-
	(-)	(-)
Bought back during the year	-	-
Outstanding at the end of the year	12,01,79,30,306	12,017.93
	(12,01,79,30,306)	(12,017.93)

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

Name of Shareholder	As at 31 st March 2023 (As at 31 st March 2022)	
	No. of Shares held	% of Holding
Equity Shares		
Governor of Telangana	12,01,79,30,306	100%*
	(12,01,79,30,306)	(100%)
TOTAL	12,01,79,30,306	

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

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

Name of Promoters	No. of Shares held	% of Shares held (% Change during the year)
Governor of Telangana	12,01,79,30,306	100%*
TOTAL	12,01,79,30,306	

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

D. Terms/rights attached to Equity Shares

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

3 Reserves & Surplus

Particulars	As at March 31, 2023 Rs. in Crore	As at March 31, 2022 Rs. in Crore
a. Consumer Contribution towards capital assets		
Opening Balance	6,562.80	5,844.64
(+) Current year Receipts	999.29	718.16
Closing Balance	7,562.09	6,562.80
b. Subsidies towards cost of capital assets		
Opening Balance	73.40	73.40
(+) Current year Receipts	-	-
Closing Balance	73.40	73.40
c. Grants/Donations towards cost of capital assets		
Opening Balance	1,032.39	739.39
(+) Current year Receipts	292.14	293.00
Closing Balance	1,324.53	1,032.39
Total (Closing balance of a+b+c)	8,960.02	7,668.59
Less: Withdrawal towards cost of Capital Assets		
Opening Balance	(3,344.93)	(2,929.77)
(+) Current year Amortization to Statement of Profit and Loss	(328.16)	(415.16)
Closing Balance	(3,673.09)	(3,344.93)
Total	5,286.93	4,323.66

d. Statutory Reserves:		
Contingency Reserve Fund		
Opening Balance	57.76	55.25
(+) Current year Receipts	6.48	2.51
Closing Balance	64.24	57.76
e. Capital Reserve on Demerger		
Opening Balance	723.01	723.01
(+) Transfer on Demerger	-	-
Closing Balance	723.01	723.01
f. Surplus		
Opening Balance	(34,182.02)	(33,555.34)
(+) Net Profit/(Net Loss) For the Current Year	(8,147.48)	(626.80)
Closing Balance	(42,329.50)	(34,182.14)
Grand Total	(36,255.32)	(29,077.71)

- g. During the year 2022-23, the Company has received Consumer Contributions (including Subsidies, Grants and Donations towards Cost of Capital Assets and Grants) amounting to Rs.1,291.43 Crore (Previous year Rs.1,011.16 Crore) which includes conversion of R-APDRP Part-A SCADA GoI loan of Rs.34.12 Crore, R-APDRP Part-B GoI loan of Rs.257.28 Crore and IPDS loan of Rs.0.74 Crore into grant. In proportion in which depreciation on the concerned assets have been charged during the year 2022-23, for an amount of Rs.328.16 Crore (Previous year Rs.415.16 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, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
		Rs. in Crore	Rs. in Crore
1.	Bonds	2,024.65	2,024.65
2.	Term Loans		
	i) From Banks	-	-
	ii) From Other Parties	13,385.47	12,285.78
	TOTAL	15,410.12	14,310.43

Further Classification into Party Wise

LENDOR No.	LENDOR NAME	Non Current	Non Current
BONDS (Under FRP Scheme)			
11224	APCPDCL PF Trust	57.40	57.40
11225	APGenco	176.60	176.60
11226	APTransco PF Trust	21.40	21.40
11227	Singareni Collieries	800.00	800.00
11228	APTransco	92.10	92.10
11229	Union Bank Of India	262.50	262.50
11231	The Federal Bank	6.50	6.50
11232	State Bank Of India	10.80	10.80
11233	State Bank Of India	13.10	13.10
11234	Bank Of Baroda	59.00	59.00
11235	Indian Overseas Bank	21.80	21.80
11236	Central Bank Of India	21.80	21.80
11237	Indian Bank	175.00	175.00
11238	Punjab & Sindh Bank	17.40	17.40
11239	Bank Of India	30.50	30.50
11248	APTransco Trench 2	178.25	178.25
11276	HPGCL Employees Pension Fund Trust	10.00	10.00
11277	HPVPLN Employees Pension Fund Trust	12.00	12.00
11278	HPVPLN Employees Provident Fund Trust	3.00	3.00
11279	HPSEBL - General Provident Fund	5.50	5.50
11280	APGenco Pension & Gratuity Trust	21.00	21.00
11281	TGenco Pension & Gratuity Trust	29.00	29.00
	SUB-TOTAL	2,024.65	2,024.65
LONG TERM LOANS FROM OTHERS			
11003	Rec - DDUGJY Scheme	79.13	89.03
11007	Rural Electrical Corporat	582.58	755.14
11008	Power Finance Corporation	45.36	269.32
11011	Govt. Loans	20.56	20.56
11128	IE:Distribution & Renovat	186.53	127.53
11252	Japan International Cooperation Agency (JICA)	384.73	359.50
11253	REC - 9 Hrs Power Supply	161.81	195.88
11254	REC - Bulk 2015-16	258.56	313.96

11255	REC - Spa:Pe 2015-16	105.48	125.64
11257	PFS Limited	363.59	275.34
11258	PFC-IPDS Scheme	108.90	119.21
11259	REC - IE:Distribution 2016-17	209.65	236.74
11266	REC - IE:Distribution & Bulk	511.59	573.13
11267	REC - Special Loan	-	7.29
11268	PFC - Medium Term Loan	-	320.43
11269	PFC - Term Loan	-	154.83
11270	IE:Distribution & Bulk (F.Y. 2018-19)	136.77	143.25
11272	REC - IE:Distribution (F.Y. 2019-20)	75.80	66.61
11273	REC - Bulk Scheme (F.Y. 2019-20)	374.15	442.95
11274	REC - Bulk Scheme (F.Y. 2019-20)	233.63	239.63
11275	M/S. Ireda Limited	250.67	615.42
11282	Moratorium Loan - Capitalization - Capex	299.51	284.04
11283	Moratorium Loan - Capitalization - WC	-	353.60
11284	REC - SLTTL - Covid 19	3,310.07	3,546.50
11285	PFC - SLTTL - Covid 19	3,346.41	3,585.43
11286	IE:Distribution (F.Y. 2020-21)	68.69	23.64
11287	PFC - RADS (F.Y. 2020-21)	52.74	-
11288	PFC - RADS (F.Y. 2021-22)	171.33	-
11501	REC-LPS 2022	1,410.54	-
11502	PFC-LPS 2022	1,410.54	-
	SUB-TOTAL	14,159.32	13,244.60
LESS	Kurnool and Ananthapur circles	773.85	958.82
	Net off Kurnool and Ananthapur	13,385.47	12,285.78
	Grand Total	15,410.12	14,310.43

- An amount of Rs.909.70 Crore were repaid against Loans pertains to Ananthapur and Kurnool by the TSSPDCL from 2014-15 to 2022-23, the same was transferred as receivable from APSPDCL
- The R-APDRP Part-A IT Government of India, part of the loan and accrued interest thereon, totaling of Rs.213.04 Crore has been converted into grant in 2021-22.
- The R-APDRP Part-A SCADA GoI Loan along with interest thereon, totaling of Rs.38.53 Crore has been converted into grant in 2022-23.
- The R-APDRP Part- B, GoI Loan along with interest thereon, totaling of Rs.257.28 Crore has been converted into grant in 2022-23.

Further Classification into Secured and Unsecured

LENDOR No.	LENDOR NAME	31.03.2023	31.03.2022
Secured - From Others			
11003	REC - DDUGJY Scheme	79.13	89.03
11007	Rural Electrical Corporation	582.58	755.14
11008	Power Finance Corporation	45.36	269.32
11128	IE:Distribution & Renovation	186.53	127.53
11253	REC - 9 Hrs Power Supply	161.81	195.88
11254	REC - Bulk 2015-16	258.56	313.96
11255	REC - Spa:Pe 2015-16	105.48	125.64
11257	PFS Limited	363.59	275.34
11258	PFC - IPDS	108.90	119.21
11259	REC - IE:Distribution 2016-17	209.65	236.74
11266	REC - IE:Distribution & Bulk	511.59	573.13
11267	REC - Special Loan	-	7.29
11268	PFC - Medium Term Loan	-	320.43
11269	PFC - Term Loan	-	154.83
11270	IE:Distribution & Bulk (F.Y. 2018-19)	136.77	143.25
11272	REC - IE:Distribution (F.Y. 2019-20)	75.80	66.61
11273	REC - Bulk Scheme (F.Y. 2019-20)	374.15	442.95
11274	REC - Bulk Scheme (F.Y. 2019-20)	233.63	239.63
11275	M/S. IREDA Limited	250.67	615.42
11282	Moratorium Loan - Capitalization - Capex	299.51	284.04
11283	Moratorium Loan - Capitalization - WC	-	353.60
11286	IE:Distribution (F.Y. 2020-21)	68.69	23.64
11287	PFC - RADS (F.Y. 2020-21)	52.74	
11288	PFC - RADS (F.Y. 2021-22)	171.33	
Total Secured Loans		4,276.47	5,732.61
LESS	KURNOOL AND ANANTAPUR	773.85	958.82
NET OFF KURNOOL AND ANANTAPUR		3,502.62	4,773.79

Unsecured - Bonds

LENDOR No.	LENDOR NAME	31.03.2023	31.03.2022
11224	APCPDCL PF Trust	57.40	57.40
11225	APGenco	176.60	176.60
11226	APTransco PF Trust	21.40	21.40
11227	Singareni Collieries	800.00	800.00
11228	APTransco	92.10	92.10
11229	Union Bank Of India	262.50	262.50
11231	The Federal Bank	6.50	6.50
11232	State Bank Of India	10.80	10.80
11233	State Bank Of India	13.10	13.10
11234	Bank Of Baroda	59.00	59.00
11235	Indian Overseas Bank	21.80	21.80
11236	Central Bank Of India	21.80	21.80
11237	Indian Bank	175.00	175.00
11238	Punjab & Sindh Bank	17.40	17.40
11239	Bank Of India	30.50	30.50
11248	APTransco Trench 2	178.25	178.25
11276	HPGCL Employees Pension Fund Trust	10.00	10.00
11277	HPVPLN Employees Pension Fund Trust	12.00	12.00
11278	HPVPLN Employees Provident Fund Trust	3.00	3.00
11279	HPSEBL - General Provident Fund	5.50	5.50
11280	APGenco Pension & Gratuity Trust	21.00	21.00
11281	TSGenco Pension & Gratuity Trust	29.00	29.00
SUB-TOTAL		2,024.65	2,024.65
UNSECURED - OTHERS			
11252	Japan International Cooperation Agency (JICA)	384.73	359.50
11011	Govt. Loans	20.56	20.56
11284	REC - SLTTL - Covid 19	3,310.07	3,546.50
11285	PFC - SLTTL - Covid 19	3,346.41	3,585.43
11501	REC-LPS 2022	1,410.54	-
11502	PFC-LPS 2022	1,410.54	-
SUB-TOTAL		9,882.85	7,511.99
Grand Total Of Secured And Unsecured Loans		15,410.12	14,310.43

Securities charged for the Loans

- a. Term Loans on FRP Scheme are guaranteed by Government vide G.O.Ms.11 Dated: 18.02.2014.
- b. Term Loans from REC and PFC : SLTTL-Covid 19 are guaranteed by Government vide G.O.Ms.06 Dated: 04.07.2020
- c. SBI Cash Credit facility is guaranteed by Government vide G.O.Ms.07 Dated: 04.04.2022
- d. Term Loans from REC and PFC : RBPF are guaranteed by Government vide G.O.Ms.05 Dated: 13.02.2023
- e. Term Loans from REC and PFC : LPS 2022 are guaranteed by Government vide G.O.Ms.22 Dated: 27.08.2022

Note 4A: Securities offered for the Long Term Loans

Particulars	As at March 31, 2023	As at March 31, 2022
Term Loans from Others	Rs. in Crore	Rs. in Crore
1. Loans from Rural Electrification Corporation Limited, New Delhi.		
i. Secured by the hypothecation of all the future Movables and Stocks to be created under respective schemes of the project out of the loan amount.	3,283.86	3,617.16
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.	-	360.89
2. Power Finance Corporation (PFC)		
i. If the company achieves the target as stipulated in the agreement and also if the project is complete in time schedule, the loan will be converted into grant.	45.36	269.33
ii. Charge is created on company movable assets (unencumbered assets) including PTR Augmentation, Addl PTRs/DTRs/Addl bays/LT/HT AB Cable/Reconductoring/ Capacitor Bank/VCB/R&C Works/Renovation & Modernisation works etc.. to be created in following areas of utility located at Nalgonda, Hyderabad Central, Master Plan, Hyderabad East, Hyderabad West towns of TSSPDCL in the state of Telangana.	332.97	475.26
iii. Secured by the hypothecation of all the future Movables and Stocks to be created under respective schemes of the project out of the loan amount.	-	119.21

<p>3. Loans from Power Trading Corporation - Financial Services Limited (PFS), New Delhi.</p> <p>(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.)</p>	363.59	275.34
<p>4. Loans from Indian Renewable Energy Development Agency Limited (IREDA), New Delhi.</p> <p>Secured by default escrow mechanism for entire IREDA loan amount of Rs.450.00 Crore to the satisfaction of IREDA.</p>	250.69	615.42
TOTAL	4,276.47	5,732.61

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

LENDOR No.	LENDOR NAME	31.03.2023	31.03.2022
BONDS			
11224	APCPDCL PF Trust	57.40	57.40
11225	APGenco	176.60	176.60
11226	APTransco PF Trust	21.40	21.40
11227	Singareni Collieries	800.00	800.00
11228	APTransco	92.10	92.10
11229	Union Bank Of India	262.50	262.50
11231	The Federal Bank	6.50	6.50
11232	State Bank Of India	10.80	10.80
11233	State Bank Of India	13.10	13.10
11234	Bank Of Baroda	59.00	59.00
11235	Indian Overseas Bank	21.80	21.80
11236	Central Bank Of India	21.80	21.80
11237	Indian Bank	175.00	175.00
11238	Punjab & Sindh Bank	17.40	17.40
11239	Bank Of India	30.50	30.50
11248	APTransco Trench 2	178.25	178.25
11276	HPGCL Employees Pension Fund Trust	10.00	10.00
11277	HPVPLN Employees Pension Fund Trust	12.00	12.00

11278	HPVPNL Employees Provident Fund Trust	3.00	3.00
11279	HPSEBL - General Provident Fund	5.50	5.50
11280	APGenco Pension & Gratuity Trust	21.00	21.00
11281	TGenco Pension & Gratuity Trust	29.00	29.00
Bonds Sub-Total		2,024.65	2,024.65
BANKS			
11013	State Bank Of India	1,275.17	347.32
11240	Union Bank Of India	-	41.36
11241	Bank Of India	0.16	25.05
11242	Central Bank Of India	-	18.21
11243	The Federal Bank	-	5.83
11244	Indian Overseas Bank	9.72	20.66
11245	Indian Bank	12.76	27.63
11246	Punjab & Sindh Bank	-	14.60
11247	Bank Of Baroda	0.47	21.90
Banks Sub-Total		1,298.28	522.56
OTHERS			
11003	REC - DDUGJY Scheme	89.03	98.92
11007	Rural Electrical Corporation	755.66	935.22
11008	Power Finance Corporation	49.58	269.32
11011	Govt. Loans	20.56	20.56
11014	Short Term Loans All Bank & Fi	1,318.82	553.65
11128	IE:Distribution & Renovation	204.95	127.53
11251	REC-medium Term Loan	0.21	133.96
11252	Japan International Cooperation Agency (JICA)	384.73	384.73
11253	REC - 9 Hrs Power Supply	195.88	229.95
11254	REC - Bulk 2015-16	313.96	369.36
11255	REC- Spa:Pe 2015-16	125.64	145.81
11257	PFS Limited	425.34	318.34
11258	PFC - IPDS	119.21	129.52
11259	REC - Ie:Distribution 2016-17	240.12	266.77
11266	REC - Ie:Distribution & Bulk	584.58	644.28
11267	REC - Special Loan	93.33	379.79
11268	PFC - Medium Term Loan	182.69	588.73
11269	PFC - Term Loan	182.59	488.16
11270	IE:Distribution & Bulk (F.Y. 2018-19)	151.81	149.33
11272	REC - IE:Distribution (F.Y. 2019-20)	83.19	66.61
11273	REC - Bulk Scheme (F.Y. 2019-20)	418.46	442.95

11274	REC - Bulk Scheme (F.Y. 2019-20)	239.63	239.63
11275	M/S. Ireda Limited	698.67	1,135.42
11282	Moratorium Loan - Capitalization - Capex	306.19	319.02
11283	Moratorium Loan - Capitalization - WC	137.10	353.60
11284	REC - SLTTL - Covid 19	3,546.50	3,546.50
11285	PFC - SLTTL - Covid 19	3,585.43	3,585.43
11286	IE:Distribution (F.Y. 2020-21)	68.69	23.64
11288	PFC - RADS (F.Y. 2021-22)	171.33	-
11501	REC-LPS 2022	1,410.54	-
11500	REC-RBPF 2022	1,000.00	-
11502	PFC-LPS 2022	1,410.54	-
11503	PFC-RBPF Loan	999.97	-
11287	PFC - RADS (FY 2020-21)	52.74	-
Others Sub-Total		19,567.67	15,946.73
Less	Kurnool And Anantapur	773.85	958.82
NET OFF OTHERS		18,793.82	14,987.91
NET OFF OF KURNOOL AND ANANTAPUR		22,116.75	17,535.12

5 Other Long Term Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. in Crore	Rs. in Crore
Vendor Deposits	148.39	146.63
Contribution Works	32.20	34.30
Other Liabilities	133.20	114.55
GIS - Insurance & Saving Fund	6.06	5.36
Self Funding Medical Scheme	3.72	8.24
Accidental Risk Self Funding Scheme	0.31	0.29
TOTAL	323.88	309.37

- 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 31.03.2023 is Rs.5.27 Crore (Previous Year Rs.4.76 Crore). The Closing balance of GIS Insurance Fund as at 31.03.2023 is Rs.0.51 Crore (Previous year Rs.0.47 Crore). During the year the Interest on Savings Fund for an amount of Rs. 0.35 Crore (Previous Year Rs.0.32 Crore) have been debited and is shown under the Head 'Interest and Finance Charges'.
- 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, 2023 Rs. in Crore	As at March 31, 2022 Rs. in Crore
Provision for employee benefits		
Gratuity (unfunded)	417.68	263.73
Leave Encashment (unfunded)	1,307.37	960.99
TSSPDCL Pension and Gratuity Trust (Funded)	292.03	530.96
Medical Expenses (PRMS)	271.67	161.65
TOTAL	2,288.75	1,917.33

- 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 31.03.2023 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 31.03.2023 is Rs.301.39 Crore (Previous Year Rs.206.33 Crore). Expenditure recognised under the head “Employee Benefit Expense” to the extent of Rs.97.42 Crore after paying benefits during the year to the extent of Rs.2.35 Crore. The funding status of the same is unfunded. As per the actuarial valuation report the current liability portion for an amount of Rs.2.01 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.299.38 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 31.03.2023 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 31.03.2023 is Rs.118.50 Crore (Previous Year Rs.58.85 Crore). Expenditure recognised under the head “Employee Benefit Expense” to the extent of Rs.59.66 Crore. The funding status of the same is unfunded. As per the actuarial valuation report the current liability portion for an amount of Rs.0.20 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.118.30 Crore was shown under this head of Long Term provisions.
- c.** The Company has carried out actuarial valuation as at 31.03.2023 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.1,387.06 Crore (Previous Year Rs.1,015.16 Crore) and during the year Rs.13.83 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.385.73 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.79.69 Crore was shown under the head of Short term Provisions note no. 10 and non current portion liability for an amount of Rs.1,307.37 Crore was shown under this head of Long term provision.

- d. The Company has carried out actuarial valuation as at 31.03.2023 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 31.03.2023. As per the actuarial valuation, the liability for the year ended 31.03.2023 is Rs.2,747.24 Crore and of which, the existing plan assets are of Rs.2,455.21 Crore, the differential amount is of Rs.292.03 Crore. The existing liability in the books of account before making new provision is for an amount of Rs.290.65 Crore and for the short amount of Rs.1.37 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.292.03 Crore is shown under this head of Long term provision.
- e. The Company has carried out actuarial valuation as at 31.03.2023 to arrive at present value of future obligations of the Medical Benefits extended to Employees, Pensioners and Artisans. As per the actuarial valuation, the liability for the year ended 31.03.2023 is Rs.392.68 Crore of which the existing liability in books is of Rs.219.48 Crore. The differential amount of Rs.173.21 Crore is debited to statement of Profit and Loss under the head of “Staff Welfare Expenses” and the funding status of the same is unfunded. As per the actuarial valuation report the current liability portion for an amount of Rs.121.01 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.271.67 Crore was shown under this head of Long Term provisions.

7 Short Term Borrowings

S.No	Particulars	As at March 31, 2023 Rs. in Crore	As at March 31, 2022 Rs. in Crore
1	Loans Repayable on Demand		
	i) From Banks	1,275.17	-
	ii) From Other Parties	1,318.82	447.82
	Total	2,593.99	447.82
2	Current maturities of long-term debt	4,112.64	2,776.85
	Total	6,706.63	3,224.67
	Further Classification into Party Wise		
11013	i) From Banks	1,275.17	-
	ii) From Other Parties		
11264	PFC - Short Term Loan	-	-
11014	Short Term Loans From TS Transco	1,318.82	447.82
	Total	2,593.99	447.82
1	Further Classification into Secured and Unsecured		
	Secured		
	(a) Loans repayable on demand		
	i) From Banks		
	ii) From Others		
	Sub-Total	-	-
	Secured Total	-	-

2	Unsecured		
	(a) Loans repayable on demand		
	from banks	1,275.17	-
	from other parties		
11014	Short Term Loans From TS Transco	1,318.82	447.82
	TOTAL	2,593.99	447.82

Statement showing the Current Maturities of Long Term Debts

Vendor Code	Name of Vendor	31.03.2023	31.03.2022
11003	REC-DDUGJY Scheme	9.89	9.89
11007	Rural Electrical Corporat	173.09	180.09
11013	SBH - CC Limit Account	-	347.32
11014	TSTransco Loan	-	105.82
11240	Union Bank Of India	-	41.36
11241	Bank Of India	0.16	25.05
11242	Central Bank Of India	-	18.21
11243	The Federal Bank	-	5.83
11244	Indian Overseas Bank	9.72	20.66
11245	Indian Bank	12.76	27.63
11246	Punjab & Sindh Bank	-	14.60
11247	Bank Of Baroda	0.47	21.90
11251	REC-Medium Term Loan	0.21	133.96
11252	Loan from Govt. of Telangana - JICA Funding	-	25.23
11253	REC - 9 Hrs Power Supply	34.07	34.07
11254	REC - Bulk 2015-16	55.40	55.40
11255	REC - Spa:Pe 2015-16	20.16	20.16
11257	PFC Limited	61.75	43.00
11258	PFC-ipds Scheme	10.31	10.31
11259	REC - IE:Distribution 201	30.47	30.03
11266	IE:Distribution & Bulk (F.Y. 2017-18)	72.99	71.15
11267	REC - Special Loan	93.33	372.50
11268	PFC - Medium Term Loan	182.69	268.30
11269	PFC - Term Loan	182.59	333.33
11270	IE:Distribution & Bulk (F.Y. 2018-19)	15.06	6.08
11271	PFC - SGPP Scheme	-	-
11275	Term Loans -IREDA	448.00	520.00
11282	Moratorium Loan - Capitalization - Capex	6.68	34.97
11283	Moratorium Loan - Capitalization - WC	137.10	-
11272	IE:Distribution (F.Y. 2019-20)	7.39	
11273	Bulk Scheme (F.Y. 2019-20)	44.29	

11128	IE:Distribution & Renovation Works (2019-20)	18.41	
11274	Bulk Scheme (F.Y. 2019-20)	6.00	
11284	REC - SLTTL - Covid 19	236.43	
11500	REC-RBPF 2022	1,000.00	
11503	PFC-RBPF Loan	999.97	
11008	PFC - RAPDRP	4.21	
11285	PFC - SLTTL - Covid 19	239.04	
	Grand Total	4,112.64	2,776.85

* The Current Maturities of Long Term Debts are regrouped in Schedule No.07 (from Schedule No.09) as these debts are short term in nature.

8 Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. in Crore	Rs. in Crore
Unsecured		
(i) Micro, Small and Medium Enterprises (MSMEs)	12.01	2.41
(ii) Other than MSME		
APEPDCL	990.06	990.62
APSPDCL	481.47	482.03
TSNPDCL	210.20	(261.29)
TSGenco	5,693.13	7,180.44
APGenco	3,334.73	3,334.73
APTransco	5.76	5.76
TGTransco	1,300.36	1,204.02
Other Power Purchase Creditors	17,382.87	17,030.04
Other Payables	628.97	697.32
Total	30,039.56	30,666.08

- Balances from other Discoms', GENCOs', TRANSCO's' are subject to confirmation and reconciliations.
- Repayment of loans and interest thereon against loans pertaining to APSPDCL of Rs.2,134.17 Crore (Previous year Rs.1,873.27 Crore) are regrouped in Note No.20 as Other Current Assets under the head of Receivable on Demerger of Kurnool and Ananthapur.
- Balances from other power purchase creditors and other payables are subject to confirmations and reconciliations.
- Trade Payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the company and the required disclosures are given below:

- e. 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.
- f. The age wise analysis of Trade Payables are as follows..

Ageing of Trade Payables as at 31.03.2023

Particulars	Outstanding for following periods from due date of payment as at 31.03.2023 (As at 31.03.2022)				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSMEs	12.01 (2.41)	-	-	-	12.01 (2.41)
(ii) Other	16,830.99 (16,599.64)	578.65 (3,956.88)	7,750.74 (953.05)	55.15 (2,949.72)	25,215.53 (24,459.29)
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others-	-	-	-	4,812.02 (4,331.11)	4,812.02 (4,331.11)
Total	16,843 (16,602.05)	578.65 (3,956.88)	7,750.74 (953.05)	4,867.17 (7,280.83)	30,039.56 (28,792.81)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Principle and amount remaining unpaid	12.01	2.41
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, 2023	As at March 31, 2022
	Rs. in Crore	Rs. in Crore
Employee related liabilities	168.20	159.09
Statutory Liability	61.98	74.38
Advance from Customers	149.65	122.32
Consumer Deposits	4,580.59	3,953.28
Govt. of AP SC/ST Payable	3.47	3.47
Inter Unit Accounts	114.17	23.62
Interest Payable on Consumer Deposit	230.41	147.15
Interest Accrued and due	656.28	469.44
Other Liabilities	511.32	1,212.43
Artisans Salaries Payable	27.60	26.33
GST Liabilities	8.41	8.75
Total	6,512.08	6,200.26

- 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.114.17 Crore (Previous Year - Rs.23.62 Crore)
- Other Liabilities includes an amount of Rs.141.69 Crore (Previous Year Rs.840.76 Crore) to TSTransco which was taken on emergency basis and FSA Payable of Rs.330.71 Crore. The above balance is subject to confirmation and reconciliation.

10 Short Term Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. in Crore	Rs. in Crore
Provision for Employee cost	398.73	30.28
RPF Fund	0.01	0.01
Provision for Admin Expenses	11.86	10.35
Provision for CWIP	1.59	1.53
Provision for Interest	370.77	285.87
Provision for O&M works	1.24	1.70
Provision for R & C Penalties	0.10	0.10
Provision for Power Purchase Cost	1,794.32	64.22
Gratuity (unfunded)	2.21	1.45
Leave Encashment (unfunded)	79.69	54.17
TSSPDCL Pension & Gratuity Trust	-	-
Medical Expenses (PRMS)	121.01	72.00
Total	2,781.53	521.68

Provision for Employee Cost includes an amount of Rs.363.82 Crore towards Revision of Pay Scales 2022 (RPS-2022) which is payable w.e.f 01.04.2022.

Provision for Interest includes Guarantee Commission payable to GoTS of Rs.344.33 Crore, Interest on Term Loans Rs.6.05 Crore, and Japan International Cooperation Agency (JICA) loan Rs.13.06 Crore.

Note No.11 - Property Plant, Equipment and Intangibles

S.No.	Particulars	Gross Carrying Values				Depreciation & Amortisation				Net Carrying Values		
		As at 1 st April, 2022	Additions	Deletions/ Adjustments	Deletions Through Business Combinations	As at 31 st March 2023	As at 1 st April 2022	Depreciation charge for the year	Deletions/ Adjustments	Additions through business combinations	As at 31 st March 2023	As at 31 st March 2022
a	Plant, Property and Equipment											
	Land	8.64	-	-	-	8.64	-	-	-	-	8.64	8.64
	Buildings	360.46	13.76	-	-	374.22	106.62	12.28	-	118.90	255.32	253.84
	Other Civil Works	211.88	9.20	-	-	221.08	37.16	7.26	-	44.42	176.66	174.72
	Plant and Machinery	8,377.53	610.22	0.87	-	8,988.88	4,380.46	355.54	0.74	4,735.26	4,251.62	3,997.07
	Lines and Cable Network	8,000.08	680.01	-	-	8,680.09	3,779.73	346.40	-	4,126.13	4,553.96	4,220.35
	Meters and Metering equipment	1,731.82	101.41	5.91	-	1,827.32	1,104.85	50.55	3.45	1,151.95	675.37	626.97
	Vehicles	7.08	-	-	-	7.08	6.37	-	-	6.37	0.71	0.71
	Furniture and Fixtures	16.47	0.78	-	-	17.25	10.93	0.54	-	11.47	5.78	5.54
	Office Equipment	47.24	4.13	-	-	51.37	30.83	1.74	-	32.57	18.80	16.41
	Air Conditioners	2.50	0.10	-	-	2.60	1.65	0.06	-	1.71	0.89	0.85
	Computer & IT Equipment	182.54	3.02	-	-	185.56	122.47	22.96	-	145.43	40.13	60.07
	Sub Total	18,946.24	1,422.63	6.78	-	20,362.09	9,581.07	797.33	4.19	10,374.21	9,987.88	9,365.17
b	Intangible Assets											
	Computer Software	68.72	2.08	-	-	70.80	44.54	4.57	-	49.11	21.69	24.18
	Sub Total	68.72	2.08	-	-	70.80	44.54	4.57	-	49.11	21.69	24.18
c	Capital Work in Progress											
	Capital Work in Progress	1,087.92	1,610.15	1,491.10	-	1,206.97	-	-	-	-	1,206.97	1,087.92
	Sub Total	1,087.92	1,610.15	1,491.10	-	1,206.97	-	-	-	-	1,206.97	1,087.92
d	GRAND TOTAL (a+b+c)	20,102.88	3,034.86	1,497.88	-	21,639.86	9,625.61	801.90	4.19	10,423.32	11,216.54	10,477.27
	Grand Total of Previous Year	18,649.59	2,908.42	1,455.13	-	20,102.88	8,503.94	1,126.23	-	9,625.61	10,477.27	10,145.65

11. (a) Ageing of Capital Working - Progress (CWIP)

Particulars	Amount in CWIP as at 31.03.2023 (As at 31.03.2022)				(Rs. In Crore)
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	460.25 (657.78)	444.61 (183.48)	191.85 (120.34)	110.26 (126.32)	1206.97 (1087.92)
Projects temporarily suspended.	-	-	-	-	-
Total	460.25 (657.78)	444.61 (183.48)	191.85 (120.34)	110.26 (126.32)	1206.97 (1087.92)

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

Particulars	To be completed in				(Rs. In Crore)
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	99.23	11.03	-	-	110.26
Projects temporarily suspended.	-	-	-	-	-
Total	99.23	11.03	-	-	110.26

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	(Rs. In Crore)	
			As at 31 st March 2023	As at 31 st March 2022			As at 31 st March 2023	As at 31 st March 2022
(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	426.01	426.01
	Total						426.01	426.01

B. Details of Other Investments

S.No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	(Rs. in Crore)	
			As at 31 st March 2023	As at 31 st March 2022			As at 31 st March 2023	As at 31 st March 2022
1	Investments in Government or Trust securities							
200021	AP TRANSCO - VIDYUT BONDS (Face Value Rs.10,00,000/- per Bond)	-	-	132	Quoted	Fully Paid	-	13.20
200013	8.74% APPFC Bonds (Face Value Rs.10,00,000/- per Bond)	Others	-	47	Quoted	Fully Paid	-	4.70
200013	9.97% APPFC Bonds (Face Value Rs.10,00,000/- per Bond)	Others	24	24	Quoted	Fully Paid	2.40	2.40
200013	9.64% APPFC Bonds (Face Value Rs.10,00,000/- per Bond)	Others	22	22	Quoted	Fully Paid	2.20	2.20
200014	8.35% Govt of India Securities	Others	-	172000	Unquoted	Fully Paid	-	1.72
200030	9.15% APSFC - Unsecured, Redeemable, Non Convertible, Non SLR Bonds Series VI-2013 (Face Value Rs.10,00,000/- per Bond)	Others	-	28	Unquoted	Fully Paid	-	0.28
200036	MAH SLD @ 9.25%	Others	180	180	Unquoted	Fully Paid	1.80	1.80
200030	APFC SERIES VII/2014 FRO (Face Value Rs.1,00,000/- per Bond)	Others	180	360	Unquoted	Fully Paid	0.18	0.36
200038	9.2% GOVERNMENT OF INDIA - 2030 SECURITIES	Others	194	194	Unquoted	Fully Paid	1.94	1.94
200037	8.4% GOVERNMENT OF INDIA - 2024 SECURITIES	Others	190	190	Unquoted	Fully Paid	1.90	1.90
200005	7.72% Andhra Pradesh SDL	Others	4710	-	Unquoted	Fully Paid	4.71	-
200006	7.74% Andhra Pradesh SDL	Others	5000	-	Unquoted	Fully Paid	5.00	-
200008	7.60% Tamil Nadu SDL 2032	Others	19660	-	Unquoted	Fully Paid	19.66	-
200009	7.65% Bihar SDL 2032	Others	10000	-	Unquoted	Fully Paid	10.00	-
200016	7.45% Telangana SDL 2030	Others	4500	-	Unquoted	Fully Paid	4.50	-
200017	7.47% Telangana SDL 2031	Others	4500	-	Unquoted	Fully Paid	4.50	-
200022	7.69% Telangana SGS 2032	Others	2800	-	Unquoted	Fully Paid	2.80	-
	Sub Total (B)						61.59	30.50
	Grand Total (A+B)						487.60	456.51

* During the year an amount of Rs.20.54 Crore of Bonds were mature and an amount of Rs.51.17 Crore addl./re invested in various securities

13 Deferred Tax

Particulars	As at March 31, 2023 Rs. in Crore	As at March 31, 2022 Rs. in Crore
Deferred Tax Liabilities		
A i) Opening Balance	779.48	769.10
ii) Fixed Assets : Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	106.40	10.38
iii) Gross deferred tax liability (i+ii)	885.88	779.48
Deferred Tax Asset		
B i) Opening Balance	2,583.17	2,780.68
ii) Deferred tax asset on timing difference	(51.07)	(197.51)
iii) Gross deferred tax asset (i+ii)	2,532.10	2,583.17
iv) Net Deferred Tax Asset/ (Liability) (Biii-Aiii)	1,646.22	1.803.69

13 A - Deferred Tax Calculations

1. Deferred Tax Liability

Particulars	As at March 31, 2023 Rs. in Crore	As at March 31, 2022 Rs. in Crore
i) WDV as per Companies Act 2013	9,987.89	9,389.35
ii) WDV as per Income Tax Act	7,034.95	6,791.06
iii) WDV Timing Differences (i-ii)	2,952.94	2,598.29
iv) Deferred Tax Liability (iii *30%)	885.88	779.49

2. Deferred Tax Asset

Particulars	As at March 31, 2023 Rs. in Crore	As at March 31, 2022 Rs. in Crore
Deferred Tax Assets on Timing Differences		
i. Unabsorbed Depreciation	6,443.28	6,443.28
ii. 43B Disallowances		
a. Provision for gratuity [Section 43B(b)]	611.09	619.01
b. Provision for leave encashment [Section 43B(f)]	1,372.91	1,003.37
c. Interest [Section 43B(d) & (e)]	13.06	544.90
Total Timing Difference	8,440.34	8,610.56
Deferred Tax Assets	2,532.10	2,583.17

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

13 B. Deferred Tax Income Calculation

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. in Crore	Rs. in Crore
1. Deferred Tax Liability	885.88	779.49
2. Deferred tax Asset	2,532.10	2,583.17
3. Net Deferred Tax Asset of Current year (2-1)	1,646.22	1,803.68
4. Net Deferred Tax Asset of Previous year	1,803.68	2,011.58
5. Deferred Tax on account of Merger - Husnabad	-	-
6. Net Deferred Tax Income credit to P&L A/c (3-(4+5))	(157.46)	(207.90)

14 Long Term Loans & Advances

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. in Crore	Rs. in Crore
a. Secured, Considered good		
Loans & Advances to employees	31.14	35.40
b. Unsecured, Considered good		
Loans & Advances to employees	2.01	3.04
Deposits with Courts, Telecom and Local Authorities	99.93	99.85
Capital Advances	121.73	52.08
Total	254.81	190.37

c. Secured Long term Loans & Advances to employees includes

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. in Crore	Rs. in Crore
Housing Loan - Secured against House	13.50	14.25
Four Wheeler Loan - Hypothecation of Four Wheeler	17.64	21.15
Total	31.14	35.40

d. Unsecured Long term Loans & Advances to employees includes

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. in Crore	Rs. in Crore
Two Wheeler Loan	1.05	1.53
Computer Loans	0.94	1.48
Marriage and Education Advance	0.02	0.03
Total	2.01	3.04

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

f. Unsecured Deposits Includes

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. in Crore	Rs. in Crore
Court Authorities	75.53	75.19
Telephone Authorities	0.08	0.08
Deposits with Local Authorities and Resco	24.32	24.58
Total	99.93	99.85

- g. Deposits with Court Authorities includes Rs.64.08 Crore (Previous Year Rs.64.08 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, 2023	As at March 31, 2022
	Rs. in Crore	Rs. in Crore
(a) Secured, considered good		
Long Term Receivables from Employees	4.61	5.23
(b) Unsecured, considered good		
Receivable from ITI, Chennai	0.49	0.49
Total	5.10	5.72

- 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 31,2023	As at March 31,2022
	Rs. in Crore	Rs. in Crore
Stores and Spares	232.68	226.02
Less: Provision for Recovery/Write Off of Cost Materials	4.64	3.20
Total	228.04	222.82

Provision for Obsolete Items:

As per the physical verification report for the year ended 31st March, 2023 an amount of Rs.4.64 Crore is noticed as obsolete stock, but the provision for obsolete stock is available for an amount of Rs.3.20 Crore is existing and the Provision for Obsolete Stock is restated to Rs.4.64 Crore.

17 Trade Receivables

Particulars	As at March 31,2023	As at March 31,2022
	Rs. in Crore	Rs. in Crore
i) Trade Receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	1,070.51	1,171.11
Unsecured, considered good	206.68	1,329.33
Sub Total	1,277.19	2,500.44
ii) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	2,943.06	4,019.64
Unsecured, considered good	11,849.86	5,297.22
Unsecured, considered doubtful	566.23	619.09
Less: Provision for doubtful debts	(566.23)	(619.09)
Less: Provision for doubtful debts FSA	(26.02)	(26.02)
Sub Total	14,766.90	9,290.84
Total (i + ii)	16,044.09	11,791.28

- The above trade receivables includes, Court Cases of Rs.2,173.03 Crore (Previous Year Rs.1,973.06 Crore) which includes wheeling charges and surcharge there on as per the orders of the Hon'ble High Court of Telangana, initially raised as per the Hon'ble Supreme Court Orders, RR Act Cases Rs.4.13 Crore (Previous Year Rs.4.43 Crore), Bill Stopped/Disconnected Services Rs.811.57 Crore (Previous Year Rs.901.23 Crore).
- The Age wise analysis of above Trade Receivables are as follows

17.b. Ageing of Trade Receivables

(Rs. In Crore)

Particulars	Outstanding for following period from due date of receivable at 31.03.2023 (As at 31.03.2022)					Total
	Less than 6 month	6 months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed trade receivable-considered good	1,270.51 (1,171.11)	495.98 (1,793.06)	1,794.45 (2,058.81)	483.76 (31.66)	190.58 (136.10)	4,235.28 (5,190.74)
(ii) Undisputed Trade Receivable-considered doubtful	1.82 (1,272.44)	1.75 (10.76)	6.29 (23.42)	6.19 (273.40)	10,020.51 (3,497.99)	10,036.56 (5,078.01)
(iii) Disputed trade receivables considered good	4.53 (20.72)	0.08 (4.91)	44.40 (258.35)	0 (19.11)	0 (53.49)	49.01 (356.58)
(iv) Disputed trade receivables considered doubtful	0.33 (36.17)	0.26 (20.42)	0.63 (969.35)	21.47 (34.38)	2,292.80 (750.74)	2,315.49 (1,811.06)
Total	1,277.19 (2,500.44)	498.07 (1,829.15)	1,845.77 (3,309.93)	511.42 (358.55)	12,503.89 (4,438.32)	16,636.34 (12,436.39)

18 Cash & Cash Equivalents

Particulars	As at March 31,2023 Rs. in Crore	As at March 31,2022 Rs. in Crore
Cash and Cash Equivalents		
a. Balances with banks		
In Current Accounts	12.89	13.23
Remittance in Transit	(3.38)	4.31
In Deposits with Original Maturity less than 3 Months	97.45	142.05
b. Cash on hand	25.25	16.96
Total	132.21	176.55

19 Short Term Loans & Advances

Particulars	As at March 31,2023 Rs. in Crore	As at March 31,2022 Rs. in Crore
a. Secured, considered good		
Recoverable from employees (Cell phone)	0.04	0.05
b. Unsecured, considered good		
Loans & Advances to employees	5.70	8.98
Income Tax Refunds	20.79	5.66
Advance to O&M Suppliers	2.30	2.37
Government Receivables	5,286.41	5,292.01
Provision for Government Receivables - Additional Power	(3,877.87)	(3,877.87)
Other Loans & Advances	0.22	0.41
Total	1,437.59	1,431.61

20 Other Current Assets

Particulars	As at March 31,2023 Rs. in Crore	As at March 31,2022 Rs. in Crore
Fixed asset retired from active use and held for disposal	0.07	0.07
Interest Accrued on Investments	3.86	5.08
Unbilled Revenue - Trade Receivables	3,090.49	2,637.47
FSA Revenue - Receivables	551.36	551.36
TSGenco Master P&G Trust	77.60	83.35
Receivable on Demerger of Kurnool and Ananthapur	4,230.74	3,969.84
TSSPDCL GPF Trust	(2.56)	(23.02)
Other Receivables	421.40	82.08
Receivable from Govt. under UDAY for Losses	-	6,228.00
Total	8,372.96	13,534.23

- a. TSGenco Master P&G Trust owes to the company to the tune of Rs.77.60 Crore (Previous year Rs.83.35 Crore).
- b. Other Receivables includes advance payment of Electricity Duty of Rs.311.01 Crore and Prepaid Charges of Rs.64.08 Crore.

21 Revenue From Operations

Particulars	2022-23	2021-22
(a) Sale of energy		
LT Supply	10,061.88	7,986.09
HT Supply	18,143.86	13,880.30
Interstate Sales	1,195.17	1,340.21
Fuel Surcharge Adjustment	1.89	2.69
Tariff Subsidy	1,610.89	1,397.50
Revenue grant under UDAY Scheme	313.00	2,124.00
Customer Charges	850.36	489.76
Theft of Power	38.41	32.67
Delayed Payment Surcharge - Income	1,577.41	1,447.92
R & C Penalties	0.03	0.03
(b) Other Operating Revenues		
Amortization of Consumer Contribution, Subsidies & Grants towards Property Plant and Equipment	328.16	415.16
Others - Wheeling, Unscheduled Interchange, Capacitor Surcharge etc..	41.92	111.17
Less: Electricity Duty	(205.95)	(181.95)
Total	33,957.03	29,045.55

- 21 (a) i) 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 2022-23 the Tariff Subsidy is accounted for Rs.1,610.89 Crore and the same has been received from Govt. of Telangana.
- ii) During the F.Y. 2022-23, the Government of Telangana has issued the G.O.No. 33, Dated: 24.12.2022. towards take over of Loss of 2021-22 as per the clauses under the UDAY scheme for an amount of Rs.415 Crore for TS Discoms, out of which TSSPDCL share is of Rs.313 Crore (i.e. 50% loss of 2021-22). The same is received and recognised in 2022-23.
- (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 Hon'ble CERC. In view of this, Management is opined that Schedule II to the Companies Act,2013 is not mandatorily applicable to the Company.
- ii) The Depreciation on Consumer Contributions have been withdrawn on 90% of the values.
- iii) The Electricity Duty (ED) raised and collected from consumer at six paise per unit is being paid to the Government. The same is neither revenue nor expenditure to the licensee, Hence the ED is excluded completely from the Revenue from operation.

22 Other Income

Particulars	2022-23 Rs. in Crore	2021-22 Rs. in Crore
Interest Income		
Bank	7.88	5.39
Staff	0.89	0.89
Others : Interest on ED	8.27	6.77
Rent from Company's Property Plant and Equipment	0.70	0.43
Sale of Scrap	4.00	9.48
Penalties from Suppliers	7.58	5.21
Other Income	268.35	99.24
Total	297.67	127.41

- As per the Company's Policy, interest on loans given to employees is recovered after repayment of the principal loan amount.
- Interest on ED : Electricity Duty is being raised on sale of electricity to consumer at six paise per unit and paid to the State Government as and when the liability is arising, irrespective of receipt from consumer. Further, Interest on Electricity Duty is levied on the consumers when they fail to pay the bills within the due date as per the Clause 4.4 of the APERC Electricity Supply Code Regulation No. 5 of 2004 adopted by TSERC vide Regulation No.1 of 2014. Hence the Interest on Electricity Duty collected from the consumers due to late payment of bills is being treated as Other Income to the Discom.
- Other Income includes prior period CC Charges of Rs.117.10 Crore, Incidental charges of Rs.100.53 Crore, Storage and Handling Charges of Rs.8.33 Crore and Contingencies of Rs.8.27 Crore.

23 Power Purchase Cost

Particulars	2022-23 Rs. in Crore	2021-22 Rs. in Crore
Purchase of Power - Fixed Cost	8,682.63	8,910.20
Purchase of Power - Variable Cost	22,599.88	15,953.11
Transmission Charges	4,091.61	3,066.60
Other Power Purchase Costs	136.59	99.77
Total	35,510.71	28,029.68

24 Employee Benefit Expense

Particulars	2022-23 Rs. in Crore	2021-22 Rs. in Crore
Salaries and incentives	1,944.65	1,460.53
Artisans Remuneration	379.29	322.46
Contributions to Employees Provident Fund 1952	90.24	79.18
Artisans EPF and ESI Contributions	20.57	20.90
Pension Benefits	556.81	(67.18)
Director's Remuneration & Allowances	3.31	3.21
Director's Sitting Fees	-	-
Staff welfare expenses	184.01	262.31
Less: Employee Cost Capitalized	(97.78)	(86.45)
Total	3,081.10	1,994.96

As per Actuarial Valuation Report, the Company has provided for Pension & Gratuity in respect of employees who were on rolls as on 31.01.1999 and retired thereafter in the ratio of 26% i.e. Rs.2,747.24 Crore as per Tripartite Agreement. Balance 74% of Provision for Pension & Gratuity of Rs.7,819.05 Crore as per Actuarial Valuation Report, is the responsibility of the TSGenco Master Trust as per Tripartite Agreement. Further, the TSSPDCL is making the payment of 74% of Pension & Gratuity on behalf of TSGenco Master Trust and claiming the reimbursement of same on monthly basis from the TSGenco Master Trust and the TS Genco Master Trust is reimbursing the same. As such the Provision of maintaining 74% of Pension & Liability is not required to be provided in the books of TSSPDCL.

Staff Welfare Expenses includes provision for Medical Expenses (reimbursement) of Rs.173.21 Crore on the basis of Actuarial Valuation Report.

Disclosures for the DISCOM P & G Trust

(Employees recruited prior to 01.02.1999 and on roll as on 31.03.2023)

Annexure 1: Funded status of the plan

Particulars	As at March 31,2023	As at March 31,2022
	Rs. in Crore	Rs. in Crore
Present value of unfunded obligations	-	-
Present value of funded obligations	2,747.24	2,687.06
Fair value of plan assets	2,455.21	2,156.10
Net Liability (Asset)	292.03	530.96

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2023	As at March 31,2022
	Rs. in Crore	Rs. in Crore
Current service cost	73.39	68.04
Interest on obligation	189.55	206.65
Expected return on plan assets	(153.54)	(126.84)
Net actuarial loss/(gain)	(108.02)	(259.76)
Contributions to the Fund	100.00	375.00
Past service cost	-	-
Adjustment to the Opening Fund	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	1.37	(111.91)
Expenses deducted from the fund		
Total Charge to P&L	1.37	(111.91)
Loss/(Gain) on obligation as per Annexure 3	(62.45)	(253.55)
Loss/(Gain) on assets as per Annexure 4	(45.57)	(6.21)
Net actuarial Loss/(Gain)	(108.02)	(259.76)

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2023	As at March 31,2022
	Rs. in Crore	Rs. in Crore
Opening Defined Benefit Obligation	2,687.06	2,799.34
Current service cost	73.39	68.04
Interest cost	189.55	206.65
Actuarial loss (gain)	(62.45)	(253.55)
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	(140.31)	(133.42)
Benefits payable	-	-
Closing Defined Benefit Obligation	2,747.24	2,687.06

Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2023	As at March 31,2022
	Rs. in Crore	Rs. in Crore
Opening value of plan assets	2,156.10	1,648.05
Transfer in/(out) plan assets	-	-
Expenses deducted from the fund	-	-
Expected return	153.54	126.84
Actuarial gain and (loss)	45.57	6.21
Assets distributed on settlements	-	-
Contributions by employer	240.31	508.42
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(140.31)	(133.42)
Adjustment to the Opening Fund	-	-
Closing value of plan assets	2,455.21	2,156.10

Annexure 5: Reconciliation of net defined benefit liability

Particulars	As at March 31,2023	As at March 31,2022
	Rs. in Crore	Rs. in Crore
Net opening provision in books of accounts	664.38	1,151.29
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	1.37	(111.91)
Sub- Total	665.75	1,039.38
Benefits paid by the Company	140.31	133.42
Amounts transferred to 'payable account'		
Contributions to plan assets	100.00	375.00
Closing provision in books of accounts	565.75	664.38

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2023	As at March 31,2022
	%	%
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 31,2023	As at March 31,2022
	Rs. in Crore	Rs. in Crore
Current Liability*	-	-
Non-Current Liability	292.03	530.96
Net Liability	292.03	530.96

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2023	As at March 31,2022
	Rs. in Crore	Rs. in Crore
Defined Benefit Obligation	2,747.24	2,687.06
Plan Assets	2,455.21	2,156.10
Surplus/(Deficit)	(292.03)	(530.96)
Experience adjustments on plan liabilities	(62.45)	(253.55)
Actuarial loss/ (gain) due to change in demographic assumption	50.32	
Actuarial loss/(gain) due to change in financial assumptions	59.26	
Experience adjustments on plan assets	(45.57)	(6.21)
Net actuarial loss/ (gain) for the year	(108.02)	(259.76)

Annexure 9: Principle Actuarial Assumptions

Particulars	As at March 31,2023	As at March 31,2022
Discount Rate for Gratuity and Pension	7.36%	6.96%
Expected Return on Plan Assets	Not available	Not available
Salary Growth Rate	9.00%	9.00%
Pension Growth Rate	5.00%	5.00%

Earned Leave Encashment for all Employees on roll as on 31.03.2023

Annexure 1: Funded status of the plan

Particulars	As at March 31,2023	As at March 31,2022
Present value of unfunded obligations	1,387.07	1,015.16
Present value of funded obligations		
Fair value of plan assets		
Net Liability (Asset)	1,387.07	1,015.16

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2023	As at March 31,2022
Current service cost	122.41	42.11
Interest on obligation	74.01	71.99
Expected return on plan assets	-	-
Net actuarial loss/(gain)	189.32	(134.12)
Past service cost		
Losses/(gains) on curtailments and settlement		
Total included in 'Employee Benefit Expense'	385.73	(20.02)
Expenses deducted from the fund		
Total Charge to P&L	385.73	(20.02)
Loss/(Gain) on obligation as per annexure 3		
Loss/(Gain) on assets as per annexure 4		
Net actuarial Loss/(Gain)	189.32	(134.12)

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2023	As at March 31,2022
Opening Defined Benefit Obligation	1,015.16	1,048.47
Transfer in/(out) obligation	-	-
Current service cost	122.41	42.11
Interest cost	74.01	71.99
Actuarial losses/ (gains)	189.32	(134.12)
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	(13.83)	(13.29)
Closing Defined Benefit Obligation	1,387.06	1,015.16

* 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 31,2023	As at March 31,2022
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 31,2023	As at March 31,2022
Net opening provision in books of accounts	1,015.16	1,048.47
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee benefit expense as per annexure 2	385.73	(20.02)
Sub-Total	1,400.89	1,028.45
Benefits paid by the company	(13.83)	(13.29)
Contributions to plan assets	-	-
Closing provision in books of accounts	1,387.06	1,015.16

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2023	As at March 31,2022
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 31,2023	As at March 31,2022
Current Liability*	79.69	54.17
Non-Current Liability	1,307.37	960.99
Net Liability	1,387.06	1,015.16

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2023	As at March 31,2022
Defined Benefit Obligation	1,387.06	1,015.16
Plan Assets	-	-
Surplus/(Deficit)	(1,387.06)	(1,015.16)
Experience adjustments on plan liabilities	207.15	(98.84)
Actuarial loss/(gain) due to change in financial assumptions	(17.83)	(35.28)
Actuarial loss/ (gain) due to change in demographic assumption	-	-
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	189.32	(134.12)

Annexure 9: Principle Actuarial Assumptions

Particulars	As at March 31,2023	As at March 31,2022
Discount Rate	7.51%	7.34%
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	9.00%	9.00%
Withdrawal Rates	0%	0%
Leave Availment Rate	5% p.a.	5% p.a.
Leave Encashment Rate	0% p.a.	0% p.a.

Gratuity for Employees Recruited after 01.02.1999

Annexure 1: Funded status of the plan

Particulars	As at March 31,2023	As at March 31,2022
Present value of unfunded obligations	301.39	206.33
Present value of funded obligations		
Fair value of plan assets		
Net Liability (Asset)	301.39	206.33

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2023	As at March 31,2022
Current service cost	11.68	8.57
Interest on obligation	15.06	11.90
Expected return on plan assets	-	-
Net actuarial loss/(gain)	70.68	14.60
Recognised Past Service Cost	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	97.42	35.07
Expenses deducted from the fund	-	-
Total Charge to P&L	-	-
Loss/(gain) on obligation as per Annexure 3	70.68	14.60
Loss/(gain) on assets as per Annexure 4	-	-
Net actuarial loss/(gain)	70.68	14.60

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2023	As at March 31,2022
Opening Defined Benefit Obligation	206.33	173.18
Transfer in/(out) obligation	-	-
Current service cost	11.68	8.57
Interest cost	15.06	11.90
Actuarial loss (gain)	70.68	14.60
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(2.35)	(1.92)
Closing Defined Benefit Obligation	301.39	206.33

Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2023	As at March 31,2022
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 31,2023	As at March 31,2022
Net opening provision in books of accounts	206.33	173.18
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Annexure 2	97.42	35.07
Sub-Total	303.75	208.25
Benefits paid by the Company	(2.35)	(1.92)
Contributions to plan assets	-	-
Closing provision in books of accounts	301.39	206.33

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2023	As at March 31,2022
	%	%
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 31,2023	As at March 31,2022
Current Liability*	2.01	1.37
Non-Current Liability	299.38	204.96
Net Liability	301.39	206.33

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2023	As at March 31,2022
Defined Benefit Obligation	301.39	206.33
Plan Assets	-	-
Surplus/(Deficit)	(301.39)	206.33)
Experience adjustments on plan liabilities	77.85	
Actuarial loss/(gain) due to change in financial assumptions	(7.16)	
Actuarial loss/ (gain) due to change in demographic assumption	-	
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	70.68	14.60

Annexure 9: Principle actuarial assumptions

Particulars	As at March 31,2023	As at March 31,2022
Discount Rate	7.51%	7.34%
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	9.00%	9.00%
Withdrawal Rates	0%	0%

Gratuity for Artisans Recruited after 01.02.1999

Annexure 1: Funded status of the plan

Particulars	As at March 31,2023	As at March 31,2022
Present value of unfunded obligations	118.50	58.85
Present value of funded obligations		
Fair value of plan assets		
Net Liability (Asset)	118.50	58.85

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2023	As at March 31,2022
Current service cost	19.47	11.87
Interest on obligation	4.31	2.90
Expected return on plan assets	-	-
Net actuarial loss/(gain)	35.87	-
Recognised Past Service Cost	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	-	-
Expenses deducted from the fund		
Total Charge to P&L	59.66	16.82
Loss/(gain) on obligation as per Annexure 3	-	-
Loss/(gain) on assets as per Annexure 4	-	-
Net actuarial loss/(gain)	35.87	2.05

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2023	As at March 31,2022
Opening Defined Benefit Obligation	58.85	42.03
Transfer in/(out) obligation	-	-
Current service cost	19.47	11.87
Interest cost	4.31	2.90
Actuarial loss (gain)	35.87	2.05
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(0.01)	-
Closing Defined Benefit Obligation	118.50	58.85

Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2023	As at March 31,2022
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 31,2023	As at March 31,2022
Net opening provision in books of accounts	58.85	42.03
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Annexure 2	59.66	16.82
Benefits paid by the Company	(0.01)	-
Contributions to plan assets	-	-
Closing provision in books of accounts	118.50	58.85

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2023	As at March 31,2022
	%	%
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 31,2023	As at March 31,2022
Current Liability*	0.20	0.08
Non-Current Liability	118.30	58.77
Net Liability	118.50	58.85

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2023	As at March 31,2022
Defined Benefit Obligation	118.50	58.85
Plan Assets	-	-
Surplus/(Deficit)	(118.50)	(58.85)
Experience adjustments on plan liabilities	40.21	7.52
Actuarial loss/(gain) due to change in financial assumptions	(4.34)	(5.47)
Actuarial loss/ (gain) due to change in demographic assumption	-	-
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	35.87	2.05

Annexure 9: Principle actuarial assumptions

Particulars	As at March 31,2023	As at March 31,2022
Discount Rate	7.51%	7.33%
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	9.00%	9.00%
Withdrawal Rates	0%	0%

25 Operating & Other Expenses

Particulars	2022-23	2021-22
	Rs. in Crore	Rs. in Crore
Advertisement	2.03	1.27
Consultancy Charges	4.46	1.92
Contract Labour Charges	17.14	14.56
Electricity Charges	12.97	7.69
Insurance	0.30	0.36
Inventories Handling Charges	0.03	0.97
Legal Charges	1.95	0.86
License fees - TSERC	8.20	5.93
Office Maintenance	1.77	0.82
Other Expenses	17.35	8.98
Postage & Telegrams	0.13	0.14
Printing & Stationery	6.85	6.64
Professional Charges	42.45	34.19
R&M - Others	6.42	7.72
Rates & taxes	4.71	3.66
Rent	0.84	0.57
Repairs to Buildings & Civil works	5.81	8.99
Repairs to Plant and Machinery	141.77	137.63
Repairs to Vehicles	1.90	2.10
Telephone & Communication	6.55	6.26
Training Expenses	0.16	0.12
Travelling Expenses	28.30	27.70
Vehicle Hire Charges	48.10	44.68
Vidyut Ombudsman Expenses	0.50	0.62
Payments to the auditor	0.16	0.17
Office Maintenance Tea Snacks	1.65	1.47
Office Maintenance other Expenses	2.73	1.87
Office Maintenance Cleaning Expenses	0.71	0.08
Less: Administration & General Expenditure Capitalized	(17.23)	(15.20)
Total	348.71	312.77

Payments to the Auditor includes an amount of Rs.1.26 Lakhs towards out of pocket expenses and GST there on.

26 Finance Costs

Particulars	2022-23	2021-22
	Rs. in Crore	Rs. in Crore
Interest expense		
Long Term Loans	377.23	433.62
Short Term Loans	1,483.34	1,369.13
Consumption Deposits	226.76	147.37
Others		
On FRP Bonds	152.83	152.83
On Other Liabilities	200.52	142.96
Bank Charges	76.42	112.81
Less: Interest Capitalized	(16.52)	(12.95)
Total	2,500.58	2,345.77

27 Exceptional Items

Particulars	2022-23	2021-22
	Rs. in Crore	Rs. in Crore
Assets Scrapped	2.58	0.74
Provision for Bad Debts	(52.86)	(146.86)
Compensation Paid to Electrical Accidents	19.76	19.95
Others	(2.45)	(2.53)
Price Variation	34.69	15.15
Revenue grant under UDAY Scheme	0	(4,104.00)
Total	1.72	(4,217.55)

During the F.Y. 2022-23, the Government of Telangana has issued the G.O.No. 15, Dated: 18.06.2022. towards the take over of Losses of 2017-18 to 2020-21 as per the clauses under the UDAY scheme for an amount of Rs.8,925.00 Crore for TSDiscoms, out of which TSSPDCL share is of Rs.6,228.00 Crore (i.e. Rs.392.00 Crore towards 10% loss of 2017-18, Rs.1,242.00 Crore towards 25% loss of 2018-19, Rs.2,470.00 Crore towards 50% loss of 2019-20 and Rs.2,124 Crore towards 50% loss of 2020-21). The same is recognised during F.Y. 2021-22 under Exceptional Item as the funds received from GoTS in the F.Y. 2022-23 before closure of Financials for 2021-22.

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

Particulars	As at March 31,2023 (Rs. in crore)	As at March 31,2022 (Rs. in crore)
(i) Contingent Liabilities		
(a) Entry Tax	206.71	206.71
(b) Sales tax Penalty against G Form (Cement purchases)	1.34	1.34
(c) Liability under AP VAT Act 2005 (April 2005 to 2009-10)	86.92	86.92
(d) Income Tax (TDS)	338.29	338.29
(e) Service Tax	206.26	206.26
(f) Employee Provident Fund	11.47	11.47
(g) Late Payment Surcharge raised by Singareni Thermal Power Plant	3,459.65	3,182.55
Sub Total (i)	4,310.64	4,033.54
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	504.85	379.78
Sub Total (ii)	504.85	379.78
Grand Total (i+ii)	4,815.49	4,413.32

29. The following are the analytical Financial Ratios for the year ended 31.03.2023.

Particulars	Numerator	Denominator	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022	Variance in %
1. Current Ratio (In Times)	Current assets	Current liabilities	0.57	0.67	(14.85)
2. Debt-Equity Ratio (In Times)	Total Debt	Shareholder's Equity	(0.91)	(1.03)	11.22
3. Debt Service Coverage Ratio, (In Times)	EBITDA	Total Debt Service	(0.71)	0.60	218.93*
4. Return on Equity Ration (In%)	Net Profits after taxes	Avg. Shareholder's Equity	(33.62)	(3.67)	(814.92)*
5. Inventory turnover ratio (In Times)	As the Licensee / Discom is not a manufacturing company, this ratio is not applicable				
6. Trade Receivables turnover ratio (In Times)	Total Sales	Trade Receivables	1.91	2.03	5.75
7. Trade payables turnover ratio (In Times)	Total Purchases	Trade Payables	1.21	0.94	(29.14)*
8. Net capital turnover ratio (In Times)	Total Sales	Working Capital	(1.55)	(1.78)	12.95
9. Net profit ratio (In %)	Net Profit	Total Sales	(23.78)	(2.15)	(1,007.02)*
10. Return on Capital employed (In Times)	EBIT	Capital Employed	2.59	4.05	36.15*
11. Return on Investment (In %)	Net Income on Investment	Cost of Investments	6.85	8.95	23.45*

(*) Reasons for variance :

- i. As the Govt. of TS has issued the G.O.No. 15, Dated: 18.06.2022 towards the take over of Losses of 2017-18 to 2020-21 as per the clauses under the UDAY scheme for an amount of Rs.6,228.00 Crore, the Earnings before Interest, Tax and Depreciation has improved in 2021-22 compared to 2022-23. Accordingly Debt Service Coverage Ratio, Return on Equity Ratio, Net Profit Ratio and Return on Capital employed has undersized.
- ii. Trade payables turnover ratio (In Times): During the current financial year the power purchase cost has increased by 27% where as the Trade Payable remained constant

30. Related Party Disclosure :**(a) Key Managerial Personnel (Whole time) and their relationship with TSSPDCL**

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

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

Sl.No	Name of the Director	Nominee Director	2022-23	2021-22
1	Sri Sunil Sharma, IAS	Special Chief Secretary to Government, Energy Department	22-10-2021	NA
2	Sri C. Srinivas Rao, IRAS (Retd)	JMD, TS Transco	04-03-2017	NA
3	Sri P. Shyam Sunder	Assistant Secretary to Government, Finance Department	08-09-2021	NA

(c). Key Managerial Personnel (Whole Time) Remuneration (Rs. in Lakhs)

Sl. No	Name of the Director	Nominee Director	2022-23	2021-22
1	Sri G. Raghuma Reddy	Chairman and Managing Director	48.10	43.74
2	Sri P. Narasimha Rao, IRS	Director/Finance	31.82	28.95
3	Sri T. Srinivas	Director/Projects & IT	42.18	41.06
4	Sri J. Srinivas Reddy	Director/Operations	40.13	39.20
5	Sri G. Parvatham	Director/HR & IR	28.55	27.92
6	Sri K. Ramulu	Director/Commercial	60.78	57.37
7	Sri Ch. Madan Mohan Rao	Director/P&MM	28.95	28.28
8	Sri S. Swamy Reddy	Director/IPC & RAC	28.37	27.64
9	Sri G. Gopal	Director/(Energy Audit, DPE & Assessment)	22.84	13.12
10	Sri V. Anil Kumar	Company Secretary	20.16	19.46

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

Sl.No	Name of the Director	Nominee Director	2022-23	2021-22
1	Sri Sunil Sharma, IAS	Special Chief Secretary to Government, Energy Department	0.60	0.30
2	Sri C. Srinivas Rao, IRAS (Retd)	JMD, TSTransco	0.50	0.40
3	Sri P. Shyam Sunder	Assistant Secretary to Government, Finance Department	0.60	0.30

31. The Entry Tax demand is amounting to Rs.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.
32. Income Tax Dept. has issued final Assessment Orders in respect of Assessment Year 2018-19 where in an amount of Rs.246.04 Crore has been levied U/s 270A of Income Tax Act. Aggrieved by the Orders, the same has been appealed before Hon'ble Commissioner of Income Tax (Appeals) duly depositing of Rs.1.00 Crore. 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 before the Commissioner of Income Tax (Appeals). Any further provision required in respect of disputed, will be considered on completion of Appellate Proceedings.
33. 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.

34. 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).
35. 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 Employees' Provident Funds Appellate Tribunal (EPFAT) duly depositing Rs.2.83 Crore.
36. 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, AP Transco claims are not accounted in the books. In view of this, there is no mandate to AP Transco to claim any transmission and SLDC charges beyond the direction of Hon'ble Commission.
37. 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.
38. With regard to the FCA claimed by the Chhattisgarh State Power Distribution Company Limited, TS Discoms 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 TS Discoms is well within the limits proposed in CSERC orders. Therefore, there is no understatement of the Power Purchase cost.
39. VAT audit completed up to 06/2017. Sales Tax assessment is completed up to 2017-18.
40. The company has appointed Cost auditor and cost audit is completed up to the financial year 2021-22.
41. APGenco has filed the petition before the Hon'ble National Company Law Tribunal for initiating corporate insolvency process against the company for non-payment of dues. The same has been withdrawn by AP Genco in 2021-22.
42. Though the Company has negative net worth as at 31.03.2023, 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.
43. In respect of provision for surcharge of M/s. Singareni Thermal Power Plant (STPP), as the Discom and STPP are Government companies, the Discom is taking up the issue with STPP to waive late payment surcharge. To avoid the burdening the consumers, TS Discoms have requested to waive the late payment surcharge as it is not covered in ARR order. The late payment surcharge levied to the end of 2022-23 is Rs.3,459.65 Crore.

44. STPP has claiming Energy Charges Rate (ECR) based on the Cross Calorific Value (GCV) ‘as fired’ for a station which measured at bunker level whereas the Discom has calculated on receipt basis for admitting the Energy Bills for which a letter was addressed to Hon’ble TSERC for removal of the aforesaid difficulty in terms of Clause 26.3 of the Tariff Regulation by issuing necessary amendment to the Regulation. Further an amount of Rs.76.59 Crore has been recognised as expenditure during current financial year as per the orders of Hon’ble TSERC in the subject.
45. As against sanctioned limit of Rs.300 Crore, TSSPDCL has issued Letter of Credit (LCs) to various generators as per payment security mechanism to the extent of Rs.255.88 Crore as on 31.03.2023.
46. Hon’ble TSERC has issued orders in O.P.No.8 of 2021 and O.P.No.25 of 2021 dated 21.11.2022 wherein it was categorically disallowed the Primary and Secondary claims of STPP-SCCL towards additional cost of generation except water charges reimbursement claim for F.Y. from 2016-17 to 2018-19 and Thermal Incentive for 2017-18 based on schedule energy. The Discoms decided to decline the request of STPP to accept the consolidated claims. However Incentive and Water charges for 2017-18 based on scheduled energy as allowed by Hon’ble TSERC in terms of Hon’ble CERC (Terms 7 Conditions of Tariff) Regulations 2014 will be considered for payment if claimed separately, as the charges already provided in the book of accounts in 2017-18.

47. Quantitative Information

Particulars	2022-23	2021-22
Energy Input (Discom) (kWh in MU)	51,242.69	46,793.72
Sale of Energy (kWh in MU)	46,887.54	42,518.30

48. Additional Regulatory Information

- i. No proceeds have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.
- ii. The company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- iii. The Company has not been declared as a Willful defaulter by any bank, financial institution or lender.
- iv. The Company has utilized the funds borrowed from the banks and financial institutions for the purposes for they are borrowed.
- v. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

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

AS 7 Construction Contracts

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

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

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

AS 23 Accounting for Investments in Associates in Consolidated Financial Statements

AS 25 Interim Financial Reporting

AS 27 Financial Reporting of Interest in Joint Ventures

50. Previous year figures have been regrouped wherever necessary.

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 T. Srinivas
Director Finance (FAC) / CFO
DIN : 06666974

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

Sd/-
L. Mahesh Kumar
Partner
M. No 212851
Date : 26.07.2023
Place: Hyderabad

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

Sd/-
Ravi Kumar Suluva
Company Secretary
F.No. 8247



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, 2023 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, 2023, 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.115.01 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 APS PDCL with effect from 2nd June, 2014 in accordance with G.O.Ms.No.24 dated 29th May, 2014 issued by State of Andhra Pradesh. The company has recognized the transfer of assets and liabilities in the financial year 2015-16 of these two Circles in its books of account, as per the “Basis of Apportionment” mentioned in the said G.O. which is approved by the Expert Committee constituted by the Government of India, which is computed under the “pooling of interest” method. The company instead of recognizing the share of the said two Circles in the “Share Capital” of Rs.325.28 Crore as a reduction in the share capital, recognized Rs.723.01 Crore as “Capital Reserve” resulting in understatement of its negative net-worth by Rs.1,048.29 Crore and consequential overstatement of “Receivables.”
3. Amount of Rs.3,459.65 Crore towards surcharge on late payment payable to Singareni Thermal Power Plant (STPP) for the financial years 2019-20, 2020-21, 2021-22 & 2022-23 is neither paid nor provided in the books of account but disclosed under Contingent liabilities, resulting in understatement of Reserves & Surplus / Net loss and Trade Payables to the same extent.
4. Short term Borrowings include working capital loan from TSTransco and balance carried in books is Rs.1,318.82 Crore. However, balance as per the confirmation letter from the party is Rs.1,303.11 Crore reflecting a difference of Rs.15.71 Crore. Pending reconciliation of the difference amount, correctness of the balance in the financial statements could not be ascertained and consequent impact on the financial statements could not to be arrived at.
5. During the Financial Year 2018-19 the company has forfeited Bank Guarantees of Rs.52.13 Crore and recognized the same as income for that Year. This amount includes Rs.9.13 Crore pertaining to Kurnool and 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, 2023.
6. We are informed by the Company that no physical verification of Property, Plant and Equipment has been carried-out during the year under report. Accordingly, we are unable to comment regarding any material discrepancies between the fixed assets register and the assets physically available.
7. The cost of Lands as per Books of accounts as on the 31.03.2023 is amounting to Rs.8.64 Crore. As per the information provided there are 1781 properties held by the Company. However, title deeds including letters of alienation/allotment/physical handing over of the property are available only for 527 properties and not available for the rest of 1254 land properties. Due to lack of information the impact on the books of accounts could not be ascertained.
8. Actuarial valuation carried to arrive at Gratuity liability as on 31.03.2023 and as on 31.03.2022 was made on the assumption that the maximum limit for gratuity payment is Rs.16,00,000/- and Rs.12,00,000/- respectively. However, limit as per the Payment of Gratuity Act, 1972 is Rs.20,00,000/-. The impact of variance in the assumption could not be quantified as the same has to be arrived at through actuarial valuation.



9. Long Term Investments in the Balance Sheet are carried at cost at Rs.426.01 Crore. The management has not accounted for the permanent diminution in the value of investments amounting as on 31.03.2023 as per the requirement of Accounting Standard - 13 “Accounting for Investments”. Due to non-availability of audited financial statements of APPDCL for F.Y. 2022-2023, we are unable to ascertain its impact on the Financial Statements.
10. We report that the following accounts have not been reconciled as at 31st March, 2023 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.114.70 Crore.
 - b) Amount appearing under loan clearing (CPDCL) account with a debit balance of Rs.3.68 Crore.
11. Overall impact of the above Qualifications which are quantifiable is as follows:
 - a) Understatement of Net loss for the year – Rs.3,468.78 Crore.
 - b) Understatement of Negative Net worth – Rs.4,517.07 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.24 where in Employee benefit expenses does not include provision for Pension & Gratuity liability of Rs.7,819.05 Crore pertaining to 76% of employees who were on rolls as on 31.01.1999 as the liability of the same is met by TSGenco Master Trust over the years as per the tripartite agreement.
4. We draw your attention to Note No. 21(b)(ii) – Revenue from Operations, wherein the Electricity duty of Rs.205.50 Crore is collected from customers and remitted to the government is not reflected under “Revenue from operations’.
5. We draw your attention to Note No.1.6 under Significant accounting policies and Note No.11 Depreciation, wherein the company has re-evaluated “Useful life” of Plant Property & Equipment



to align with depreciation rates as prescribed by Central Electricity Regulatory Commission (CERC) from earlier rates as prescribed by Ministry of Power.

6. We draw your attention to Note No. 1.16 (b) under Significant accounting policies and Note No. 23 - Power Purchase cost, which also includes payments made towards prior periods with respect to Late Payment Surcharges, adjustment of banking energy units, Compensation amounts and adjustment of excess energy units supplied over and above agreed quantity of energy under the PPAs based on final decision taken TSPCC during the year.
7. 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.23,64,48,074/- and Bank excess, representing amounts credited by banks but not appearing in the books of account of the company of Rs.42,47,57,520/- as at 31st March, 2023. It is observed that these balances are long pending for reconciliation resulting in possible mis-statement of Trade receivables. Year wise particulars are given under:

(Amount in Rs)

Financial Year	Board Excess	Bank Excess
2009-10	19,87,018	5
2010-11	43,212	-
2011-12	88,915	-
2012-13	77,721	54,40,467
2013-14	34,869	1,21,59,092
2014-15	26,510	33,44,547
2015-16	11,819	34,43,626
2016-17	12,283	1,18,80,570
2017-18	74,686	1,83,16,409
2018-19	28,62,657	1,22,48,471
2019-20	57,708	92,93,671
2020-21	58,320	1,16,24,737
2021-22	7,29,600	2,39,13,111
2022-23	23,03,82,756	31,30,92,814
Total	23,64,48,074	42,47,57,520

8. 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. 42 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to 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 Section 143(5) of the Act, we have considered the directions / sub-directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the financial statements of the Company are given in the **Annexure A**.
- 2) As required by 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 with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**.
 - 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, except as reported in matters described in the Basis for Qualified Opinion.



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared dividends during the financial year under audit.
- 3) As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure C**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Ramanatham & Rao

Chartered Accountants

Firm Registration Number: S-2934

Sd/-

L. Mahesh Kumar

Partner

M.No. 212851

UDIN: 23212851BGWJRQ2968

Place: Hyderabad

Date: 26.07.2023



The **ANNEXURE A** referred to in “Report on Other Legal and Regulatory Requirements” paragraphs of our Independent Auditor’s report of even date on the financial statements of members **Southern Power Distribution Company of Telangana Limited (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 2022-23, 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.0.47 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 un-cleared credit balance of Rs. Rs.114.70 Crore.3. Revenue module is not fully integrated with FICO module, but the variances are reconciled.
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 except in the case of conversion loans into Grants as detailed under.</p> <ol style="list-style-type: none">a) Part-A SCADA Government of India loan under R-APDRP amounting to Rs.22.66 Crore along with accrued interest of Rs.11.45 Crore into Grants.b) Part-B Government of India loan under R-APDRP amounting to Rs.193.03 Crore along with accrued interest of Rs.64.24 Crore into Grants. <p>The same are properly accounted in the books.</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 or its agencies under various projects/ schemes have been properly accounted for and released to the beneficiaries/spent/ utilized as per guidelines and terms & conditions as mentioned in the relevant sanction letters.

Place: Hyderabad

Date: 26.07.2023

For Ramanatham & Rao
Chartered Accountants
Firm Registration Number: S-2934

Sd/-
L. Mahesh Kumar
Partner
M.No. 212851
UDIN: 23212851BGWJRQ2968



The **ANNEXURE B** 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 with reference to the Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to Financial Statements of Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited) (“the Company”), Hyderabad, as of 31st March, 2023 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 with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards 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 with reference to these financial statements were 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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 with reference to these financial statements.

C. Meaning of Internal Financial Controls with reference to the Financial Statements

5. A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the financial statements includes those policies and procedures that:
- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - 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
 - 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 with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal control with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or 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 with reference to the financial statements as at 31st March, 2023;
8. Absence of control in respect of:
- Seeking balance confirmations and performing periodical reconciliations of various receivables, payables, deposits, advances etc.
 - Not carrying out periodic physical verification of Plant, Property and Equipment and also not having any policy with regard



- c. Not in possession of valid title deeds of many of the land properties held by the company.
 - d. Capitalization of capital work orders without work order completion certificates and non-closure of work orders.
 - e. 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 with reference to the financial statements, such that there is reasonable possibility that a material misstatement/(s) of the company's annual financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31st March, 2023, 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 with reference to the financial statements were operating effectively as at 31st March, 2023.

For Ramanatham & Rao

Chartered Accountants

Firm Registration Number: S-2934

Place: Hyderabad

Date: 26.07.2023

Sd/-

L. Mahesh Kumar

Partner

M.No. 212851

UDIN: 23212851BGWJRQ2968



The **ANNEXURE C** 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, 2023.

We report that:

- i) a) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
 - i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - ii) The company is maintaining proper records showing full particulars of intangible assets
- b) We are informed by the Company that no physical verification of Property, Plant and Equipment has been carried-out during the year under report. Accordingly, we are unable to comment regarding any material discrepancies between the fixed assets register and the assets physically available.
- c) As per the information given there are 1781 properties held by the Company. However, title deeds including letters of alienation/allotment/physical handing over of the property are available only for 527 properties and not available for the rest of 1254 land properties. We are also informed by the company that in respect of the “parcels of land” alienated to it by the State Government or its agencies other than the letters of alienation/allotment/physical handing over, no other legal documents are generally executed.

Due to lack of information the impact on the books of accounts was not ascertained.

- d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) a) 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.
- b) The Company has been sanctioned working capital limits in excess of Rs.5.00 Crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements of the current assets are filed by the company with such banks or financial institutions. Following are the details of variances noticed between stock statements/receivables statements and the books of account;



(Rs. in Crore)

Particulars	As per Current Assets statement	As per the Books of A/c	Variance
As on June 30th			
i) Stocks	209.53	261.52	(51.99)
ii) Receivables	13,112.68	12,723.39	389.29
As on Sep 30th			
i) Stocks	173.67	233.18	(59.51)
ii) Receivables	14,303.71	14,288.42	15.29
As on Dec 31st			
i) Stocks	186.84	239.97	(53.13)
ii) Receivables	15,598.42	15,326.57	271.85
As on March 31st			
i) Stocks	184.53	228.04	(43.51)
ii) Receivables	16,613.35	16,044.09	569.26

iii) During the year the Company has made a Investments amounting to Rs.51.17 Crore as part of Contingency Reserve Investments (Refer Note: 12).

During the year the company has not provided any guarantee or security or granted any loans or advances in the nature of loans to companies, firms, Limited liability partnerships or other parties, except loans granted to staff.

a) The Company has granted loans or advances in the nature of loans to employees during the year, and following are the details;

Particulars	Rs. in Crore
Aggregate amount of loans granted/ provided to the employees during the year	3.91
Balance outstanding as at balance sheet date in respect of above cases	32.68

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



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

Accordingly to the information and explanations given to us, no undisputed amounts are payable in respect of Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax or cess, Goods & Services tax and other statutory dues which were in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable, except the following:

Name of the Statute/Authority	Nature of Dues	Period to which the amount relates	Amount (Rs. In Crore)
Central Sales Tax Act, 1956	Central Sales Tax	From F.Y. 2012-13 to 2015-16	0.01
Goods and Services Act, 2017	Goods & Service Tax	F.Y. 2019-20	0.57
		F.Y. 2020-21	1.18
		F.Y. 2021-22	0.16
Employee State Insurance Act, 1948	Employee State Insurance	F.Y. 2018-19	1.42

- b) As on 31st March, 2023, there have been no disputed dues, which have not been deposited with the respective of Income Tax, Service Tax, Duty of Customs, and Duty of Excise, Value Added Tax, Goods & Services Tax and Cess except the following:



S.No.	Name of the Statute	Nature of the Dues	Amount (Rs. In Crore)	Period to which the amount relates	Forum where dispute is pending
1.	A.P. Tax on entry of goods in local area Act, 2001	Entry tax on goods purchased from outside	206.71*	For the financial year from 2002-03 to 2016-17	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
		Income Tax* (Including Penalty)	245.04	F.Y. 2017-18	Income Tax Commissioner (Appeals)
6.	EPF Act	EPF	0.14	2017-18	Central Government Industrial Tribunal, Hyderabad
			11.33*	From 2014-15 to 2016-17	Hon'ble High Court of Telangana

* Net of deposits made

viii) In our opinion and according to the information and explanations given to us, 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.

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



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



- xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as defined in the regulations of the Reserve Bank of India.
- b) The company has not conducted any Non- banking financial or Housing finance activities during the year.
- c) In our opinion, the Company is not a Core Investment company, as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 regulations of the Reserve Bank of India. Hence, reporting under clause 3(xvi) (c) of the Order is not applicable.
- d) In our opinion, the Company is not a Core Investment company and there are no Core Investment companies in the group. Hence, reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has incurred cash loss of Rs.7,516.28 Crore during the financial year covered by our audit and however the Company has not incurred cash loss during the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) Provisions of Corporate Social Responsibility (CSR) are not applicable to the company; hence clauses 3(xx)(a) & 3(xx)(b) are not applicable to the Company as the Company has incurred losses during the financial year under audit and also during the preceding two financial years.
- xxi) The reporting under clause (xxi) of the order is not applicable in respect of the audit of standalone financial statements of the company. Accordingly, no comment has been included in respect of the said clause under this report.

Place: Hyderabad

Date: 26.07.2023

For Ramanatham & Rao

Chartered Accountants

Firm Registration Number: S-2934

Sd/-

L. Mahesh Kumar

Partner

M.No. 212851

UDIN: 23212851BGWJQR2968



C&AG REPORT



OFFICE OF THE ACCOUNTANT GENERAL (Audit) Telangana, Hyderabad

No.AG (Audit)/AMG-II(Power)/TSSPDCL/AA-22-23/2023-24/30

Dated: 27.09.2023.

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

Sub:- Comments under Section 143 (6) (b) of the Companies Act, 2013 on the accounts of Southern Power Distribution Company of Telangana Limited for the year ended 31 March 2023.



Sir,

I am to forward herewith Comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the accounts of your Company for the year ended 31st March 2023 for necessary action.

1. The date of placing of Comments along with Annual Accounts and Auditors' Report before the Shareholders of the Company may please be intimated and a copy of the proceedings of the meeting may be furnished.

2. The date of forwarding the Annual Report and the Annual Accounts of the Company together with the Auditors' Report and Comments of the Comptroller and Auditor General of India to the State Government for being placed before the Legislature may also be communicated.

3. Ten copies of the Annual Report for the year 2022-23 may be furnished in due course.

The receipt of this letter along with enclosures may please be acknowledged.

Yours faithfully,

Sd/-

(J.Nikhil Chakravathi, IA&AS)

Senior Deputy Accountant General/AMG-II



Annexure -I

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 2023.

The preparation of the financial statements of Southern Power Distribution Company of Telangana Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 26.07.23

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 2023 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 and Loss for the year ended 31 March, 2023

IV. Expenses

Power Purchase Expense (Note 23) – Rs. 35,510.71 crore

1. (a) The above is overstated by Rs.76.59 crore (TSSPDCL share 70.55 per cent of Rs 108.57 crore) on account of provision made towards payment of the Actual metered energy supplied to TSDISCOMs by Singareni Thermal Power Plant (STPP) during the period 2018-19 to 2022-23. TSDISCOMs for the period 2018-19 to 2022-23 had not paid the energy charges as per the actual energy recorded in the Joint Meter Reading (JMR) and allowed the energy charges only as per the scheduling given by the TSLDC to STPP. This matter was challenged by STPP before the Telangana State Electricity Regulatory Commission (TSERC). The claim of the STPP made on TSDISCOMs was disallowed by TSERC vide order dated 21.11.2022. However, the Company has made a provision for an amount of Rs 76.59 crore against an element which was disallowed by the TSERC. Resultantly, Expenses (Power Purchase expense - Note 23) and Current liabilities (Provision for Power purchase cost – Note 10) were overstated by Rs 76.59 crore during the current year with consequent over statement of loss for the year.

- (b) The above does not include Rs. 2.41 crore (TSSPDCL share 70.55 *per cent* of Rs 3.42 crore) towards reimbursement of Water charges claimed by STPP for the energy supplies made to the TSDISCOMs during the period 2016 to 2019. TSERC vide order dated 21.11.2022 had allowed the claim of water charges by STPP on TSDISCOMs. However, the Company has not made necessary provision towards the same. This has resulted in the understatement of Expenses (Power Purchase expense - Note 23) and Current liabilities (Provision for Power purchase cost – Note 10) by Rs 2.41 crore with consequent understatement of loss for the year.

B. Comments on Financial Position.

Balance Sheet:

Equity and Liabilities

Current Liabilities

Short Term Provisions (Note 10) - Rs.2781.53 crore.

- 2 (a) Japan Industrial Cooperation Agency (JICA) has extended (June 2011) a loan to Govt of India for Andhra Pradesh Rural high Voltage Distribution Project. The company is one of the executing agencies. Under this arrangement the Company received funds received through Government of Telangana (GOT) under back-to-back arrangement with Govt of India (GoI), which in turn obtained funds through Japan, in foreign currency (Japanese YEN). The total loan disbursed by GoT to the company was Rs.384.73 crore. As per the Amortisation Schedule communicated, the payment of interest (@ 0.65 % on half yearly basis) starts from 20 June 2019 & that of principal from June 2021. So far, the company has not received any demand from GOT for repayment of principal & interest. Since the Agreement was between Government of India and JICA, the Company should have suitably disclosed the financing arrangements & the accounting treatment followed in this regard in the notes to the financial statements which was not done.
- (b) As per the loan agreement (article II), the interest is leviable at the rate of 0.65 *per cent* half yearly every year in June and December, on the outstanding loan amount. The due date of first installment was 20th June 2019. However, Company had accounted interest payable (half yearly) from 2015-16 onwards (31.03.2016) instead from 20 June 2019 onwards. The total provision made in the Company's books as of March 2023 was Rs.13.06 crore. In the absence of demand for additional interest from GOT, the Company should have restricted the provision towards interest as per the Schedule given in the Loan Agreement which was not done. This has resulted in overstatement of Current Liabilities (short term provisions) and consequent overstatement of Loss for the current year by Rs.4.52 crore.

Assets

Non-Current Assets

Property Plant and Equipment (Note 11) - Rs.11,216.54 crore.

3. The Company has revised the depreciation rates from hitherto adopted depreciation rates prescribed by the Ministry of Power (MoP) to the depreciation rates as prescribed by CERC. Accordingly, the depreciation for the year 2022-23 was computed.

- (a) As per the significant accounting policies of the Company (no.1.6), depreciation on Property, Plant & Equipment is provided under the Straight line Method up to 90 *per cent* of the original cost of the assets. However, during the year, 100 *percent* depreciation was provided in respect of Computer & IT equipment. This has resulted in overstatement of Expenses (Depreciation and amortization expense – Note 11) and understatement of Assets (Plant, Property and Equipment and intangible assets - Note 11) by Rs 9.39 crore during the current year. Consequently, loss for the year is also overstated by the same extent. Though the Company has not adhered to its own adopted accounting policy, the reasons and impact of the deviation was not stated in the notes to the financial statements.
- (b) As per Para 75 of AS 26, the residual value of an intangible asset should be assumed to be zero unless there is a commitment by a third party to purchase the asset at the end of its useful life or there is an active market for the asset. However, the Company without assessing the requirements of AS 26 has retained 10 *percent* as residual value for Intangible assets which has resulted in charging of incorrect depreciation during the year.
- (c) The Company has not disclosed the useful lives or amortization rates for the intangible assets as required under AS 26.

Comments on Disclosure

Notes forming part of the financial statements

- 4 (a) Based on the true-up petitions filed by the Company, TSERC has approved (24.03.2023) Rs 9360.35 crore towards the Power Purchase True-ups for the period FY 2016-17 to 2021-22 and provisional true-up for FY 2022-23. Further, an amount of Rs 312.65 crore towards true up of expenses and revenue for distribution business for the 1st, 2nd and 3rd control periods was also approved. The amount so approved was to be recovered from the consumers. However, the Government of Telangana (GoT) gave an assurance (16.03.2023) to TSERC that it was committed to extend the necessary financial support to the State Power utilities towards true-up of wheeling charges and power purchase true ups for the distribution business and retail supply business respectively as finalized by the TSERC over a period of 5 years. Further communication regarding the form and amount of assistance is pending from the GoT. These facts were not disclosed in the notes to the financial statements.
- (b) Ministry of Power had allocated (November, 2014) 50 MW unallocated power of second unit of Kudanakulam Atomic Power Plant to the State of Telangana. Nuclear Power Corporation of India Limited, raised claims towards Late Payment Surcharge (LPS) of Rs.13.28 crore (being 70.55 *percent* of total amount of Rs.18.83 crore) due to delay in payment of bills in respect of Kudanakulam Atomic Power Plant. However, the LPS claim was not admitted by the Company on the grounds that there are no agreed provision mandating LPS. The facts should have been disclosed in the Notes to the financial statements.
- (c) An amount of Rs 22.84 crore was raised on the DISCOMs (TSSPDCL & TSNPDCL) by M/s Neyveli Lignite Corporation India Limited (NLCIL) vide debit notes towards the additional taxes paid under the Direct Taxes Vivad se Vishwas Act, 2020 for the control periods 2001-2004, 2004-2009, 2009-14 and 2014-19. The Company's portion amounted to Rs 16.11 crore. The DISCOMs disputed the demand and challenged it in the Hon'ble High Court of Telangana

and obtained an interim order not to suspend the grid connectivity for non-payment of Rs 22.84 crore. Pending final orders, the facts should have been disclosed in the Notes forming part of the financial statements.

- (d) Government of India (GoI), Ministry of Power (MoP) issued (August 2022) orders directing the Government of Telangana State to pay Rs.6756.92 crore (comprising of Rs 3441.78 crore towards power dues and Rs 3315.15 crore towards late payment surcharge) to Government of Andhra Pradesh towards the power supplies made between 02nd June 2014 and 10th June 2017 including the surcharge for the delayed payment. Aggrieved by the impugned orders passed by the GoI, MoP, the TSDISCOMs and TSPCC have filed a Writ Petition (WP No 37555 of 2022) in September 2022 in the Hon'ble High Court of Telangana. However, the fact of filing a Writ Petition by the Company along with TSNPDCL and TSPCC in the above said matter in the Hon'ble High Court of Telangana was not disclosed in the Notes forming part of the Financial Statements for the year 2022-23. Thus, the disclosure made in the Notes forming part of Financial Statements regarding the pending legal disputes was deficient to that extent.

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

Sd/-

(SUDHA RAJAN)

Accountant General (Audit)

Place: Hyderabad

Date: 27.09.2023



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

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

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

1.
2.
3.

Signed this day of

Signature of shareholder

Signature of Proxy holder(s)

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

Affix
Revenue
Stamp



AVERAGE REALISATION FROM SALE OF POWER

Average Realisation from sale of power Schedule - 3 for F.Y. 2022-23

Consumer Category	No. of Consumers (Excluding Bill Stopped)	KWH Sales (MU)	KVAH Sales (MU)	Revenue (Rs.Crore)	% of Units Sold on kvah	Average Realisation (Rs/Unit) kvah	2021-22 Average Realisation (Rs/Unit) (kvah)
L.T. Cat.-I Domestic	7443356	9952.11	9952.26	5,483.82	20.65	5.51	4.71
L.T. Cat.-II Non-Domestic	1087272	3076.97	3196.06	3,731.97	6.63	11.68	10.42
L.T. Cat.-III Industrial	45213	933.07	1025.47	945.17	2.13	9.22	8.00
L.T. Cat-IV Cottage Industries	4578	9.53	9.53	4.71	0.02	4.94	4.68
L.T. Cat-V Agriculture	1310333	12127.22	12127.22	49.21	25.16	0.04	0.04
L.T. Cat-VI Street Lights & Waterworks	108272	466.67	474.44	366.89	0.98	7.73	6.49
L.T. Cat-VII General Purpose	24698	88.07	88.86	77.70	0.18	8.74	7.70
L.T. Cat-VIII Temporary Supply	12733	96.34	102.58	134.84	0.21	13.14	12.06
L.T. Cat-IX EVCS	103	0.53	0.54	0.42	0.00	7.71	6.14
L.T. Total	10036558	26750.50	26976.97	10794.73	55.97	4.00	3.32
H.T. Cat.I Industrial	6049	14262.31	14513.69	11,936.59	30.11	8.22	7.58
H.T. Cat.II Others	4421	3134.26	3209.35	3,348.48	6.66	10.43	9.91
H.T. Cat.III Aviation	12	65.28	65.50	56.91	0.14	8.69	7.49
H.T. Cat.IV Lift Irrigation & CPWS	296	2352.44	2418.64	1,798.49	5.02	7.44	6.27
H.T. Cat.V Railway Traction & HMR	16	477.80	483.32	362.36	1.00	7.50	6.56
H.T. Cat.VI Residential Colonies	215	308.06	308.92	235.56	0.64	7.63	6.65
H.T. Cat-VII Temporary Supply	492	194.25	213.79	313.57	0.44	14.67	14.21
H.T. Cat-IX EVCS	9	5.54	5.61	3.46	0.01	6.17	5.85
H.T. Total	11510	20799.95	21218.83	18055.42	44.03	8.51	7.73
L.T. + H.T. Total	10048068	47550.45	48195.79	28,850.15	100.00	5.99	5.14
Add: Electricity Duty				205.95			
Gross Revenue				29,056.10			



**ENERGY SAVED IS
ENERGY PRODUCED**

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

(A Govt. of Telangana Undertaking)

CIN No. U40109TG200SGC034116

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

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