

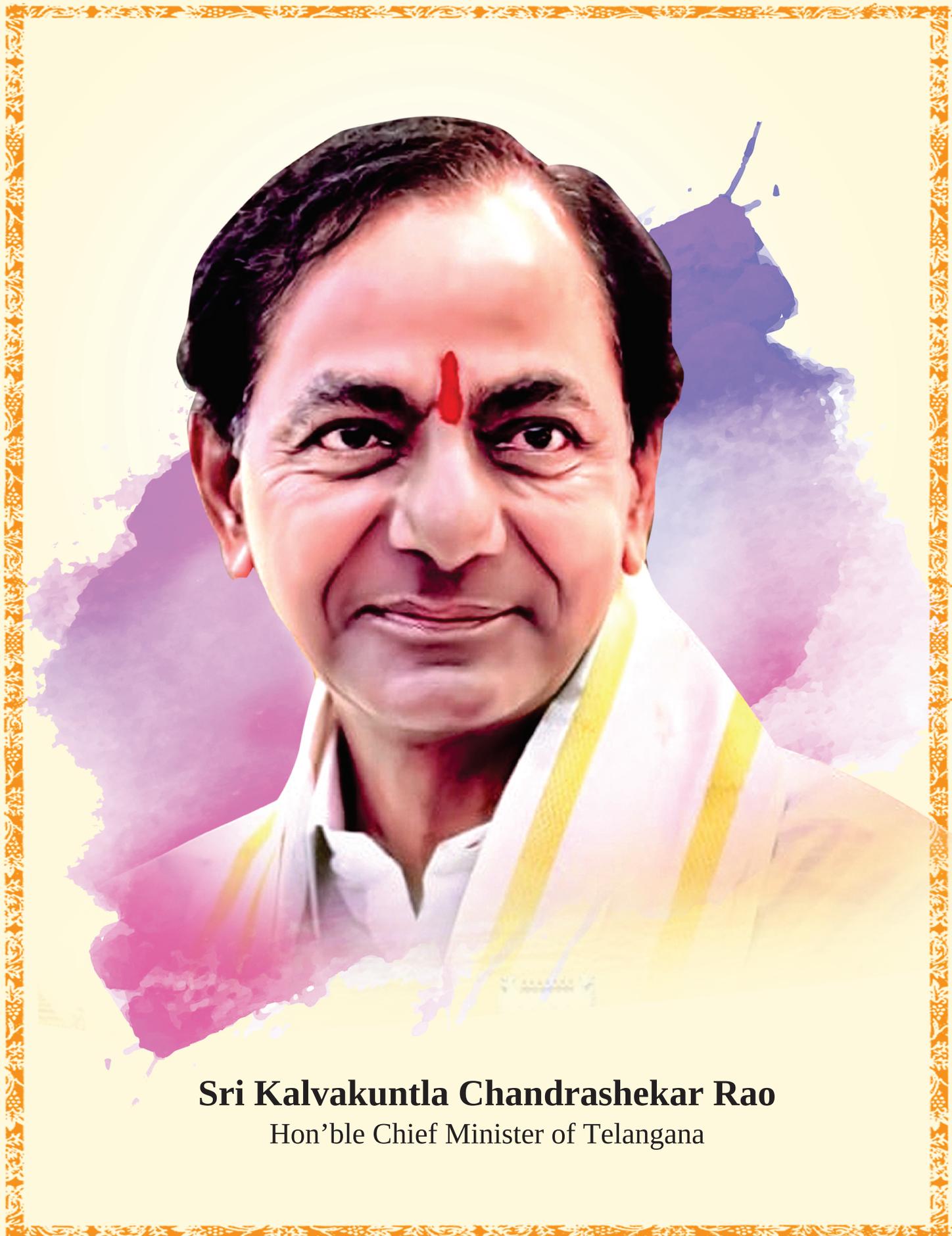


22nd ANNUAL REPORT | 2021-22



SOUTHERN POWER

DISTRIBUTION COMPANY OF TELANGANA LIMITED



Sri Kalvakuntla Chandrashekar Rao

Hon'ble Chief Minister of Telangana

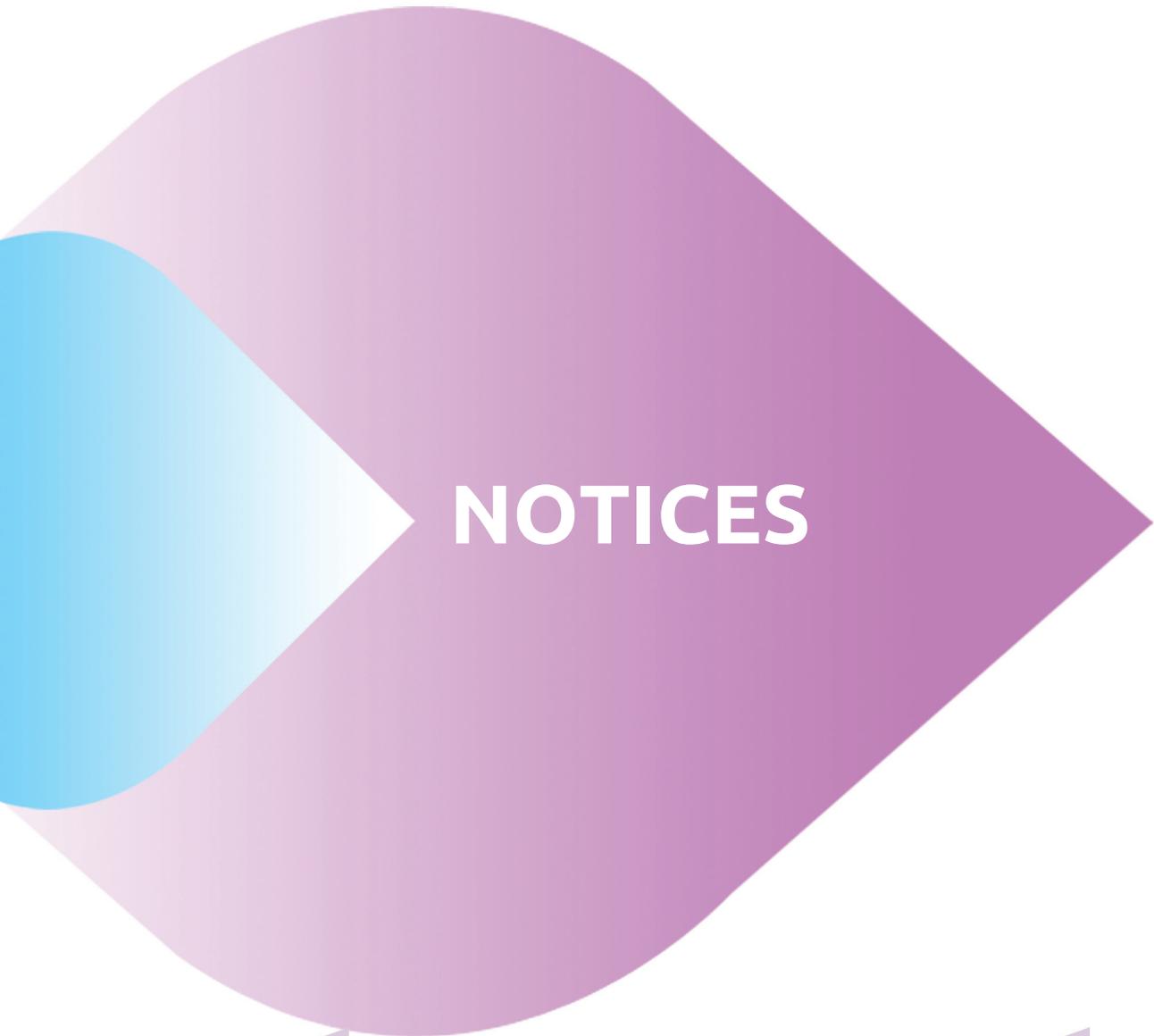
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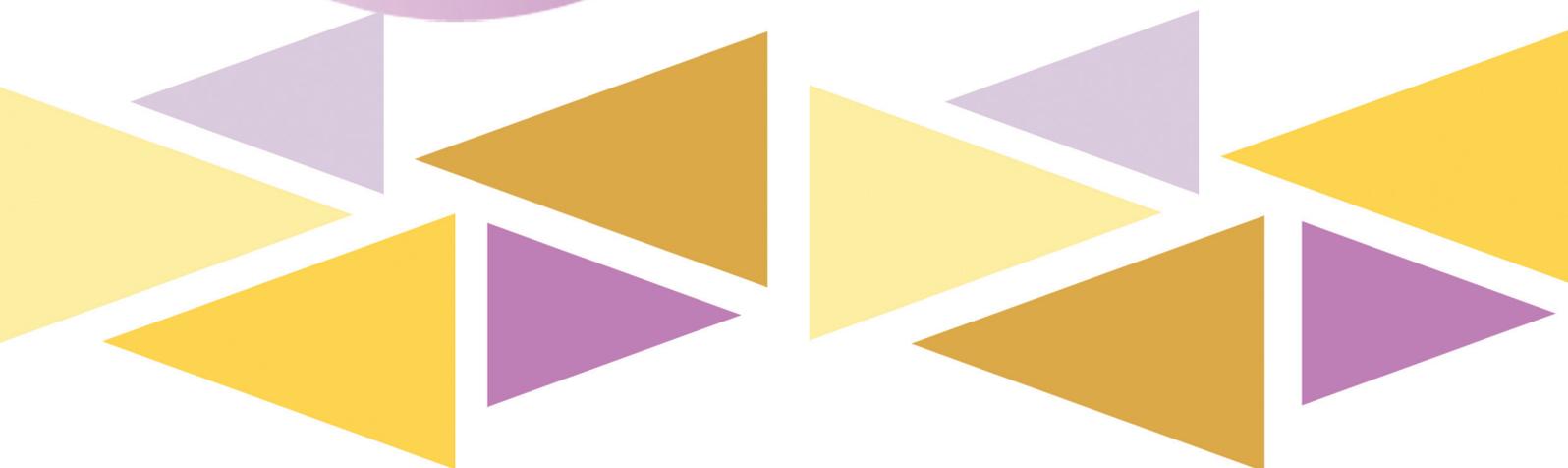




Sri Guntakandla Jagadish Reddy
Hon'ble Minister for Energy of Telangana



NOTICES



SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

(A Govt. of Telangana Undertaking)

(Formerly Central Power Distribution Company of Andhra Pradesh Ltd)

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

CIN U40109TG2000SGC034116, Website: www.tssouthernpower.com



NOTICE OF THE ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN THAT THE 22ND ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT SHORTER NOTICE ON THURSDAY, 29TH DAY OF SEPTEMBER, 2022 STARTS AT 3.00 PM AT THE REGISTERED OFFICE OF THE COMPANY AT 6-1-50, MINT COMPOUND, HYDERABAD TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet, Profit & Loss Account and Cash flow Statement as at 31st March, 2022 along with Statutory Auditors Report, Secretarial Audit Report, Director's Report and along with the comments of the Comptroller and Auditor General of India thereon.
2. To take note on re-appointment of M/s. Ramanatham & Rao (HY0142), Chartered Accountants, as Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India for the Financial Year 2022- 23 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)/ 1019, dated 07.09.2022 appointed M/s. Ramanatham & Rao, (HY0142), Chartered Accountants as Statutory Auditors of the Company for the financial year 2022-23.

Draft resolution

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

“RESOLVED THAT the re-appointment of M/s. Ramanatham & Rao (HY0142), Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2022-23 by the Office of the Comptroller and Auditor General of India vide their letter No. CA.V/COY/TELANGANA, CENPOW(1)/ 1019, dated 07.09.2022 be noted.”

“FURTHER RESOLVED THAT the pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company be and are hereby authorized to fix the remuneration payable to Statutory Auditors M/s. Ramanatham & Rao (HY0142), Chartered Accountants and to provide for reimbursement of their actual out-of-pocket expenses for the Financial Year 2022-23 if any.”



SPECIAL BUSINESS:**3. RATIFICATION OF THE REMUNERATION OF THE COST AUDITOR FOR THE F.Y. 2022-23**

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.2022-23 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 2022-23.”

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: 28.09.2022
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 2021-22 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. 2022-23**

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.2022-23 and it was decided to pay the remuneration of Rs.60,000 (all inclusive).

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

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

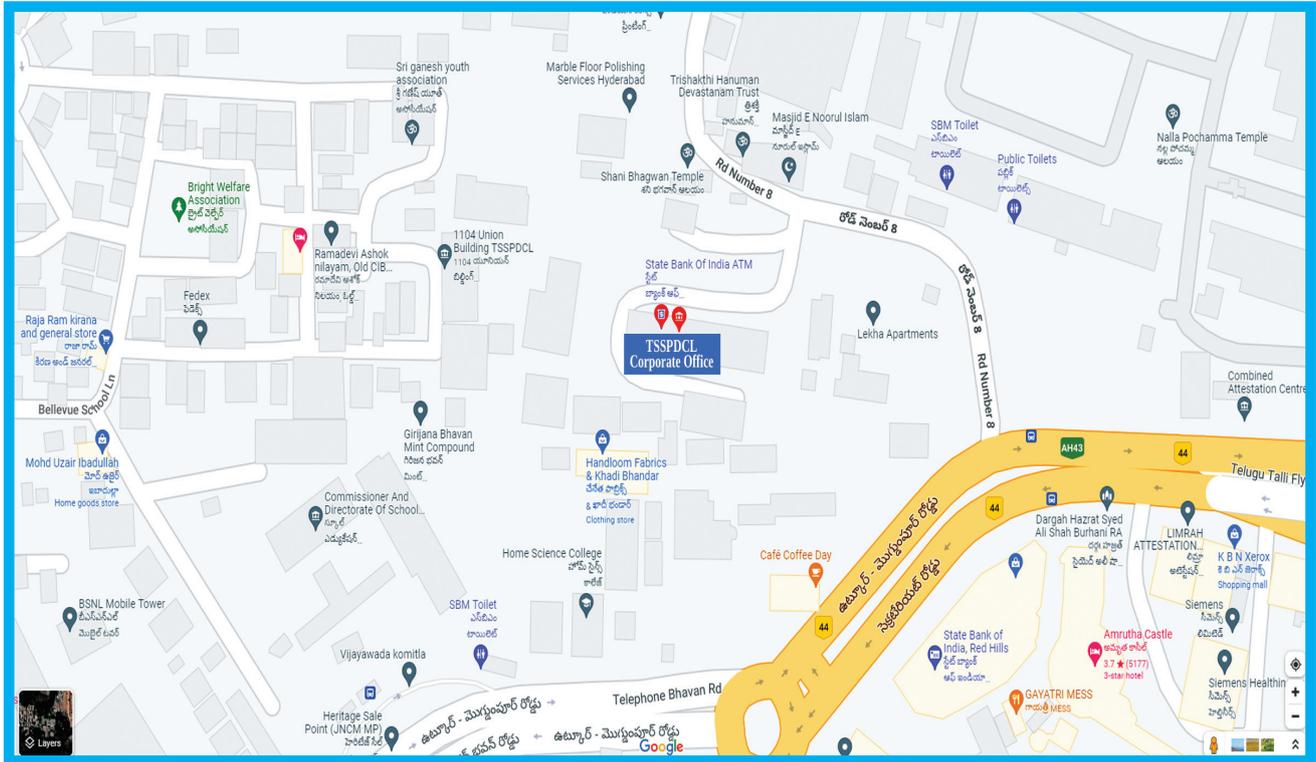
**BY THE ORDER OF THE BOARD OF DIRECTORS OF
SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED**

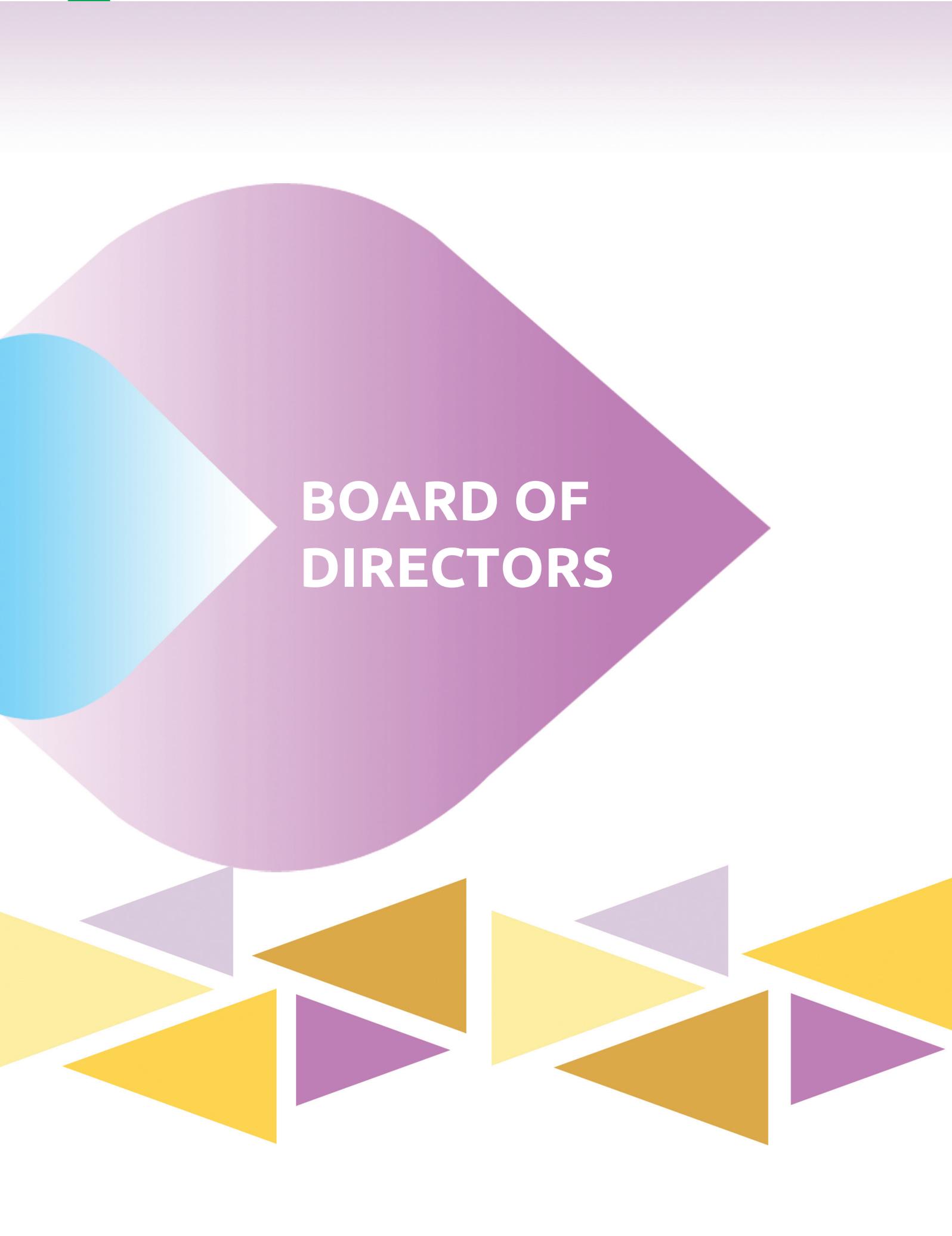
**Date: 28.09.2022
Place: Hyderabad**

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



Route Map



The image features a large, abstract graphic design. A prominent purple shape, resembling a stylized arrow or a rounded triangle pointing right, is the central focus. It overlaps a light blue shape on the left. The text "BOARD OF DIRECTORS" is centered within the purple shape in a white, bold, sans-serif font. Below the main purple shape, there is a cluster of several smaller triangles in various colors: yellow, gold, and purple. The background is a light, neutral color with a subtle gradient.

**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)



WHOLE TIME DIRECTORS

SRI J. SRINIVASA REDDY
Director (Operations)



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.

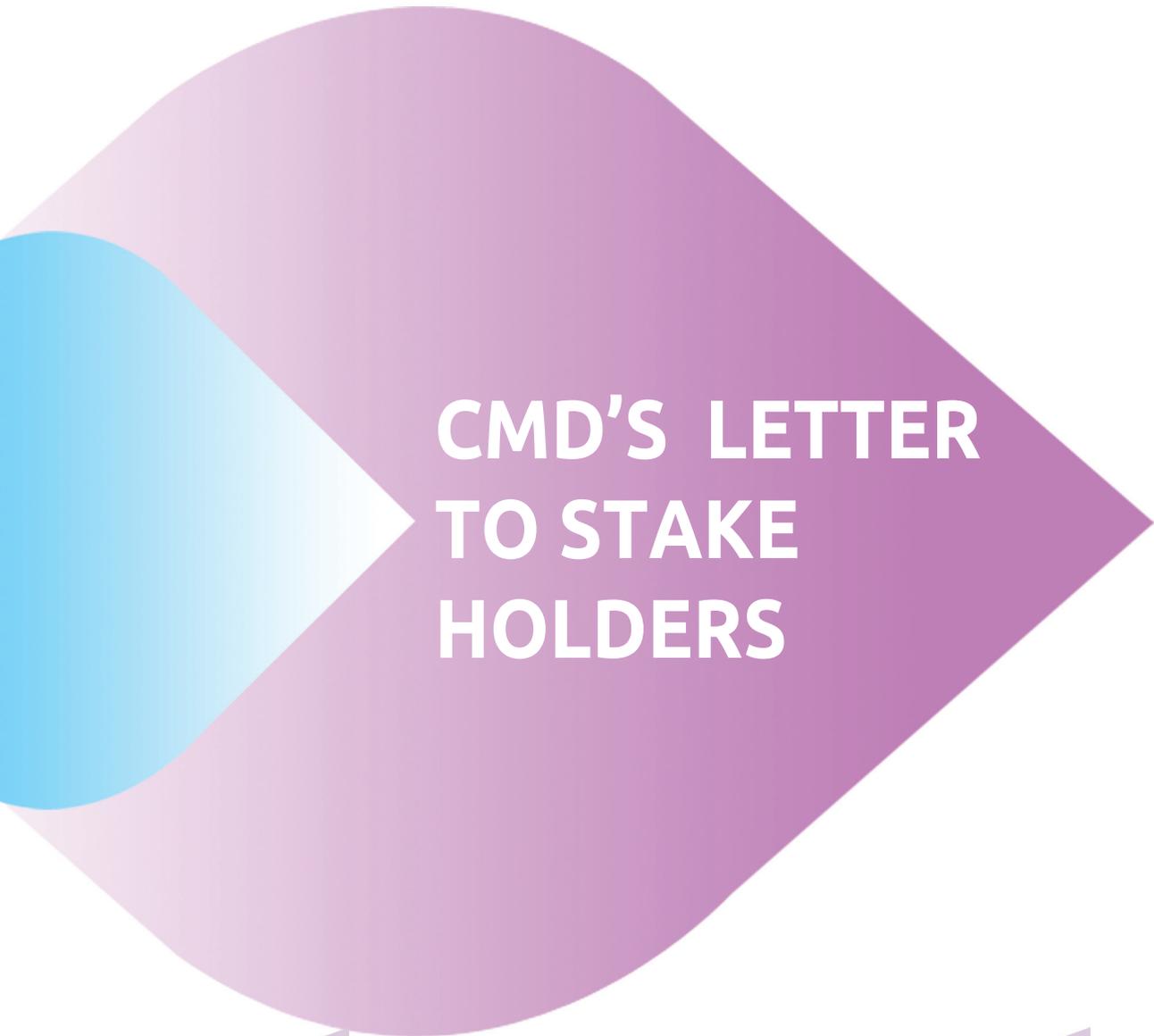
REGISTERED OFFICE:

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

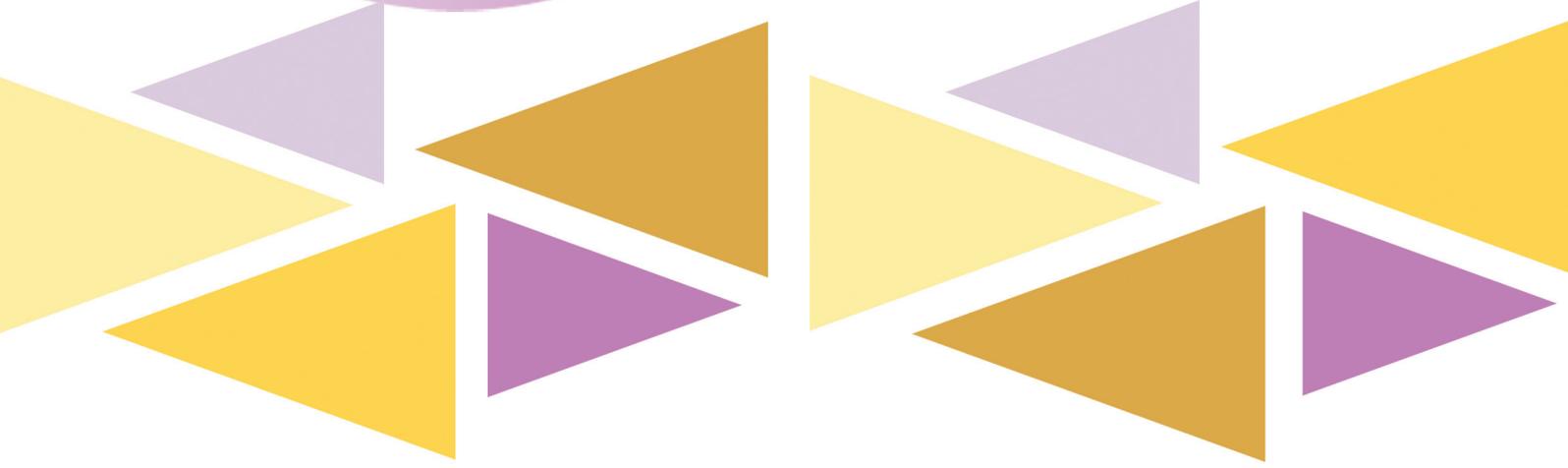




**Sri G. Raghuma Reddy, CMD, TSSPDCL
with Hon'ble C.M. Sri K. Chandrashekar Rao**



**CMD'S LETTER
TO STAKE
HOLDERS**





“

Dear Stakeholders,
I am glad to present the 22nd (Twenty Second) Annual Report of Southern Power Distribution Company of Telangana Limited, Hyderabad for the Financial Year 2021-22.

”

CHAIRMAN & MANAGING DIRECTOR Letter to Stakeholders

About TSSPDCL:

- ◆ FY 2021-22 was our 8th continuous year of operation after the formation of state of Telangana. Being the largest DISCOM, we served 104 Lakh consumers including 13.38 Lakh agricultural consumers.
- ◆ We clocked a maximum demand of 8,792MW and handled 46,794 MUs of energy purchased in FY 2021-22 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 2021-22 was 8,792 MW as compared to 8,474 MW in the previous year with an increase of 3.75%.
- ◆ 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 4 years of this endeavor on 1st January 2022.
- ◆ 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.12,825.09 Crore in the last 8 years after Telangana formation.

Major infrastructure developments after Telangana formation till 31st March, 2022 in TSSPDCL:

- ◆ There are 1,699 No.s of 33/11 KV substations as on 31st March 2022, out of which 553 No.s of substations were charged after Telangana formation.
- ◆ There are 16,424 km of 33 kV lines as on 31st March 2022, out of which 5,552 km of 33KV (UG+OH) line were commissioned after Telangana formation.
- ◆ There are 1,11,317 km of 11 kV (UG+OH) lines as on 31st March 2022, out of which 38,923 km lines length were charged after Telangana formation.
- ◆ There are 3,213 No.s of PTRs as on 31st March 2022, out of which 1,308 No.s PTRs were commissioned after Telangana formation.
- ◆ There are 4,93,299 No.s of DTRs as on 31st March 2022, out of which 2,31,365 No.s DTRs were erected and charged after Telangana formation.
- ◆ There are 13,38,311 No.s of Agl. services as on 31st March 2022, out of which 4,40,279 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. 137.02 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. 33.02 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 3,13,129 consumers as on 31st March, 2022 who are consuming electricity up to 101 units per month with an amount of Rs.204.57 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 1,38,887 consumers as on 31st March, 2022 who are consuming electricity up to 101 units per month with an amount of Rs. 71.48 Crore.

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) Scheme:

- ◆ 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 dated 16.03.2016, dated 20.07.2017 & 28.03.2018 has communicated the approval of 6 no's Detailed Project Reports (DPRs) covering Distribution network strengthening works in 35 no's towns of TSSPDCL. The declaration of completion of IPDS scheme was addressed to the ED/IPDS on dated 30.03.2019 stating that 100% works were completed 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.3.2 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 Agt. No.01/2020-21, dated 08.09.2020.
- ◆ An amount of Rs.1.59 Crore has been released from M/s.PFC towards 1st, 2nd and 3rd tranches grant amount.
- ◆ All the works are completed as per scope of work and work completion report has submitted to M/s. PFC on 30.11.2021. Further Closure Reports also submitted to M/s. PFC on 25.02.2022 for an amount of Rs.2.95 Crore.

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, NSGM-NPMU regarding declaration of the Smart Grid Pilot Project as Go Live on 30th March, 2019 with deployment of Single Phase Smart Meters, Distribution Management System (DMS) equipment (ARs, Sectionalizers, RMUs & FPIs), Transformer Monitoring Units (TMUs), Consumer Display Units (CDUs) along with hardware and software.
- ◆ 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 So far, grant released is Rs.13.98 final tranche and release of balance GoI grant of Rs.0.95 Crore is under process.

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. 8,925 Crore (being 75% of total outstanding loans as on 30th September, 2015 of TSSPDCL (6228 Crore) and TSNPDCL (2697 Crore) put together).

- ◆ The Government of Telangana taken over the loans for an amount of Rs. 5,550.21 Crore of TSSPDCL under UDAY Scheme.

Operations Improvement:

- ◆ TSSPDCL is one of the best performing DISCOM in the country in terms of operational efficiency and has continued its improvement in key performance indicator's.
- ◆ TSSPDCL has reduced the energy losses from 9.36% in F.Y. 2020-21 to 9.14% in F.Y. 2021-22.
- ◆ Total 74,965 no's of Agl. Connections were released during 2021-22.
- ◆ Total existing LT consumers were increased from 98,86,911 in F.Y.2020-21 to 1,04,25,904 in F.Y.2021-22.
- ◆ Total existing HT consumers were increased from 10,010 in F.Y.2020-21 to 10,685 in F.Y.2021-22.
- ◆ Duration of interruptions i.e. SAIDI has been reduced from 1500.32 in F.Y.2020-21 to 1000.96 in F.Y.2021-22.
- ◆ Percentage of complaints resolved within the Standard Operating Procedure (SOP) timelines has increased from 83% in F.Y. 2014-15 to 85% in F.Y. 2021-22.
- ◆ Percentage of new services released within the SOP stipulated timeline is 98% in F.Y.2021-22 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 23,722.15 Crore in F.Y.2021-22.

Promotion of Solar Energy:

- ◆ TSSPDCL has taken proactive measures in harnessing the solar potential in the state including the notification of forward looking solar policy in June, 2015. This has created a stable and a conducive environment for expedited addition of solar capacities in the state.
- ◆ Telangana has a total installed RE Capacity of 4927.62MW by the end of March, 2022, 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 214.88 MW of solar rooftop capacity by end of March, 2022.
- ◆ 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
RPO Target (in %)	6.50%	7.00%	8.00%
RPO Achieved (in %)	10.63%	10.11%	9.63%



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 75,57,299 consumers as on 31st March, 2022 which is 78.83% 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, 2022, 15,300 No's of Prepaid meters were installed across Government offices in which 10,259 services were declared as Go-live from 01.07.2019 and are running successfully.

SCADA/DMS Project:

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

New Technologies in TSSPDCL:

Digitization of consumer services:

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

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

The mobile App 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 Fuse of Call (FOC) complaints registered, resolved and pending.

E-Payment:

TSSPDCL has promoted digital payment of bills through various payment channels. Online payment can be done by the consumers through web-portal and mobile application. At present, about 77% of Revenue collection is obtained through online mode from the consumers in entire jurisdiction of TSSPDCL.

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

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



Ease of doing business (TS-iPASS):

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

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

URJA Mitra app:

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

Ease in HT Consumer billing:

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

Implementation of E-office:

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

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.2021-22:

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

Rated 'A' Grade by Ministry of Power for F.Y.2020-21:

The Ministry of Power has given a rating of "A" to TSSPDCL on Consumer Service Rating of DISCOMs 2020-21 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.2020-21.

IPPAI Awards 2021:

Southern Power Distribution Company of Telangana Limited (TSSPDCL) is the winner in **IPPAI awards 2021** under the categories “**Best Distribution Company to promote consumer awareness**” and “**Best Performing Distribution Company (DISCOM)**” at Karnataka at 22nd Regulators & Policy makers retreat 2021.

ICC- 10th Green Energy Summit & 2nd Edition of Green Urja and Energy Efficiency Award 2021":

TSSPDCL has won two awards in “**ICC - 2nd Edition of Green Urja and Energy Efficiency Award 2021 for discoms** through virtual platform at the **10th Green Energy Summit 2021**” for the categories like

1. Winner (Gold) in Category – Top DISCOM-RE State.
2. Winner in Category – Innovative Project and Jury Choice
(Decentralized Solar Generation)

ICC – 9th Innovation with Impact Award 2021:

TSSPDCL has won six awards in “**ICC - 9th edition of Innovation with Impact Awards 2021 for discoms** through virtual platform at the **15th edition of India Energy Summit 2021**” for the categories like

1. 1st in Category – Overall Innovation with Impact Award (General States)
2. 1st in Category – Efficient Operations
3. 1st in Category – Quality of Service & Customer Empowerment
4. 1st in Category – Technology Adoption
5. 1st in Category – Performance Improvement
6. 3rd in Category – Green Energy

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





**Sri G. Raghuma Reddy, CMD, TSSPDCL
with Hon'ble Sri G. Jagadish Reddy, Minister for Energy TS.
and Sri D. Prabhakar Rao, CMD, TS TRANSCO & TS GENCO
and Sri C. Srinivas Rao, JMD, HRD, Finance Comm. & Vigilance/TS Transco**

The background features a large, abstract purple shape on the left that tapers to a point on the right. A blue shape overlaps the purple one on the left side. At the bottom, there is a row of several triangles in various shades of purple, yellow, and gold, pointing in different directions.

DIRECTOR'S REPORT

DIRECTOR'S REPORT

To
The Members
Southern Power Distribution Company of Telangana Limited.

The Directors are pleased to present the Twenty Second Annual Report on the business and operations of your company together with the Audited Statements of Accounts for the year ended on 31st March, 2022.

1. FINANCIAL RESULTS:

The financial results of the Company for the year ended 31st March, 2022 the Company could earn an aggregate income of **Rs. 27,048.96 Crore**. The financial performance of the Company is as follows:

S.No	Particulars	2021-22 (in Crore)	2020-21 (in Crore)
1.	Revenue from Operations	26,921.55	24,073.41
2.	Other Income	127.41	70.60
	Total Income	27,048.96	24,144.01
3.	Power Purchase Cost	28,029.68	23,703.06
4.	Employee Benefit expense	1,994.96	2,240.77
5.	Operation and Other Expenses	312.77	288.47
6.	Interest and Finance Charges	2,345.77	1,905.46
7.	Depreciation	1,126.23	1,066.58
8.	Exceptional items	(6,341.55)	(437.74)
9.	FSA Written off	-	-
10.	Fixed Assets RESCOs- Write Off	-	-
11.	FSA and Other Provisions	-	-
12.	Provision for Govt. Receivables	-	-
	Total Expenses	27,467.86	28,766.61
13.	Profit/(Loss) Before Tax	(418.90)	(4,622.60)
14.	Provision for Income Tax	-	-
15.	Deferred Tax Income Provision	(207.90)	376.64
	Net Profit/(Loss)	(626.80)	(4,245.96)



2. UDAY SCHEME

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

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

MOU was entered between Ministry of Power, Central Government, Government of Telangana State and TS DISCOMs on 4th January, 2017. According to the MOU the total debts taken over under UDAY Scheme was Rs. 5550.21 Crore (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.

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.8925.00 Crore for TS Discoms, out of which TSSPDCL share is of Rs.6228.00 Crore (i.e. Rs.392.00 Crore towards 10% loss of 2017-18, Rs.1242.00 Crore towards 25% loss of 2018-19, Rs.2470.00 Crore towards 50% loss of 2019-20 and Rs.2124 Crore towards 50% loss of 2020-21). The same is recognised during 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.

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

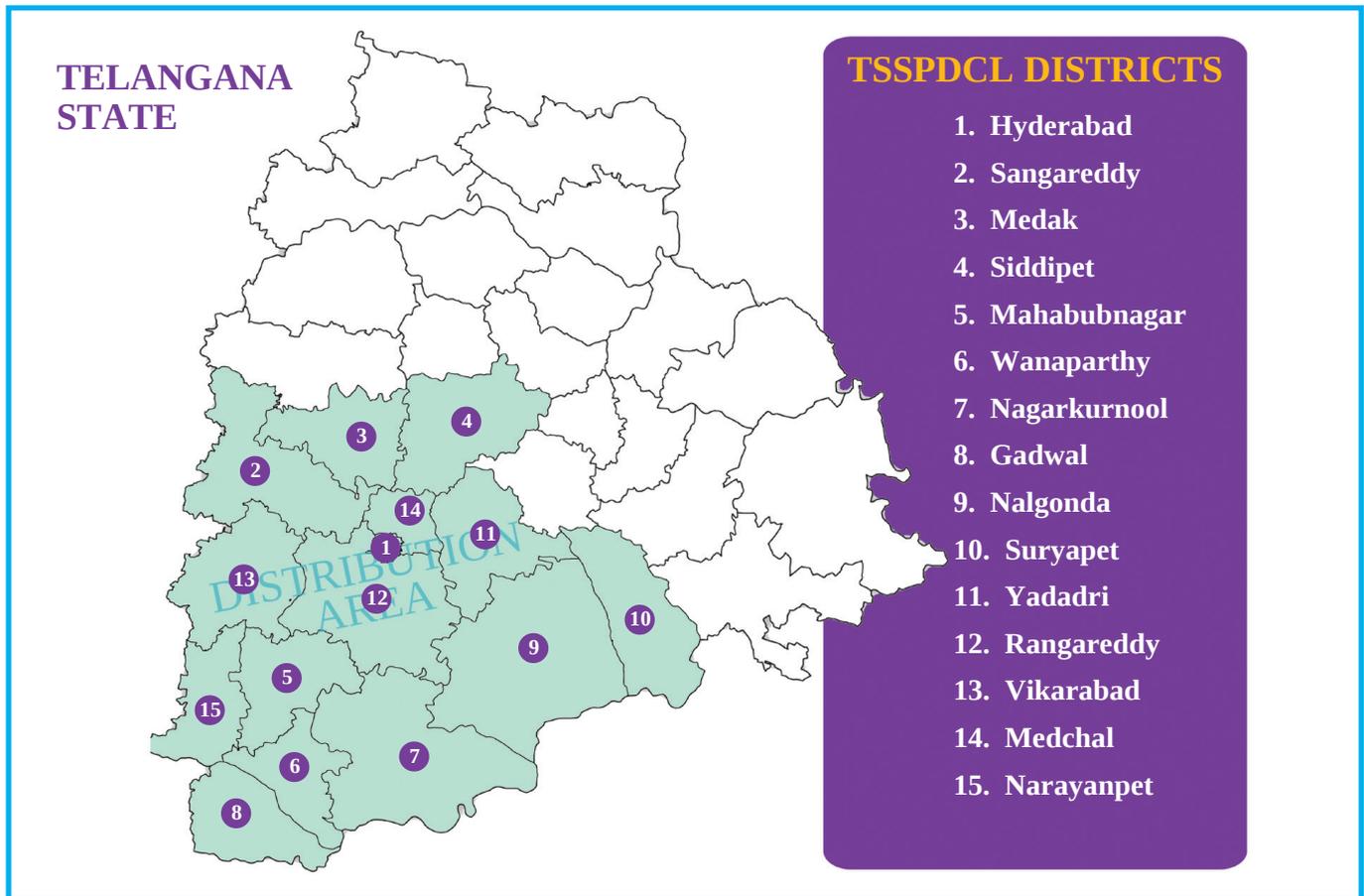
Introduction

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

With a vision to fulfill the expectation of the Telangana Government Southern Power Distribution Company of Telangana Limited, which came into being on 2nd June, 2014, with an objective of providing Electricity to the people at an affordable prices. TSSPDCL having its headquarters at Hyderabad and encompasses an area of 15 districts viz., Mahabubnagar, Nalgonda, Yadadri Bhuvanagiri, Suryapet, Siddipet, Medchal, Wanaparthy, Nagarkurnool, Jogulamba Gadwal, Narayanpet, Sangareddy, Medak, Hyderabad, Vikarabad and Rangareddy Catering to the power requirements of 9.75 million consumers.

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





OPERATIONAL PERFORMANCE

Significant achievements during F.Y.2021-22 are given below

- ◆ The Company achieved metered sales of 30793.95 MU in F.Y. 2021-22 as against 28585.10 recorded during F.Y. 2020-21. The metered sales percentage to energy input was at 65.81% in F.Y. 2021-22 as compared to 64.25% in F.Y. 2020-21.
- ◆ Energy input was at 46793.72 MU in during 2020-21 as against 44492.99 MU in the Previous Year (2020-21).
- ◆ The peak period demand met in F.Y. 2021-22 is 8792 MW as against the Previous Financial Year (PFY) 8474 MW.
- ◆ The Company has supplied 11724.6 MU Energy to the Agriculture Sector as against 11744.84 MU previous year. The energy supplied to agricultural sector constitutes 25.06% of total energy input in F.Y. 2021-22. 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. 2021-22 was 178.43 MU as against 180.51 MU in the previous financial year.

Reduction of Energy Losses:

During F.Y. 2021-22, 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.
- ◆ Impact of above measures is apparent. The energy losses in F.Y. 2020-21 are lower than the previous year. The Energy Losses percentage decreases to 9.14% in 2021-22 as against 9.36% in F.Y. 2020-21.
- ◆ Arrested of 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. 2021-22, in both HT & LT connections Total 179230 no. of cases were booked for various type of irregularities namely theft, unauthorized development charges and backbilling cases.

PROJECTS DATA

During F.Y.2021-22 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 31.03.2021	Achievement in F.Y. 2021-22	Total as on 31.03.2022
1	No. of 33 / 11 KV Substations	1675.00	24.00	1699.00
2	Lines (in KM)			
	33KV	16196.36	227.84	16424.19
	11KV	106935.96	4381.79	111317.75
	Low Tension	232481.01	6216.21	238697.62
3	High Voltage Distribution System (HVDS) for (DTRs)	32669.00	0	32669.00
4	High Voltage Distribution System (HVDS) for Agriculture Pump Sets	95219.00	0	95219.00

ON GOING PROJECTS & SCHEMES STATUS AS ON 31.03.2022

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

- ◆ As per R- APDRP guidelines, implementation of Supervisory Control And Data Acquisition (SCADA)/ DMS project in the towns which have population of 4 lakh and above (as per census 2001) and the energy consumption of 350 MU and above as on date. Hyderabad city was eligible for the project as per the above criteria.
- ◆ Scheme sanctioned cost by M/s. PFC Rs. 65.15 Crore.
- ◆ No of towns sanctioned: 1 No. (HUA).
- ◆ Date of sanction: 30.06.2011. Scheduled date of completion: 30.03.20019.
- ◆ The salient features of the scheme are: 1) SCADA control for all 228 Nos. of 33/11KV Sub- Stations. 2) Distribution Management System (DMS) for operation of 156 Nos. 11 KV feeders in core city of Hyderabad. 3) Communication System.
- ◆ FAT for 228 Nos RTUs was completed. M/s. Chemtrols has supplied 228/nos RTUs and installed 228 Nos.



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

II. Integrated Power Development Scheme (IPDS)

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

33Nos. SS charged, 106.0 km of 33kV line, 218.96 km of UG cable, 6470Nos. DTRs, 599.40 km of new 11kV line, 325.45 km of Augmentation of 11kV line 1167.52 km new LT line, 1681.40 km of Bifurcation/ Augmentation of LT line, 422.7 km of AB Cable and 159Nos. RMUs are erected.
- ◆ IPDS scheme is closed for Rs.582.43 Crore and the same was approved by State Level Distribution Reforms Committee (SLDRC).
- ◆ The closure report along with final claims of Rs.484.96 Crore against scheme cost of Rs.472.84 Crore was sent to M/s.PFC/MoP and the same was approved by M/s.PFC/MoP.
- ◆ Total GoI Grant (60% of Scheme Cost) is released from MoP i.e., Rs.283.70 Crore.

II. Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

- ◆ REC vide letter dated 10.05.2016 has approved the DDUGJY Scheme for an amount of Rs. 336.66 Crore + 1.68 Crores (PMA cost) for 4 Rural Districts of TSSPDCL i.e., Mahabubnagar, Nalgonda, Rangareddy and Medak and permission to execute the works on Partial turnkey/ departmental basis, with scheme completion period up to dated 30.09.2019.
- ◆ All Works under the scheme are completed by 30.09.2019 and are as detailed below:
 - ◆ Out of 48 Nos. SS, 48 Nos. SS Charged 1087 km 6.3/11kV line, 203 km 33kV line, 6155 Nos. DTRs are erected. 3,90,252 Nos. BPL HHs services released against target of 2,85,240 Nos. BPL services. Infra works under the scheme are completed.
- ◆ DDUGJY scheme is closed for Rs.444 Crore (without overheads) and the same was approved by State Level Standing Committee (SLSC).
- ◆ M/s. REC vide Letter dated 30.08.2021 has approved the 4 Nos. DDUGJY closure proposals of TSSPDCL for an amount of Rs. 407.80 Crore (Excl. State taxes) limiting the grant amount to the sanctioned scheme cost of Rs. 336.66 Crore
- ◆ Total Grant amount released by GoI is Rs. 203.69 Crore (including PMA Charges).



IV. JICA Aided Projects in TSSPDCL.

- ◆ Rural High Voltage Distribution System Project is implemented in TSSPDCL with Financial assistance from Japan International Co- Operation Agency (JICA) and Scheme is completed in September, 2018 with project cost of Rs. 449.57 Crore. Under this scheme, the following works are executed.
- ◆ 221 Nos. 11kV Agl. Feeders are taken up for Low Voltage Differential Signaling (LVDS) to High Voltage Differential Signaling (HVDS) under which 95219 No's pumpsets are connected to 32669 No's 3 phase, 25 kVA Transformers (allied infra works) are deployed.
- ◆ Japan International Cooperation Agency (JICA) portion is 387.27 Crore and JICA made payment.

V. Smart Grid Pilot Project in TSSPDCL

- ◆ TSSPDCL has formulated Smart Grid Pilot Project in Jeedimetla and Shapurnagar sections in Jeedimetla Industrial Are, Rangareddy North Circle. Ministry of Power (MoP) has sanctioned the scheme for Rs.41.82 Crore with 50% grants and balance 50% from Internal resources of utility, with project completion period of 18 months.
- ◆ An agreement was concluded with M/s. ECIL vide Agreement No. 01/2015-16, dated 17.03.2016. The project completion period as per agreement is 18 months i.e., dated 16.09.2017 from the date of issue of Notice to proceed dated 17.03.2016. As per the 13th MCM of IPDS and SGPP held in October, 2018, the completion period of Smart Grid Pilot Projects is extended upto 31st December, 2018.
- ◆ M/s. ECIL have supplied and commissioned all Hardware & Software in respect of DMS components and Single Phase Smart Meters.
- ◆ A letter was addressed to the Director, NSGM – NPMU regarding declaration of the Smart Grid Pilot Project as Go Live on 30th March, 2019 with deployment of single Phase Smart Meters, DMS Equipment (ARs, Sectionalizers, RMUs & FPIs), Transformer Monitoring Units (TMUs), Consumer Display Units (CDUs) along with hardware and software.
- ◆ The Ministry of power, GOI, vide letter dated 2nd June, 2021 has extended the timeline for submission of financial closure of the Smart Grid Pilot Project upto 30th Septmeber, 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 So far, Grant released is Rs.13.98 Crore and release of balance GoI grant of Rs.0.95 Crore is under process.

VI. 24 Hours Power Supply to Agriculture.

- ◆ Ms/. REC has sanctioned 5 Nos. P:SI Schemes for Strengthening of Distribution network for providing 24 Hrs supply to Agricultural connections during day time in single spell in Mahabubnagar, Nalgonda, Medak, Rangareddy (South) & Rangareddy (East) Circles for an amount of Rs. 380.00 Crore and the works are completed.
- ◆ From 01.01.2018, Government of Telangana TSSPDCL is implementing 24*7 reliable supplies to all categories consumers including Agriculture consumers.



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

- ◆ M/s.PFC sanctioned Real Time Data Acquisition System (RT-DAS) scheme on 13.12.2018 to measure SAIFI, SAIDI and AT&C loss for 11kV feeders in 34 Nos. Non SCADA Urban towns comprising of 62 Nos. substations and 259 Nos. 11kV feeders.
- ◆ Sanctioned scheme cost is Rs.3.20 Crore with 60% grant, 30% counterpart loan and 10% Discom share.
- ◆ Work awarded to M/s. SCOPE T&M Pvt. Ltd., Mumbai on 10.12.2019 for Rs 2.95 Crore.
- ◆ Agreement concluded with M/s Scope T&M (P) Ltd vide Agt. No.01/2020-21, dated 08.09.2020.
- ◆ M/s. SCOPE T&M Pvt Ltd has installed FRTU, CMR and MFTs etc at all 62 No.s 33/11kV Substations covering 259 Nos. 11kV Feeders and are integrated to RT- DAS Control Centre
- ◆ Project completed by 30.11.2021 and submitted Closure proposals to M/s. PFC on 25.02.2022.

VIII. Mission Bhagiratha:

- ◆ The Water Grid Programme aimed at supplying drinking water to all households in the State has been named Telangana Drinking Water Project. For executing the project, the State Government has decided to set up Telangana Drinking Water Supply Corporation Limited.
- ◆ The RWS officials and DISCOM officials were conducted joint inspection and identified 16 Nos. 33 KV locations (33kV level) and 60 Nos. 11kV locations (11kV Level).
- ◆ All the estimates have been prepared and sanctioned for Water Grid locations in various Circles of TSSPDCL.
- ◆ The Brief Abstract of work involved pertains to TSSPDCL is as follows:

◆ 33/11kV New Substations:-

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

◆ 33kV Line Works:-

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

◆ 11kV Line Works:-

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

◆ Distribution Transformers:-

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



- ◆ The Chief Secretary has instructed the RWS & S Officials that Rs.100 Crore may be deposited to Distribution Companies based on the prorata basis.
- ◆ An amount of Rs. 96.09 Crore (33.00 + 13.09 + 50.00) have been received in TSSPDCL B&R Account towards Telangana State Water Grid Works in 1st, 2nd & 3rd Phases.
- ◆ The Circle wise abstract of utilization particulars of Mission Bhagiratha works is as given below and the same was communicated to the Engineer-in-Chief, RWS & S Department, SRTGN Bhavan, 5th Floor, Errum-Manzil Colony, Hyderabad.

S. No.	Name of the Circle	No. of Works	Amount (Rs. in Crore)
1.	Mahabubnagar	40	19.28
2.	Wanaparthy	16	14.83
3.	Gadwal	2	7.99
4.	Nagarkurnool	11	10.63
5.	Nalgonda	39	30.48
6.	Suryapet	11	7.96
7.	Yadadri	11	1.73
8.	Medak	11	2.71
9.	Siddipet	10	3.58
10.	Sangareddy	18	17.88
11.	Cybercity	1	1.27
12.	Rajendranagar	10	18.71
13.	Vikarabad	15	8.32
14.	Medchal	2	2.02
Total		197	147.38
Amount received 96.09 Crore (33.00+13.09+50.00) Crore			96.09
Balance Amount to be received			51.29

4. Telangana Solar Power Policy 2015:

In the last decade, due to increasing thrust of Governments across the world towards fuel conservation and clean energy, solar power capacity has increased by over 45 times and stands at about 184 GW in 2014. In India, capacity additions in solar power have been even more remarkable. The total solar capacity in Telangana has grown to nearly 3912.56 MW as on 28.08.2021.

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



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

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

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

ABSTRACT OF INSTALLED CAPACITIES

S.No.	Type of Power/Generating Station	Total Installed Capacity in MW	Telangana Share in MW	TSSPDCL allocation in MW
1	TS GENCO Thermal	4042.50	4042.50	2851.98
	Hydel	2572.20	2389.91	1686.08
2	Central Sector	15105.00	2526.61	1801.42
3*	Non Conventional (Sale to Discoms)	4066.68	4066.68	2844.46
4	Others	3820.00	3589.45	2532.36
Total		29606.38	16615.15	11716.30

* Synchronized to grid values.

Solar and Wind Power Projects Synchronized to the grid

Solar Power Projects	Sale to DISCOM in MW		Third Party & Captive in MW	Solar Net Meter in MW	Total (MW)
	Solar	Wind			
	3290.00	100.80	371.29	173.08	3935.17



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	3.67	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 investments and encourage the renewable energy generation in the state, the Government of Telangana has issued the Telangana Solar Power Policy, 2015, wherein it provides attractive incentives and provisions to encourage Solar Roof Top Projects (SRP) adoption. Accordingly, the TSERC has issued regulation no.06 of 2016 for Roof top solar photovoltaic systems.

The Roof Top Solar systems installed capacity up to F.Y. 2021-22 is 210.393 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's) with TSREDCO to take assistance of TSREDCO (State Nodal Agency for the State of Telangana) for implementation of Rooftop solar in residential sector.
- So far, the phase II programme is under implementation which in turn facilitate for deployment of Rooftop solar systems of 226.66 MW capacity as on 01.07.2022 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	0 MW	19.01.2024

5. DIVIDEND

As there are no Profits from operations, the Directors do not recommend any dividend in the F.Y.2021-22.



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, 2022.

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

Form MGT 9 is enclosed as Annexure – A. Page No. 42

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

The Number of Board Meeting held during the Financial Year and as on 31.03.2022 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.	06.09.2021	11	11	100%
2.	29.11.2021	12	10	83.33%
3.	28.02.2022	12	12	100%
4.	30.03.2022	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. 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. 2021-22 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.

11. 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. 53**

Secretarial Auditor Report along with Management Reply is enclosed at Annexure – **C. Page No. 84**

12. 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.

13. 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).

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

Rs. (626.80) Crore was carried to Reserves for the F.Y.2021-22.

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

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



6. 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.
7. Management has accorded permission for passing the necessary entries in respect of demerger of Gundala for transferring the said security deposit of Rs.2,37,000/- to Senior Accounts Officer/HT/Yadadri circle. Accordingly the security deposits amount has transferred to Yadadri circle on 15.02.2022 and requested to take necessary action. Accordingly SAO/HT/Yadadri has accepted the TCA and posted the said amount in Security deposits.

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

Statement is enclosed at Annexure–D. Page No. 85

17. 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. 626.80 Crore and Total Indebtedness of the company Rs.17,535.10 Crore. Ujwal Discom Assurance Yojana (UDAY), a Scheme for the Financial Turnaround of the Power Distribution Companies (DISCOMs), whose details are mentioned above in item no.2 of the Directors Report in detail.

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

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

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

SL. No	Name	Designation
1	Sri 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



The reconstitution of corporate social responsibility (CSR) committee was approved by the board in its 166th Board Meeting held on 29.11.2021.

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

19. DETAILS OF THE POLICY DEVELOPED AND IMPLEMENTED ON THE BORROWING COMMITTEE

The Present Borrowing Committee Consisting of the following members:

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

The reconstitution of Borrowing Committee was approved by the board in its 166th Board Meeting held on 29.11.2021.

20. DETAILS OF THE POLICY DEVELOPED AND IMPLEMENTED ON NOMINATION AND REMUNERATION COMMITTEE

The constitution of Nomination and Remuneration Committee was approved by the board in its 166th Board Meeting held on 29.11.2021 with functions mentioned as per the Provisions of the Companies Act, 2013 with the following members:

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

21. 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. 626.80 Crore the company couldn't spend any amount on Corporate Social Responsibility (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.



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

Name of the Director	Nominee Director	Date of appointment	Date of cessation, if applicable
Sri G. Raghuma Reddy	Chairman and Managing Director	26.11.2014	NA
Sri P. Narasimha Rao, IRS	Director/Finance	06.09.2018	NA
Sri T. Srinivas	Director/Projects & IT	31.07.2013	NA
Sri J. Srinivas Reddy	Director/Operations	26.11.2014	NA
Sri G. Parvatham	Director/HR & IR	01.09.2018	NA
Sri K. Ramulu	Director/Commercial	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	22.10.2021	NA
Sri P. Shyam Sunder	Assistant Secretary to Government, Finance Department	08.09.2021	NA
Sri Sandeep Kumar Sultania, IAS	Secretary to Government [FAC], Energy Dept.	28.08.2020	18.10.2021
Sri C. Srinivasa Rao, IRAS (Retd.)	Director /(Non-Whole Time)	04.03.2017	NA
Sri G.S.Ram Mohan Rao	Director /(Non-Whole Time)	02.07.2014	30.06.2021
Sri V. Anil Kumar	Company Secretary	21.07.2015	NA

23. THE FACT OF RESIGNATION OF ANY DIRECTOR-168(1)

Sri Sandeep Kumar Sultania, IAS, Secretary to Government (FAC) was relieved on dated 18.10.2021 by Government of Telangana and Sri Sunil Sharma, IAS, Special Chief Secretary to Government, Energy Department was appointed as Non Whole time Director on the Board of TSSPDCL vide G.O.Ms.No. 9, Energy (HR-A1) Department, dated 22.10.2021.

Sri G. S. Ram Mohan Rao, Additional Secretary to Government was retired from official duties in Finance Department on dt: 30.06.2021 by Government of Telangana vide G.O.Ms. No.75, Finance (OP.I) Department, dated 30.06.2021 and Sri P. Shyam Sunder, Assistant Secretary to Government, Finance Department was appointed as Non Whole Time Director on the Board of TSSPDCL on dated 08.09.2021.

24. 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.,

25. 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 31.03.2022.



(Rs. in Crore)

S.No.	Circle	LT		HT		TOTAL	
		No. of Services	Amount	No. of Services	Amount	No. of Services	Amount
1	Banjara Hills	17	-0.06	80	166.06	97	166.00
2	Cybercity	0	0.00	71	24.86	71	24.86
3	Gadwal	0	0.00	4	0.01	4	0.01
4	Habsiguda	36	0.35	127	31.47	163	31.82
5	Hyderabad Central	29	0.16	65	116.90	94	117.06
6	Hyderabad South	54	0.26	26	16.36	80	16.63
7	Mahaboobnagar	0	0.00	66	38.44	66	38.44
8	Medak	0	0.00	22	54.54	22	54.54
9	Medchal	22	0.02	177	137.30	199	137.32
10	Nagarkurnool	0	0.00	8	3.17	8	3.17
11	Nalgonda	73	0.38	167	201.48	240	201.86
12	Rajendra Nagar	373	3.64	215	239.28	588	242.91
13	Sangareddy	0	0.00	224	323.23	224	323.23
14	Saroornagar	69	0.07	27	64.94	96	65.00
15	Secunderabad	37	0.00	75	33.38	112	33.37
16	Siddipet	0	0.00	17	14.63	17	14.63
17	Suryapet	14	0.02	109	275.59	123	275.61
18	Vikarabad	0	0.00	10	191.35	10	191.35
19	Wanaparthy	0	0.00	5	0.02	5	0.02
20	Yadadri	15	0.06	67	35.16	82	35.22
Total		739	4.91	1562	1968.15	2301	1973.06

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

Present Audit Committee composition is as follows:

SL. No	Name	Designation
1	Sri 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 reconstitution of Audit committee was approved by the board in its 166th Board Meeting held on 29.11.2021.

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. 2021-22.



27. PARTICULARS OF THE EMPLOYEES & EMPLOYEE WELFARE

1. **Manpower:** The manpower (officers and staff) stood at 19,844 for the F.Y. 2021-22 when compared to the 20,056 for the F.Y. 2020-21.

The category wise employee's filled is indicated below:

Sl. No	Name of the Category	F.Y. 2021-22	F.Y. 2020-21
1	Engineering service	2,376	2328
2	Accounts and P&G service	1,726	1,709
3	O&M and construction service	6,391	6,484
4	Others (including deputations)	91	85
5	Artisan's	9,260	9,450
Total		19,844	20,056

2. **Training to Employees:** During F.Y.2021-22 training has been imparted to 3,461 employees on new technologies in Power sector, IT initiative, HR activities.
3. **Employees welfare:** Total 101 (35 are Regular Employees + 66 are Artisans) dependents of deceased employees have been provided employment in the company under compassionate grounds.

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

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

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

SL. No	Name	Designation
1	Sri 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

The reconstitution of Vigil Mechanism committee was approved by the board in its 162nd Board Meeting held on 29.11.2021.

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

A Complaints Committee was constituted with the members indicated therein to prevent or deter the commission of acts of Sexual harassment on women employees in APCPDCL (Now TSSPDCL). Consequently, on completion of one year period, the committee was re-constituted vide reference



SP.O.O.CGM (HRD) Rt.No.561, dated 21.08.2020 with the members as indicated therein to hold office till 31.12.2020. The same committee was re-constituted shall hold office till 31.12.2022 Vide: SP.O.O.CGM (HRD) Rt.No.200, dated16.02.2022.

The following officers were nominated for the Complaints Committee:

SI. No	Name	Designation
1.	Smt. K. Sudha Madhuri, Chief General Manager/Revenue	Chairperson
2.	Smt. G. Satyamma, DE/O/Habsiguda (Now DE/Construction/ Habsiguda)	Member
3.	Sri P. Srinath Reddy, DE/O/ Medchal	Member
4.	Sri K. Satish Kumar, Ex- DE/RAC&IPC (Now SCADA/DMS)	Member
5.	Smt. C. Rama Sree, DE/Planning/HVDS	Member
6.	Kum. P.A. Jyothirmayi, DE/IT Wing/Corp. Office	Member

30. INTERNAL AUDIT

The Board approved the following firms as Internal Auditors for the F.Y. 2020-21 and 2021-22 at the Board Meeting held on 30.03.2021.

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



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

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

32. 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.2021 -22.

Secretarial Auditor:

M/s. KCC & Associates, Company Secretaries was appointed as Secretarial Auditors of the Company for the F.Y.2021-22.

Cost Auditor:

M/s. B.V.S. & Co, Cost Accountants was appointed as Cost Auditors of the Company for the F.Y.2021-22.

33. ACKNOWLEDGEMENTS

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

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

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

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

Place : Hyderabad
Date : 27.07.2022

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

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



Annexure A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2022

[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-2021]				No. of Shares held at the end of the year[As on 31-March-2022]				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	12,01,79,30,297	1,20,17,93,02,970	99.99%	0	12,01,79,30,297	1,20,17,93,02,970	99.99%	NIL
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	9	90	0.01%	0	9	90	0.01%	0
Total shareholding of Promoter (A)	0	12,01,79,30,306	1,20,17,93,03,060	99.99%	0	12,01,79,30,306	1,20,17,93,03,060	99.99%	NIL
B. Public Shareholding	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	12,01,79,30,306	1,20,17,93,03,060	100%	0	12,01,79,30,306	1,20,17,93,03,060	100%	NIL



B) Shareholding of Promoter -

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

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

S.No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2021)			Shareholding at the end of the year (31.03.2022)			% 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 Sandeep Kumar Sultania, IAS, Secretary to Government [FAC], Energy Dept.,	2	0	0	0	0	0	0
2.	Sri Sunil Sharma, IAS, Special Chief Secretary to Government, Energy Dept., Director/ (Non-Whole Time)/TSSPDCL	0	0	0	2	0	0	0
3.	Sri D. Prabhakara Rao, Chairman and Managing Director/TSTRANSCO	1	0	0	1	0	0	0
4.	Sri C. Srinivasa Rao, IRAS (Retd.) JMD/TSTRANSCO	1	0	0	1	0	0	0
5.	Sri G. Raghuma Reddy Chairman and Managing Director /TSSPDCL	2	0	0	2	0	0	0
6.	Sri J. Srinivasa Reddy, Director /Operations / TSSPDCL	1	0	0	1	0	0	0
7.	Sri T. Srinivas Director (Projects & IT) /TSSPDCL	1	0	0	1	0	0	0
8.	Sri P. Narasimha Rao Director/Finance/ TSSPDCL	1	0	0	1	0	0	0



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

D) Shareholding Pattern of top ten Shareholders: 31.03.2022

(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: 31.03.2022

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	1,72,22,31,03,601	27,08,94,32,278	-	1,99,31,25,35,879
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	1,72,22,31,03,601	27,08,94,32,278	-	1,99,31,25,35,879



Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
* Addition	12,22,33,17,487	3,54,50,30,512	-	15,76,83,47,999
* Reduction	29,34,30,53,796	79,86,69,811	-	30,14,17,23,607
Net Change	(17,11,97,36,309)	2,74,63,60,701	-	(14,37,33,75,608)
Indebtedness at the end 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

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 Dir (Ener, Audit, DPE & Assem.)
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	43,74,784	41,06,832	39,20,821	27,92,100	57,37,931	26,74,265	28,28,400	28,95,741	13,12,258
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)	15,36,436	14,98,444	13,68,828	8,73,727	20,41,663	8,69,252	8,15,405	12,21,300	1,69,524
	Total (A)	28,38,348	26,08,388	25,51,993	19,18,373	36,96,268	18,05,013	20,12,995	16,74,441	11,42,734
	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 Sri Sandeep Kumar Sultania, IAS, Secretary to Govt., Energy Dept., Director (Non-Whole Time)/ TSSPDCL	Name of the Director Sri C. Srinivasa Rao, IRAS, (Retd.) JMD/ TSTRANSCO/ (Non-whole time) /TSSPDCL	Name of the Director Sri Sunil Sharma, IAS, Special Chief Secretary to Govt., Energy Dept., Director (Non Whole Time) /TSSPDCL	Name of the Director Sri P. Shyam Sunder, Assistant Secretary to Govt., Finance Dept., Director (Non Whole Time) /TSSPDCL
	2. Non whole time Directors - Fee for attending board and committee meetings - Commission - Others, please specify	NA	NA	NA	NA
	Total Amount	10,000/-	40,000/-	30,000/-	30,000/-
	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	19,46,048	NA	NA
2.	Stock Option	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA
4.	Commission-as % of profit-others, specify	NA	NA	NA	NA
5.	Others, please specify (deductions Provident Fund & Professional tax)	NA	3,85,506	NA	NA
	Total		15,60,542		

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







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

INDEPENDENT AUDITOR'S QUALIFICATIONS

/ REMARKS AND REPLIES OF THE TSSPDCL FOR F.Y. 2021-22

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

Report on the Audit of Financial Statements:

We have audited the accompanying financial statements of **Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited)** ("the company"), **Hyderabad**, which comprise the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraphs, the aforesaid financial statements given the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014, of the state of affairs of the Company as at 31st March, 2022, its losses and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

STATUTORY AUDITOR'S REPORT

COMPANY'S REPLY

- 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.101.65 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 and moreover as on today employees bifurcation is under subjudice.</p>



3) Amount of Rs.3182.55 Crore towards surcharge on late payment payable to Singareni Thermal Power Plant (STPP) for the financial years 2019-20, 2020-21 & 2021-22 is neither paid nor provided in the books of account resulting in understatement of Reserves & Surplus and Trade Payables to the same extent.

Singareni Thermal Power Plant (STPP) has raised Late Payment Surcharge (LPS) to the extent of Rs. 3182.55 Crore against TSSPDCL to the end of F.Y.2021-22.

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.

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.

Therefore, a letter was also addressed from the CMD/TSTRANSCO to CMD/STTP to consider the request to TSDCOMS for waiver of the LPS claimed in the larger interest of the State.

4) The Company has applied depreciation rates notified by the Ministry of Power (MoP) vide S.O.266 (E) dated 29th March, 1994 in respect of the Tangible Assets instead of adopting the depreciation rates notified by CERC vide its notification No.L-1/236/2018/CERC dated 7th March, 2019 as required by Schedule II of the Company Act, 2013. This has resulted in overstatement of depreciation and amortization expenses and understatement of Tangible Assets as at 31st March, 2022 by Rs.393.13 Crore. Consequently, loss for the year is also overstated by the same amount.

It is to submit that, in the Significant Accounting Policies of the Company which are form part of the Financials for the respective years, at Note No.1.6, it is mentioned that the depreciation on Plant and Equipment is provided under the "Straight Line Method" up to 90% of the Original Cost of Assets, at the rates notified by the Ministry of Power (MoP) Government of Indian vide Notification No. S.O.266 (E) dated 29th March, 1994. Accordingly, the said accounting policy is being followed consistently for all the years.

Further, it is to submit that, the Company has filed the MYT for the 4th Control period for F.Y. from 2019-20 to F.Y. 2023-24 with the Hon'ble Telangana State Electricity Regulatory Commission as the TSERC is the concerned business regulatory and in the MYT filings that the method of computation of Depreciation and the rates of Depreciations followed as per the MoP are mentioned. However the Hon'ble



TSERC has considered the depreciation rates as per the Hon'ble Central Electricity Regulatory Commission (CERC) Rates and issued the Tariff Order dated 29th April, 2020 for 4th Control period.

Further it is to submit that, since the major portion of the Assets consists of Plant and Machinery, Meters, Battery Charges and Furniture & Fittings, the rate of Depreciation notified by CERC for these class of Assets are having the less Depreciation rates, in which it takes more than 15 years to Depreciate 90% of original cost of the Asset. But in general, the Electronic or Digital Meters and Battery Charges etc., are having the less life of Assets (3 to 8 years approximately).

Further, in the CERC Notification of guidelines, there is no specific Rate of Depreciation for Distribution Licensees, only common Rates were issued for Assets of Generating Stations and Transmission Units.

Under the above circumstances, it is to submit that the Depreciation Rates applied for the financial year 2021-22 are appears to be appropriate and correct. Hence there is no overstatement of Depreciation and Amortization expenses (Note No.11) by Rs. 393.13 Crore. However, a view will be taken for the next financial years in regard to implementation of CERC Rates.

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 overstatement of Reserves & Surplus by Rs.9.13 Crore for the year ended 31st March, 2022.

It is to submit that out of forfeited Bank Guarantee of Rs.52.13 Crore, the share of Ananthapur and Kurnool circles is Rs.9.10 Crore which is to be payable to APSPDCL as the said two circles are merged with APSPDCL consequent on Bifurcation of State from 02.06.2014 and to this effect a letter dated 7th June, 2019 has received from APSPDCL requesting to transfer the said amount.

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



- 6) Actuarial valuation carried to arrive at Gratuity liability was made on the assumption that the maximum limit for gratuity payment is Rs.12,00,000/-. However, the G.O. issued by Govt. of Telangana the same is Rs.16,00,000/- and limit as per the payment of Gratuity Act, 1972 is Rs.20,00,000/-. The impact of discrepancy in the assumption could not be quantified as the same has to be arrived at through actuarial valuation.

It is to submit that, the defined benefit obligations on account of post employment benefits and other long term employee benefits are evaluated through an Actuary viz. Sri I. Sambhasiva Rao, FIAI for the year ending 31.3.2022. The Actuary has carried out the Actuarial valuation using the Projected Unit Credit Method as per AS 15 (Revised 2005) to determine the Present Value of Defined Benefit Obligation and the related Service Costs in its report dated 06.06.2022, wherein the Gratuity liability considered the existing maximum limit of Rs.12,00,000/-. The Government of Telangana has enhanced the maximum limit of Retirement Gratuity from Rs.12.00 lakh to Rs.16.00 lakh to State Government employees vide G.O.Ms.No.56 dated 11.06.2021 with retrospective effect from 01.04.2020. Since the same was not adopted by TSSPDCL so far, the defined benefit obligation in respect of Gratuity was considered as 12.00 Lakhs while carrying out actuarial valuation as per the prevailing orders issued by the company vide SP.O.O.No. (CGM - HRD) Ms.No. 786, dated: 09.10.2015.

Accordingly, the Company has provided the provision for defined benefit obligation towards Gratuity for an amount of Rs.35.06 Crore in respect of employees recruited on or after 01.02.1999 and reduced an amount of Rs. 111.91 Crore in respect of employee recruited before 01.02.1999 which included pension benefit obligation too.

Hence, there is no understatement of employee benefit expenses. It is assured that the maximum ceiling of Rs. 16.00 Lakhs and 20.00 Lakhs will be considered while arriving the defined benefit obligations for the next financial year subject to adoption of said G.Os.



7) 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 31.03.2022 as per the requirement of Accounting Standard - 13 "Accounting for Investments". Due to non-availability of audited financial statements of APPDCL for F.Y. 2021-22, we are unable to ascertain its impact on the Financial Statements.

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.

Further 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.

8) We report that the following accounts have not been reconciled as at 31st March, 2022 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.23.62 Crore.

The Company is making all efforts in clearing the balance in this account. During the year the company has reconciled all balances and reduced the balance to certain extent of Rs. 23.62 Crore (Previous year Rs. 8.85 Crore), out of which an amount of Rs. 13.68 Crore were reconciled and cleared during the F.Y. 2022-23. However, there are few legacy transactions involved in balance and the Company is doing the reconciliation continuously on priority basis.

b) Amount appearing under loan clearing (CPDCL) account with a debit balance of Rs. 3.68 Crore)

During the year under review, the balance in this account has been made Zero. However certain items of previous year still exists efforts will be made to clear the same.

9) Overall impact of the above Qualifications which are quantifiable is as follows:



<p>a) Understatement of Net loss for the year – Rs. 2798.72 Crore.</p> <p>b) Understatement of Negative Net worth – Rs. 3847.01 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 company's representation, the contingent liability/receivables, if any, due to the said retrospective amendment of the share of the company in various bulk supply of power purchase agreements has not been disclosed in the books of account.</p>	<p>Informative only</p>



- 3) We draw your attention to Note No. 27 where in exceptional items includes Rs.6,228.00 Crore receivable under UDAY scheme (As per Tripartite Memorandum of Understanding) of Rs.4,104 Crore pertains to Prior period, as detailed below:

Financial Year	Amount (Rs. Crores)
2018-19	392
2019-20	1,242
2020-21	2,470
Total	4,104

Informative only

- 4) We draw your attention to Note No. 24 where in Employee benefit expenses does not include provision for Pension & Gratuity liability of Rs.7,647.79 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 Mater Trust over the years.

Informative only

- 5) Current accounts maintained with various banks have Board excess, being cheques /cash deposited in banks and not appearing in banks' statements of account for Rs.26.14 Crore (of which Rs.1.42 Crore is outstanding for more than three months) and Bank excess, representing amounts credited by banks but not appearing in the books of account of the company of Rs.91.19 Crore as on 31.03.2022.

All efforts are being made continuously for clearing of pending Board and Bank excess. Further it is to state that, an amount of Rs. 24.62 Crore have been cleared against Rs. 26.14 Crore of Board excess (of which Rs.0.48 Crore have been cleared out of Rs.1.42 Crore which were outstanding for more than three months) and an amount of Rs.68.02 Crore have been cleared against Rs.91.19 Crore of bank excess during the current financial year (2022-23). Balance Board Excess amount of Rs.1.52 Crore and bank excess amount of Rs.23.17 Crore will be cleared consequently.

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

- a) Balances due to/from various vendors for supplies and services, EMDs, SDs, other power distribution companies.

Closing balance confirmation from various vendors/ supplies towards EMD, SD and other power distribution companies is practically equivalent to impossible as they are very large in no's and widely scattered, the balance appearing in SAP may be treated as final.



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

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

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

Material Uncertainty related to Going Concern

We draw attention to Note No. 41 in the financial statements, the events or conditions mentioned in the said notes indicate that material uncertainties exist that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Informative only

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

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

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

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

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

Management's Responsibility for the Financial Statements

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



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

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

Report on Other Legal and Regulatory Requirements:

1) As required by 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



<p>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.</p>	<p>Informative only</p>
<p>g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.</p>	<p>Informative only</p>
<p>h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:</p> <p>Being a Government company, the company is exempted from the provisions of section 197 (16) of the Act regarding remuneration to Directors vide Notification GSR- 463 (E), dated 5th June, 2015 issued by Government of India, Ministry of Corporate Affairs.</p>	<p>Informative only</p>
<p>i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:</p>	
<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</p>	



<p>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>



REPLY TO ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT ON THE SPECIFIC INSTRUCTIONS OF C&AG

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 2021-22, all the accounting transactions have been processed through IT system.</p> <p>However, for preparation of financial statements some manual interventions are carried out.</p>	
		<p>Major discrepancies in certain areas are given hereunder:</p> <p>1. Payroll system module is not fully integrated with finance system module, resulting in a difference of Rs.0.59 Crore excess in finance module, when compared to payroll module for employee loans.</p> <p>2. Inter units’ balances were not properly processed through IT system, which has resulted in un-cleared credit balance of Rs.23.62 Crore.</p>	<p>Payroll module has been operational since 2012. The legacy data is yet to be taken into payroll module, steps will be taken to reconcile the same.</p> <p>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.23.62 Crore (Previous year Rs.8.85 Crore), out of which 13.68 Crore were reconciled and cleared in current F.Y. 2022-23.</p>



			However, there are few legacy amounts involved in the balance, same will be reconciled and cleared on priority basis.
		3. Revenue module is not fully integrated with FICO module and variances are duly adjusted.	All efforts are made to integrate revenue module with FICO Module.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	<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 from of Part-A IT Government of India amounting to Rs.167.84 Crore along with accrued interest of Rs.59.05 Crore into Grants.</p> <p>The same is properly accounted in the books.</p>	Informative only
3	Whether funds (grants/subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for /utilized as per its term and conditions. List the cases of deviation.	According to the information and explanation given to us and on the basis of our verification of the records funds received /receivable from Central/State Governments under various projects/ schemes have been properly accounted for and released to the beneficiaries / spent/utilized as per guidelines and terms & conditions as mentioned in the relevant sanction letters.	Informative only



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 over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited) (“the Company”), Hyderabad, as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

A. Management’s Responsibility for Internal Financial Controls

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

B. Auditors’ Responsibility

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



C. Meaning of Internal Financial Controls over Financial Reporting

5. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
- i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
 - iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

D. Internal Limitations of Internal Financial Controls over Financial Reporting

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

E. Qualified Opinion

7. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the company's internal controls over financial reporting as at 31st March, 2022;



8. Absence of control in respect of:

a) Seeking balance confirmations and performing periodical reconciliations of various receivables, payables, deposits, advances etc.	Reconciliation is the continuation activity and the same is being carried out periodically.
b) Capitalization of capital work orders without work order completion certificates and non-closure of work orders.	Works are capitalized only upon submission of work completion certificate exceptionally where substantial (Around 90%) expenditure is incurred and assets put to use, such work orders are closed on partial basis. The same are regularized subsequently.
c) Reconciliation of various modules information with Finance module in SAP.	Efforts will be made to integrate various modules into finance module in SAP.

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

10. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" and except for the possible effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the company's internal financial controls over financial reporting were operating effectively as at 31st March, 2022.



ANNEXURE C

TO THE INDEPENDENT AUDITOR'S REPORT

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, 2022.

We report that:

<p>i) a) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:</p> <p>b) 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) We are informed by the company that purchase/gift/lease deeds are generally executed in respect of “parcels of land” purchased/gifted/given on long term lease up to 99 years to the company by private parties, which are generally kept at various field offices of the company and accordingly complete details along with the said deeds could not be provided to us, except a very few deeds executed during the year under audit. We are also informed by the company that in respect of the “parcels of land” alienated to it by the State Government or its agencies other than the letters of alienation/allotment /physical handing over, no other legal documents are generally executed and that the said letters are available with various field offices of the company and accordingly complete details along</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>with the said letters could not be provided to us, except a few letters executed. Accordingly, we are unable to report whether appropriate legal documents evidencing the title of the company in respect of all the immovable properties owned by the company are available with the company.</p>	
<p>d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.</p>	<p>Informative only</p>
<p>e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.</p>	<p>Informative only</p>
<p>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.</p>	<p>Informative only</p>
<p>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;</p>	<p>The information for Quarter-4 was furnished before the closure of Quarter-4 Annual accounts as the receivables information has to be submitted in a time bound manner</p>



Particulars	As per Current Assets statement	As per the Books of A/c	Variance (Rs. in Crore)
As on June 30th			
i) Stocks	174.07	223.66	(49.59)
ii) Receivables	10,989.66	12,456.63	(1,466.97)
As on Sep 30th			
i) Stocks	179.83	231.77	(51.94)
ii) Receivables	11,177.4	12,673.13	(1,495.73)
As on Dec 31st			
i) Stocks	207.28	258.50	(51.22)
ii) Receivables	13,046.62	12,630.22	416.40
As on March 31st			
i) Stocks	175.14	222.82	(47.68)
ii) Receivables	12,578.93	12,436.39	142.54

iii) During the year the Company has not made any investments, 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, in respect of which:

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	9.43	Informative only
Balance outstanding as at balance sheet date in respect of above cases	38.27	
b) In our opinion, 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 from public. Consequently, the clause 3(v) of the order is not applicable to the Company.

Informative only

vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

Informative only



vii) In respect of statutory dues:

a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, Income-tax, 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 General Provident Fund (GPF) which are not paid regularly.

Informative only

Accordingly to the information and explanations given to us, no undisputed amounts are payable in respect of Income tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value Added Tax or cess, Goods & Services tax, and other statutory dues which were in arrears as at 31st March, 2022 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	0.11

b) As on 31st March, 2022, 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, 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
		Penalty Proceedings u/s 270A of Income Tax Act.	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.

Informative only



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



(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and 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, however the Company has suspended internal audit for first quarter (01.04.2021 to 30.06.2021) due to prevailing COVID situation.	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



<p>xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and is not a Core Investment company, as defined in the regulations of the Reserve Bank of India. . Hence, reporting under clause 3(xvi) of the Order is not applicable.</p>	<p>Informative only</p>
<p>b) 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 and there are 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 not incurred cash loss during the financial year covered by our audit and however the Company has incurred a cash loss of Rs.3,931.47 Crore 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</p>	<p>Informative only</p>



<p>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>xx) Provisions of Corporate Social Responsibility (CSR) are not applicable to the company, hence clause 3 (xx) is 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>

For Ramanatham & Rao

Chartered Accountants

Firm Registration Number: S-2934

Sd/-

V. Narasimhapani

Partner

M.No: 204332

UDIN: 22204332ANSFTR3083

Sd/-

Sri G. Raghuma Reddy

Chairman & Managing Director

DIN : 02943771





FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

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

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

Based on my verification of the **Southern Power Distribution Company of Telangana Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2022** 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, 2022 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.



KALYANA CHAKRAVARTHI CH.

B.Com, LLB, FCS
Company Secretary



KCC & Associates
Company Secretaries

Flat No. 101, 1st Floor, Chaitanya Chamber,
Chaitanyapuri, Hyderabad - 500060.
Tel : + 91 9848 906 906
Email : kccassociates8@gmail.com

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

UDIN: F010770D000643831

Place: Hyderabad

Date: 18.07.2022





ANNEXURE-1A

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

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

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

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

Sd/-

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

Place: Hyderabad
Date: 18.07.2022



ANNEXURE 'C' TO DIRECTORS REPORT

Management Reply to the Secretarial Auditor Observations

Observations of the Secretarial Auditor	Management Reply to the Observations of the Secretarial Auditor
<p>1. The Company is yet to comply with the provisions of Section 149(4) of the Companies act, 2013 relating to appointment of Independent Directors and Woman Director on its Board. Consequently, company yet to comply with the constitution of committees with independent directors as per the provisions of the companies act, 2013.</p>	<p>TSSPDCL is a State Government Company within the meaning of section 2(45) of the Companies Act, 2013 and as per Article 30(d) of Articles of Association of the Company, Powers to appoint Directors vests with Government of Telangana (acting through Energy Department).</p> <p>The Company or its Board is not vested with any powers in the said matter and hence the matter is being followed up rigorously with the Energy Department and Several Letters were addressed to Energy Department, Government of Telangana to expedite the process of Appointment of Independent directors & Women Director on the Board to comply with Section 149 of the Companies act, 2013 and awaiting for the orders.</p>



ANNEXURE 'D TO DIRECTORS' REPORT

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

<p>A. Conservation of Energy:</p> <p>a) Energy conservation measures.</p>	<ol style="list-style-type: none"> 1. 100KW Roof Top Solar Power Plant at corporate office, Hyderabad. The plant generating an average 500-520 (KWh) units per day. 2. 95,219 Nos. High Voltage Distribution System (HVDS) for Agriculture Pump Sets were set up. 3. TSSPDCL signed Memorandum of Understanding (MoU) with Energy Efficiency Services Limited (EESL) to develop and implement the DISCOM driven Demand side Management programme as a pilot project on dt: 08.09.2021. Under this MoU, Energy efficiency appliances (like Super efficient air conditioners, IE3 motors, BLDC fans etc.) distribution in the jurisdiction of TSSPDCL is going to be launched soon. 4. Distribution of LED bulbs in exchange of Incandescent Bulbs to Rural area consumers of TSSPDCL for Rs.10 per LED bulb under Gram Ujala Programme by Convergence Energy Services Limited (CESL) with a target to distribute 6 lakhs LED bulbs by 30th April, 2022 is programmed. As on dated 31.03.2022 4.37 Lakhs LED bulbs are distributed in the TSSPDCL jurisdiction.
<p>b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy;</p>	<p>Under DDUGJY, TSSPDCL is distributing 9W LED bulbs for BPL households in rural area. So far, 3.90 lakhs bulbs are installed. The total expenditure incurred is 202.07 lakhs. The DDUGJY Scheme works are completed /saturated on 30.09.2019.</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. 2021-22 are lower than the previous year. The Energy Losses to Energy Input percentage decreases to 9.14% in F.Y. 2021-22 as against 9.36% in F.Y. 2020-21.</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.	Not Applicable
<p>B. Technology absorption :</p> <p>e) Efforts made in technology absorption</p>	<ol style="list-style-type: none"> 1. 24 Nos. substations works are completed and charged, 150.98 Km of 33 KV OH Line, 4360.98 Km 11KV OH line & 4832.95 km LT Line, 76.86 Km 33KV UG cable and 20.81 Km 11KV UG cable is erected. 2. Implementing AMR for HT Services and monitoring 11 KV Feeders. 3. Meter Data Acquisition System (MDAS) is being implemented. 4. SCADA control for all 228 Nos. of 33/ 11KV Sub-Stations, DMS (Distribution Management System) for operation of 156 Nos.11KV feeders in core city of Hyderabad & Communication System.
C. Foreign exchange earnings and outgo:	
f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;	Not Applicable
g) Total foreign exchange used and earned	NIL



C&AG OF INDIA FINAL COMMENTS

AND THE REPLIES OF TSSPDCL FOR THE YEAR 2021-22

Sl. No	Gist of the Final Comment	Reply of the Company
i)	<p>During the year, the Company recognized Retail Supply Tariff & Cross Subsidy Surcharge as per the tariff determined by the Regulatory Commission for the year 2018-19 which was extended for the year 2021-22. The Company filed the petitions for determination of Average Revenue Requirement (ARR) for financials year 2019-20, 2020-21 and 2021-22 on 31.03.2022, which was not approved by the commission as the ARR were not filed within the stipulated period. The above facts were not disclosed in the Notes to Financial Statements.</p>	<p>It is to submit that, the delay in filing the ARR is majorly due to</p> <ul style="list-style-type: none"> ◆ Enforcement of Model Code of Conduct in the State in view of elections to TS Assembly in the month of December, 2018 & further to the Lok Sabha in the month of April, 2019 to May, 2019. ◆ Non-operation of Hon'ble TSERC from January, 2019 to October, 2019. ◆ Model Code of Conduct in view of Municipal elections from December 2019 to January 2020. ◆ Imposition of National lock down from March, 2020 in view of COVID-19 pandemic. ◆ Assessment of the impact of lockdown period and thus estimating the ARR & Tariff proposals post lockdown. ◆ Model Code of Conduct in view of GHMC, MLC elections in December 2020 & February 2021 to March 2021 respectively. ◆ It is to mention that, for F.Y.2019-20 to F.Y.2021-22, the licensee could not file the ARR within the stipulated time due to the factors that are beyond the control of the licensee. ◆ Eventually, the licensee filed the ARR for Retail Supply Business for F.Y.2019-20 to F.Y.2021-22 before the Hon'ble TSERC on 31.03.2021 requesting the commission to condone the delay due to the above mentioned uncontrollable factors. <p>Further, Hon'ble Commission vide its order dated 22.12.2021 in OP (SR) No 14 of 2021 and in OP (SR) No 15 of 2021 deemed it appropriate to decline from entertaining the ARR petitions mainly for the reason that time period for which they sought was already lapsed.</p>



Sl. No	Gist of the Final Comment	Reply of the Company
ii)	<p>During the year, the Company has recognized additional surcharge for the period 01.04.2021 to 31.12.2021 at Rs.0.52/Kwh determined by the Regulatory Commission for the year 2018-19 which was extended for the year 2021-22. Though the Company had filed petition for determination of additional surcharge for the year 2021-22, the Commission has determined the additional surcharge at Rs. 0.96/Kwh and made it applicable only for the period 01.01.2022 to 31.03.2022 due to delayed filing of the petition. The above facts were not disclosed in the Notes to Financial Statements.</p>	<p>It is to submit that, the Discoms could not file the aforementioned proposals for F.Y. 2021-22 within the stipulated timeline due to the enforcement of Model code of conduct in view of elections to GHMC, State Legislative Council, Bye-elections to a constituency of State Legislative Assembly and imposition of State wide lockdown by Govt. of Telangana for containment of COVID-19 pandemic in the state w.e.f. 12.05.2021 that are beyond the control limit of the licensees. Eventually, in accordance with the above mentioned directions, the licensees filed the proposals of AS for H1 & H2 of F.Y. 2021-22 with the methodology approved by the Hon'ble Commission with a request before the Hon'ble Commission to condone the delay in filing due to the aforementioned uncontrollable factors.</p> <p>Further, the DISCOMs have filed AS for H1 on 05.07.2021 & H2 on 17.09.2021 and these filings have been taken on record by the Hon'ble Commission in OP No. 48 of 2021, 49 of 2021 along with IA No. 21 of 2021, 22 of 2021.</p> <p>The Additional Surcharge determined by Hon'ble TSERC for H2 of F.Y.2021-22 has effected from the period 01.01.2022 till 31.03.2022.</p> <p>Further it is to submit that, the periodicity of filing Petitions for Additional Surcharge half yearly. Bills were raised and revenue collected as per the existing Tariff Order of F.Y. 2018-19 issued by the TSERC till Retails Supply tariff & Cross Subsidy Orders issued for F.Y. 2022-23.</p>
iii)	<p>Ministry of Power had allocated (November 2014) 50 MW of 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. 9.38 Crore (being 70.55 percent of total amount of Rs. 13.30 Crore) due to delay in payment of bills in respect of Kudanakulam</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</p>



Sl. No	Gist of the Final Comment	Reply of the Company
	<p>Atomic Power plant. However, the LPS claims were not admitted by the Company on the grounds that there are not agreed provisions mandating LPS. The facts should have been disclosed in the Notes to Financial Statement.</p>	<p>required to maintain Letter of Credit (LC) commensurate with the allocated power.</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. The Tariff being payable to KKNPP is only single tariff as per Department of Atomic Energy (DAE) notification.</p> <p>Since the power is scheduled by SRLDC to Telangana and the energy is admitted as per REA issued by SRPC/Bangalore. The Tariff payable is as per DAE notification which is similar to the tariff determined by 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.13.30 Crore) of NPC KKNPP has not been considered by TSPCC/TSDISCOMS while admitting the bills as there is no contractual obligation/agreed provisions mandating LPS.</p>
iv)	<p>Singareni Thermal Power Plant (STPP) submitted (June, 2019) power bills for the period from 2016-17 to 2018-19 towards additional coal bills, incentive, water changes and other changes to the Telangana State Power Coordination Committee (TSPCC), which decided to defer the claim till STPP obtains the approval of the TSERC for additional claims amounting to Rs.122.04 Crore, being the Company's share of 70.55 per cent of total Rs.172.99 Crore. The facts should have been disclosed in the Notes to Financial Statements.</p>	<p>It is to submit that, the Hon'ble TSERC vide its Order dated 28.08.2020 has approved True-Up for F.Y. 2016-17 to 2018-19 and Multi Year Tariff for F.Y. 2019-20 to F.Y. 2023-24. However, in para No. 4.24 with regard to billing items, TSERC has stated that the Commission is not inclined to take up the issues of these billing items in the present proceedings. Further, the Commission directed SCCL to file separate Petition on the said billing items.</p> <p>As such, TSPCC/TSDISCOMS have not admitted the above bills and decided to defer the claim till Singareni Thermal Power Project (STPP) obtains the approval for the additional items from TSERC. Till date no direction/order is received from the Hon'ble TSERC to consider the above claims.</p> <p><i>As the hearings were completed and TSPCC/TSDISCOMS are awaiting for judgement from Hon'ble Commission.</i></p>



Sl. No	Gist of the Final Comment	Reply of the Company
		<p>In view of the above and stated factual position, providing of contingent liability at this stage, without ascertaining the actual liability and approval from the Hon'ble TSERC may not be necessitated.</p> <p>However, the action as per accounting practice will be considered based on the disposal of petition filed by M/s Singareni Collieries Company Ltd (STPP).</p>
v)	<p>The Company along with Northern Power Distribution Company of Telangana Limited entered into a Power Purchases Agreement (PPA) with National Thermal Power Corporation (NTPC) and National Vidyut Vyapar Nigam Limited (NVVNL) for purchase of solar power (400 MW) and thermal power (200MW) under Jawaharlal Nehru National Solar Mission (JNNSM) phase II. NTPC/NVVNL were to sign back to back PPAs with Solar Power Developers (SPDs) to purchase solar power and sell them to the Telangana DISCOMs. During the year 2019-20, NTPC raised claims of Rs.83.65 Crore towards GST incurred by SPDs in purchasing the solar panels (Which includes Rs. 31.46 Crore towards Late payment Surcharge (LPS) due to not admitting of the GST claims), of which the Company's share is Rs. 59.01 Crore which were not admitted by the Company. The Company filed (2019) petition before Appellate Tribunal for Electricity (APTEL) challenging the claims of NTPC. The facts should have been disclosed in the Notes to Financial statements.</p>	<p>It is to submit that, the disputed Claim of NTPC for Rs.83.65 Crore towards GST (Rs.52.19 Crore) on the Solar panels and the difference in Late Payment Surcharge (LPS) (Rs.31.46 Crore) between NTPC & TSPCC due to not admitting of GST on Solar Panels which is pending before the Appellate Tribunal for Electricity (APTEL) will be disclosed as Contingent Liabilities in the next Financial Statements for F.Y. 2022-23.</p>





TSSPDCL has bagged two more prestigious awards for the best adoption of Technology and Performane Improvement from Indian Chamber of Commerce



Sri G. Jagadish Reddy, Energy Minister, Govt. of Telangana handing over the appointment letter to first woman JLM in TSSPDCL



SECOND EDITION
GREEN URJA and
ENERGY EFFICIENCY
AWARDS AND CONFERENCES

This certificate is hereby awarded to

*Southern Power Distribution Company of Telangana Ltd.
(TSSPDCL)*

*Winner (Gold) under the Category of
Top DISCOM-RE (State)*

Dr. Rajeev Singh
Director General
Indian Chamber of Commerce



The image features a large, abstract graphic design. A prominent purple shape, resembling a stylized arrow or a rounded triangle pointing right, is the central focus. It overlaps a light blue shape on the left. The text "FINANCIAL STATEMENTS" is centered within the purple shape. Below this main graphic, there is a cluster of several smaller triangles in various colors: purple, yellow, and gold. The background is a light, neutral color with a subtle gradient.

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, 2022

(Rs. in Crore)

PARTICULARS	Note No.	As at 31 st March, 2022	As at 31 st March, 2021
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	(29,077.71)	(29,049.43)
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	14,310.43	15,693.37
దీర్ఘకాలిక అప్పులు			
(b) Deferred tax liabilities (Net)		-	-
వాయిదా వేయబడిన పన్ను			
(c) Other Long term liabilities	5	309.37	329.65
ఇతర దీర్ఘకాలిక అప్పులు			
(d) Long-term Provisions	6	1,917.33	2,360.02
దీర్ఘకాలిక కేటాయింపులు			
4 Current Liabilities			
ప్రస్తుత అప్పులు			
(a) Short-term Borrowings	7	3,224.67	3,224.39
స్వల్పకాలిక రుణములు			
(b) Trade Payables	8		
i) MSMEs		2.41	6.18
ii) Other than MSMEs		28,790.40	19,874.50
వ్యాపార నిమిత్తం చెల్లింపులు			
(c) Other Current Liabilities	9	6,200.26	6,065.17
ఇతర ప్రస్తుత అప్పులు			
(d) Short-term Provisions	10	521.68	424.69
స్వల్పకాలిక కేటాయింపులు			
TOTAL (మొత్తము)		38,216.77	30,946.47



II ASSETS (ఆస్తులు)			
1 Non-Current Assets			
ప్రస్తుతేతర ఆస్తులు			
(a) Property, Plant And Equipment, Intangible Assets స్థిర ఆస్తులు, స్పర్శ చరమైన ఆస్తులు	11		
i) Plant, Property and Equipment		9,365.17	9,106.15
ii) Intangible Assets		24.18	2.73
iii) Capital Work in Progress జరుగుచున్న పనులపై పెట్టుబడులు		1,087.92	1,036.77
(b) Non-Current Investments	12	456.51	456.97
ప్రస్తుతేతర పెట్టుబడులు			
(c) Deferred Tax Assets (Net)	13	1,803.68	2,011.58
వాయిదా వేయబడిన పన్ను			
(d) Long-term loans and advances	14	190.37	176.24
దీర్ఘకాలిక అప్పులు మరియు బయానాలు			
(e) Other Non-current Assets	15	5.72	6.44
ఇతర ప్రస్తుతేతర ఆస్తులు			
2 Current Assets (ప్రస్తుత ఆస్తులు)			
(a) Current Investments		-	-
ప్రస్తుత పెట్టుబడులు			
(b) Inventories	16	222.82	165.49
సరకు నిల్వ			
(c) Trade Receivables	17	11,791.28	10,989.62
వ్యాపార నిమిత్తం రాబడులు			
(d) Cash and cash equivalents	18	176.55	336.22
నగదు నిల్వ			
(e) Short-term Loans and Advances	19	1,431.61	1,510.51
స్వల్పకాలిక అప్పులు మరియు బయానాలు			
(f) Other Current Assets	20	11,660.96	5,147.75
ఇతర ప్రస్తుత ఆస్తులు			
TOTAL (మొత్తము)		38,216.77	30,946.47
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/-

V. Narasimha Pani
Partner
M. No 204332
Date: 27.07.2022
Place: Hyderabad

Sd/-

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

Sd/-

P. Krishna Reddy
Chief General Manager
(Finance)

Sd/-

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

Sd/-

Anil Kumar Voruganti
Company Secretary
F.No. 9521



SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

CIN U40109TG2000SGC034116

(Formerly Central Power Distribution Company of Andhra Pradesh Limited)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2022 (Rs. in Crore)

	PARTICULARS	Note No.	2021-22	2020-21
I	Revenue from Operations నిర్వహణ ద్వారా రెవిన్యూ	21	26,921.55	24,073.41
II	Other Income ఇతర ఆదాయము	22	127.41	70.60
III	Total Income మొత్తం ఆదాయము		27,048.96	24,144.01
IV	Expenses (వ్యయము)			
	Power Purchase Expense విద్యుత్తు కొనుగోలు	23	28,029.68	23,703.06
	Employee Benefit expense ఉద్యోగుల జీతభత్యాలు	24	1,994.96	2,240.77
	Operating and Other Expenses నిర్వహణ మరియు ఇతర ఖర్చులు	25	312.77	288.48
	Finance Costs ఆర్థిక వ్యయములు	26	2,345.77	1,905.46
	Depreciation and amortisation expense (తరుగుదల)	11	1,126.23	1,066.58
	Total Expenses మొత్తం వ్యయం		33,809.41	29,204.35
V	Profit /(Loss) before exceptional & extraordinary items and tax (III-IV) పన్ను ఎక్స్‌షన్‌స్ మరియు అతీతములకు ముందు లాభము		(6,760.45)	(5,060.34)
VI	Exceptional Items ఎక్స్‌షన్‌స్ ఐటమ్స్	27	(6,341.55)	(437.74)
VII	Profit /(Loss) before extraordinary items and tax (V-VI)		(418.90)	(4,622.60)
VIII	Extraordinary Items అతీతములు		-	-
IX	Profit /(Loss) before tax (VII-VIII) పన్నుకు ముందు లాభము		(418.90)	(4,622.60)
X	Tax Expense: పన్ను వ్యయము			
	(1) Current Tax ప్రస్తుత పన్ను		-	-
	(2) Deferred Tax వాయిదా వేయబడినపన్ను		(207.90)	376.64



	PARTICULARS	Note No.	2021-22	2020-21
XI	Profit/(Loss) for the period from continuing operations (IX-X) నికర లాభము		(626.80)	(4,245.96)
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		(626.80)	(4,245.96)
XVI	Earnings per equity share (Amount in Rs.)			
	(1) Basic		(0.52)	(3.53)
	(2) Diluted		(0.52)	(3.53)
	Summary of significant Accounting Policies	1		

The Accompanying notes are the integral part of the Financial Statements

As per our report of even date

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

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

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

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

Sd/-
V. Narasimha Pani
Partner
M. No 204332
Date: 27.07.2022
Place: Hyderabad

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

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



SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

CIN U40109TG2000SGC034116

(Formerly Central Power Distribution Company of Andhra Pradesh Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Rs. in Crore)

PARTICULARS	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
<u>A . Cash flows from operating activities:</u>		
Net Profit before tax	(418.90)	(4,622.60)
<u>Adjustments :</u>		
Add: Depreciation	1,126.23	1,066.58
Add: Interest on Long Term Borrowings	420.67	449.80
Less: Interest on Investments	(5.08)	(5.62)
Add: Loss on Sale of Property Plant and Equipment		
Add: Non Cash Expenditure		
Less: Withdrawal of Depreciation on Consumer Contributed Assets	(415.16)	(375.45)
Operating profit before working capital changes	707.76	(3,487.30)
Changes in Working Capital		
Increase/(Decrease) in Non-Current Liabilities		
Other Long Term Liabilities	(8.56)	(35.36)
Long Term Provisions	(442.69)	280.81
(Increase)/Decrease in Non-Current Assets		
Long-tem Loans & Advances	(4.47)	5.75
Other Non-current Assets	0.72	0.61
Increase/(Decrease) in Current Liabilities		
Short Term Borrowings	0.28	(1,091.03)
Trade Payables	8,912.14	95.75
Other Current Liabilities	135.09	1,892.55
Short Term Provisions	96.99	(169.80)
Increase/(Decrease) in Employee Liability	-	-
(Increase)/Decrease in Current Assets		
Inventories	(57.33)	57.03
Trade Receivables	(801.66)	(2,331.97)
Short-term Loans & Advances	78.90	(99.75)
Other Current Assets	(6,513.21)	(270.32)
Cash generated from operations	2,103.96	(5,153.03)
<i>Net Cash flow from Operating Activities</i>	2,103.96	(5,153.03)
<u>B. Cash flows from investing activities:</u>		
Purchases/Investments of Property Plant and Equipment	(1,406.70)	(1,197.42)
Purchases/Investments in Capital Work in Progress	(51.15)	(10.35)



PARTICULARS	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
(Purchase of Investments)/Redemption	0.46	0.46
Interest on Investments	5.08	5.62
Investment in Capital Advances	(9.66)	(1.85)
Increase in Other Long Term Liabilities	(3.37)	43.48
Net cash flow from investing activities	(1,465.34)	(1,160.07)
C. Cash flows from financing activities:		
Consumer Contributions Received	1,011.16	643.58
Increase (Decrease) in Long Term Borrowings	(1,382.94)	6,105.85
Interest paid on Long Term Borrowings	(420.67)	(449.80)
Increase in Contingency Reserve	2.51	2.16
Increase in GIS Saving Fund	0.45	(0.08)
Increase in Self Funding Medical Scheme	(8.80)	(1.59)
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	(798.29)	6,300.12
Net Increase/ (Decrease) in cash and cash equivalents during the year	(159.67)	(12.98)
Cash and cash equivalents at the beginning of the year	336.22	349.20
Cash and cash equivalents at the end of the year	176.55	336.22

As per our report of even date

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

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

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

Sd/-
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Chairman & Managing Director
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Sd/-
V. Narasimha Pani
Partner
M. No 204332
Date: 27.07.2022
Place: Hyderabad

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

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



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

1 Company Overview

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

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

Significant accounting policies

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

b. Functional and Presentation of Currency

The financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All amounts have been rounded-off to the nearest 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 Electricity Regulatory Commission as approved for the reporting period.
- ii) Unbilled Revenue is recognised in the books of accounts on 'actual basis', considering the events occurring after balance sheet date.
- iii) Bills raised for theft of energy, whether on a consumer or an outsider are not recognized in full until the final assessment order is received from the competent authority of the Company. The amount received against initial assessment is treated as "Other Deposits".
- iv) Sale of Power under open access mechanism is entered into by TSPCC on behalf of the company in terms of SWAP arrangements with other traders/developers. The terms of SWAP transactions are to get back/return the power @ 105% of the power lent/borrowed.

b) Other Income

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

1.5 Property, Plant And Equipment

a) Tangible Assets

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

b) Intangible Assets

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



c) Capital work in progress

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

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

1.6 Depreciation

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

Description of Asset and Rates of Depreciation as per MoP

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

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



1.7 Impairment

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

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

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

1.8 Consumers contributions, Grants and Subsidies

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

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

1.9 Investments

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

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

1.10 Inventories

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

1.11 Employee benefits

a) Short Term Employee Benefits

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

b) Long Term Employee Benefits

Defined Contribution Plans

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



Defined Benefit Plans

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

Other Employee Benefits

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

1.12 Taxes on Income

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

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

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

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

1.13 Provision and contingencies

- a) The company recognizes a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of such obligation. Such provisions are not discounted to their present value and are determined based on the Management's estimation of the obligation required to settle the obligation at the balance sheet date and adjusted to reflect Management's current estimates.



- b) The policy for providing provision for bad and doubtful debts up to F.Y. 2015-16 was based on non litigated receivables outstanding for more than 60 months and w.e.f F.Y. 2016-17 the accounting policy has been changed i.e., based on LT Private bill stopped services arrears and HT Private bill stopped (including court cases) outstanding arrears for more than 24 months.

1.14 Accounting for Demerger

Consequent to bifurcation of the State of Andhra Pradesh, two operating circles of the company were demerged effectively on the appointed date, i.e., 02.06.2014 in terms with Schedule XII to the Andhra Pradesh Re-organisation Act 2014. Accordingly, Assets and Liabilities of the Company were bifurcated based on G.O.Ms.No.24 issued by united State of Andhra Pradesh. Financial Statements relating to this bifurcation were adopted by the Board of the Company and certified by independent Chartered Accountants and submitted to Expert Committee constituted under the APR Act. However in the case of Employees related assets and liabilities, certain -Long Term Liabilities, Long Term Loans and Advances, Cash and Cash Equivalents and Long Term Receivables, the basis of bifurcation as specified in the G.O. mentioned above could not followed and another basis was used for bifurcation of Assets and Liabilities and the bifurcation proposals were approved by the Expert committee vide D.O. Lr No. 5614/Expert committee/2014 dated 15.03.2018. But the net settlement of assets receivable/liabilities payment was not taken place and to that extent balances shared based on the other than geographical basis will be reflected in financial statements under the various heads namely, in Note No. 3 capital reserve for an amount of Rs.723 Crore, in Note No. 4 Long Term Borrowings for an amount of Rs.1683.60 Crore and the net receivable on account of Demerger of assets and liabilities shared (both viz., Geographical basis and other than Geographical basis was resulted into) for an amount of Rs.2096.60 Crore have been shown in Note No. 20 under the head other current assets.

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

- i) Consequent to Re-organisation of Districts and formation of new districts of Telangana w.e.f 11.10.2016, 7 revenue mandals from jurisdiction of Karimnagar and Warangal which are under the jurisdiction of TSNPDCL were now re-organised to Siddipet District.
- ii) During the 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, TSNPDCL, APEPDCL and APSPDCL respective. And considering (38.02 Plus 15.87%) as equal to 100 % of Both Discoms TSSPDCL and TSNPDCL, the proportionate percentage of TSSPDCL comes to $(38.02/53.89)*100$ is equal to 70.55% and similarly in respect of TSNPDCL $(15.87/53.89)*100$ is equal to 29.45%. Accordingly, TSPCC has allocated power purchase cost between the TSSPDCL and TSNPDCL in the ratio of 70.55% and 29.45%.
- (b) The cost of power purchase, Inter-State Sale of power and its accounting are being carried out by the TSPCC and are intimated to the DISCOMs, which are adopted in the company's books.



2 Share Capital

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

Particulars	As at March 31, 2022 (Rs. in Crore)	As at March 31, 2021 (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 2022 (As at 31 st March 2021)	
	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 2022 (As at 31 st March 2021)	
	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	Name of Shares held	% of Shares held (% Change during the year)
Equity Shares	No. of Shares held	% of Holding
Hon'ble 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 10 per share. Entire equity shares are held by the Governor of Telangana. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

The Govt. of Telangana taken over the Loans for an amount of Rs.5,550.21 Crore of TSSPDCL under UDAY Scheme and out of which an amount of Rs.4876.83 Crore released and the balance amount of Rs.673.38 Crore are not received as on 31.03.2022.

3 Reserves & Surplus

Particulars	As at March 31, 2022 Rs. in Crore	As at March 31, 2021 Rs. in Crore
a. Consumer Contribution towards capital assets		
Opening Balance	5,844.64	5,261.82
(+) Current year Receipts	718.16	582.82
Closing Balance	6,562.80	5,844.64
b. Subsidies towards cost of capital assets		
Opening Balance	73.40	73.40
(+) Current year Receipts	(0.00)	-
Transfer on Merger -Gundala	-	-
Closing Balance	73.40	73.40
c. Grants/Donations towards cost of capital assets		
Opening Balance	739.39	678.64
(+) Current year Receipts	293.00	60.75
Closing Balance	1,032.39	739.39
Total (Closing balance of a+b+c)	7,668.59	6,657.43
Less: Withdrawal towards cost of Capital Assets		
Opening Balance	(2,929.77)	(2,554.32)
(+) Current year Amortization to Statement of Profit and Loss	(415.16)	(375.45)



Closing Balance	(3,344.93)	(2,929.77)
Total	4,323.66	3,727.66
d. Statutory Reserves:		
Contingency Reserve Fund		
Opening Balance	55.25	53.09
(+) Current year Receipts	2.51	2.16
Closing Balance	57.76	55.25
e. Capital Reserve on Demerger		
Opening Balance	723.01	723.01
(+) Transfer on Demerger	-	-
Closing Balance	723.01	723.01
f. Surplus		
Opening Balance	(33,555.34)	(29,302.55)
(+) Transfers on merger of Gundala	-	(6.83)
(+) Net Profit/(Net Loss) For the Current Year	(626.80)	(4,245.96)
Closing Balance	(34,182.14)	(33,555.34)
Grand Total	(29,077.71)	(29,049.43)

- g. During the year 2021-22, the Company has received Consumer Contributions (including Subsidies, grants and donations towards cost of capital Assets and Grants) amounting to Rs.1011.16 Crore (Previous year Rs.643.57 Crore) which includes conversion of R-APDRP Part- A IT Government of India loan of Rs.213.04 Crore into grant. In proportion in which depreciation on the concerned assets have been charged during the year 2021-22, for an amount of Rs.415.16 Crore (Previous year Rs.375.45 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, 2022	As at March 31, 2021
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, 2022	As at March 31, 2021
		Rs. in Crore	Rs. in Crore
1.	Bonds	2,024.65	2,024.65
2.	Term Loans		
	i) From Banks	-	182.26
	ii) From Other Parties	12,285.78	13,486.46
	TOTAL	14,310.43	15,693.37



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 BANKS (Under FRP Scheme)			
11240	Union Bank Of India	-	41.33
11241	Bank Of India	-	27.63
11242	Central Bank Of India	-	19.73
11243	The Federal Bank	-	5.83
11244	Indian Overseas Bank	-	20.65
11245	Indian Bank	-	27.63
11246	Punjab & Sindh Bank	-	15.79
11247	Bank Of Baroda	-	23.67
	Sub-Total	-	182.26



LONG TERM LOANS FROM OTHERS			
11001	12689055 Spa:PE REC	138.45	138.45
11002	13127123 P:Si REC	(35.33)	(35.33)
11003	REC - DDUGJY Scheme	89.03	80.86
11007	Rural Electrical Corporat	652.02	808.97
11008	Power Finance Corporation	269.32	434.04
11011	Govt. Loans	20.56	20.56
11128	IE:Distribution & Renovat	127.53	127.53
11251	REC-medium Term Loan	-	133.96
11252	Japan International Cooperation Agency (Jica)	359.50	372.11
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	147.38
11257	PFS Limited	275.34	318.34
11258	PFS-IPDS Scheme	119.21	107.43
11259	REC - IE:Distribution 2016-17	236.74	258.54
11266	REC - IE:Distribution & Bulk	573.13	649.22
11267	REC - Special Loan	7.29	379.79
11268	PFC - Medium Term Loan	320.43	595.52
11269	PFC - Term Loan	154.83	489.23
11270	IE:Distribution & Bulk (F.Y. 2018-19)	143.25	144.64
11272	REC - IE:Distribution (F.Y. 2019-20)	66.61	56.06
11273	REC - Bulk Scheme (F.Y. 2019-20)	442.95	442.95
11274	REC - Bulk Scheme (F.Y. 2019-20)	239.63	100.18
11275	M/S. Ireda Limited	615.42	392.50
11282	Moratorium Loan - Capitalization - Capex	284.04	339.10
11283	Moratorium Loan - Capitalization - WC	353.60	266.68
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)	23.64	-
	SUB-TOTAL	13,244.60	14,499.95
LESS	Kurnool and Anantapur circles	958.82	1,013.49
	Net off Kurnool and Anantapur	12,285.78	13,486.46
	Grand Total	14,310.43	15,693.37

An amount of Rs.724.73 Crore were repaid against loans pertains to Anantapur and Kurnool by the TSSPDCL from 2014-15 to 2021-22 the same was transferred as receivable from APSPDCL.

The R-APDRP Part- A IT Government of India part of the loan and accrued interest there on totaling of Rs.213.04 Crore has been converted into grant.



Further Classification into Secured and Unsecured

LENDOR No.	LENDOR NAME	31.03.2022	31.03.2021
Secured			
i) From Banks			
11240	Union Bank Of India	-	41.33
11241	Bank Of India	-	27.63
11242	Central Bank Of India	-	19.73
11243	The Federal Bank	-	5.83
11244	Indian Overseas Bank	-	20.65
11245	Indian Bank	-	27.62
11246	Punjab & Sindh Bank	-	15.79
11247	Bank Of Baroda	-	23.67
Banks Sub-Total		-	182.26
ii) From Others			
11001	12689055 Spa:PE REC	138.45	138.45
11002	13127123 P:SI REC	(35.33)	(35.33)
11003	REC - Ddugjy Scheme	89.03	80.86
11007	Rural Electrical Corporation	652.02	808.97
11008	Power Finance Corporation	269.32	434.04
11128	IE:Distribution & Renovation	127.53	127.53
11251	REC-Mmedium Term Loan	-	133.96
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	147.38
11257	PFS Limited	275.34	318.34
11258	PFC - Ipds	119.21	107.43
11259	REC - Ie:Distribution 2016-17	236.74	258.54
11266	REC - Ie:Distribution & Bulk	573.13	649.22
11267	REC - Special Loan	7.29	379.79
11268	REC - Medium Term Loan	320.43	595.52
11269	PFC - Term Loan	154.83	489.23
11270	IE:Distribution & Bulk (F.Y.2018-19)	143.25	144.64
11272	REC - IE:Distribution (F.Y.2019-20)	66.61	56.06
11273	REC - Bulk Scheme (F.Y.2019-20)	442.95	442.95
11274	REC - Bulk Scheme (F.Y.2019-20)	239.63	100.18



11275	M/S. IREDA Limited	615.42	392.50
11282	Moratorium Loan - Capitalization - Capex	284.04	339.11
11283	Moratorium Loan - Capitalization - WC	353.60	266.68
11286	IE:Distribution (F.Y.2020-21)	23.64	-
Others Sub - Total		5,732.61	6,975.35
Total Secured Loans		5,732.61	7,157.61
Less	Kurnool And Anantapur	958.82	1,013.49
Net Off Kurnool And Anantapur		4,773.79	6,144.12

Unsecured - Bonds

LENDOR No.	LENDOR NAME	31.03.2022	31.03.2021
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	HPVNL Employees Pension Fund Trust	12.00	12.00
11278	HPVNL Employees Provident Fund Trust	3.00	3.00
11279	HPSEBL - General Provident Fund	5.50	5.50
11280	APGenco Pension & Gratuity Trust	21.00	21.00
11281	TGenco Pension & Gratuity Trust	29.00	29.00
Sub-Total		2,024.65	2,024.65



UNSECURED - OTHERS			
11252	Japan International Cooperation Agency (JICA)	359.50	372.11
11011	Govt. Loans	20.56	20.56
11284	REC - SLTTL - Covid 19	3,546.50	3,546.50
11285	PFC - SLTTL - Covid 19	3,585.43	3,585.43
	Sub-Total	7,511.99	7,524.60
Grand Total Of Secured And Unsecured Loans		14,310.43	15,693.37

Securities charged for the Loans

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

Note 4A: Securities offered for the Long Term Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Term Loans from Others	Rs. in Crore	Rs. in Crore
1. Loans from Rural Electrification Corporation Limited, New Delhi.	3,617.16	3,857.85
i. Secured by the hypothecation of all the future Movable and Stocks to be created under respective schemes of the project out of the loan amount.		
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	780.44
2. Power Finance Corporation (PFC)		
i. If the company achieves the target as stipulated in the agreement and also if the project completes in time schedule, the loan will be converted into grant.	269.33	434.04
ii. Charge is created on company movable assets (unencumbered assets) including PTR Augmentation, Addl PTRs/DTRs/Addl bays/LT/HT AB Cable/Reconductoring/Capacitor Bank/VCB/R&C Works/Renovation & Modernisation works etc.. to be created in following areas of utility located at Nalgonda, Hyd Central, Master Plan, Hyd East, Hyd West towns of TSSPDCL in the state of Telangana.	475.26	1,084.75
iii. Secured by the hypothecation of all the future Movable and Stocks to be created under respective schemes of the project out of the loan amount.	119.21	107.43



<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>	275.34	318.34
<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 Crores to the satisfaction of IREDA.</p>	615.42	392.50
TOTAL	5,732.61	6,975.35

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

LENDOR No.	LENDOR NAME	31.03.2022	31.03.2021
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	347.32	98.09
11240	Union Bank Of India	41.36	41.69
11241	Bank Of India	25.05	27.88
11242	Central Bank Of India	18.21	19.93
11243	The Federal Bank	5.83	5.89
11244	Indian Overseas Bank	20.66	20.85
11245	Indian Bank	27.63	27.89
11246	Punjab & Sindh Bank	14.60	15.94
11247	Bank Of Baroda	21.90	23.87
Banks Sub-total		522.56	282.03
Others			
11001	12689055 Spa:PE REC	138.45	138.45
11002	13127123 P:SI REC	(35.33)	(35.33)
11003	REC - Ddugjy Scheme	98.92	80.86
11007	Rural Electrical Corporation	832.10	1,038.22
11008	Power Finance Corporation	269.32	434.04
11011	Govt. Loans	20.56	20.56
11014	Short Term Loans All Bank & FI	553.65	279.01
11128	IE:Distribution & Renovation	127.53	127.53
11251	REC-Medium Term Loan	133.96	388.96
11252	Japan International Cooperation Agency (JICA)	384.73	384.73
11253	REC - 9 Hrs Power Supply	229.95	264.01
11254	REC - Bulk 2015-16	369.36	424.76
11255	REC - SPA:PE 2015-16	145.81	162.53
11257	PFs Limited	318.34	361.34
11258	PFC - IPDS	129.52	116.01
11259	REC - IE:Distribution 2016-17	266.77	271.45
11264	PFC - Short Term Loan	-	250.00
11265	PFC - Flexi Line Of Credi	-	-
11266	REC - IE:Distribution & Bulk	644.28	675.01
11267	REC - Special Loan	379.79	752.29



11268	PFC - Medium Term Loan	588.73	1,177.91
11269	PFC - Term Loan	488.16	822.56
11270	IE:Distribution & Bulk (F.Y. 2018-19)	149.33	144.64
11271	PFC - SGPP Scheme	-	0.58
11272	REC - IE:Distribution (F.Y. 2019-20)	66.61	56.06
11273	REC - Bulk Scheme (F.Y.2019-20)	442.95	442.95
11274	REC - Bulk Scheme (F.Y.2019-20)	239.63	100.18
11275	M/S. Ireda Limited	1,135.42	842.50
11282	Moratorium Loan - Capitalization - Capex	319.02	339.11
11283	Moratorium Loan - Capitalization - WC	353.60	431.75
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)	23.64	-
	Others Sub-total	15,946.73	17,624.58
Less	Kurnool And Anantapur	958.82	1,013.49
	Net Off Others	14,987.91	16,611.09
	Net Off Of Kurnool And Anantapur	17,535.12	18,917.77

5 Other Long Term Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
	Rs. in Crore	Rs. in Crore
Vendor Deposits	146.63	154.42
Contribution Works	34.30	35.07
Other Liabilities	114.55	117.92
GIS - Insurance & Saving Fund	5.36	4.91
Self Funding Medical Scheme	8.24	17.20
Accidental Risk Self Funding Scheme	0.29	0.13
TOTAL	309.37	329.65

- 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 31.03.2022 is Rs.4.76 Crore (Previous Year Rs.4.45 Crore). The Closing balance of GIS Insurance Fund as at 31.03.2022 is Rs. 0.47 Crore (Previous year Rs.0.46 Crore). During the year the Interest on Savings Fund for an amount of Rs.0.32 Crore (Previous Year Rs. 0.31 Crore) have been debited and is shown under the Head 'Interest and Finance Charges'.
- The TSSPDCL has introduced the self funding scheme towards coverage of accidental risk for a maximum amount of Rs.5.00 lakhs in case of accidents occurred to the employees working in TSSPDCL for a period of one year with contribution of Rs.155/- per employee.



6 Long Term Provisions

Particulars	As at March 31, 2022 Rs. in Crore	As at March 31, 2021 Rs. in Crore
Provision for employee benefits		
Gratuity (unfunded)	263.73	214.37
Leave Encashment (unfunded)	960.99	994.36
TSSPDCL Pension and Gratuity Trust(Funded)	530.96	1,151.29
Medical Expenses (PRMS)	161.65	-
TOTAL	1,917.33	2,360.02

- 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 31.03.2022 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 31.03.2022 is Rs.206.33 Crore (Previous Year Rs.173.18 Crore). Expenditure recognised under the head “Employee Benefit Expense “ to the extent of Rs. 35.07 Crores after paying benefits during the year to the extent of Rs.1.92 Crore. The funding status of the same is unfunded. As per the actuarial valuation report the current liability portion for an amount of Rs.1.37 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.204.96 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 31.03.2022 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 31.03.2022 is Rs.58.85 Crore (Previous Year Rs.42.03 Crore). Expenditure recognised under the head “Employee Benefit Expense “ to the extent of Rs.16.82 Crore. The funding status of the same is unfunded. As per the actuarial valuation report the current liability portion for an amount of Rs.0.08 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.58.77 Crore was shown under this head of Long Term provisions.
- c. The Company has carried out actuarial valuation as at 31.03.2022 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.1015.16 Crore (Previous Year Rs.1048.47 Crore) and during the Year Rs.13.29 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 excess of by Rs.20.02 Crore which is credited to statement of Profit and Loss under the head of “Employee Benefit Expenses”. The funding status of the same is unfunded. As per the Actuarial valuation report the current portion of liability for an amount of Rs.54.17 Crore was shown under the head of Short term Provisions note no. 10 and non current portion liability for an amount of Rs.960.99 Crore was shown under this head of Long term provision.



- d. The Company has carried out actuarial valuation as at 31.03.2022 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 31.03.2022. As per the actuarial valuation, the liability for the year ended 31.03.2022 is Rs.2,687.06 Crore and of which, the existing plan assets are of Rs.2,156.10 Crore the differential amount is of Rs.530.96 Crore. The existing liability in the books of account before making new provision is for an amount of Rs.642.87 Crore and for the excess amount of Rs.111.91 Crore is credited 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.530.96 Crore is shown under this head of Long term provision.
- e. The Company has carried out actuarial valuation as at 31.03.2022 to arrive at present value of future obligations of the Medical Benefits extended to Employees, Pensioners and Artisans for the first time. As per the actuarial valuation, the liability for the year ended 31.03.2022 is Rs.233.65 Crore. The same 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.72.00 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.161.65 Crore was shown under this head of Long Term provisions..

7 Short Term Borrowings

S.No	Particulars	As at March 31, 2022 Rs. in Crore	As at March 31, 2021 Rs. in Crore
1	Loans Repayable on Demand		
	i) From Banks	-	98.09
	ii) From Other Parties	447.82	529.01
	Total	447.82	627.10
2	Current maturities of long-term debt	2,776.85	2,597.29
	Total	3,224.67	3,224.39
	Further Classification into Party Wise		
11013	i) From Banks	-	98.09
	ii) From Other Parties		
11264	PFC - Short Term Loan	-	250.00
11014	Short Term Loans From TS Transco	447.82	279.01
	Total	447.82	627.10
	Further Classification into Secured and Unsecured		
1	Secured		
	(a) Loans repayable on demand		
	i) From Banks		
11013	State Bank Of India	-	98.09
	ii) From Others		
11264	PFC - Short Term Loan	-	250.00
	Sub-Total	-	250.00
	Secured Total	-	348.09



2 Unsecured		
(a) Loans repayable on demand		
from banks	-	-
from other parties		
11014 Short Term Loans From TS Transco	447.82	279.01
TOTAL	447.82	627.10

Statement showing the Current Maturities of Long Term Debts

Vendor Code	Name of Vendor	31.03.2022	31.03.2021
	BONDS		
11003	REC-DDUGJY Scheme	9.89	-
11007	Rural Electrical Corporation	180.09	229.24
11013	SBH - CC Limit Account	347.32	-
11014	TSTransco Loan	105.82	-
11240	Union Bank Of India	41.36	0.36
11241	Bank Of India	25.05	0.25
11242	Central Bank Of India	18.21	0.19
11243	The Federal Bank	5.83	0.05
11244	Indian Overseas Bank	20.66	0.20
11245	Indian Bank	27.63	0.26
11246	Punjab & Sindh Bank	14.60	0.15
11247	Bank Of Baroda	21.90	0.21
11251	REC-Medium Term Loan	133.96	255.00
11252	Loan From Govt. Of Telangana - JICA Funding	25.23	12.61
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	15.16
11257	PFS Limited	43.00	43.00
11258	PFC-IPDS Scheme	10.31	8.58
11259	REC - IE:Distribution 201	30.03	12.91
11266	IE:Distribution & Bulk (F.Y. 2017-18)	71.15	25.79
11267	REC - Special Loan	372.50	372.50
11268	PFC - Medium Term Loan	268.30	582.38
11269	PFC - Term Loan	333.33	333.33
11270	IE:Distribution & Bulk (F.Y. 2018-19)	6.08	-
11271	PFC - SGPP Scheme	-	0.58
11275	Term Loans -ireda	520.00	450.00
11282	Moratorium Loan - Capitalization - Capex	34.97	-
11283	Moratorium Loan - Capitalization - WC	-	165.07
	Grand Total	2,776.85	2,597.29

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



Note 7A Securities offered for the above secured Loans

Particulars	As at March 31, 2022	As at March 31, 2021
	Rs. in Crore	Rs. in Crore
Short Term Loan		
1. Banks	-	98.09
State Bank Of India (Secured by receivables specifically Hypothecated)		
2. Power Finance Corporation Short Term Loan	-	250.00
Secured by creating a first charge by way of hypothecation of Movable assets (except book debts)		
3. Power Finance Corporation Flexi Line of Credit	-	-
Secured by creating a first charge by way of hypothecation of Movable assets (except book debts)		
TOTAL	-	348.09

8 Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
	Rs. in Crore	Rs. in Crore
Unsecured		
(i) Micro, Small and Medium Enterprises (MSMEs)	2.41	6.18
(ii) Other than MSME		-
APEPDCL	990.62	991.13
APSPDCL	(1,391.24)	(1,253.68)
TSNPDCL	(264.07)	(883.06)
TSGENCO	7,180.44	(1,477.29)
APGENCO	3,334.73	8,845.72
APTRANSCO	5.76	5.77
TGTRANSCO	1,204.02	986.52
Other Power Purchase Creditors	17,030.04	12,181.81
Other Payables	697.32	474.79
Trade Payables transfer on Merger- Gundala	2.78	2.78
Total	28,792.81	19,880.67

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



- d. Since the provision for Power Purchase cost is short term in nature, the same has been shown in Note no.10 under Short Term Provisions.
- e. The age wise analysis of Trade Payables are as follows.

8.e. Ageing of Trade Payables as at 31.03.2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSMEs	2.41	-	-	-	2.41
(ii) Others	16,599.64	3,956.88	953.05	2,949.72	24,459.29
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	4,331.11	4,331.11
Total	16,602.05	3,956.88	953.05	7,280.83	28,792.81

Particulars	As at March 31, 2022	As at March 31, 2021
Principle and amount remaining unpaid	2.41	6.18
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, 2022	As at March 31, 2021
	Rs. in Crore	Rs. in Crore
Employee related liabilities	159.09	157.18
Statutory Liability	74.38	405.33
Advance from Customers	122.32	78.25



Consumer Deposits	3,953.28	3,741.48
Gov. of AP SC/ST Payable	3.47	3.47
Inter Unit Accounts	23.62	8.85
Interest Payable on Consumer Deposit	147.15	142.98
Interest Accrued and due	469.44	344.88
Other Liabilities	1,212.43	1,151.47
Artisans Salaries Payable	26.33	23.37
GST Liabilities	8.75	7.91
Total	6,200.26	6,065.17

- 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.23.62 Crore (Previous Year - Rs.8.85 Crore)
- Other Liabilities includes an amount of Rs.840.76 Crore (Previous Year 773.74 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, 2022	As at March 31, 2021
	Rs. in Crore	Rs. in Crore
Provision for Employee cost	30.28	29.62
RPF Fund	0.01	0.01
Provision for Admin Expenses	10.35	14.02
Provision for CWIP	1.53	0.82
Provision for Interest	285.87	269.83
Provision for O&M works	1.70	1.51
Provision for R & C Penalties	0.10	0.10
Provision for Power Purchase Cost	64.22	53.83
Gratuity (unfunded)	1.45	0.85
Leave Encashment (unfunded)	54.17	54.10
TSSPDCL Pension & Gratuity Trust	-	-
Medical Expenses (PRMS)	72.00	-
Total	521.68	424.69

It is to state that Provision for Interest includes Guarantee Commission payable to GoTS of Rs.142.63 Crore, Working Capital Loans Rs.60.85 Crore, Bill Discounting Charges of Rs.29.92 Core and Japan International Cooperation Agency (JICA) loan Rs. 4.61 Crore.



Note No.11 - Property Plant, Equipment and Intangibles

(Rs. In Crore)

S.No.	Particulars	Gross Carrying Values				Depreciation & Amortisation				Net Carrying Values	
		As at 1 st April, 2021	Additions	Deletions/ Adjustments	Deletions Through Business Combinations	As at 31 st March 2022	Depreciation charge for the year	Deletions/ Adjustments	Additions through business combinations	As at 31 st March 2022	As at 31 st March 2021
a	Plant, Property and Equipment										
	Land	8.64	-	-	-	8.64	-	-	-	-	8.64
	Buildings	348.40	12.06	-	-	360.46	10.68	-	106.62	253.84	252.46
	Other Civil Works	197.23	14.65	-	-	211.88	6.17	-	37.16	174.72	166.24
	Plant and Machinery	7,842.91	535.66	1.04	-	8,377.53	499.30	0.89	4,380.46	3,997.07	3,960.86
	Lines and Cable Network	7,343.87	656.21	-	-	8,000.08	470.28	-	3,779.73	4,220.35	4,034.42
	Meters and Metering equipment	1,594.09	141.98	4.25	-	1,731.82	121.10	3.67	1,104.85	626.97	606.67
	Vehicles	7.08	-	-	-	7.08	-	-	6.37	0.71	0.71
	Furniture and Fixtures	15.19	1.28	-	-	16.47	1.03	-	10.93	5.54	5.29
	Office Equipment	43.94	3.30	-	-	47.24	3.27	-	30.83	16.41	16.38
	Air Conditioners	2.21	0.29	-	-	2.50	0.12	-	1.65	0.85	0.68
	Computer & IT Equipment	165.01	17.53	-	-	182.54	11.25	-	122.47	60.07	53.80
	Sub Total	17,568.57	1,382.96	5.29	-	18,946.24	1,123.21	4.56	9,581.07	9,365.17	9,106.15
b	Intangible Assets										
	Computer Software	44.25	24.47	-	-	68.72	3.02	-	44.54	24.18	2.73
	Sub Total	44.25	24.47	-	-	68.72	3.02	-	44.54	24.18	2.73
c	Capital Work in Progress										
	Capital Work in Progress	1,036.77	1,500.99	1,449.84	-	1,087.92	-	-	-	1,087.92	1,036.77
	Sub Total	1,036.77	1,500.99	1,449.84	-	1,087.92	-	-	-	1,087.92	1,036.77
d	Grand Total (a+b+c)	18,649.59	2,908.42	1,455.13	-	20,102.88	1,126.23	4.56	9,625.61	10,477.27	10,145.65
	Grand Total of Previous Year	17,443.78	2,442.00	1,236.19	-	18,649.59	1,066.58	1.97	8,503.94	10,145.65	10,004.46

Ageing of Capital-Work-in Progress (CWIP)

Particulars	Amount in CWIP for a period of				(Rs. In Crore)
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	657.78	183.48	120.34	126.32	1,087.92
Projects temporarily suspended.	-	-	-	-	-
Total	657.78	183.48	120.34	126.32	1,087.92



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 2022	As at 31 st March 2021			As at 31 st March 2022	As at 31 st March 2021
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 2022	As at 31 st March 2021			As at 31 st March 2022	As at 31 st March 2021
1	Investments in Government or Trust securities							
200021	AP TRANSCO - VIDYUT BONDS (Face Value Rs.10,00,000/- per Bond)	Others	132	132	Quoted	Fully Paid	13.20	13.20
200013	8.74% APPFC Bonds (Face Value Rs.10,00,000/- per Bond)	Others	47	47	Quoted	Fully Paid	4.70	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
200011	5.64% Govt of India Securities	Others	200000	200000	Unquoted	Fully Paid	-	-
200014	8.35% Govt of India Securities	Others	172000	172000	Unquoted	Fully Paid	1.72	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	14	14	Unquoted	Fully Paid	0.28	0.56
200036	MAH SLD @ 9.25%	Others	180	180	Unquoted	Fully Paid	1.80	1.80
200030	APSFC SERIES VII/2014 FRO (Face Value Rs.1,00,000/- per Bond)	Others	9	9	Unquoted	Fully Paid	0.36	0.54
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
	Sub Total (B)						30.50	30.96
	Grand Total (A+B)						456.51	456.97

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

13 Deferred Tax

Particulars	As at March 31, 2022 Rs. in Crore	As at March 31, 2021 Rs. in Crore
Deferred Tax Liabilities		
A i) Opening Balance	769.10	762.45
ii) Fixed Assets : Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	10.38	6.65
iii) Gross deferred tax liability (i+ii)	779.49	769.10
Deferred Tax Asset		
B i) Opening Balance	2,780.68	2,397.39
ii) Deferred tax asset on timing difference	(197.51)	383.29
iii) Gross deferred tax asset (i+ii)	2,583.17	2,780.68
iv) Net Deferred Tax Asset/ (Liability) (Biii-Aiii)	1,803.68	2,011.58

13 A - Deferred Tax Calculations

1. Deferred Tax Liability

Particulars	As at March 31, 2022 Rs. in Crore	As at March 31, 2021 Rs. in Crore
i) WDV as per Companies Act 2013	9,389.35	9,108.88
ii) WDV as per Income Tax Act	6,791.06	6,545.20
iii) WDV Timing Differences (i-ii)	2,598.29	2,563.68
iv) Deferred Tax Liability (iii *30%)	779.49	769.10

2. Deferred Tax Asset

Particulars	As at March 31, 2022 Rs. in Crore	As at March 31, 2021 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)]	619.01	1,166.15
b. Provision for leave encashment [Section 43B(f)]	1,003.37	1,044.81
c. Interest [Section 43B(d) & (e)]	544.90	614.71
Total Timing Difference	8,610.56	9,268.94
Deferred Tax Assets	2,583.17	2,780.68



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 during the current 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, 2022	As at March 31, 2021
	Rs. in Crore	Rs. in Crore
1. Deferred Tax Liability	779.49	769.10
2. Deferred tax Asset	2,583.17	2,780.68
3. Net Deferred Tax Asset of Current year (2-1)	1,803.68	2,011.58
4. Net Deferred Tax Asset of Previous year	2,011.58	1,634.93
5. Deferred Tax on account of Merger - Husnabad	-	-
6. Net Deferred Tax Income credit to P&L A/c (3-(4+5))	(207.90)	376.64

14 Long Term Loans & Advances

Particulars	As at March 31, 2022	As at March 31, 2021
	Rs. in Crore	Rs. in Crore
a. Secured, Considered good		
Loans & Advances to employees	35.40	36.16
b. Unsecured, Considered good		
Loans & Advances to employees	3.04	3.00
Deposits with Courts, Telecom and Local Authorities	99.85	94.66
Capital Advances	52.08	42.42
Total	190.37	176.24

c. Secured Long Term Loans & Advances to employees includes

Particulars	As at March 31, 2022	As at March 31, 2021
	Rs. in Crore	Rs. in Crore
Housing Loan - Secured against House	14.25	16.91
Four Wheeler Loan - Hypothecation of Four Wheeler	21.15	19.25
Total	35.40	36.16



d. Unsecured Long term Loans & Advances to employees includes

Particulars	As at March 31, 2022	As at March 31, 2021
	Rs. in Crore	Rs. in Crore
Two Wheeler Loan	1.53	1.38
Computer Loans	1.48	1.42
Marriage and Education Advance	0.03	0.20
Total	3.04	3.00

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, 2022	As at March 31, 2021
	Rs. in Crore	Rs. in Crore
Court Authorities	75.19	70.22
Telephone Authorities	0.08	0.08
Deposits with Local Authorities and Resco	24.58	24.36
Total	99.85	94.66

g. Deposits with Court Authorities includes Rs.64.08 Crore (Previous Year Rs.63.08 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, 2022	As at March 31, 2021
	Rs. in Crore	Rs. in Crore
(a) Secured, considered good		
Long Term Receivables from Employees	5.23	5.95
(b) Unsecured, considered good		
Receivable from ITI, Chennai	0.49	0.49
Total	5.72	6.44

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 31,2022	As at March 31,2021
	Rs. in Crore	Rs. in Crore
Stores and Spares	226.02	169.31
Less: Provision for Recovery/Write Off of Cost Materials	3.20	3.82
Total	222.82	165.49

Provision for Obsolete Items:

As per the physical verification report for the year ended 31st March, 2022 an amount of Rs.3.20 Crore is noticed as obsolete stock, but the provision for obsolete stock is available for an amount of Rs.3.82 Crore is existing and the Provision for Obsolete Stock is restated to Rs.3.20 Crore.

17 Trade Receivables

Particulars	As at March 31,2022	As at March 31,2021
	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	1,171.11	1,286.06
Unsecured, considered good	1,329.33	2,415.72
Sub Total	2,500.44	3,701.78
ii) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	4,019.64	1,679.16
Unsecured, considered good	5,297.22	5,634.70
Unsecured, considered doubtful	619.09	765.94
Less: Provision for doubtful debts	(619.09)	(765.94)
Less: Provision for doubtful debts FSA	(26.02)	(26.02)
Sub Total	9,290.84	7,287.84
Total (i + ii)	11,791.28	10,989.62

- The above trade receivables includes, court cases of Rs.1973.06 Crore (Previous Year Rs.887.85 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, R R Act Cases Rs.4.43 Crore (Previous Year Rs.4.57 Crore), Bill Stopped/Disconnected Services Rs.901.23 Crore (Previous Year Rs.972.87 Crore).
- The above trade receivables includes Debtors balances received on Merger of Gundala Mandal is for an amount of Rs.0.03 Crore.



17.c. Ageing of Trade Receivable

(Rs. In Crore)

Particulars	Outstanding for following period from due date of receivable					
	Less than 6 month	6 months to 1 Year	1-2 Years	2-3 Years	More than 3 Years Total	
(i) Undisputed trade receivable-considered good	1,171.11	1,793.06	2,058.81	31.66	136.10	5,190.74
(ii) Undisputed Trade Receivable-considered doubtful	1,272.44	10.76	23.42	273.40	3,497.99	5,078.01
(iii) Disputed trade receivables considered good	20.72	4.91	258.35	19.11	53.49	356.58
(iv) Disputed trade receivables considered doubtful	36.17	20.42	969.35	34.38	750.74	1,811.06
Total	2,500.44	1,829.15	3,309.93	358.55	4,438.32	12,436.39



18 Cash & Cash Equivalents

Particulars	As at March 31,2022 Rs. in Crore	As at March 31,2021 Rs. in Crore
Cash and Cash Equivalents		
a. Balances with banks		
In Current Accounts	13.23	241.78
Remittance in Transit	4.31	21.43
In Deposits with Original Maturity less than 3 Months	142.05	51.22
b. Cash on hand	16.96	21.79
Total	176.55	336.22

19 Short Term Loans & Advances

Particulars	As at March 31,2022 Rs. in Crore	As at March 31,2021 Rs. in Crore
a. Secured, considered good		
Recoverable from employees (Cell phone)	0.05	0.06
b. Unsecured, considered good		
Loans & Advances to employees	8.98	4.86
Income Tax Refunds	5.66	3.64
Advance to O&M Suppliers	2.37	2.19
Government Receivables	5,292.01	5,377.21
Provision for Government Receivables - Additional Power	(3,877.87)	(3,877.87)
Other Loans & Advances	0.41	0.42
Total	1,431.61	1,510.51

20 Other Current Assets

Particulars	As at March 31,2022 Rs. in Crore	As at March 31,2021 Rs. in Crore
Fixed asset retired from active use and held for disposal	0.07	0.07
Interest Accrued on Fixed Deposits	-	-
Interest Accrued on Investments	5.08	5.62
Unbilled Revenue - Trade Receivables	2,637.47	2,339.66
FSA Revenue - Receivables	551.36	551.36
TSGENCO Master P & G Trust	83.35	85.12
Receivable on Demerger of Kurnool and Anantapur	2,096.57	2,096.57
TSSPDCL GPF Trust	(23.02)	0.50
Other Receivables	79.88	66.65
Receivable from Govt under UDAY for Losses	6,228.00	-
Net Receivable on Merger - Gundala	2.20	2.20
Total	11,660.96	5,147.75

TSGENCO Master P & G Trust owes to the company to the tune of Rs 83.35 Crore (Previous year Rs.85.12 Crore).



21 Revenue From Operations

Particulars	2021-22	2020-21
(a) Sale of energy		
LT Supply	7,986.09	7,317.18
HT Supply	13,880.30	11,723.16
Interstate Sales	1,340.21	191.95
Fuel Surcharge Adjustment	2.69	1.58
Tariff Subsidy	1,397.50	1,397.50
Customer Charges	489.76	456.27
Theft of Power	32.67	22.52
Delayed Payment Surcharge - Income	1,447.92	1,251.78
R & C Penalties	0.03	(0.16)
(b) Other Operating Revenues		
Amortization of Consumer Contribution, Subsidies & Grants towards Property Plant and Equipment	415.16	375.45
Others - Wheeling, Unscheduled Interchange, Capacitor Surcharge etc..	111.17	1,491.93
Less: Electricity Duty	(181.95)	(155.75)
Total	26,921.55	24,073.41

- 21 (a) The Tariff Subsidy is determined as the difference between the full cost recovery approved by the Hon'ble Electricity Regulatory Commission (ERC) and the Retail Supply rates approved by the Hon'ble ERC is treated as Subsidy to the consumers. So for the current financial year 2021-22 the Tariff Subsidy is accounted for Rs.1397.50 Crore out of which an amount of Rs.1397.50 Crore received from Govt. of Telangana.
- (i) Depreciation on Property Plant and Equipment is provided under the 'Straight Line Method' up to 90% of the original cost of assets, at the rates notified by the Ministry of Power, Government of India vide Notification No. S.O.266 (E) dated 29th March, 1994. In view of this, Management is opined that Schedule II to the Companies Act, 2013 is not mandatorily applicable to the Company. For the ARR filing, the company is claiming depreciation as per rates notified by the Hon'ble TSERC.
- ii) The Depreciation on Consumer Contributions have been withdrawn on 90 % of the values.



22 Other Income

Particulars	2021-22 Rs. in Crore	2020-21 Rs. in Crore
Interest Income		
Bank	5.39	8.17
Staff	0.89	0.59
Others	6.77	5.66
Rent from Company's Property Plant and Equipment	0.43	0.44
Sale of Scrap	9.48	4.45
Penalties from Suppliers	5.21	3.65
Other Income	99.24	47.64
Total	127.41	70.60

- As per the Company's Policy, interest on loans given to employees is recovered after repayment of the principal loan amount.
- Other Income includes prior period CC Charges of Rs.17.72 Crore, income in respect of Incidental charges for an amount of Rs.69.97 Crore and Storage and Handling Charges of Rs.3.80 Crore.

23 Power Purchase Cost

Particulars	2021-22 Rs. in Crore	2020-21 Rs. in Crore
Purchase of Power - Fixed Cost	8,910.20	8,035.47
Purchase of Power - Variable Cost	16,353.17	13,662.47
Transmission Charges	3,066.60	2,565.36
Other Power Purchase Costs	(300.29)	(560.24)
Total	28,029.68	23,703.06

24 Employee Benefit Expense

Particulars	2021-22 Rs. in Crore	2020-21 Rs. in Crore
Salaries and incentives	1,460.53	1,347.98
Artisans Remuneration	322.46	302.92
Contributions to Employees Provident Fund 1952	79.18	68.57
Artisans EPF and ESI Contributions	20.90	20.00
Pension Benefits	(67.18)	542.69
Director's Remuneration & Allowances	3.21	2.61
Director's Sitting Fees	-	0.01
Staff welfare expenses *	262.31	25.87
Less: Employee Cost Capitalised	(86.45)	(69.88)
Total	1,994.96	2,240.77



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.2687.06 Crore as per Tripartate Agreement. Balance 74% of Provision for Pension & Gratuity of Rs.7,647.79 Crore as per Actuarial Valuation Report, is the responsibility of the TSGENCO Master Trust as per Tripartate Agreement. Further, the TSSPDCL is making the payment of 74% of Pension & Gratuity on behalf of TS GENCO Master Trust and claiming the reimbursement of same on monthly basis from the TS GENCO Master Trust and the TS GENCO Master Trust is reimbursing the same. As such the Provision of maintaining 74% of Pension & Liability is not required to provide in the books of TSSPDCL.

* Staff Welfare Expenses includes provision for Medical Expenses (reimbursement) of Rs.233.65 Crore on the basis of Actuarial Valuation Report. The same has not been provided/created up to previous Financial Year 2020-21.

Disclosures for the DISCOM P & G Trust

(Employees recruited prior to 01.02.1999 and on roll as on 31.03.2022)

Annexure 1: Funded status of the plan

Particulars	As at March 31,2022	As at March 31,2021
	Rs. in Crore	Rs. in Crore
Present value of unfunded obligations	-	-
Present value of funded obligations	2,687.06	2,799.34
Fair value of plan assets	2,156.10	1,648.05
Net Liability (Asset)	530.96	1,151.29

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2022	As at March 31,2021
	Rs. in Crore	Rs. in Crore
Current service cost	68.04	69.82
Interest on obligation	206.65	164.17
Expected return on plan assets	(126.84)	(99.72)
Net actuarial loss/(gain)	(259.76)	313.22
Contributions to the Fund	375.00	175.00
Past service cost	-	-
Adjustment to the Opening Fund	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	(111.91)	272.48
Expenses deducted from the fund	-	-
Total Charge to P&L	(111.91)	272.48
Loss/(Gain) on obligation as per Annexure 3	(253.55)	332.97
Loss/(Gain) on assets as per Annexure 4	(6.21)	(19.75)
Net actuarial Loss/(Gain)	(259.76)	313.22



Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2022	As at March 31,2021
	Rs. in Crore	Rs. in Crore
Opening Defined Benefit Obligation	2,799.34	2,560.76
Current service cost	68.04	69.82
Interest cost	206.6	164.17
Actuarial loss (gain)	(253.55)	332.97
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	(133.42)	(328.38)
Benefits payable	-	-
Closing Defined Benefit Obligation	2,687.06	2,799.34

Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2022	As at March 31,2021
	Rs. in Crore	Rs. in Crore
Opening value of plan assets	1,648.05	1,353.57
Transfer in/(out) plan assets	-	-
Expenses deducted from the fund	-	-
Expected return	126.84	99.72
Actuarial gain and (loss)	6.21	9.75
Assets distributed on settlements	-	-
Contributions by employer	508.42	503.38
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(133.42)	(328.38)
Adjustment to the Opening Fund	-	-
Closing value of plan assets	2,156.10	1,648.05



Annexure 5: Reconciliation of net defined benefit liability

Particulars	As at March 31,2022	As at March 31,2021
	Rs. in Crore	Rs. in Crore
Net opening provision in books of accounts	1,151.29	1,207.19
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	(111.91)	272.48
Sub- Total	1,039.38	1,479.67
Benefits paid by the Company	133.42	(328.38)
Amounts transferred to 'payable account'		
Contributions to plan assets	375.00	19.75
Closing provision in books of accounts	664.38	1,151.29

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2022	As at March 31,2021
	%	%
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 31,2022	As at March 31,2021
	Rs. in Crore	Rs. in Crore
Current Liability*	-	-
Non-Current Liability	530.96	1,151.29
Net Liability	530.96	1,151.29

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



Annexure 8: Table of experience adjustments

Particulars	As at March 31,2022	As at March 31,2021
	Rs. in Crore	Rs. in Crore
Defined Benefit Obligation	2,687.06	2,799.34
Plan Assets	2,156.10	1,648.05
Surplus/(Deficit)	(530.96)	(1,151.29)
Experience adjustments on plan liabilities	(253.55)	292.22
Actuarial loss/ (gain) due to change in demographic assumption		(9.86)
Actuarial loss/(gain) due to change in financial assumptions		(0.92)
Experience adjustments on plan assets	(6.21)	(19.75)
Net actuarial loss/ (gain) for the year	(259.76)	261.70

Annexure 9: Principle Actuarial Assumptions

Particulars	As at March 31,2022	As at March 31,2021
Discount Rate for Gratuity and Pension	6.96%	6.91% - Gratuity & 6.41%
Expected Return on Plan Assets	Not available	Not available
Salary Growth Rate	9.00%	9.00%
Pension Growth Rate	4.00%	4.00%

Earned Leave Encashment for all Employees on roll as on 31.03.2022**Annexure 1: Funded status of the plan**

Particulars	As at March 31,2022	As at March 31,2021
Present value of unfunded obligations	1,015.16	1,048.47
Present value of funded obligations		
Fair value of plan assets		
Net Liability (Asset)	1,015.16	1,048.47



Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2022	As at March 31,2021
Current service cost	42.11	30.68
Interest on obligation	71.99	60.57
Expected return on plan assets	-	-
Net actuarial loss/(gain)	(134.12)	102.73
Past service cost		-
Losses/(gains) on curtailments and settlement		-
Total included in 'Employee Benefit Expense'	(20.02)	193.98
Expenses deducted from the fund		-
Total Charge to P&L	(20.02)	193.98
Loss/(Gain) on obligation as per annexure 3		-
Loss/(Gain) on assets as per annexure 4	-	
Net actuarial Loss/(Gain)	(134.12)	102.73

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2022	As at March 31,2021
Opening Defined Benefit Obligation	1,048.47	913.99
Transfer in/(out) obligation	-	-
Current service cost	42.11	30.68
Interest cost	71.99	60.57
Actuarial losses/ (gains)	(134.12)	102.73
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	(13.29)	59.51
Closing Defined Benefit Obligation	1,015.16	1,048.47

* 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 31,2022	As at March 31,2021
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 31,2022	As at March 31,2021
Net opening provision in books of accounts	1,048.47	913.99
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee benefit expense as per annexure 2	(20.02)	193.98
	1,028.45	1,107.97
Benefits paid by the company	(13.29)	(59.51)
Contributions to plan assets	-	-
Closing provision in books of accounts	1,015.16	1,048.47

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2022	As at March 31,2021
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 31,2022	As at March 31,2021
Current Liability*	54.17	54.10
Non-Current Liability	960.99	994.36
Net Liability	1,015.16	1,048.47

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



Annexure 8: Table of experience adjustments

Particulars	As at March 31,2022	As at March 31,2021
Defined Benefit Obligation	1,015.16	1,048.47
Plan Assets	-	-
Surplus/(Deficit)	(1,015.16)	(1,048.47)
Experience adjustments on plan liabilities	(98.84)	91.40
Actuarial loss/(gain) due to change in financial assumptions	(35.28)	(6.16)
Actuarial loss/ (gain) due to change in demographic assumption		17.49
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	(134.12)	102.73

Annexure 9: Principle Actuarial Assumptions

Particulars	As at March 31,2022	As at March 31,2021
Discount Rate	7.34%	6.91%
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 31,2022	As at March 31,2021
Present value of unfunded obligations	206.33	173.18
Present value of funded obligations		
Fair value of plan assets		
Net Liability (Asset)	206.33	173.18

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2022	As at March 31,2021
Current service cost	8.57	3.52
Interest on obligation	11.90	10.55
Expected return on plan assets	-	-
Net actuarial loss/(gain)	14.60	7.16
Recognised Past Service Cost	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	35.07	21.24
Expenses deducted from the fund	-	-
Total Charge to P&L	-	-
Loss/(gain) on obligation as per Annexure 3	14.60	7.16
Loss/(gain) on assets as per Annexure 4	-	-
Net actuarial loss/(gain)	14.60	7.16

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2022	As at March 31,2021
Opening Defined Benefit Obligation	173.18	156.20
Transfer in/(out) obligation	-	-
Current service cost	8.57	3.52
Interest cost	11.90	10.55
Actuarial loss (gain)	14.60	7.16
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	(1.92)	-
Closing Defined Benefit Obligation	206.33	173.18



Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2022	As at March 31,2021
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 31,2022	As at March 31,2021
Net opening provision in books of accounts	173.18	156.20
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Annexure 2	35.07	21.24
	208.25	173.18
Benefits paid by the Company	(1.92)	-
Contributions to plan assets	-	-
Closing provision in books of accounts	206.33	173.18

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2022	As at March 31,2021
	%	%
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 31,2022	As at March 31,2021
Current Liability*	1.37	0.79
Non-Current Liability	204.96	172.39
Net Liability	206.33	173.18

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2022	As at March 31,2021
Defined Benefit Obligation	206.33	173.18
Plan Assets	-	-
Surplus/(Deficit)	(206.33)	(173.18)
Experience adjustments on plan liabilities		22.72
Actuarial loss/(gain) due to change in financial assumptions		(1.84)
Actuarial loss/ (gain) due to change in demographic assumption		(13.71)
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	14.60	7.16

Annexure 9: Principle actuarial assumptions

Particulars	As at March 31,2022	As at March 31,2021
Discount Rate	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 31,2022	As at March 31,2021
Present value of unfunded obligations	58.85	42.03
Present value of funded obligations		
Fair value of plan assets		
Net Liability (Asset)	58.85	42.03

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2022	As at March 31,2021
Current service cost	11.87	10.53
Interest on obligation	2.90	-
Expected return on plan assets	-	-
Net actuarial loss/(gain)	-	-
Recognised Past Service Cost	-	31.50
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	16.82	42.03
Loss/(gain) on obligation as per Annexure 3	-	-
Loss/(gain) on assets as per Annexure 4	-	-
Net actuarial loss/(gain)	2.05	42.03

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2022	As at March 31,2021
Opening Defined Benefit Obligation	42.03	-
Transfer in/(out) obligation	-	-
Current service cost	11.87	10.53
Interest cost	2.90	-
Actuarial loss (gain)	2.05	-
Past service cost	-	31.50
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Closing Defined Benefit Obligation	58.85	42.03



Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2022	As at March 31,2021
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 31,2022	As at March 31,2021
Net opening provision in books of accounts	42.03	-
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Annexure 2	16.82	42.03
	-	-
Benefits paid by the Company	-	-
Contributions to plan assets	-	-
Closing provision in books of accounts	58.85	42.03

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2022 %	As at March 31,2021 %
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 31,2022	As at March 31,2021
Current Liability*	0.08	0.05
Non-Current Liability	58.77	41.98
Net Liability	58.85	42.03

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2022	As at March 31,2021
Defined Benefit Obligation	58.85	42.03
Plan Assets	-	-
Surplus/(Deficit)	(58.85)	42.03
Experience adjustments on plan liabilities	7.52	-
Actuarial loss/(gain) due to change in financial assumptions	(5.47)	-
Actuarial loss/ (gain) due to change in demographic assumption	-	-
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	2.05	42.03

Annexure 9: Principle actuarial assumptions

Particulars	As at March 31,2022	As at March 31,2021
Discount Rate	7.33%	6.91%
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	9.00%	9.00%
Withdrawal Rates	0%	0%



25 Operation & Other Expenses

Particulars	2021-22	2020-21
	Rs. in Crore	Rs. in Crore
Advertisement	1.27	0.46
Consultancy Charges	1.92	3.51
Contract Labour Charges	14.56	16.11
Electricity Charges	7.69	7.66
Insurance	0.36	0.22
Inventories Handling Charges	0.97	0.68
Legal Charges	0.86	1.77
License fees - TSERC	5.93	5.93
Office Maintenance	0.82	1.66
Other Expenses	8.98	10.50
Postage & Telegrams	0.14	0.12
Printing & Stationery	6.64	4.76
Professional Charges	34.19	28.64
R&M - Others	7.72	5.36
Rates & taxes	3.66	3.63
Rent	0.57	0.38
Repairs to Buildings & Civil works	8.99	5.44
Repairs to Plant and Machinery	137.63	134.30
Repairs to Vehicles	2.10	2.26
Telephone & Communication	6.26	6.32
Training Exp	0.12	0.18
Travelling Expense	27.70	17.65
Vehicle Hire charges	44.68	39.57
Vidyut Ombudsman Exp	0.62	0.52
Payments to the auditor	0.17	0.16
Office Maintenance Tea Snacks	1.47	1.00
Office Maintenance other expenses	1.87	1.88
Office Maintenance Cleaning expenses	0.08	0.08
Less: Administration & General Exp Capitalised	(15.20)	(12.27)
Total	312.77	288.48

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	2021-22	2020-21
	Rs. in Crore	Rs. in Crore
Interest expense		
Long Term Loans	433.62	461.07
Short Term Loans	1,369.13	1,065.57
Consumption Deposits	147.37	148.06
Others		
On FRP Bonds	152.83	152.83
On Other Liabilities	142.96	0.41
Bank Charges	112.81	88.79
Less: Interest Capitalised	(12.95)	(11.27)
Total	2,345.77	1,905.46

27 Exceptional Items

Particulars	2021-22	2020-21
	Rs. in Crore	Rs. in Crore
Assets Scrapped	0.74	0.52
Provision for Bad Debts	(146.86)	150.88
Compensation Paid to Electrical Accidents	19.95	11.53
Others	(2.53)	(2.40)
Price Variation	15.15	0.02
Revenue grant under UDAY Scheme	(6,228.00)	-
Prior Period Items	-	(598.29)
Total	(6,341.55)	(437.74)

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.8925.00 Crore for TS Discoms, out of which TSSPDCL share is of Rs.6228.00 Crore (i.e. Rs.392.00 Crore towards 10% loss of 2017-18, Rs.1242.00 Crore towards 25% loss of 2018-19, Rs.2470.00 Crore towards 50% loss of 2019-20 and Rs.2124 Crore towards 50% loss of 2020-21). The same is recognised during F.Y. 2021-22 under Exceptional Items as the funds received from GoTS in the F.Y. 2022-23 before closure of Financials for 2021-22.

The payment of Interest of Rs.598.29 Crore against loans transferred to APSPDCL on account bifurcation of Anantapur and Kurnol from 2014-15 to 2019-20 is transferred as receivables from APSPDCL and shown in prior period items in 2020-21.



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

Particulars	As at March 31,2022	As at March 31,2021
	(Rs. in crore)	(Rs. in crore)
(i) Contingent Liabilities		
(a) Entry Tax	206.71	207.70
(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	93.25
(e) Service Tax	206.26	206.26
(f) Employee Provident Fund	11.47	14.30
(g) Late Payment Surcharge raised by Singareni Thermal Power Plant	3182.55	0.00
Sub Total (i)	4,033.54	609.77
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	379.78	304.21
Sub Total (ii)	379.78	304.21
Grand Total (i+ii)	4,413.32	913.98

29. Analytical Financial Ratios

Particulars	Numerator	Denominator	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021	Variance in %
1. Current Ratio (In Times)	Current assets	Current liabilities	0.65	0.61	(6.42)
2. Debt-Equity Ratio (In Times)	Total Debt	Shareholder's Equity	(1.03)	(1.11)	7.46
3. Debt Service Coverage Ratio, (In Times)	EBITDA	Total Debt Service	0.60	(0.37)	262.59*
4. Return on Equity Ratio (In%)	Net Profits after taxes	Avg. Shareholder's Equity	(3.67)	(24.93)	85.26*
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	2.03	2.03	(0.26)
7. Trade payables turnover ratio (In Times)	Total Purchases	Trade Payables	0.97	1.19	18.35
8. Net capital turnover ratio (In Times)	Total Sales	Working Capital	(1.78)	(1.95)	8.50
9. Net profit ratio (In %)	Net Profit	Total Sales	(2.32)	(17.59)	86.82*
10. Return on Capital employed (In Times)	EBIT	Capital Employed	4.05	(1.44)	381.42*
11. Return on Investment (In %)	Net Income on Investment	Cost of Investments	8.95	9.17	2.42



(*) Reasons for variance : 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.6228.00 Crore, the Earnings before Interest, Tax and Depreciation has improved. Accordingly Debt Service Coverage Ratio, Return on Equity Ratio, Net Profit Ration and Return on Capital employed has improved.

30. 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.
31. Income Tax Dept. has issued final Assessment Orders in respect of Assessment Year 2018-19 where in an amount of Rs.246.04 Crore u/s 270A of Income Tax Act. Aggrieved by the Orders, the same has been appealed before Hon'ble Commissioner of Income Tax (Appeals) duly depositing of Rs.1 Crore. The 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.
32. 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.
33. 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).
34. 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.
35. AP Transco claimed transmission charges, SLDC Operating Charges and Annual Fee for the period from 01st June, 2014 to 30th October, 2016. As decided by management of TSPCC, AP Transco claims are not accounted in the books. In view of this, there is no mandate to AP Transco to claim any transmission and SLDC charges beyond the direction of Hon'ble Commission.
36. 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.
37. With regard to the FCA claimed by the Chhattisgarh State Power Distribution Company Limited, TSDISCOMS filed a petition before the Hon'ble Appellate Tribunal for Electricity (APTEL) contending that the completed capital cost approved by CSERC is on high side and pleaded before the APTEL to consider the reasonable cost. the provision and expenditure accounted by TSDISCOMS is well within the limits proposed in CSERC orders. Therefore, there is no understatement of the Power Purchase cost.



38. VAT audit completed up to 06/2017. Sales Tax assessment is completed up to 2017-18.
39. The company has appointed Cost auditor and cost audit is completed up to the financial year 2020-21.
40. AP Genco has filed the petition before the Honorable National Company Law Tribunal for initiating corporate insolvency process against the company for non-payment of dues. The same has been withdrawn by AP Genco in 2021-22.
41. Though the Company has negative net worth as at 31.03.2022, 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.
42. 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 2021-22 is Rs.3182.55 Crore.
43. STPP is 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 is calculating on receipt basis for admitting the Energy Bills. For which a letter was addressed to Hon'ble TSERC to address/removal of the aforesaid difficulty in terms of Clause 26.3 of the Tariff Regulation by issuing necessary amendemnet to the Regulation. The request is under active consideration by Hon'ble TSERC.

44. Quantitative Information

Particulars	2021-22	2020-21
Energy Input (Discom) (KWH in MU)	46,793.72	44,492.99
Sale of Energy (KWH in MUs)	42,518.30	40,329.94

45. Additional Regulatory Information

- 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 thereunder.
 - 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.
 - The Company has not been declared as a Willful defaulter by any bank, financial institution or lender.
 - The Company has utilized the funds borrowed from the banks and financial institutions for the purposes for they are borrowed.
 - 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
46. The requirements of the following Accounting Standards issued by the ICAI are not applicable to the Company



AS 7 Construction Contracts

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

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

AS 21 Consolidated Financial Statements, since the Company does not have any Subsidiary Company.
AS 23 Accounting for Investments in Associates in Consolidated Financial Statements

AS 25 Interim Financial Reporting

AS 27 Financial Reporting of Interest in Joint Ventures

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

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

Sd/-
V. Narasimha Pani
Partner
M. No 204332
Date: 27.07.2022
Place: Hyderabad

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

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





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

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, 2022 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, 2022, 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.101.65 Crore is not in accordance with Accounting Standard-10: “Property Plant and Equipment”, as the same is not attributable as expenditure incurred directly to bring the said assets to working condition.
 - b) As stated in Accounting Policy No.1.8, recognition of the contributions received from consumers and specific grants from the State/Central governments or their agencies for creation of tangible assets as “Reserves” on receipt basis, even before the creation of the said assets and adjustment of the same against depreciation on the proportionate value of the assets built out of the said contributions and grants, instead of the specific assets created with the said contributions/grants, which is contrary to Accounting Standard 12 “Accounting for Government Grants”.





- c) Non-recognition of the “parcels of land” received at free of cost from State Government and its agencies in the books of account, as required by Accounting Standard 12 “Accounting for Government Grants”.
2. Consequent to the creation of the State of Telangana, in accordance with the Andhra Pradesh Reorganization Act, 2014, the Anantapur and Kurnool operating business circles of the company have been reassigned to APSPDCL with effect from 2nd June, 2014 in accordance with G.O.Ms.No.24 dated 29th May 2014 issued by State of Andhra Pradesh. The company has recognized the transfer of assets and liabilities in the financial year 2015-16 of these two circles in its books of account, as per the “Basis of Apportionment” mentioned in the said G.O. which is approved by the Expert Committee constituted by the Government of India, which is computed under the “pooling of interest” method. The company instead of recognizing the share of the said two circles in the “Share Capital” of Rs.325.28 Crore as a reduction in the share capital, recognized Rs.723.01 Crore as “Capital Reserve” resulting in understatement of its negative net-worth by Rs.1,048.29 Crore and consequential overstatement of “Receivables.”
3. Amount of Rs.3182.55 Crore towards surcharge on late payment payable to Singareni Thermal Power Plant (STPP) for the financial years 2019-20, 2020-21 & 2021-22 is neither paid nor provided in the books of account resulting in understatement of Reserves & Surplus and Trade Payables to the same extent.
4. The Company has applied depreciation rates notified by the Ministry of Power (MoP) vide S.O.266 (E) dated 29th March, 1994 in respect of the Tangible Assets instead of adopting the depreciation rates notified by CERC vide its notification No.L-1/236/2018/CERC dated 7th March, 2019 as required by Schedule II of the Company Act,2013. This has resulted in overstatement of depreciation and amortization expenses and understatement of Plant, Property & Equipment as at 31st March, 2022 by Rs.393.13 Crore. Consequently, loss for the year is also overstated by the same amount.
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 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,2022
6. Actuarial valuation carried to arrive at Gratuity liability was made on the assumption that the maximum limit for gratuity payment is Rs.12,00,000/-. However, the G.O. issued by Govt. Of Telangana the same is Rs.16,00,000/- and 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.
7. 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 31.03.2022 as per the requirement of Accounting Standard-13 “Accounting for Investments”. Due to non-availability of audited financial statements of APPDCL for F.Y. 2021-22, we are unable to ascertain its impact on the Financial Statements.
8. We report that the following accounts have not been reconciled as at 31st March, 2022 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.23.62 Crore.
 - b) Amount appearing under loan clearing (CPDCL) account with a debit balance of Rs.3.68 Crore.
9. Overall impact of the above Qualifications which are quantifiable is as follows:
- a) Understatement of Net loss for the year - Rs. 2798.72 Crore.
 - b) Understatement of Negative Net worth - Rs. 3,847.01 Crore.

Emphasis of Matters:

1. Consequent to the amendment brought in vide G.O.Ms.396 dated 09.06.2005 to the second transfer scheme notified vide G.O.Ms.142 dated 29.09.2001, the Company has incorporated in its books of account as on 01.04.2010, various assets, including fixed assets and liabilities towards power purchase, supplies & services received and balances outstanding in respect of the loans, representing term loans, cash credits, working capital loans received from various banks and financial institutions, other receivables from the State Government of AP, of the amounts mentioned in the two notifications referred to above. We understand that the above amounts, at which the various assets and liabilities are recognized in the books of account as on that date, are provisional and accordingly are subject to further adjustments as may be determined by the State Government.
2. We draw your attention to Note No. 1.16 (a) (ii) wherein, the State Government of Andhra Pradesh amended retrospectively with effect from 09.06.2005, the share of each DISCOM in various bulk supply power purchase agreements vide its notification No.53 Energy (Power III) dated 28.04.2008. We are informed that the company has made a representation to give effect to the said revised sharing prospectively. Pending disposal of the company's representation, the contingent liability/receivables, if any, due to the said retrospective amendment of the share of the company in various bulk supply of power purchase agreements has not been disclosed in the books of account.
3. We draw your attention to Note No. 27 where in Exceptional Items includes Rs.6,228 Crore receivable under UDAY scheme (As per Tripartite Memorandum of Understanding) of which Rs.4,104 Crore pertains to Prior period, as detailed below:

Financial Year	Amount (Rs. Crore)
2018-19	392
2019-20	1,242
2020-21	2,470
Total	4,104

4. We draw your attention to Note No. 24 where in Employee benefit expenses does not include provision for Pension & Gratuity liability of Rs.7,647.79 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.
5. Current accounts maintained with various banks have Board excess, being cheques/cash deposited in banks and not appearing in banks' statements of account for Rs.26.14 Crore (of which Rs.1.42 Crore is outstanding for more than three months) and Bank excess, representing amounts credited by banks but not appearing in the books of account of the company of Rs.91.19 Crore as on 31.03.2022.



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

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

Material Uncertainty related to Going Concern

We draw attention to Note No. 41 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 system in place and the operating effectiveness of such controls.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements





may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements:

- 1) As required by 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 over financial reporting 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.
 - 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/-

V. Narasimha Pani

Partner

M. No 204332

UDIN: 22204332ANSFTR3083

Place: Hyderabad

Date: 27.07.2022



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 2021-22, 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.0.59 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.23.62 Crore. 3. Revenue module is not fully integrated with FICO module and variances are duly adjusted.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc, made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	<p>During the year under consideration, there is no case of restructuring of any existing loan or case of waiver/write off of debts/loans/interest etc. by a lender to the Company except in the case of conversion loan from of Part-A IT Government of India amounting to Rs.167.84 Crore along with accrued interest of Rs.59.05 Crore into Grants. The same is 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: 27.07.2022

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

Sd/-
V. Narasimha Pani
Partner
M. No 204332
UDIN: 22204332ANSFTR3083



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 over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited) (“the Company”), Hyderabad, as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

A. Management’s Responsibility for Internal Financial Controls

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

B. Auditors’ Responsibility

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





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

C. Meaning of Internal Financial Controls over Financial Reporting

5. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
- 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 over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

E. Qualified Opinion

7. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the company's internal controls over financial reporting as at 31st March, 2022;
8. Absence of control in respect of:
- Seeking balance confirmations and performing periodical reconciliations of various receivables, payables, deposits, advances etc.
 - Capitalization of capital work orders without work order completion certificates and non-closure of work orders.
 - Reconciliation of various modules information with Finance module in SAP.



9. A material weakness is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is reasonable possibility that a material misstatement/(s) of the company's annual financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" and except for the possible effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the company's internal financial controls over financial reporting were operating effectively as at 31st March, 2022.

For Ramanatham & Rao

Chartered Accountants

Firm Registration Number: S-2934

Place: Hyderabad

Date: 27.07.2022

Sd/-

V. Narasimha Pani

Partner

M. No 204332

UDIN: 22204332ANSFTR3083



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, 2022.

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) We are informed by the company that purchase/gift/lease deeds are generally executed in respect of “parcels of land” purchased/gifted/given on long term lease up to 99 years to the company by private parties, which are generally kept at various field offices of the company and accordingly complete details along with the said deeds could not be provided to us, except a very few deeds executed during the year under audit. We are also informed by the company that in respect of the “parcels of land” alienated to it by the State Government or its agencies other than the letters of alienation/allotment/physical handing over, no other legal documents are generally executed and that the said letters are available with various field offices of the company and accordingly complete details along with the said letters could not be provided to us, except a few letters executed. Accordingly, we are unable to report whether appropriate legal documents evidencing the title of the company in respect of all the immovable properties owned by the company are available with the company.
- 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, 2022 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 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	174.07	223.66	(49.59)
ii) Receivables	10,989.66	12,456.63	(1,466.97)
As on Sep 30th			
i) Stocks	179.83	231.77	(51.94)
ii) Receivables	11,177.4	12,673.13	(1,495.73)
As on Dec 31st			
i) Stocks	207.28	258.50	(51.22)
ii) Receivables	13,046.62	12,630.22	416.40
As on March 31st			
i) Stocks	175.14	222.82	(47.68)
ii) Receivables	12,578.93	12,436.39	142.54

iii) During the year the Company has not made any investments, 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, in respect of which:

- 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	9.43
Balance outstanding as at balance sheet date in respect of above cases	38.27

- b) In our opinion, 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 General Provident Fund (GPF) 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, 2022 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	0.11

- b) As on 31st March, 2022, 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, 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
		Penalty Proceedings u/s 270A of Income Tax Act.	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) and term loans 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 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, however the Company has suspended internal audit for first quarter (01.04.2021 to 30.06.2021) due to prevailing COVID situation.
- 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 and is not a Core Investment company, as defined in the regulations of the Reserve Bank of India. Hence, reporting under clause 3(xvi) of the Order is not applicable.
- b) 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 and there are Core Investment companies in the group. Hence, reporting under clause 3(xvi) (d) of the Order is not applicable.
- xvii) The Company has not incurred cash loss during the financial year covered by our audit and however the Company has incurred a cash loss of Rs.3,931.47 Crore during the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of 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.
- xx) Provisions of Corporate Social Responsibility (CSR) are not applicable to the company, hence clause 3 (xx) is 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.

Place: Hyderabad

Date: 27.07.2022

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

Sd/-
V. Narasimha Pani
Partner
M. No 204332
UDIN: 22204332ANSFTR3083





**C&AG
REPORT**



OFFICE OF THE ACCOUNTANT GENERAL (Audit) Telangana, Hyderabad

Lr.No.AG (Audit)/AMG-II(Power)/TSSPDCL/AA-21-22/2022-23/64

Dated: 28.09.2022.

To
The Chairman and Managing Director,
Southern Power Distribution Company of Telangana Limited,
6-1-150, 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, Hyderabad for the year ended 31 March 2022.



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 31 March 2022 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 furnished.

2. The date of forwarding the Annual Report and 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 may be furnished in due course.

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

Yours faithfully,

Sd/-

Deputy Accountant General/AMG-II



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED FOR THE YEAR ENDED 31 MARCH 2022.

The preparation of financial statements of Southern Power Distribution Company of Telangana Limited for the year ended 31 March 2022 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 is responsible for expressing opinion on the financial statements under section 143 of the Act based on Independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 July 2022.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of financial statements of the Southern Power Distribution Company of Telangana Limited for the year ended 31 March 2022 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 better understanding of the financial statements and the related audit report:

A. Comments on Disclosure:

- (1) During the year, the Company recognized Retail Supply Tariff & Cross Subsidy Surcharge as per the tariff determined by the Regulatory Commission for the year 2018-19 which was extended for the year 2021-22. The Company filed the petitions for determination of Average Revenue Requirement (ARR) for financials year 2019-20, 2020-21 and 2021-22 on 31.03.2022, which was not approved by the commission as the ARR were not filed within the stipulated period. The above facts were not disclosed in the Notes to Financial Statements.
- (ii) During the year, the Company has recognized additional surcharge for the period 01.04.2021 to 31.12.2021 at Rs. 0.52/Kwh determined by the Regulatory Commission for the year 2018-19 which was extended for the year 2021-22. Though the Company had filed petition for determination of additional surcharge for the year 2021-22, the Commission has determined the additional surcharge at Rs. 0.96/Kwh and made it applicable only for the period 01.01.2022 to 31.03.2022 due to delayed filing of the petition. The above facts were not disclosed in the Notes to Financial Statements.
- iii) Ministry of Power had allocated (November 2014) 50 MW of 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. 9.38 Crore (being 70.55 percent of total amount of Rs. 13.30 Crore) due to delay in payment of bills in respect of Kudanakulam Atomic Power plant. However, the LPS claims were not admitted by the Company on the grounds that there are not agreed provisions mandating LPS. The facts should have been disclosed in the Notes to Financial Statement.



- iv) Singareni Thermal Power Plant (STPP) submitted (June 2019) power bills for the period from 2016-17 to 2018-19 towards additional coal bills, incentive, water changes and other changes to the Telangana State Power Coordination Committee (TSPCC), which decided to defer the claim till STPP obtains the approval of the TSERC for additional claims amounting to Rs. 122.04 Crore, being the Company's share of 70.55 per cent of total Rs. 172.99 Crore. The facts should have been disclosed in the Notes to Financial Statements.
- v) The Company along with Northern Power Distribution Company of Telangana Limited entered into a Power Purchases Agreement (PPA) with National Thermal Power Corporation (NTPC) and National Vidyut Vyapar Nigam Limited (NVVNL) for purchase of solar power (400 MW) and thermal power (200MW) under Jawaharlal Nehru National Solar Mission (JNNSM) phase II. NTPC/NVVNL were to sign back to back PPAs with Solar Power Developers (SPDs) to purchase solar power and sell them to the Telangana DISCOMs. During the year 2019-20, NTPC raised claims of Rs. 83.65 Crore towards GST incurred by SPDs in purchasing the solar panels (Which includes Rs. 31.46 Crore towards Late payment Surcharge (LPS) due to not admitting of the GST claims), of which the Company's share is Rs. 59.01 Crore which were not admitted by the Company. The Company filed (2019) petition before Appellate Tribunal for Electricity (APTEL) challenging the claims of NTPC. The facts should have been disclosed in the Notes to Financial statements.

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

Sd/-

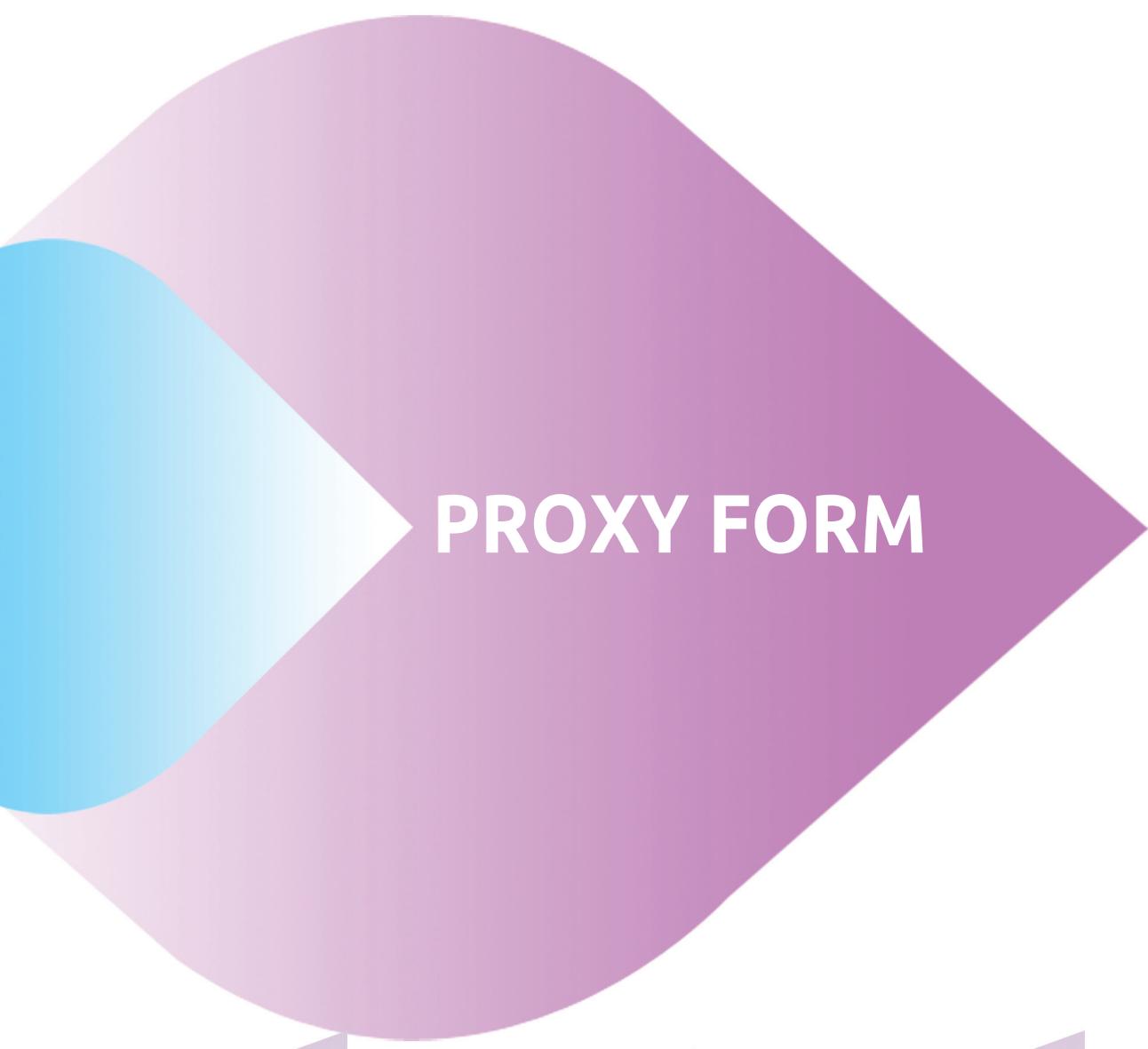
(J S Karape)

Principal Accountant General (Audit)

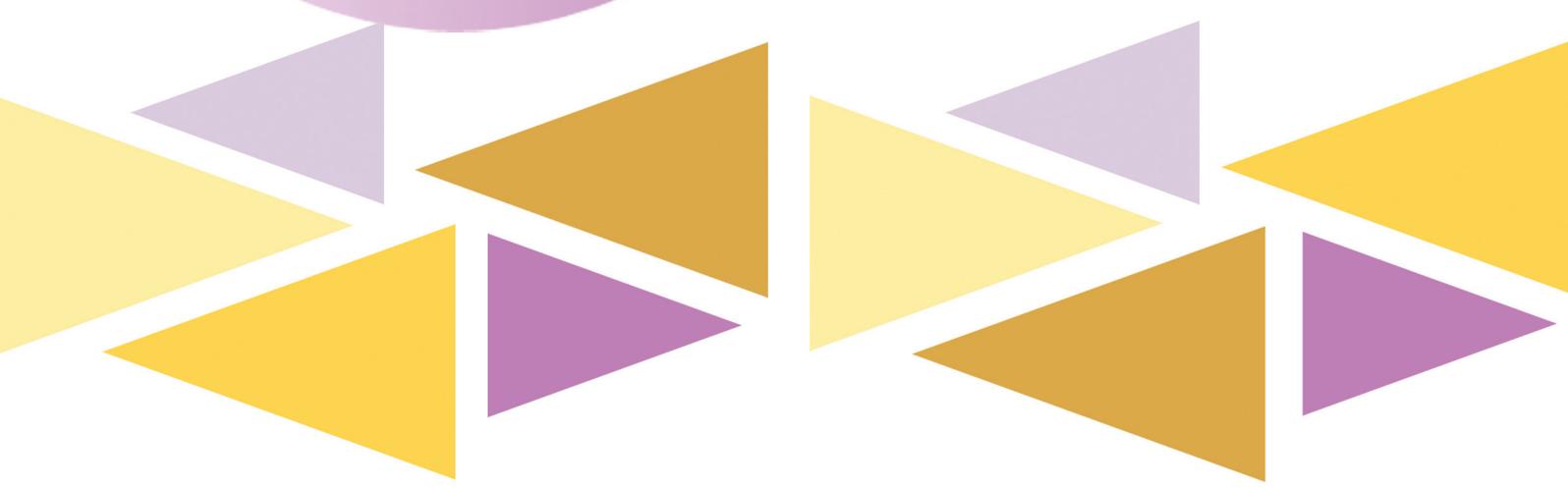
Place: Hyderabad.

Date: 28.09.2022





PROXY FORM



PROXY FORM

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

(Formerly Central Power Distribution Company of Andhra Pradesh Ltd)

Form No. MGT -11

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at theAnnual General Meeting/extra ordinary general meeting of the Company, to be held on the.....**the** September, 2022 **at** the Registered office of the company at 6-1-50, Mint Compound, Hyderabad -63 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

-
-
-

Signed this day of

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

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



AVERAGE REALISATION FROM SALE OF POWER

Average Realisation from sale of power Schedule - 3 for F.Y. 2021-22

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	2020-21 Average Realisation (Rs/Unit) (kvah)
L.T. Cat.-I Domestic	7121821	9335.21	9335.59	4,401.59	21.66	4.71	4.72
L.T. Cat.-II Non-Domestic	1010316	2468.34	2583.04	2,691.93	5.99	10.42	10.41
L..T.Cat-III Industrial	44611	892.18	977.17	781.38	2.27	8.00	7.90
L.T. Cat-IV Cottage Industries	4410	8.98	8.98	4.20	0.02	4.68	4.55
L.T. Cat-V Agriculture	1262600	11724.36	11724.36	46.28	27.20	0.04	0.04
L.T. Cat-VI Street Lights	106561	462.19	462.19	299.93	1.07	6.49	6.37
L.T. Cat-VII General Purpose	23724	61.31	61.33	47.22	0.14	7.70	7.79
L.T. Cat-VIII Temporary Supply	10536	82.29	82.40	99.36	0.19	12.06	12.11
L.T. Cat-IX EVC	53	0.13	0.13	0.08	0.00	6.14	7.60
L.T. Total	9584632	25034.99	25235.19	8371.97	58.55	3.32	3.15
H.T. Cat.I Industrial	5772	11920.48	12100.24	9,177.70	28.07	7.58	8.10
H.T. Cat.II Others	3999	2271.42	2327.36	2,305.80	5.40	9.91	10.22
H.T. Cat.III Aviation	12	50.86	50.82	38.06	0.12	7.49	7.62
H.T. Cat.IV Agricultural	307	2533.44	2597.20	1,629.69	6.03	6.27	6.85
H.T. Cat.V Railway Traction	13	364.23	368.17	241.49	0.85	6.56	6.80
H.T. Cat.VI Residential	200	246.27	247.30	164.36	0.57	6.65	6.59
H.T. Temp.	379	154.91	171.07	243.13	0.40	14.21	14.88
H.T. Cat-IX EVC	3	3.42	3.42	2.00	0.01	5.85	6.25
H.T. Total	10685	17545.03	17865.58	13802.23	41.45	7.73	8.20
L.T. + H.T. Total	9595317	42580.02	43100.77	22,174.20	100.00	5.14	5.01
Add: Electricity Duty				181.95			
Gross Revenue				22,356.15			



TELANGANA STATE





స్వతంత్ర భారత వజ్రోత్సవాలు

తెలంగాణ రాష్ట్రం

SPDCL





**ENERGY SAVED IS
ENERGY PRODUCED**

**SOUTHERN POWER DISTRIBUTION
COMPANY OF TELANGANA LIMITED**

(A Govt. of Telangana Undertaking)
CIN No. U40109TG200SGC034116
6-1-50, Mint Compound, Hyderabad 500063.
Visit us at : www.tssouthernpower.com